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I

(Resolutions, recommendations and opinions)

OPINIONS

EUROPEAN ECONOMIC AND SOCIAL COMMITTEE

492ND PLENARY SESSION HELD ON 18 AND 19 SEPTEMBER 2013

Opinion of the European Economic and Social Committee on 'Enhancing civil society partnerships to deliver the Baltic Sea Region Strategy more effectively in 2014-20' (exploratory opinion)

(2013/C 341/01)

Rapporteur: **Mr SMYTH**

On 15 April 2013, the Vice-Minister of Foreign Affairs of the Republic of Lithuania, Vytautas Leškevičius, asked the European Economic and Social Committee, on behalf of the forthcoming Lithuanian Presidency, to draw up an exploratory opinion on

Enhancing civil society partnerships to deliver the Baltic Sea Region Strategy more effectively in 2014-2020.

The Section for Economic and Monetary Union and Economic and Social Cohesion, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 15 July 2013.

At its 492nd plenary session, held on 18 and 19 September 2013 (meeting of 19 September), the European Economic and Social Committee adopted the following opinion by 148 votes to 0 with 2 abstentions.

1. Introduction

1.1 This opinion sets out an argument that an effective way of strengthening civil society partnerships in delivering the Baltic Sea Region Strategy is through the implementation of the partnership principle as set out in the Commission's code of conduct partnership.

1.2 The code of conduct partnership enjoys the support of the European Parliament, the Committee of the Regions and the EESC but is not yet endorsed by the Council. This remains a significant challenge for supporters of the partnership principle.

1.3 The EESC acknowledges that there is incomplete political support for the code of conduct among Baltic Member States and that the culture of partnership needs to be strengthened.

1.4 The EESC recommends that the Baltic Sea Region Strategy could informally embrace the process outlined in the code of conduct and apply it to the ongoing evolution and implementation of the Baltic Sea Region Strategy.

1.5 There is sufficient organisational experience and competence in the Baltic Sea Region to build upon to undertake the enhanced monitoring role envisaged under the code of conduct.

1.6 The Baltic could also emulate the Danube Strategy by establishing a Baltic Civil Society Forum. The EESC played a prominent role in the formation of the Danube Civil Society Forum and stand ready to play a similar coordinating role in the Baltic.

2. Macro-regional cooperation strategies

2.1 The concept of a macro-region first entered the vocabulary of the EU in 2007 as part of the political debate about appropriate forms of territorial governance. Subsequently macro-regional cooperation strategies were adopted for the Baltic Sea region (2009) and the Danube region (2011).

2.2 The Baltic Sea Region Strategy, as the first attempt at cooperation at macro-regional level, was initially a test case for this new model of regional cooperation. At its heart is a simple view that in a region such as the Baltic Sea serious problem such as maritime safety, environmental pollution and access ability can only be tackled and overcome through effective cooperation. In addition the precise geography of a macro-region can vary according to the definition and nature of the problem to be tackled. A former Commissioner for regional policy put this point succinctly when he stated that a macro-regional strategy is defined "on the basis of the challenges and transnational opportunities that require collective action".

2.3 The Baltic Sea Region Strategy has three main objectives: to save the sea, to connect the region and to increase prosperity. In order to achieve this, the Member States and the Commission have agreed on an Action Plan with 15 Priority Areas and about 80 different Flagship Projects.

2.4 The Baltic Sea Region Strategy has built upon existing levels of cooperation in the region and has been underway for four years. It has engendered a high level of cooperation between participating countries and regions. Multilevel governance has operated to coordinate national and regional authorities to improve maritime safety and to achieve a reduction in eutrophication levels in the Baltic. The EU has organised annual Civil Society Forums in the context of EUSBSR, since its establishment in 2009.

2.5 The economic performance of the region has not been hindered by the outworking of the strategy. The Baltic Sea region recovered in 2010 more quickly than other parts of Europe and retained solid growth rates throughout 2011. In 2012 the pace of growth slowed to 1,5 %, still well above the EU average. The outlook for 2013 remains muted but the region should still outperform its European peers, according to the Baltic Development Forum.

3. The partnership principle

3.1 The EESC has long held the view that genuine partnership is necessary for the overall effectiveness of EU cohesion policy. Partnership is a means of achieving sustainable economic and social development. It is enshrined in the mechanism for delivering cohesion policy and formally set out in Article 11 of the general regulation.

3.2 The interpretation of article 11 by Member States has been problematic with some countries paying only lip service

while others fully embraced the partnership principle. In April 2012 the Commission proposed a code of conduct partnership in the implementation of the common strategic framework in an attempt to set out a formal mechanism for the effective participation of all stakeholders in cohesion policy.

3.3 The Commission's proposed code of conduct partnership contains a set of minimum requirements which are necessary to attain a high quality partnership in the implementation of the funds while maintaining ample flexibility to Member States in ways they organise the participation of the different partners. The European code of conduct on partnership states that "public authorities, economic and social partners, and bodies representing civil society may establish, in their respective area of intervention, platforms or umbrella organisations to facilitate their involvement in the partnership. They may nominate a single representative to present the views of the platform or the umbrella organisation in the partnership. Principles to consider when partners nominate their representatives would include: competence, capacity to participate actively, and appropriate level of representation".

3.4 The Commission's proposals are supported by the European Parliament, the EESC and the Committee of the Regions. The European Council however deleted the code of conduct from the Commission's overall set of proposals. This stand-off is unfortunate and demands concerted action from all supporters of the partnership principle to overcome it.

3.5 The code of conduct identifies three categories of partners constituting the partnership in cohesion policy:

- competent regional and local authorities, urban and other public authorities;
- economic and social partners;
- bodies representing civil society, including environmental partners, non-governmental organisations and bodies responsible for promoting equality and non-discrimination.

3.6 It also sets out a set of principles for involvement of different categories of partners in the preparation of programmes, the information to be provided on their involvement as well as at the various stages of implementation. According to the Commission, partners should be involved in:

- the analysis of disparities and development needs with reference to the thematic objectives, including those addressed by the country-specific recommendations;
- the selection of the thematic objectives, the indicative allocations of the ESI Funds and their expected main results;

- the list of programmes and the mechanisms at national and regional level to ensure coordination between the ESI Funds with other Union and national funding instruments and the EIB;
- arrangements to ensure an integrated approach to the use of the ESI Funds for the territorial development of urban, rural, coastal and fisheries areas and areas with particular territorial features;
- arrangements to ensure an integrated approach to address the specific needs of geographical areas most affected by poverty or of target groups at highest risk of discrimination or exclusion, with special regard to marginalised communities;
- the implementation of the horizontal principles defined in Articles 7 and 8 of the cohesion policy funds (CPR) general regulations.

3.7 In terms of the preparation programmes, partners should be involved in:

- the analysis and the identification of needs;
- the definition or selection of priorities and related specific objectives;
- the allocation of funding;
- the definition of programme specific indicators;
- the implementation of the horizontal principles as defined in Article 7 and 8 of the CPR;
- the composition of the monitoring committee.

3.7.1 The code also contains detailed set of principles for the rules of membership and governance of partnerships and monitoring committees.

3.7.2 In order for many of the smaller NGOs and other civil society organisations to take part effectively in this new partnership process, consideration should be given to providing them with adequate technical and financial assistance.

3.8 Although the Baltic Sea region strategy resulted from an unprecedented level of stakeholder consultation, it is fair to say that the partnership principle as outlined in the code of conduct is largely absent in the Baltic. Political "buy in" to the partnership principle remains to be achieved in some Member States.

3.9 There are several bodies and organisations operating successfully across the Baltic Sea Region with broad representation of civil society stakeholders. These could form the basis of a Baltic Partnership or umbrella organisation as envisaged in the code of conduct. There is no need to duplicate what is already in place.

3.10 In terms of cooperative relations with Russia, just as the new North West Federal District strategy has been influenced by the Baltic Sea Region strategy, a new partnership approach among the members of the Council of the Baltic States (CBSS) could have similar demonstration effects.

3.11 If the code of conduct could be broadly supported, it would help to galvanise stakeholder support once more for the Baltic Sea Strategy even during this very difficult period and in the period ahead. Just as the Baltic Sea Region Strategy was viewed as a test of macro-regional cooperation, the implementation of the partnership principle would be another first for the Baltic.

3.12 The appendix below sets out the partnership multilevel governance agreement between the Council and the European Parliament which could form the basis of the delegated act to give effect to a modified code of conduct partnership.

Brussels, 19 September 2013.

*The President
of the European Economic and Social Committee*
Henri MALOSSE

APPENDIX

Article 5 of the European Code of Conduct on Partnership as agreed between Council and the European Parliament on 19 December 2012

Partnership and multi-level governance

1. For the Partnership Agreement and each programme respectively, a Member State shall in accordance with their institutional and legal framework organise a partnership with the competent regional and local authorities. The partnership shall also include the following partners:

- a) competent urban and other public authorities;
- b) economic and social partners;
- c) relevant bodies representing civil society, including environmental partners, non-governmental organisations, and bodies responsible for promoting social inclusion, gender equality and non-discrimination.

2. In accordance with the multi-level governance approach, the partners referred to in paragraph 1 shall be involved by Member States in the preparation of Partnership Agreements and progress reports throughout the preparation and implementation of programmes, including participation in the monitoring committees for programmes in accordance with Article 42.

3. The Commission shall be empowered to adopt delegated act³ in accordance with Article 142 to provide for a European code of conduct in order to support and facilitate Member States in the organisation of the partnership in accordance with paragraphs 1 and 2. The code of conduct shall set out the framework, within which the Member States in accordance with their institutional and legal framework as well as their national and regional competences, shall pursue the implementation of partnership. The code of conduct, while fully respecting the principles of subsidiarity and proportionality, shall lay down the following elements:

- a) the main principles for transparent procedures to be followed for the identification of the relevant partners including, where appropriate, their umbrella organisations in order to facilitate Member States to designate the most representative relevant partners, in accordance with their institutional and legal framework;
- b) the main principles and best practices as regards the involvement of the different categories of relevant partners, as set out in paragraph 1, in the preparation of the Partnership Agreement and programmes, the information to be provided on their involvement, as well as at the various stages of implementation;
- c) the best practices as regards the formulation of the rules of membership and internal procedures of monitoring committees to be decided, as appropriate, by the Member States or the monitoring committees of programmes in accordance with the relevant provisions of this Regulation and the fund-specific rules;
- d) the main objectives and best practices in cases where the managing authority involves the relevant partners in the preparation of calls for proposals and in particular the best practices to avoid potential conflicts of interest in cases where relevant partners may be potential beneficiaries, and for the involvement of the relevant partners in the preparation of progress reports and in relation to monitoring and evaluation of programmes in accordance with the relevant provisions of this Regulation and the fund-specific rules;
- e) the indicative areas, themes and best practices in order that the competent authorities of the Member States may use the CSF Funds including technical assistance in strengthening the institutional capacity of relevant partners in accordance with the relevant provisions of this Regulation and the fund-specific rules;
- f) the role of the Commission in the dissemination of good practices;
- g) the main principles and best practices that will facilitate the Member States' assessment of the implementation of partnership and its added value.

The provisions of the code of conduct shall not in any way contradict the relevant provisions of this Regulation or the Fund specific rules.

4. The Commission shall notify the delegated act on the European code of conduct on Partnership, adopted in accordance with Article 142 and as set out in paragraph 3, simultaneously to the European Parliament and to the Council within four months of the adoption of this Regulation. The delegated act cannot specify an earlier day for its entry into force than the day of its adoption after the entry into force of this Regulation.

5. In the application of this Article, an infringement of any obligation imposed on Member States either by this Article of the Regulation or by the delegated act, adopted in accordance with Article 5(3), cannot constitute an irregularity leading to a financial correction pursuant to Article 77 of this Regulation.

6. At least once a year, for each CSF Fund, the Commission shall consult the organisations which represent the partners at Union level on the implementation of support from the Funds and shall report to the European Parliament and the Council on the outcome.

Opinion of the European Economic and Social Committee on ‘The female employment in relation to growth’ (exploratory opinion)

(2013/C 341/02)

Rapporteur: **Indrė VAREIKYTė**

In a letter dated 15 April 2013, Mr Vytautas Leškevičius, Vice-minister of the Ministry of Foreign Affairs of the Republic of Lithuania, asked the European Economic and Social Committee, on behalf of the Lithuanian presidency of the EU Council, to draw up an opinion on:

Female employment in relation to growth.

The Section for Employment, Social Affairs and Citizenship, which was responsible for preparing the Committee’s work on the subject, adopted its opinion on 5 September 2013.

At its 492nd plenary session, held on 18 and 19 September 2013 (meeting of 18 September 2013), the European Economic and Social Committee adopted the following opinion by 144 votes to 3 with 3 abstentions.

1. Conclusions and recommendations

1.1 Female employment should no longer be raised as another debate on gender equality, but instead as an economic imperative to bring prosperity and jobs to the European Union – a social necessity to face the challenges of demographics, social and environmental concerns to ensure sustainable growth.

1.2 The increase in the employment rate of women has already significantly contributed to growth over the last 50 years. Yet, in order to fully use the potential of women’s contribution to growth, more focused measures have to be implemented at both EU and national levels. It is nonetheless important to ensure that such policies are comprehensive and encompass not only the most obvious economic obstacles, but also tackle the domains of tax, benefit and pension systems, labour rights, decision-making, entrepreneurship, education, stereotypes and violence. It is also clear that both women and men must play their part if such multifaceted issues are to be solved. Women and men should also be involved in dialogue and cooperation among the relevant stakeholders and in the application of successful practices.

1.3 Alongside the specific recommendations below and throughout the text, key prerequisites for achieving more female participation in employment and contribution to growth are:

- integration of the gender dimension in all EU policies;
- gender disaggregated data in all statistical data collection, ensuring the minimum set of 52 gender indicators are in use ⁽¹⁾;

- gender sensitive allocation of EU funding, implementation of the recommendations set out in the Evaluation of the European Social Fund’s support to Gender Equality ⁽²⁾;
- diminution of gender segregation in education, allowing economies to make full use of their talent pool;
- support to the transition from education to the labour market through specific training and skills development;
- access to the labour market on equal terms and conditions (including gender diversity in the workplace and real equality in terms of working time and pay);
- decent work and job satisfaction, including access to services which enable work-life balance, whether provided by the State or the private sector;
- adjustment of tax and benefit systems, so as not to discourage second earners from working or from working more hours;
- empowerment of female entrepreneurs to grow their businesses and create jobs;
- equal participation of men and women in decision-making;
- provision of support services to single parents in difficulty;
- provision of qualitative, accessible and affordable full-time childcare facilities, as one of the main drivers to encourage female labour market participation;

⁽¹⁾ United Nations Economic and Social Council, Report of the Secretary-General of the Statistical Commission on Gender Statistics (E/CN. 3/2013/10).

⁽²⁾ European Commission, DG Employment, Social Affairs and Equal Opportunities, 2011.

- tackling all forms of gender stereotyping with policies securing equal opportunities in education, equal access to the labour market and career progression;
- prevention of discrimination and harassment in the workplace and combating gender-based violence.

2. Impact on growth

2.1 The Committee strongly believes that economic growth alone is no longer enough to ensure real progress of societies, unless it is inclusive and sustainable. Gender equality thus becomes an important condition for achieving such progress. At the same time, the measurement of GDP should no longer be exclusively based on the production/consumption paradigm, but should include indicators such as wellbeing and sustainability (in economic, social and environmental terms) in order to move "towards a more balanced policy" ⁽³⁾.

2.2 Gender equality is often viewed as a constraint or cost. It is necessary to recognise the cost of non-equality and the positive economic contribution of gender equality as an investment and a productive factor.

2.3 The Europe 2020 targets – in particular increasing the employment rate of 20-64 year-olds up to 75 % by 2020 and reducing the number of people in or at risk of poverty by at least 20 million people – are impossible to reach without stronger involvement of women in the labour market and in public life. Moreover, reaching full convergence in participation rates would represent an increase of around 12 % in GDP per capita by 2030 ⁽⁴⁾.

2.4 In the light of a shrinking working age population ⁽⁵⁾, Europe will not reach the intended growth without increasing the labour market potential of women. In 2012, the employment rate for men (20-64) was 74,6 %, whilst it was only 62,4 % for women. When employment is measured in full-time equivalent, the situation is even worse, as the current level of employment of women is equal to 53,5 % of the total female workforce working full-time ⁽⁶⁾.

2.5 The increase in the employment rate of women has already largely contributed to growth over the last 50 years. Yet it is important to note that the family work done by women without pay is not taken into account as a contribution to the economy. Developing jobs to provide services to the families would contribute to the transformation of this invisible form of work into paid work and would create tax revenues, contributions to pensions, etc.

⁽³⁾ OJ C 181, 21.6.2012, p. 14-20.

⁽⁴⁾ "Closing the Gender Gap: Act Now", OECD, December 2012.

⁽⁵⁾ The population of working age is expected to shrink over the next three decades or so at the rate of between 1 and 1,5 million each year, recent Experiences from OECD Countries and the European Union, OECD, 2012.

⁽⁶⁾ "Female labour market participation", European Commission, 2013.

2.6 The Committee draws attention to the fact that unemployed women are not always included in statistics and are not registered as unemployed but are in effect untapped potential. The lower level of female employment does not directly translate into unemployment but, rather, into inactivity or undeclared work, owing to the low supply of female work that results from the "disincentive" effect. Therefore, the statistical data at national and European level cannot accurately depict the actual situation. The EESC calls for greater disaggregation of statistical data on female employment gathered and drawn up at European level, in relation to the private service sectors.

2.7 The EESC notes that the Annual Growth Survey should establish targets for women's employment ⁽⁷⁾ as focused policies can close gender gaps and promote inclusion, significantly increasing the growth potential of the EU economy ⁽⁸⁾. Such policies – including (but not limited to) provision of care services for dependent family members and removing financial disincentives to work for second earners – are essential to enhance women's participation in the labour market. Member States should use such policies to improve employability and to support access to jobs and a return to work.

2.8 Strict austerity leads to cuts in the public sector and services and women are more likely to lose their jobs as they form the majority of public sector workers. The groups suffering the greatest reduction in their standard of living due to cuts in public services are lone parents, the majority of whom are also women. At the same time, women are the majority of those providing unpaid care, so they are likely to be the ones picking up the pieces as social care services are cut ⁽⁹⁾. The Commission should prepare a comprehensive study on the impact of austerity on equal opportunities to envisage more qualitative solutions, and should research the way in which the austerity measures have impacted on the quantity and quality of female employment in both the public and private service sectors.

2.9 It is noteworthy that EU policy makers focus on general employability but do not identify measures to engage the potential of economically inactive women, who could be making substantial contributions to EU growth.

2.10 The EESC recommends allocating the EU funds in a more gender sensitive manner and encourages both the EU institutions and the Member States to implement the recommendations set out in the Evaluation of the European Social Fund's support to Gender Equality ⁽¹⁰⁾.

⁽⁷⁾ "Annual Growth Survey 2013", European Commission, 2012.

⁽⁸⁾ Commission Staff Working Document on Progress on equality between women and men in 2012 - Accompanying document to the Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – 2012 Report on the Application of the EU Charter of Fundamental Rights, SWD (2013) 171 final.

⁽⁹⁾ "TUC Women and the Cuts Toolkit", Trade Union Congress, 2011.

⁽¹⁰⁾ European Commission, DG Employment, Social Affairs and Equal Opportunities, 2011.

3. Education

3.1 Increases in educational attainment account for about 50 % of GDP growth in EU countries between 1960 and 2008; about half of this increase was due to improvements in women's educational attainment ⁽¹¹⁾.

3.2 EIGE ⁽¹²⁾ and OECD reports show that women are presented with less employment opportunities than men for a variety of reasons and face reduced earnings for the same work even though women today have higher educational attainment than men in most EU countries.

3.3 Systematic gender disparities ⁽¹³⁾ in subject choices prevent economies from making full use of their talent pool and therefore imply a misallocation of human capital and a loss in potential innovation and economic growth. The EU institutions and Member States should address gender disparities in education by promoting a change of attitude among students, teachers, parents and society at large. Such intervention should start early on in a student's life, before stereotypical perceptions and attitudes set in towards what boys and girls excel in and enjoy doing.

3.4 The Committee recommends paying special attention to initiatives and projects funded by EU instruments (ESF funding, LLL programmes, etc.). These instruments could be used to enhance the possibilities of women returners to regain skills and access employment and/or for women's career development.

4. Labour market

4.1 Most EU Member States face the dual problem of an ageing population and low fertility rates. These factors will imply a shrinking labour force over the next 20 years if the male and female labour force participation rates remain constant ⁽¹⁴⁾.

4.2 There is a need to sustainably change predominant gender inequalities in European societies. Supporting a better work-family balance for men is an important step to achieve a more equal distribution of paid and unpaid work between women and men. More equal sharing of parental leave between both parents would reduce the disincentives for employers to hire women of childbearing age.

⁽¹¹⁾ Effects of Reducing Gender Gaps in Education and Labour Force Participation on Economic Growth in the OECD, DELSA/ELSA/WD/SEM(2012)9, OECD, 2012.

⁽¹²⁾ Gender Equality Index Report, European Institute for Gender Equality, 2013.

⁽¹³⁾ In 2010, European women accounted for 77 % of the graduates in the field of education, 74 % in health and welfare and 65 % in humanities, yet only 25 % in the field of engineering and 38 % in science, maths and computer sciences, Report on the Gender Initiative: Gender Equality in Education, Employment and Entrepreneurship, OECD, 2011.

⁽¹⁴⁾ Drivers of Female Labour Force Participation in the OECD, DELSA/ELSA/WD/SEM(2013)1, OECD, 2013.

4.3 Changes in labour demand – with, for example, the emergence of new production methods and different working conditions and, especially, switching from manufacturing and agriculture to services – are important drivers for expanding female labour force participation and accounts for the growing demand for female workers.

4.4 Although part-time work has encouraged more women to join the formal labour force, in the long term, working part-time can reduce training possibilities, career prospects, affect the pension benefits of retirees and increase the risk of poverty both in the short term and in old age. This is particularly evident in the "involuntary" part-time work that has increased in recent years ⁽¹⁵⁾: in the wake of the crisis, women are offered part-time work and are obliged to accept it as they have no choice in terms of contract or do not want to lose their job. Attention should be paid to the large imbalance of women and men in part-time work (31,6 % and 8 % respectively). Any barriers to move from part-time to full-time employment should be removed.

4.5 The Committee notes that policies that encourage two-earner households and help working adults to cope with their family commitments are important factors for boosting female participation. An appropriate mix of both in-cash and in-kind support also plays an important role.

4.6 Higher tax rates on the second earner in a family can reduce female labour force participation as they discourage women's participation in the labour market ⁽¹⁶⁾. Thus the tax and benefit systems need to be adjusted so as not to discourage second earners.

4.7 Particular attention should be given to informal, precarious work, including pseudo self-employment. This affects women more than men, which makes them more prone to be exploited. EU Member States should ratify without delay the 189th ILO Convention on Decent Work for Domestic Workers ⁽¹⁷⁾, which sets labour standards for domestic workers.

5. Pay and pension

5.1 The EESC urges policymakers to reduce gender inequalities by closing the gender pay gap (which is 16,2 % on average) as equal pay will bring benefits not only to women but also to the whole society – according to the European Added Value Assessment, one percentage point decrease in the gender pay gap increases economic growth by 0,1 % ⁽¹⁸⁾.

⁽¹⁵⁾ Of the total number of part-time contracts held by women, 23,4 % are involuntary (EU average, 2011). Source: Lisbon Assessment Framework Database.

⁽¹⁶⁾ "Drivers of Female Labour Force Participation in the OECD", OECD, 2013.

⁽¹⁷⁾ International Labour Organization, C189 - Domestic Workers Convention, 2011.

⁽¹⁸⁾ European Parliament, Motion for a Resolution (B7-XXXX/2013), 17.6.2013.

5.2 The EESC also voices its concern at the extremely wide gender gap in pensions – the EU-27 average is 39 %⁽¹⁹⁾ – which is more than twice the figure of the gender pay gap. Especially unsettling is the lack of visibility of the problem. Not only do wide gaps exist in most EU countries, but they are also overwhelmingly complex as they depend on employment histories (in particular, gaps in pay, hours worked and years worked), on pension systems and, in particular, on the impact of career earnings on pension benefits and on the extent to which pension systems compensate for career interruptions to care for children or dependent relatives.

5.3 The EESC therefore believes that both closing the gender pay gap and adding the "family time" – child and elderly care, assisting a family member during a short and/or long illness, etc. – in the pension accumulation systems for both men and women (while ensuring the possibility for employees to obtain a family leave for care and assistance) would reduce the gender gap in pensions⁽²⁰⁾.

6. Entrepreneurship

6.1 A recent OECD study⁽²¹⁾ highlights that gender gaps in entrepreneurship are large and resilient across many dimensions, including subjective preferences for entrepreneurship, business size and financial performance, access to and use of financial capital. Women entrepreneurs have additional objectives to profit maximisation, and their wider measures of performance highlight their contribution to social and economic development.

6.2 Helping more women to start a business and supporting the growth of existing female-led firms can contribute⁽²²⁾ to more job creation, more innovation, increased competitiveness and economic growth, and reduce social exclusion. Significant measures are needed to capitalise on the full potential of enterprises for sustainable economic growth and job creation in Europe, especially following the crisis.

6.3 The EESC has already proposed the following steps to be taken for the promotion of female entrepreneurship on the EU level⁽²³⁾:

- the creation of an office of European Women's Business Ownership in order to establish infrastructure that supports female entrepreneurship;

⁽¹⁹⁾ "The Gender Gap in Pensions in the EU", European Commission, DG Justice, 2013.

⁽²⁰⁾ In its opinion "Links between gender equality, economic growth and employment rates" (SOC/338, OJ C 318, 23.12.2009, p. 15–21), the EESC defends that time taken for care purposes should be financed in the same way as retirement.

⁽²¹⁾ Women Entrepreneurs in the OECD: key evidence and policy challenges, DELSA/ELSA/WD/SEM(2013)3, OECD, 2013.

⁽²²⁾ World Bank, Female Entrepreneurship: Program Guidelines and Case Studies, 11/04/2013 – "In the United States, for example, women-owned firms are growing at more than double the rate of all other firms, contribute nearly \$3 trillion to the U.S. economy and are directly responsible for 23 million jobs".

⁽²³⁾ OJ C 299, 04/10/2012, p. 24.

- a Women's Enterprise Director to be appointed within the Commission and the Member States' enterprise ministries to raise awareness about the economic benefits of encouraging more women to start and grow businesses;

- the collection of gender-disaggregated data on women's enterprises across Europe.

7. Decision-making

7.1 International studies⁽²⁴⁾ confirm that women in management positions have a positive impact on corporate financial performance, corporate culture, management style and resilience to the crisis. Women take fewer risks and prioritise the sustainable development, but the barriers to achieving gender equality in decision-making are far deeper than openly admitted.

7.2 The EESC hopes that a minimum standard of equal participation in decision-making is adopted by all public and private decision-making bodies in the spirit of self-regulation. Listed companies and all public-sector bodies should promote transparent application and appointment procedures and a culture of inclusion and freedom of choice. Yet, little will ever be achieved without the willingness of both men and women to take positive action.

7.3 The EESC would recommend that policymakers and companies review the following issues to ensure that gender balance on all decision-making bodies is achieved:

- better visibility of women in senior roles;
- greater transparency in headhunting talent;
- building and retaining a critical mass;
- challenging stereotypes around gendered roles;
- leadership succession planning;
- creating a talent pipeline;
- supporting the establishment of mentoring networks in the public and private sectors;
- disseminating examples of good practice; and
- creating a European-wide coordinated database of qualified women for decision-making positions.

⁽²⁴⁾ "Women Matter", McKinsey; "Do Women in Top Management Affect Firm Performance?", Smith and Verner; "Diversity and gender balance in Britain plc", TCAM; "Mining the Metrics of Board Diversity", Thomson Reuters; etc.

7.4 In order to implement the Strategy for Equality between Women and Men (2010-2015) ⁽²⁵⁾, the EESC encourages the equal representation of men and women in public life and, especially, in politics, as current under-representation limits women's participation rights ⁽²⁶⁾. The EU institutions and Member States, as well as the social partner organisations, should lead by example and introduce gender equality targets in their political and administrative bodies, especially at the highest levels.

8. Childcare

8.1 An important factor influencing the participation of women in the labour market is access to full-time childcare facilities in particular for young children. Increases in public spending on childcare services are directly linked to increases in the full-time employment of women ⁽²⁷⁾.

8.2 Achieving the Barcelona targets is therefore a necessity. However, according to a recent report from the Commission, in 2010 only 10 Member States had achieved the Barcelona target for children under 3. In the same year, in the category of children between 3 and the compulsory school age only 11 Member States achieved the objective of 90 % ⁽²⁸⁾.

8.3 As Member States with the highest birth rates are also those which have done the most to facilitate the work-life balance for parents and which have high rates of female employment ⁽²⁹⁾, Member States should provide more effective, affordable, accessible and qualitative support for families with children through policies ⁽³⁰⁾, such as:

- *Investing in children* – through early childhood intervention programmes, particularly the ones that deliver family-focused, home and centre-based services to families.
- *Reconciling family and work responsibilities* – through co-ordination across a range of areas such as childcare provision, parental leave and family-friendly workplaces.

- *Creating a framework favourable for raising fertility rates* – in addition to reconciliation policies, through tax efficiencies (e.g. Childcare Voucher Scheme in the UK) and policies aiming at sharing the costs of childrearing more broadly, and allowing young couples to obtain access to affordable housing and a secure footing in labour markets.

9. Stereotypes and discrimination

9.1 Although the increase in girls' educational attainment over recent decades has boosted female earning potential, society's attitudes to women's work and the clash between family values and equality remain an obstacle to gender balance in the labour market.

9.2 The EESC is particularly concerned with discrimination against women who happen to be disabled, migrant, or belong to an ethnic minority. In this sense, it calls for speedy implementation of the equal treatment directive ⁽³¹⁾.

9.3 Violence against women is not only an unjustifiable social issue, but also has a high economic cost. It is estimated that violence against women has an annual cost of at least EUR 32 billion in the 47 member states of the Council of Europe ⁽³²⁾. Public policies to counter gender-based violence have an important role to play; the traditional image of women's role in society will only change when women have access to power on an equal footing with men.

9.4 The role of the media industry is crucial for the promotion of gender equality. Media not only reflects but also creates sociocultural patterns and norms and is a powerful actor in shaping public opinion and culture. Also, it is precisely media content that fosters a broad understanding of the complexities of gender equality across all players in society, including policymakers and the public, thus it is urgent to tackle the persistent inequalities in the form of under-representation (especially at higher levels), barriers to advancement and low pay (compared to men) within the media sector ⁽³³⁾.

Brussels, 18 September 2013.

The President
of the European Economic and Social Committee
Henri MALOSSE

⁽²⁵⁾ "Strategy for Equality between Women and Men (2010-2015), European Commission, 2010.

⁽²⁶⁾ "Database on women & men in decision making", European Commission, DG Justice.

⁽²⁷⁾ "Closing the Gender Gap: Act Now", OECD, 2012.

⁽²⁸⁾ "Barcelona objectives", European Commission, 2013.

⁽²⁹⁾ OJ C 318, 23.12.2009, p. 15-21.

⁽³⁰⁾ "Extending opportunities: How active social policy can benefit us all", ISBN 92-64-00794-6, OECD, 2005.

⁽³¹⁾ COM(2008) 426 final, 2.7.2008.

⁽³²⁾ OJ C 351, 15.11.2012, p. 21-26.

⁽³³⁾ EIGE, "Review of the implementation of the Beijing Platform for Action in the EU Member States: Women and the Media — Advancing gender equality in decision-making in media organisations", 2013.

Opinion of the European Economic and Social Committee on 'Establishing sustainable development goals — European civil society's contribution to the EU position' (exploratory opinion)

(2013/C 341/03)

Rapporteur: Ms LE NOUAIL MARLIÈRE

On 6 December 2012 the European Commission decided to consult the European Economic and Social Committee, under Article 304 of the Treaty on the Functioning of the European Union, on

Establishing sustainable development goals — European civil society's contribution to the EU position

(exploratory opinion).

The Section for Agriculture, Rural Development and the Environment, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 3 September 2013.

At its 492nd plenary session, held on 18 and 19 September 2013 (meeting of 18 September), the European Economic and Social Committee adopted the following opinion by 92 votes to 52 with 21 abstentions.

1. Conclusions and recommendations

1.1 The EESC advocates that the EU institutions and the "open working group" established by the 67th UN General Assembly on 17 December 2012 apply and insist on the method of *ex ante* economic, social and environmental impact assessment, both for the phase of defining the sustainable development goals, and during the global negotiation of universally applicable goals, so that means are available to offset favourable or unfavourable differences that may arise or co-exist between geographical areas and sectors of activity.

1.2 All social programmes that are essential to achieving sustainable development goals, in the areas of education, health, and those targeting unemployed youth, should be protected from budgetary cuts as a matter of priority.

1.3 The Committee supports the EU's commitment to adhering to the plan to implement its 2020 strategy by means of the European semester, seizing the opportunity to make it meaningful by proposing a "decompartmentalised" social, economic and environmental strategy, as well as through the EU strategy for *integrated* sustainable development.

1.4 It proposes that European civil society be involved in this through CSOs, the social partners and national ESCs and similar institutions.

1.5 It urges the Member States and the EU institutions to:

1.5.1 actively continue their efforts on development partnership by means of the EU's Agenda for Change and external development-aid and cooperation policy, and also take account of their own interests and those of their partners in bi- and multi-lateral external trade negotiations, *with due regard to human, economic, social and cultural rights*;

1.5.2 bolster and stabilise the European social model in order to secure a solid foundation and competitiveness that is based on their capacity not only for technological innovation but also for innovation towards social progress;

1.5.3 make every effort to develop a green economy that is resource-efficient and driven by an efficient use of primary and secondary energy, that benefits all of their citizens and – through fair technology transfer – their trading partners, an economy based on an energy transition geared towards controlling requirements, and providing the best carbon-storage and low-carbon technologies;

1.5.4 strengthen public and general-interest services to ensure that Europe is an area of fair prosperity within its borders as well as in its presence outside its borders, in its delegations and public cooperation;

1.5.5 define public services in Europe, on the basis of fundamental rights guaranteed to Europeans, by means of a framework directive on public services, moving away from the approach of pure self-regulation;

1.5.6 require both European and non-European companies with a presence in their territory to add an effective green strand to their CSR. Indeed, companies should be accountable for the social and environmental consequences of their management. This accountability should be explicitly implemented in the principal/sub-contractor chain from transnational to local level, in an established, transparent and traceable way. The requirement for transparency and independence should also concern rating and assessment agencies;

1.5.7 encourage and support the development of SMEs and enterprises in the social and solidarity-based economy;

1.5.8 act effectively on environmental issues, ensuring a genuine universal right to environmental information and better implementation of the Aarhus Convention and, more specifically, empower employees, by means of their representative bodies, with environmental alert capabilities;

1.5.9 redirect the tasks of banks and channel savings into industry and the "real economy", in order to foster the environmental transition, the financing of the construction and adaptation of housing, education, energy policies, food security, access to water, hospitals, road, port and rail infrastructure, etc., as these are essential conditions for sustainable development in Europe and across the world, in economic, human or environmental terms;

1.6 The Committee encourages the EU to:

1.6.1 pursue the path of curbing financial speculation and fostering longer-term investment;

1.6.2 combat informal, undeclared, and improperly declared work within Europe, and outside Europe through stakeholder European companies, ensuring the enforcement of international labour standards, the collection of social contributions and the fight against money laundering, by introducing a proper system of penalties and bolstering independent inspection mechanisms (labour inspection);

1.6.3 also combat, in all their forms, the undercutting of international labour standards and the devaluing of the work and dignity of certain workers (all whose rights are not respected), and promote a general culture of stable jobs and secure social protection, ensuring prosperity and social comfort.

2. Introduction

2.1 The decision to launch a process leading to the establishment of sustainable development goals was one of the major decisions of the Rio+20 conference. The process was launched in January 2013 with the setting-up of an intergovernmental open working group mandated to provide a report with a proposal to the UN General Assembly at some point between September 2013 and September 2014. According to the Rio+20 outcome document, this process needs to be coordinated and coherent with the processes to consider the post-2015 development agenda.

2.2 This opinion should be seen in conjunction with the NAT own-initiative opinion adopted by the EESC in June 2013 on *The green economy – promoting sustainable development in Europe*⁽¹⁾ and the REX opinion on the Commission

communication *A decent life for all – ending poverty and giving the world a sustainable future*⁽²⁾. With a view to Europe's sustainable development, the European social model – which is inextricably linked to making a successful transition to a green economy – should be safeguarded and consolidated. The wait for an international agreement on the definition of the SDGs must not serve as a pretext for delaying or reducing development-aid and cooperation policy commitments made by industrialised countries.

2.3 In the referral letter for this exploratory opinion, the Commission makes the link between sustainable development goals, an inclusive green economy and poverty eradication. It asks the Committee to explore how the economic, environmental and social dimension might be successfully integrated into a future framework of universal SDGs. The Commission would like the views of the EESC's international counterparts to be brought into the discussion.

2.4 Over the course of two meetings of its Sustainable Development Observatory, the Committee held a hearing of representatives of the so-called major groups recognised by the UN at the Rio+20 conference.

2.5 For its part, the UN set up a high-level group of government representatives with a view to putting forward an initial report in September 2013. Achim Steiner, the UN under-secretary-general and executive director of the United Nations Environment Programme, addressed the EESC on 14 May, along with other representatives of civil society, on the topic of *Advancing sustainable development post-Rio+20*. He stressed the need for a fully inclusive consultation process on the SDGs that must involve governments, civil society and the private sector. Kitty van der Heijden, the Netherlands' ambassador for sustainable development, and member of the "open working group", shared her experience of that UN group.

3. General comments

3.1 The idea of including SDGs in the Rio+20 Declaration was put on the table by the Governments of Colombia, Guatemala and Peru. Building upon Agenda 21 and the Johannesburg Plan of Implementation, they suggested, in a joint proposal, establishing a limited set of measurable goals in order to secure renewed political commitment to sustainable development. The three Latin American countries (with the later contribution of the United Arab Emirates) proposed eight possible areas of action for SDGs: food security, water, energy, cities, oceans, natural systems, resource efficiency, and employment.

3.2 According to the Rio+20 outcome document *The Future we want*, the SDGs should:

— be based on Agenda 21 and the Johannesburg Plan of Implementation;

⁽¹⁾ OJ C 271, 19.9.2013, pp. 18-22.

⁽²⁾ OJ C 271, 19.9.2013, pp. 144-150.

- build upon commitments already made;
- focus on priority areas for the achievement of sustainable development, being guided by the outcome document;
- address and incorporate in a balanced way all three dimensions of sustainable development and their inter-linkages;
- be coherent with and integrated into the United Nations development agenda beyond 2015;
- not divert focus or effort from the achievement of the Millennium Development Goals; and
- include active involvement of all relevant stakeholders, as appropriate, in the process.

Moreover, they should be action-oriented, concise, easy to communicate, limited in number, aspirational, global in nature and universally applicable to all countries (while taking into account different national realities).

3.3 Ideally, the Rio +20 conference should provide a roadmap featuring a world in which every human being can enjoy their human rights, live equitably and free from the injustice of poverty, on a planet that has the natural resources to sustain them.

3.3.1 According to Oxfam International (Oxfam, Post-2015 Development Goals: Oxfam International Position, January 2013), for example, the post-2015 framework should support this vision, set goals and objectives in line with it and demonstrate progress toward achieving it. Achieving well-being for all within the means of the planet would require a fundamental re-orientation of economic, social and political development.

3.3.2 Oxfam believes that post-2015 debates *lack clarity* on what the role of a framework is and how it can lead to real change for people living in poverty. Reaching a shared view on the "how" is crucial to informing the "what". The purpose of goals should be to galvanise political will and government-led action to end poverty and inequality, and protect the planet, by:

- expressing a shared vision and priorities for governments and the international community, that guide sweeping change;

- equipping citizens with a powerful advocacy tool to press for policy change, hold governments and the private sector to account, and initiate their own actions for change;
- helping drive change in national policy and decision-making – achieved via the advocacy, finance, peer pressure (e.g. from other countries or at a regional level), and better data collection and transparency, which must accompany new goals;
- facilitating dialogue and increasing accountability at all levels: between states and their citizens, states and the private sector, states and intergovernmental bodies, between development cooperation partners, and between citizens and responsible businesses; and
- bringing greater focus, coherence and transparency to the activities of international institutions, such as the United Nations and international financial institutions.

3.4 Greening industries and creating jobs

3.4.1 Any lasting recovery of the real economy would necessarily take the shape of a more resource-efficient production model. While endorsing a more ambitious and comprehensive European climate policy framework for delivering the broader 2050 climate targets, Europe should support its industrial base and its related sectors and competences.

3.4.2 How the objective of a resource-efficient low-carbon economy is to be reached and how the transition is managed are the key issues to be addressed. The two main focuses should be industrial policy and employment prospects on the road to a green economy that retains its industrial base (Béla Galgóczi, Greening industries and creating jobs, European Trade Union Institute, 2012).

3.4.3 Industry plays a leading role in research and development, trade and, to a lesser extent, in investment. The transition towards a low-carbon form of development, whereby energy efficiency is enhanced, sustainable work is valued more highly and health protected, has become crucial.

3.4.4 Europe is experiencing one of the lowest growth rates in its history since 1929. But there are two crucial factors that hold the key to achieving future goals for sustainable and lasting development: 1) low CO₂ emissions; and 2) democracy.

3.4.5 The EU should forge ahead with its efforts on research and development so as to create the number of jobs needed for its workforce, and also meet the future development needs generated by stronger growth on other continents, in areas as varied as services, education, health, the environment, transport, energy, housing, urbanisation, agriculture and food, etc.

3.5 *Jobs, social inclusion and sustainable development must be at the heart of EU and global action*

3.5.1 The IMF has recognised that the austerity medication was more potent than it first thought. The right lesson to draw is that the dosage must be reduced. All key social programmes, in the areas of education, health, and those targeting unemployed youth, should be protected from budgetary cuts. The need for funding in the EU Member States is critical following the global financial crisis, and the refinancing of the real economy is insufficiently covered by the agreement reached by the European Council on the EU's multiannual financial framework. The measures advocated by the troika of the World Bank, the IMF and the Council of the EU are not conducive to creating the conditions necessary for the economy to return to lasting, sustainable growth.

3.5.2 Smart social policies – such as programmes that help the unemployed find jobs or systems that provide social security to vulnerable members of our society – cannot just be considered a cost. They are an investment in our future.

3.5.3 Young people have been particularly hard hit in the euro zone as a whole, where youth unemployment has topped 22 per cent, with rates exceeding 50 per cent in certain countries like Greece and Spain. In 2010, the rate of *employment in temporary work* among young people aged 15 to 24 exceeded 50 % to reach almost 70 % (Eurofound, Third European Quality of Life Survey, 2012).

3.5.4 Everywhere, people have paid a high price for cleaning up the devastating consequences of practices in the financial sector that proved to be irresponsible.

3.5.5 The EU must bring real substance to the social dimension, including social dialogue, as announced in the roadmap for completing the European economic and monetary union. It should help Member States implement youth guarantee schemes, improve industrial diversification and innovation, boost effectiveness of labour market services, increase job creation and strengthen social investment (ILO, Guy Ryder, Jobs, social inclusion and growth should top EU agenda, 14 February 2013).

4. Greening the European semester

4.1 It has emerged from the initial hearings held by the Committee that the correlation between the contributions of civil society gathered by the EU and those being gathered by the UN system through direct consultation is not being met with the understanding and transparency that European citizens are entitled to expect. The contributions of organisations representing civil society sit alongside those of private-interest pressure groups, at the same level as those of

governments, under a timetable that leaves little room for holding debates with due regard for the independence of the organisations and the autonomy of social dialogue. Moreover, the impression that has emerged over the course of following the work of the Rio +20 conference, and of the "open" working group, is of a scenario aimed at adding impetus to a pre-determined approach, as though the die were already cast elsewhere.

4.2 Fortunately, the EU has decided to implement the whole approach by means of greening the Europe 2020 strategy and the European semester, in order to make a harmonised contribution in which Europe implements and speaks with one voice on the world stage.

4.3 It is important today to have sustainability as a thread running through key policy areas. That currently means the Europe 2020 strategy and the European semester as its central governance pillar.

The Committee has been very interested to learn from the Commission and the Council that the EU intends to implement and push forward the outcomes and processes agreed at the Rio+20 conference through the Europe 2020 strategy. The Committee will therefore be keeping a careful watch as to whether this is actually happening (Council of the European Union, Rio+20: Outcome and follow-up to the UNCSD 2012 Summit – Council conclusions, 25 October 2012, 15477/12).

4.4 The Committee has watched attentively as the circle of those involved in the European semester process has been expanding. DG Environment is involved this year even more heavily than before, and the EU Environment Council discussed the annual growth survey for the first time last December. The Committee will play its part in ensuring that civil society, too, is able to bring a sustainability dimension to bear in the process, namely through the national economic and social councils, some of which now have specific competences in this area, and also through the national sustainability councils.

4.5 As regards the annual growth survey, it should be pointed out that the connection between the various crises (the financial, economic, social, but especially the environmental crisis) is, in our view, not seen clearly enough, nor is the urgent need to get serious about transforming our entire economy to make it greener – not just in spite of, but precisely because of the crisis. Carrying on as before will not do any more.

4.6 In the context of the annual growth survey, the EU needs to speak with one voice. The EU cannot engage in international negotiations and advocate the greening of the world economy and then neglect the issue in its own most important economic policy documents.

4.7 The absence of any mention of a qualified concept of growth is also a bit strange in this context. How is it possible that the EU is, at international level, in the vanguard of the "beyond GDP" debate, but is fixated on GDP in its growth survey? That said, whilst the report does deal with social problems, the aim of living well within the limits of our planet's resources (which is, by the way, also the title of the 7th Environment Action Programme) does not jump out of the pages.

4.8 There is, fortunately, much material available to guide the debate on the advisability of establishing additional indicators and this must now lead to implementation based on face-to-face meetings between institutional actors and representatives of civil society, as part of an approach that ensures the involvement in the decision-making process of all the interests at stake.

4.9 The Committee notes that the abolition of environmentally-damaging subsidies and the introduction of environmental taxes are now firmly embedded in the annual growth survey and the country-specific recommendations and that, this year, waste and water treatment and improved recycling get a mention.

5. Linking the MDGs and the SDGs

5.1 *A good agreement on the Union's budget should be reached on MDGs* ⁽³⁾

5.1.1 Poverty reduction is a question of equity and justice and concerns access to services such as healthcare and education and employment. The MDG development was too donor driven. The future framework requires:

- greater ownership and participation of partner countries which are in the end responsible for carrying out most of the work;

- a stronger framework for mutual accountability of both donor and partner country; and

- flexibility to enable partner countries to tailor development goals according to their national context.

5.1.2 Using a time-bound and outcome-oriented approach, the eight MDGs have had a deep effect on international development policies. By focusing on a limited set of measurable targets, they have helped to increase and channel development aid more efficiently. However, as we are coming closer to the 2015-deadline, it is clear that the Goals will deliver mixed results, with successes and setbacks.

5.1.3 The current set of millennium goals need to be complemented by sustainable development goals. SDGs have two notable differences compared to MDGs: they would have a global reach (as opposed to MDGs which mainly focus on the South) and include dimensions beyond the meta-norm of poverty reduction (natural resources, consumption, production, energy, human rights, etc.).

5.1.4 The next two years will be critical in defining the next development Agenda. Both processes – the revision of MDGs and the formalisation of SDGs – must provide crucial guidelines for the post-2015 sustainable development architecture.

These guidelines should include budgeting for gender equality as a cross-cutting dimension of public policies, as the primary factor in combating poverty and inequality ⁽⁴⁾.

The task ahead is huge and must be rooted in a greater emphasis on human rights, and on civil society organisation participation in decision-making, as part of an approach centred on the economy and services as a means of human development ⁽⁵⁾.

Brussels, 18 September 2013.

The President
of the European Economic and Social Committee
Henri MALOSSE

⁽³⁾ OJ C 271, 19.9.2013, 144-150.

⁽⁴⁾ OJ C 76, 14.3.2013, p. 8-14.

⁽⁵⁾ OJ C 161, 6.6.2013, p. 82-86

OJ C 181, 21.6.2012, p. 28-34.

**Opinion of the European Economic and Social Committee on 'Food security and bioenergy'
(own-initiative opinion)**

(2013/C 341/04)

Rapporteur: **Mr CHIRIACO**

On 14 February 2013, the European Economic and Social Committee, acting under Rule 29(2) of its Rules of Procedure, decided to draw up an own-initiative opinion on

Food security and bioenergy.

The Section for Agriculture, Rural Development and the Environment, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 3 September 2013.

At its 492nd plenary session, held on 18 and 19 September 2013 (meeting of 18 September), the European Economic and Social Committee adopted the following opinion by 173 votes to 3 with 13 abstentions.

1. Conclusions and recommendations

1.1 The European Economic and Social Committee (EESC) believes that the issue of food security should be placed at the heart of the EU's policies as a prerequisite for a strategy for global stability.

1.2 In the "food vs fuel" debate, while agreeing with the EU on the need to reduce our dependency on imports of fossil fuels, the Committee urges the Commission to prioritise the issues of security of food supply, land protection, the competitiveness of European agriculture and land use ⁽¹⁾, making a close correlation between food security and bioenergy production ⁽²⁾.

1.3 The Committee believes that the future of the EU should be based on social, economic and environmental sustainability and that the production of renewable energy should be closely linked to achieving those objectives.

1.4 The Committee agrees with the Commission's decision to include binding provisions on land-use change in Directives 98/70/EC and 2009/28/EC, as current biofuels are produced from agricultural crops.

1.5 Reaffirming the view expressed in opinion TEN/502 ⁽³⁾, the Committee disagrees with the decision made by the Commission to assess indirect land-use change (ILUC) on the basis of a comparison of fossil-based and biogenic energy sources, looking exclusively at greenhouse gas emissions and downplaying issues such as security of supply and the impact of fossil fuels.

1.6 The Committee endorses the Commission's proposal to limit the production of biofuels derived from food crops – while taking account of investments already made – and to incentivise "advanced" biofuels. It believes, however, that the production of second-generation biofuels that use wood and straw could remove carbon sinks and thus increase CO₂ levels ⁽⁴⁾.

1.7 The Committee feels that its assessment would be different if microalgae were also used as a feedstock for the production of biofuels; even if this is not yet a commercial reality, it would, in comparison to first-generation biofuels, give less cause for concern regarding competition for land and water resources.

1.8 The Committee fully reaffirms the conclusion regarding biofuels that emerged from the EESC food security conference in 2011: "biofuel production should comply with shared principles and be subject to impact assessment studies in which the local community is closely involved, making sure careful attention is paid to the right to food".

1.9 In line with this assessment, the Committee recommends that the Commission adopt at European level tools such as operator-level indicators to assess the potential impact of bioenergy projects on food security at individual Member State level.

2. General comments

2.1.1 The energy system at international level is currently going through a very difficult period. This is due in part to the global economic crisis, but above all to the geopolitical situation in North Africa and the Middle East.

⁽¹⁾ OJ C 198, 10.7.2013, p. 56.

⁽²⁾ OJ C 110, 9.5.2006, p. 49.

⁽³⁾ OJ C 198, 10.7.2013, p. 56.

⁽⁴⁾ OJ C 198, 10.7.2013, p. 56.

2.1.2 OECD figures for 2009 show a fall in energy consumption of 4,4 % at global level, 5 % in the USA and 5,5 % in the EU, while in non-OECD countries demand rose by 2 %. To this equation must be added the nuclear plant accident in Fukushima, Japan, which has prompted a number of countries, including Germany, to abandon the use of nuclear fuel to produce energy.

2.1.3 Europe currently imports 80 % of the oil, 60 % of the natural gas and 40 % of the coal needed to cover its energy needs, estimated at 1 583,3 Mtoe (Nomisma). The share of non-renewable energy is 91 % (oil 36,6 %, natural gas 24,5 %, coal 15,7 %, nuclear energy 13,6 %) and the renewable share 9 % (6,1 % biomass, biogas, municipal waste, 1,7 % hydro power, 0,7 % wind energy, 0,3 % geothermal energy, 0,1 % photovoltaic and solar).

2.1.4 Europe is increasingly dependent on energy imports. It is projected that in 2030, the EU-28 will import 84 % of the natural gas, 59 % of the coal and 94 % of the oil that it needs (EREC). Figures for 2009 show that transport is the sector that accounts for the greatest share of energy consumption, at 33 %; the residential sector accounts for 26,5 %; industry for 24,2 %; and services for 14 %; while agriculture accounts for the smallest share, at 2,3 %.

2.1.5 The goals that the EU is seeking to achieve can be summed up as follows:

- reduce dependency on imported non-renewable energy, which accounts for 75 % of Europe's energy consumption, amounting to 890,5 Mtoe;
- increase security of supply;
- increase primary production in the EU-28 from the current 812 Mtoe; and
- combat climate change and cut CO₂ and greenhouse gas emissions.

2.2 *The shift in energy policy*

2.2.1 In recent years, the fossil-fuel-based energy system has displayed many shortcomings that put its future sustainability and supply security in doubt, with the need to target secure energy sources in a controlled system of energy imports.

As demand for energy continues to grow (IEA), the impending, unstoppable depletion of fossil fuels will jeopardise Europe's ability to meet its increasing energy needs. This depletion arises from the non-renewable nature of those fossil fuels; the

transformation process involved takes an extremely long time, which is incompatible with the energy needs of contemporary society.

2.2.2 The main types of renewable energy are:

- solar energy;
- wind energy;
- hydro power;
- geothermal energy; and
- biomass.

This is not necessarily the full picture, especially with regard to the results of scientific research.

2.2.3 Bioenergy can be defined as energy obtained from biomass; biomass is classified according to its physical state and is divided into:

- solid biomass from forestry or crops, and plant and animal waste from agriculture;
- biogas: the gas that derives from the fermentation of biomass in the absence of oxygen, including municipal waste, manure, agricultural residues and agro-industrial by-products, industrial sludge and woody biomass;
- bioliquids and biofuels obtained from vegetable oils (rapeseed, soya, sunflower and palm) from sugar, starchy and cellulosic crops (beet, sugar cane, corn, wheat and giant reed) and also the bioliquid obtained from the process of biomass pyrolysis.

2.2.4 Biomass is a renewable source that has already become an efficient source of energy. Biomass is any organic material that captures solar energy directly or indirectly during the process of chlorophyll photosynthesis. It is derived from energy crops or organic residues from forest products and the technical processing of agricultural products.

2.2.5 At global level, some 50 % of the potentially available residues derive from forestry. The other 50 % come from agriculture, where installations fuelled by biomass from agriculture and livestock are of particular importance (IEA).

2.3 *EU initiatives in support of the development of renewable energy*

- The Kyoto Protocol, which entered into force on 21 March 1994;

- The Altener programme for the promotion of renewable energy sources (Council Decision 93/500/EEC);
- The Green Paper on renewable energy sources (1996);
- The White Paper setting the objective of 12 % of energy used coming from renewables by 2010;
- Directive 2001/77/EC on the promotion of electricity produced from renewable energy sources;
- Directive 2003/30/EC on the promotion of the use of biofuels;
- Council Directive 2003/96/EC of 27 October 2003 restructuring the Community framework for the taxation of energy products and electricity;
- COM(2005) 628 final — Biomass action plan;
- COM(2006) 34 final — An EU strategy for biofuels;
- The Green Paper — A European strategy for sustainable, competitive and secure energy (2006);
- The Climate-energy package (20-20-20), European Council, 9 March 2007;
- Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC (Text with EEA relevance);
- Communication from the Commission to the Council and the European Parliament: Renewable Energy Road Map - Renewable energies in the 21st century: building a more sustainable future, COM(2006) 848 final;
- Communication from the Commission - The support of electricity from renewable energy sources, SEC(2005) 1571 - COM(2005) 627 final.

3. Specific comments

3.1 Bioenergy and socio-economic issues

3.1.1 The socio-economic impact of bioenergy is largely contingent on its costs (incentives, structural deficiencies) and

benefits (linked activities, effects on GDP, CO₂ reduction, employment effects, reduction of fuel risk, elimination of waste-disposal costs, production of fertilisers and other by-products) (Althesys). Furthermore, when the price of oil exceeds USD 70 a barrel, the production of bioenergy becomes competitive.

3.1.2 The current system of biomass production has an impact on the land, on the economy, on prices and on society as a whole. The Committee believes that these effects should be assessed in order to rectify inefficiencies and distortions.

3.1.3 The Committee believes that the development of bioenergy has repercussions on food security for reasons closely linked to prices and local factors. The main direct effect on prices derives from the demand for biofuels, as energy markets are larger than agricultural ones in value terms. Energy prices determine the agricultural prices of energy crops insofar as the increase in demand for energy linked to agricultural products determines the minimum price of sugar, corn, and rape and their maximum price, which if exceeded would render uncompetitive the use of agricultural crops in comparison with other energy sources such as wind, solar or geothermal. It is also worth noting the general problem that higher energy prices increase the cost of agricultural production inputs.

3.1.4 Bioenergy has emerged as a possible solution which can revitalise areas that are economically depressed and under-used agriculturally, in particular in developing sectors in the various stages of production, harvesting, transport and processing. From an economic and employment point of view, positive objectives can also be achieved: according to Commission communication COM(2005) 628 final, *Biomass action plan*, direct employment in 2010 was calculated at 300 000 new workers, mostly in rural areas.

3.1.5 The use of wooded areas for energy purposes can help rehabilitate local agri-forestry communities through greater stewardship of the land and protection of forested areas. Moreover, there is the potential to boost the capacity of forest ecosystems to perform their primary functions, namely to produce wood biomass and protect natural heritage and soil fertility.

3.2 The land

3.2.1 The Committee regrets the fact that, as happened in the past with oil, some rich countries with insufficient arable land to ensure a secure energy supply for their people, as well as multinationals and sovereign wealth funds, are making substantial investments in third countries in order to exploit the land. Thus we are faced with a land-grabbing situation, which is likely to disrupt established rural communities and damage the agricultural and forestry resources of local populations. In the Committee's view, this situation is far from being an example of sustainable development in economic, social and environmental terms.

3.2.2 Land-use conflict is an explosive issue, especially in the case of developing countries or large, sparsely populated countries (e.g. Brazil or the US state of Iowa). Although land-use conflict is to be expected, the concept can be conveyed more clearly bearing in mind that the amount of corn it takes to produce 25 gallons of bioethanol will feed one person for a whole year (Worldwatch Institute).

3.2.3 Land-use conflict is a problem linked to the importation of biofuels by the EU and the food supply in developing countries, especially in Africa and South-East Asia, given the tensions there over land ownership in the absence of land registers and customary law.

3.2.4 The Committee endorses the EU strategy on biofuels, COM(2006) 34 final, primarily where it states that it is essential that appropriate minimum environmental standards apply to feedstock production for biofuels, and highlights concerns raised over the use of set-aside land because of the potential impact on biodiversity and soil.

3.3 Water

3.3.1 In an ever more developed world, the unchecked use of water resources is steadily increasing. The causes of this lie in the growing global population and its distribution, changing food trends and the impact of biofuels. The current strategy for developing biofuels will definitely exacerbate the water crisis, and access to water could be a limiting factor for the production of feedstock such as corn and sugar cane.

3.3.2 The Committee believes that as regards crops grown for biofuel, there should be a shift towards non-irrigated crops, which can also grow in inland and disadvantaged areas, as in order to produce one litre of biodiesel it takes 4 000 litres of water for the irrigation of the crops and the chemical conversion process.

3.4 The environment

3.4.1 Distorted use of the soil, particularly of farmland designated for production of both food and bioenergy, brings potential risks such as:

- increased pressures on the whole agricultural sector due to the intensification of cultivation (soil compaction, excess of nutrients, excessive consumption of water, erosion);
- transformation of fields and grassland into arable land for energy crops, with a loss of carbon sinks;
- loss of biodiversity due to intensive production patterns; and
- homogenisation of the landscape (EEA report 7/2006).

3.4.2 However, the Committee thinks that rational use of the soil tying in closely with the good farming practices employed

in the EU, based on crops linked to the production of the various types of bioenergy, may actually increase biodiversity and reduce the homogenisation of the landscape. The Committee believes that there is no turning back for Europe here.

3.4.3 In this respect, there should be a focus on second-generation biofuels, even though, as these fuels lend themselves to being treated as an intensive industry, farmers would be relegated to the sole role of supplying the feedstock, without any guarantee of financial reward. The Committee considers it necessary to rebalance the role of farmers in relation to the production and marketing of energy crops in order to foster producer organisations throughout the supply chain; such organisations can thus play a key role in the negotiation of balanced, endorsed contracts.

3.5 The European approach to bioenergy

3.5.1 With large-scale terrestrial energy crop growing comes the need for sustainable management of forests and farmland. Biomass production for energy purposes can have a positive impact on the environment only if done properly. For instance, the abandonment of rural areas has led to destabilising natural factors. Land not maintained by positive human activities is exposed to a higher risk of landslides, desertification and fires.

3.5.2 The Committee believes that to promote the integrated development of bioenergy on the ground, a model of distributed generation and short energy chains needs to be developed, involving small-scale plants processing locally-produced biomass and thus bringing benefits in terms of environmental impact and the real possibility of directly involving farmers in the production chain (as individuals or groups).

3.5.3 The Committee endorses the good practice guidelines to be applied to the various bioenergy crops put forward by the European Environment Agency, including:

- ensuring the cultivation of the land throughout the year;
- cultivation on slopes;
- creating windbreaks by introducing crops of different heights;
- maintaining and creating windbreaks as part of field boundaries, and introducing practices that prevent organic matter loss in the soil.

3.5.4 The Committee believes that, if properly managed, the development of energy-orientated farming could help ensure a constant human presence on the land and thus secure its stewardship and harness its resources, particularly forest resources.

3.5.5 Furthermore, in the agricultural sector, bioenergy production can mesh with agri-food production in a controlled way, helping to diversify market channels, easing the transition to an increasingly competitive agricultural sector and providing non-conflictual solutions regarding the allocation of agricultural products by the new Member States.

3.6 Quality-control systems for bioenergy production

3.6.1 A highly diverse range of methods are used to study the environmental effects of bioenergy. Among these, the Committee would highlight:

- the carbon footprint of biomass production; and
- DPSIR (driving force, pressure, state, impact, response) assessments.

3.6.2 In assessing environmental impact, life cycle assessments (LCAs) can be used to determine and quantify the actual or potential environmental and energy burdens present in the various phases of the cycle of production and consumption of bioenergy. This technique allows a comparison of the environmental profile of the various forms of bioenergy with that of fossil fuels that perform similar functions.

3.6.3 The Committee deems to be consistent with the principles set out above the position of the countries participating in the Global Energy Partnership, including the USA and China, which have signed an international agreement on controlling the use of biofuels and on their impact on the environment and the food balance. Any country can measure the environmental sustainability of bioenergy by means of 24 voluntary criteria and indicators.

3.6.4 Against this backdrop, the Committee believes that when using surplus land to produce feedstock for bioenergy there is a need not only to identify the environmental, economic and social constraints involved but also to ascertain, with reference to the ILUC factor, whether the land to be used for energy crops could actually give rise to an increase in CO₂.

3.6.5 The Committee agrees with the Commission's decision to monitor the risks associated with biofuels in the transport sector (Directive 28/2009), to limit the contribution of biofuels and bioliquids produced from food crops in line with the level of maturity of the various technologies, and to encourage the production of bioenergy from products that do not generate further demand for land, such as the burning of municipal waste.

3.6.6 The Committee feels that the use of first-generation biofuels should not impede the EU from investing in research into new sources of clean energy ⁽⁵⁾.

Brussels, 18 September 2013.

The President
of the European Economic and Social Committee
Henri MALOSSE

⁽⁵⁾ OJ C 271, 19.9.2013, p. 111-115.

Opinion of the European Economic and Social Committee on 'For coordinated European measures to prevent and combat energy poverty' (own-initiative opinion)

(2013/C 341/05)

Rapporteur: **Mr COULON**

Co-rapporteur: **Mr HERNÁNDEZ BATALLER**

On 12 February 2013, the European Economic and Social Committee, acting under Rule 29(2) of its Rules of Procedure, decided to draw up an own-initiative opinion on

For coordinated European measures to prevent and combat energy poverty

(own-initiative opinion).

The Section for Transport, Energy, Infrastructure and the Information Society, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 2 September 2013.

At its 492nd plenary session, held on 18 and 19 September 2013 (meeting of 18 September), the European Economic and Social Committee adopted the following opinion by 177 votes to 2 with 4 abstentions.

1. Conclusions and recommendations

1.1 The price of electricity, gas, oil and other fuels is rising sharply and the situation has been seriously exacerbated by the socio-economic crisis affecting a growing number of people. This opinion does not seek to identify the reasons for these price increases, but aims to look at proposals for encouraging coordinated European measures, in compliance with the subsidiarity principle, to prevent and combat energy poverty, encourage solidarity in this area and offer greater protection to the vulnerable (European and others).

1.2 Faced with this major political challenge, the EESC calls for a European energy security and solidarity commitment within the framework of a European energy community which the EESC would welcome.

1.3 This European energy security and solidarity commitment would drive forward a truly European policy for combating energy poverty and encouraging solidarity based on the recognition of a universal right of access to energy, which the EESC considers to be an essential common good, so that everyone can lead a decent life. The commitment would aim in both the short and the long term:

- to protect individuals from energy poverty and prevent their social exclusion;
- to take action to reduce the factors of structural vulnerability (by guaranteeing basic access to energy at reasonable and stable prices);

— to encourage everyone to assume responsibility for using sustainable and renewable energy resources (and ensuring the transition to a low-carbon society).

1.4 The EESC calls for European energy poverty indicators to be established and for statistics to be harmonised in order to identify, prevent and tackle the problem more effectively at European level and to generate solidarity in this area.

1.5 The EESC recommends setting up a European poverty observatory, whose main focus would be on energy poverty and which would bring together all the stakeholders to help define European energy poverty indicators (in conjunction with Eurostat), make an inventory of the situation, identify best practices and draw up recommendations for preventing and addressing the problem more effectively and establishing European solidarity in this sphere.

1.6 The EESC recommends that the European Citizens' Energy Forum (the so-called London forum) include representatives from the EESC and work closely with national economic and social councils and similar institutions in the Member States.

1.7 The EESC would like to see an energy market more focused on consumers and more broadly on citizens (European or others), particularly the most vulnerable. The EESC welcomes any mechanism allowing the latter to take back control of their energy affairs. The EESC recommends that the European Commission include in the report requested by the European Council (by the end of 2013) an analysis of energy poverty in the Union, including the vulnerability factors, propose a European strategy and a roadmap for preventing and eradicating it. The most important issue to prevent any increase

in costs that could be avoided by having a harmonised, effective European energy policy (see opinion TEN/508 *The economic effects from electricity systems created by increased and intermittent supply from renewable sources* – CESE 2599/2012) ⁽¹⁾.

1.8 The EESC recommends that before the main measures of EU and Member States' energy policy are adopted they should be analysed in terms of the extent of their economic impact on the various categories of consumers (for example, according to income, household composition or type of heating). The aim would be to update those categories of consumers who might see disproportionate increases in their energy bill compared to the average for the population and to propose, where necessary, compensatory measures (adapting the rules, improving the energy efficiency of dwellings, etc.) in favour of the most vulnerable consumers.

1.9 The EESC calls on the European Commission to consider setting up a European energy solidarity fund to be a cross-cutting tool for all European measures on this issue in order to bring European solidarity to bear in this area in a targeted manner.

1.10 The EESC would like to promote an annual meeting of civil society organisations to discuss energy poverty and solidarity in Europe, talk about local, national and European initiatives and put forward practical recommendations to European, national, local, institutional, voluntary and industrial decision makers in conjunction with the European observatory on poverty in Europe.

1.11 Because combating poverty and building solidarity in this area is of general European interest, the EESC would like the European Commission to make a proposal to the Parliament and to the Council for this specific topic to be the subject of a European year ("of energy solidarity"). The aim would be to raise the public's awareness and draw decision makers' attention to this problem of major European concern.

1.12 With this in mind, the Committee advocates that the European Commission organise a European energy information campaign organised at national and local level on combating energy poverty and building solidarity in this sphere to promote, in particular, education on energy efficiency, the active energy consumer and the responsibility and involvement of industry, etc.

2. Urgent need: eradicating energy poverty with a European energy security and solidarity commitment

2.1 Because of its indispensable role in all daily activities, energy is an essential common commodity that enables everyone to live a decent life. Being without it leads to disaster. Energy poverty kills, in both physical and social terms. More than 50 million people in Europe are affected

(European Fuel Poverty and Energy Efficiency Project - 2009). This is an intolerable situation that must not continue. The EESC advocates urgent measures at European level and calls for a European energy security and solidarity commitment to promote an effective European policy for combating energy poverty and generating solidarity in this sphere. Its goal would be to:

- protect individuals (European and others) from energy poverty and prevent their social exclusion;
- take action to guarantee everyone in Europe reliable and regular basic access to energy at reasonable and stable prices; and at the same time
- ensure the transition to a low-carbon society.

2.2 Such a European commitment would make it possible to pursue a joint and coordinated approach at European level to reduce the energy divide and would be based on the recognition of a universal right of access to energy (so that everyone can enjoy decent living conditions) which the EESC would like to see included in the Treaty of Lisbon; the EESC aims for all European policies, and particularly the energy policy, to include combating energy poverty and encouraging solidarity in this context in their goals. The EESC points out that, as an essential common commodity, energy must be managed as such with the resulting public service obligations. Moreover, the supply of energy by undertakings comes under services of general economic interest whose role in terms of European territorial and social cohesion is recognised by the Lisbon Treaty (Article 14 TFEU/Protocol 26). The European Charter of Fundamental Rights recognises the right to social and housing assistance to ensure a decent existence (Article 34), the obligation to ensure a high level of consumer protection (Article 38) and the fundamental right of access to public services (Article 36).

2.3 The Union would thus breathe new life into the principle of solidarity that underpins its project and give added meaning to the construction of Europe for citizens who are becoming increasingly disillusioned and sceptical. Furthermore, the EESC points out that 81 % of Europeans questioned support combating energy poverty (European Parliament Eurobarometer, 2011).

2.4 The Committee welcomes the interest the European Council of 22 May 2013 showed in questions of energy costs and prices and the impact on households, particularly the most vulnerable. These questions are very costly politically; in Bulgaria for example, the government resigned on 20 February following demonstrations by its citizens for whom the steep and exceptional electricity price increases (more than 20 % between December 2012 and January 2013) in the wake of national measures for opening up the market became a focus for discontent, given that average salaries are less than EUR 400 (17,3 % of Bulgarians' income is spent on electricity bills – National Statistics Institute).

⁽¹⁾ OJ C 198, 10.7.2013, pp. 1-8.

2.5 The EESC draws attention to the fact that energy prices are constantly increasing: between 2011 and 2012, the price of electricity rose by 6,6 % in the EU, particularly in Cyprus (+ 21 %), Greece (+ 15 %), Italy (+ 11 %), Ireland and Portugal (+ 10 %), Bulgaria, Spain and Poland (+ 9 %). Household gas prices increased by 10,3 % in the EU, particularly in Lithuania (+ 21 %), Estonia (+ 19 %) and Bulgaria (+ 18 %) (Eurostat, May 2013).

3. The reality of energy poverty

3.1 In Europe the former problems of access to energy have largely been solved but globally 1,2 billion individuals still have no access to electricity, and 2,8 billion still use wood or other kinds of biomass for heating or cooking (World Bank/IDA, May 2013). This problem of access to modern energy services is so great that the UN declared 2012 "The International Year of Sustainable Energy for All" (Resolution 65/151), mainly to promote universal access and has just proposed that 'Sustainable, secure energy' is one of the 12 global sustainable development goals (SDGs) which, for the first time, are aimed at the developing AND the developed world.

3.2 Energy poverty in Europe is reflected in the growing numbers of people (more than 50 million according to the European Fuel Poverty and Energy Efficiency Project - 2009) who have difficulty paying their energy bills or have limited access to energy because of low incomes, uninsulated homes, inefficient appliances (for heating, cooking, hot water), high energy costs. Mobility is also an issue that affects the budgets of households often living far away from city centres and for whom transport dictates where they work. This affects the elderly, single parent families, the unemployed, those on welfare benefits, etc. It has a number of consequences: limited mobility has repercussions on employment, the lack of heating affects hygiene, health (the "heat or eat" dilemma, respiratory conditions, etc.) and often leads to excess mortality, over-indebtedness and social and geographic isolation.

3.3 Energy poverty is a debilitating factor that combines with others, creating difficulties that interact to form a worsening spiral that weighs down on individuals in situations of general poverty. The risk of poverty is in the meantime increasing (Eurostat, December 2012): 119,6 million people were threatened with social exclusion in the EU27 in 2011 because of the risk of poverty, severe material deprivation or because they were living in households with very low work intensity. The EESC points out that the Europe 2020 strategy aims to reduce the number of people affected by poverty and social exclusion by at least 20 million.

3.4 Combating energy poverty and building solidarity in this area straddles social, public health, environmental, economic and political issues and, now more than ever, should be made a political priority.

4. Supplying European indicators and statistics for energy poverty

4.1 Energy poverty/precariousness: precariousness means a situation of serious, temporary vulnerability. Energy poverty is a social condition aggravated by factors that are both external (energy prices, energy rating of homes, etc.) and individual (ageing, income, etc.). The EESC will use the term energy poverty to encompass both aspects.

4.2 Only France, Slovakia, the United Kingdom and Ireland have a definition for energy poverty

4.3 The United Kingdom has an objective definition of "fuel poverty": the situation of a household obliged to spend more than 10 % of its income to have a satisfactory level of heating in the home (21 °C in living-rooms and 18 °C in other rooms according to the World Health Organisation). Three aspects are taken into consideration: household income, the price of energy and energy consumption. This definition does not take account of other domestic energy requirements and is currently being revised by the government.

4.4 In France, the "Grenelle II" Act defines energy poverty as a situation in which a person has difficulty obtaining the necessary energy in their home to meet their basic needs because of inadequate resources or living conditions (Article 11(4)).

4.5 Despite not having a definition, some states have laid down specific provisions. Belgium has introduced the status of "protected customer", which enables all recipients of social assistance or welfare benefits to enjoy subsidised energy tariffs and special free amenities (e.g. "budget meters", guaranteed supply). Italy and Spain have the "*bonus elettrico*" and "*bono social*" respectively. In Germany, the local subsidised tariffs introduced by the regional governments (*Länder*) are supported by the local or regional energy companies. In Sweden, the universal social protection system picks up unpaid bills. More than half of the Member States provide protection against energy supply disconnections based on legislation or energy suppliers' codes of conduct (2009 ERGEG report).

4.6 The European Union has neither a definition nor indicator of energy poverty, nor a specific European policy for addressing this problem which is dealt with in piecemeal fashion.

4.7 Through the European platform against poverty and social exclusion, a specific tool under the 2020 Strategy, the European Commission is targeting energy poverty "which risks depriving households not only from heating or cooling but also from hot water, lights and other essential domestic necessities" as being another manifestation of severe deprivation.

4.8 The directives on the internal energy market (July 2009) recognise energy poverty but contain no European definition or obligation and call on the Member States to provide "adequate safeguards to protect vulnerable customers" and to "define the concept of vulnerable consumers which may refer to energy poverty and, *inter alia*, to the prohibition of disconnection of [electricity/gas] to such customers in difficult times". In its communication on *Making the internal energy market work* (15 November 2012) the Commission plans to support Member States "in defining what is meant by and what causes energy consumers' vulnerability by providing guidance and facilitating the exchange of best practice".

4.9 The European Parliament only defines the vulnerable consumer by going beyond the traditional concept (endogenous vulnerability) to include "consumers in a situation of vulnerability" because "they are placed in a state of temporary powerlessness resulting from a gap between their individual state and characteristics", "and their external environment" because "all consumers at some point in their life can become vulnerable because of external factors and their interactions with the market (...) and therefore need special protection" (Resolution of 22 May 2012). The Parliament calls on the Commission and the Member States to adopt "a broad and coherent political and legislative strategy to tackle vulnerability taking into account the diversity and complexity of all the situations involved", particularly in the energy sector (Resolution of 22 May 2012); it is also calling for specific measures against energy poverty (Resolution of 14 March 2013 on the Energy Roadmap 2050). In its resolution of 11 June 2013 on a new agenda for European consumer policy, the European Parliament urges the Union and Member States to provide *adequate guarantees for the protection of those [vulnerable] consumers* particularly with regard to energy. In its resolution of 11 June 2013 on social housing in the European Union, the European Parliament urges the Member States to define energy poverty "based on common parameters but adjusted for each Member State to take into account specific national circumstances".

4.10 The EESC considers it essential to establish common European indices and indicators for energy poverty that include the vulnerability aspect, in order to identify and analyse the causes more accurately, to go beyond merely acknowledging the symptoms and to develop a European strategy for tackling the problem more effectively. The EESC suggests that the definition suggested in opinion TEN/420, "the difficulty or inability to ensure adequate heating in the dwelling and to have access to other essential energy services at a reasonable price", should form a basis to be further developed (taking account of the universal right of access to energy as an essential commodity) by the European poverty observatory it would like to establish. The latter could determine common European indices and indicators which would serve as parameters for the Member States in defining energy poverty so that their national characteristics are taken into account. EUROSTAT and the national statistics institutes should adopt standard methodologies to quantify the problem at national European levels in order to harmonise the existing statistics more effectively.

5. Encouraging the creation of a European poverty observatory whose main focus would be energy poverty

5.1 The EESC suggests creating a European poverty observatory whose main focus would be energy poverty and would include all the stakeholders: national observatories, ombudsmen, regulators, energy suppliers, various associations (health, construction, energy, consumers, combating exclusion, local authorities, etc.), social partners, etc. It would provide a report on the impact of energy market liberalisation on vulnerable individuals, propose energy poverty indicators and put forward recommendations, methodologies and options to be explored at European level on the basis of best practices identified at local and national levels. Its task would be to cooperate with the London Forum. The EESC would also like the London Forum to include Committee members and work closely with the national economic and social councils or similar to combat energy poverty.

6. Putting the focus of European policies and initiatives back on measures to combat energy poverty and energy solidarity and promoting active consumers

6.1 The opening up of energy markets has not led to a reduction in energy prices for Europe's citizens. 60 % of consumers have seen prices increased by their energy suppliers, 3-4 % have seen prices reduced. 7 % of consumers have changed their gas supplier and 8 % their electricity supplier. Energy is the sector consumers spend most on (5,7 % of their budget), mainly on electricity (2,1 %). (2nd Consumer Markets Scoreboard 2009). These percentages have increased in recent years.

6.2 The decisions of the European Council of 22 May 2013 are a step in the right direction: re-focusing European energy policy on consumers to guarantee them a secure supply at an affordable and competitive price; strengthening the role and rights of consumers and providing better protection for vulnerable consumers; transposing the 3rd energy package as a matter of urgency. By the end of 2013, the Commission is due to present an analysis of the energy price and cost structure with an emphasis on the impact on households. The most important issue to prevent any increase in costs that could be avoided by having a harmonised, effective European energy policy (see opinion TEN/508 *The economic effects from electricity systems created by increased and intermittent supply from renewable sources* – CESE 2599/2012) ⁽²⁾.

6.3 The EESC recommends that before the main measures of EU and Member States' energy policy are adopted they should be analysed in terms of the extent of their economic impact on the various categories of consumers (for example, according to income, household composition or type of heating). The aim would be to update those categories of consumers who might see disproportionate increases in their energy bill compared to the average for the population and to propose, where necessary, compensatory measures (adapting the rules, improving the energy efficiency of dwellings, etc.) in favour of the most vulnerable consumers.

⁽²⁾ OJ C 198, 10.7.2013, pp. 1-8.

6.4 The EESC reiterates the need to fully transpose the aforementioned directives and guarantee a universal service, compliance with public service obligations, protection of vulnerable people and reasonable, comparable and transparent prices. The EESC would like the European Commission to include in its future report for the end of 2013 an inventory and analysis of energy poverty in the Union, put forward a European strategy for combating energy poverty and encouraging energy solidarity in this area, together with the funding to make it operational.

6.5 The EESC would like the European Commission to make this issue a cross-cutting priority in all European policies and to feature it more prominently in its forthcoming initiatives (for example, the guidelines on the internal market, those on implementing the 2012 energy efficiency directive, consumer rights, etc.).

6.6 The EESC advocates that the policy on energy solidarity and combating energy poverty should form an integral part of the EU's energy policy on the transition to a low-carbon society. The EESC recommends that the Commission strictly ensure Member States' compliance with the European rules that could help reduce energy poverty. The EESC would like the Treaty to include the universal right of access to energy (which must be considered and managed as an essential common good) and European policies, particularly energy policy, to include combating energy poverty and encouraging solidarity in this area among their goals. The EESC recommends that the European semester include combating energy poverty and solidarity in this area in its work so that this topic can be reflected in the Member States' national reform programmes.

6.7 The EESC considers it essential to encourage at European level any mechanisms that can make vulnerable consumers play an active role in their own energy matters, by consuming less and better (in terms of constant energy services) to improve their quality of life and by encouraging the decentralised production of renewable energy where this is reasonable from an economic and technical viewpoint. Information, training and education can increase households' awareness and encourage the appropriate attitude (switching off appliances on stand-by, choosing energy-efficient appliances, timely renewal, etc.). The EESC would like the Union to support any transnational project to this effect, particularly by establishing the European energy solidarity Fund, encouraging any exchanges of know-how between civil society organisations, linking up a transnational network, making more widely available the production and dissemination of information and training in this area and of good practices resulting particularly from EU-funded transnational projects.

6.8 The EESC calls for European research programmes to encourage innovative tools focused on optimum usage by all consumers, particularly the most vulnerable. The EESC therefore recommends that for smart meters to be fully effective and useful for consumers, they should provide, for example, clear and transparent information on energy consumption, in real time, at no additional cost. In this way, they would act as a

useful preventative tool to help consumers be more aware of their consumption level and to act on this information, thereby enabling them to be active energy consumers.

6.9 The EESC advocates setting up local one-stop energy solidarity shops to develop synergies and consultation between all the stakeholders, including energy operators, to provide greater coordination, and thus prevent and address problems more effectively, give better advice, guidance and support for the public, especially the vulnerable. The EESC advocates training the staff of these one-stop shops (but also of the administrative and banking services, industrial operators, etc.) to make them aware of the problems facing this vulnerable public, to manage the latter's affairs more efficiently and to help them flag up those at risk at an early stage. These one-stop shops would adopt a holistic and integrated approach to the preventative and problem-solving options offered by associations, local authorities, business, etc. It would enable everyone to become active energy consumers without creating dependency or social stigma.

6.10 The EESC advocates additional and more widely-available measures (particularly those closely involving energy suppliers) such as guaranteeing supply to vulnerable households at critical times of the year ("winter truce") and ensuring that suppliers do not disconnect supplies because of difficulties meeting payments, preventing situations where bills cannot be settled, etc. The EESC thus advocates involving energy industry operators and others more closely in action strategies to combat energy poverty (as regards both preventing and resolving problems) and to build solidarity, in order to go beyond the codes of good conduct.

6.11 The EESC advocates tighter regulation of energy suppliers' practices so that low-income consumers do not suffer from the poverty premium, that is to say a higher unit cost for the same service. For example, pre-payment systems could be set up so as not to risk penalising the most vulnerable consumers.

6.12 The EESC is calling on the European Commission to schedule a European Energy Solidarity Year which would make it possible to conduct a European information campaign (delivered at national and local level) and labelled projects to raise the awareness of all stakeholders concerning the importance of eradicating energy poverty, encouraging consumers to be more active in relation to energy and enhancing energy solidarity.

7. European energy solidarity Fund

7.1 The EESC suggests that the European Commission look into setting up a European energy solidarity Fund to support the measures proposed by the EESC, particularly information/training for members of the public, integrating local projects into European networks, supporting exchanges, transfers and making good practices emanating from EU-funded transnational

projects or developed at local and national level more widely available at European level. This would include, for example, the financial support mechanisms put in place by states or local authorities for paying bills (*subsidised rates, energy cheques, etc.*), a "winter truce", setting up one-stop shops, training energy efficiency advisers (*e.g. the European Achieve project*), re-developing neighbourhoods, bringing in funding or technical assistance for energy efficiency work (*e.g. the European CEB-ELENA project "European Local Energy Assistance Facility"*) or for the micro-production of renewable energy, as well as financing arrangements set up for vulnerable households (*e.g. the European FinSH project - Financial and Support Instruments for Fuel Poverty in Social Housing*).

8. Targeting energy efficiency measures for buildings to combat energy poverty

8.1 The EESC points out that, in 2007, the Union fixed the 3×20 % targets for 2020, which included cutting energy consumption by 20 %. The October 2012 Energy Efficiency Directive sets out a long-term strategy (2050) for mobilising investment in renovating public and private housing and residential and commercial premises. Member States are required to submit their national action plans for implementing this strategy by 30 April 2014. The EESC points out how important implementing energy efficiency measures is for reducing carbon dioxide emissions, creating jobs, and also for effectively addressing energy poverty.

8.2 One of the main causes of energy poverty is effectively vulnerable households often paying exorbitant rents for badly insulated homes. A well-insulated home cuts consumption and hence the bill (combined with the proper approach to energy use). Households with modest incomes, be they tenants or owners, do not have the means to improve insulation or replace heating installations, either because they lack savings, or they have difficulty accessing bank credit.

8.3 The EESC suggests setting up a mechanism that would make it possible to both strongly encourage landlords (for example making the amount of rent dependent on the thermal rating level, etc.) to undertake work to renovate thermal insulation and to provide additional help for them in doing this, and at the same time to gradually withdraw from the rental market in Europe any dwellings falling below a standard thermal insulation threshold. The EESC recommends that States include energy performance in the definitions and criteria used to determine whether properties for rent are decent and acceptable or substandard.

8.4 The EESC would like the European Commission to contemplate innovative financing methods and tools to help States support the poorest households in their efforts to become more energy efficient by taking account of their financial constraints.

8.5 Improving the insulation in the homes of vulnerable households must become a priority in all European programmes. The Commission must ensure that the national energy efficiency plans prioritise investments in the homes of the most vulnerable households.

8.6 The EESC recommends that the Structural Funds should take greater account of combating energy poverty and encouraging energy solidarity in the 2014-2020 programming period and that there is more funding for energy efficiency and renewables to reflect the scale of the challenge.

8.7 Furthermore, the EESC recommends supporting the decentralised production of renewable energy in so far as it can solve the problem of access to energy, particularly in the case of the most vulnerable.

Brussels, 18 September 2013.

The President
of the European Economic and Social Committee
Henri MALOSSE

III

(Preparatory acts)

EUROPEAN ECONOMIC AND SOCIAL COMMITTEE

492ND PLENARY SESSION HELD ON 18 AND 19 SEPTEMBER 2013

Opinion of the European Economic and Social Committee on the ‘Proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EC) No 1083/2006 as regards certain provisions relating to financial management for certain Member States experiencing or threatened with serious difficulties with respect to their financial stability and to the decommitment rules for certain Member States’

COM(2013) 301 final — 2013/0156 (COD)

(2013/C 341/06)

Rapporteur-General: **Mr PÁLENÍK**

On 6 June and 10 June 2013 respectively, the Council and the European Parliament decided to consult the European Economic and Social Committee, under Articles 177 and 304 of the Treaty on the Functioning of the European Union, on the

Proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EC) No 1083/2006 as regards certain provisions relating to financial management for certain Member States experiencing or threatened with serious difficulties with respect to their financial stability and to the decommitment rules for certain Member States

COM(2013) 301 final — 2013/0156 (COD).

On 9 July 2013 the Committee Bureau instructed the Section for Economic and Monetary Union and Economic and Social Cohesion to prepare the Committee’s work on the subject.

Given the urgent nature of the work, the European Economic and Social Committee decided to appoint Mr Páleník as Rapporteur-General at its 492nd plenary session, held on 18/19 September 2013 (meeting of 19 September), and adopted the following opinion by 135 votes to 0 with 2 abstentions.

1. Conclusion and recommendations

1.1 The European Economic and Social Committee (EESC) takes note of the Commission’s proposal amending Regulation (EC) No 1083/2006, which aims to increase payments by putting up the co-financing rate for the priority axis for Member States affected by the crisis and in receipt of financial aid from the European Financial Stabilisation Mechanism (EFSM) or Balance of Payments mechanism by ten percentage points for the period in question. However, the total funds allocated under EU cohesion policy for the 2007-13 programming period are not being increased, but effectiveness is maintained through co-financing.

1.2 The EESC notes the Commission’s proposal to amend Regulation (EC) 1083/2006 such that Romania and Slovakia can submit applications for payment by the end of 2014 rather than by the end of 2013 (for funds committed in 2011) and by the end of the programme rather than by the end of 2014 (for funds committed in 2012), whilst not increasing the total funds allocated under EU cohesion policy for the programming period 2007-13. This reduces the danger of automatic decommitment of funds for the years 2011 and 2012.

1.3 The EESC, in line with its previous opinions, supports this proposal provided that consistency and efficacy in the use of budgetary resources are preserved.

2. Explanatory statement

2.1 Under the Commission proposal, lower contributions to projects co-financed under EU cohesion policy would be required from seven Member States that come under the EFSM or the Balance of Payments mechanism. This would mean that Member States would not have to look for the necessary funding exclusively from their own resources. At a time when state budgets are under heavy strain, this would make a significant contribution to putting their crisis-hit economies back on the path to growth. Co-financing enhances the efficacy of aid. Less co-financing brings with it the risk of making the aid less effective. However, this risk should be mitigated to the greatest possible extent with all available resources. The EESC agrees with the Commission proposal, which is in line with its earlier opinions ⁽¹⁾.

2.2 This extension of the deadline for submitting applications for payment until the end of 2014 gives Slovakia and Romania extra room for manoeuvre so that they can better

implement projects that are co-financed under EU cohesion policy. The extension of the deadline for automatic decommitment is also proportionate in that it is restricted to those Member States whose funds allocated during the period 2014-2020 were capped at a certain level by agreement of the European Council. The extension of the deadline for decommitment is based on a suggestion from the European Council, which, in its conclusions of 8 February 2013, invited the Commission to explore practical solutions to reduce the risk of automatic de-commitment of funds from the 2007-2013 national envelope in the case of Romania and Slovakia, possibly also via the amendment of Regulation (EC) 1083/2006.

2.3 The EESC also takes the view that it is important to boost prosperity and competitiveness in those Member States worst affected by the crisis and therefore supports this proposal.

2.4 The EESC agrees that the total budget appropriations from the funds to the affected countries and programmes will remain unchanged in the specified period.

Brussels, 19 September 2013.

The President
of the European Economic and Social Committee
Henri MALOSSE

⁽¹⁾ OJ C 24, 28.1.2012, p. 81; OJ C 24, 28.1.2012, p. 83; OJ C 24, 28.1.2012, p. 84.

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: EU space industrial policy — releasing the potential for economic growth in the space sector’

COM(2013) 108 final

(2013/C 341/07)

Rapporteur: **Mr VAN IERSEL**

On 28 February 2013 the Commission decided to consult the European Economic and Social Committee, under Article 304 of the Treaty on the Functioning of the European Union, on the

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: EU space industrial policy — releasing the potential for economic growth in the space sector

COM(2013) 108 final.

The Section for the Single Market, Production and Consumption, which was responsible for preparing the Committee’s work on the subject, adopted its opinion on 17 July 2013.

At its 492nd plenary session, held on 18 and 19 September 2013 (meeting of 18 September), the European Economic and Social Committee adopted the following opinion by 151 votes to one with four abstentions.

1. Conclusions and recommendations

1.1 The EESC highly welcomes an EU Industrial policy in the Space sector ⁽¹⁾. It endorses also the provided budget of EUR 11 billion for Galileo, Copernicus, and R&D in Horizon 2020 for 2014–2020, in addition to the existing annual budget of EUR 4 billion of the European Space Agency (ESA). These decisions are in line with standing views of the EESC ⁽²⁾.

1.2 EU space policy, sustained by political commitment throughout Europe, should ensure independent European access to space along the whole value chain, i.e. from the conception phase to development, launching and exploitation. Long-term and high-risk activities ask for predictability, certainty, and continuous commitments.

1.3 The EU needs critical mass. An internal market for space requires dealing with a well-defined notion of a European level playing field, both for internal and external reasons.

1.4 Pro-active industrial policy is needed in response to large institutional markets around the world which have an

increasingly strategic and technological impact. Competitiveness of European industry must be enhanced. Still substantial internal barriers must progressively be overcome.

1.5 EU Industrial policy should bring different strategies of Member States (MS) under one umbrella and streamline national preferences into one framework.

1.6 All parties have to work in the same direction. ESA has a special place. Its performances are very successful and undisputed. In the new set-up ESA will, in addition to its traditional role, become facilitator of space projects under EU rules. New methods and relationships will be put in place. They require well-developed coordination and fine-tuning between all players, i.e. the services of the Commission, ESA, and the MS.

1.7 Formal arrangements for consultation of industry are needed, especially with regard to SMEs. A sufficient part of the budget of Copernicus must be earmarked for new services and applications.

1.8 The space sector asks for a very qualified workforce, on the basis of appropriate contracts. Continuous attention is needed for appropriate skills, ensured by up-to-date education and training, facilitating mobility.

⁽¹⁾ EU Space Industrial Policy – Releasing the potential for economic growth in the space sector, COM(2013) 108 final, February 2013.

⁽²⁾ See notably OJ C 162, 25.6.2008, p. 24, concerning the EC Communication on European Space Policy, COM(2007) 212 final.

1.9 Strategic security and defence considerations are the driving forces for space policy in all countries. New space EU policies and actions are based on Article 173 and, notably, Article 189 of the TFEU. They must be embedded in a closer agreement between MS regarding security and defence, and, thus, in a broader perspective of EU foreign policy. On the other hand experiences in space policy may, in some well-defined areas, be exemplary for European defence. These should be taken into account in the forthcoming debate on European defence.

1.10 EU's space industrial policy can indeed give a boost to a competitive, solid, efficient and balanced industrial base in Europe, being supportive for governmental services as well as for business and citizens. The sector is still fragile. The crisis adds new uncertainties. It now comes to implementation!

1.11 Against this backdrop the EESC fully endorses the five objectives, defined by the Commission: a coherent and stable regulatory framework, a strong industrial base, including SMEs, competitiveness and cost-efficiency, markets for application and services, and technological non-dependence and independent access to space ⁽³⁾.

1.12 Europe's position in the world must be consolidated and strengthened in the world by enhancing performance and competitiveness of European industry, keeping pace with ambitions with other space-faring nations and world-class technology, promoting cost-efficiency along value-chains, and developing markets for space applications and services.

2. Historical context, EESC's commitment

2.1 Due to security and defence considerations space policy developed outside the framework of the EU Treaty. MS had their own space strategies. Common European interests were to a certain extent channelled via R&D and industrial projects of ESA.

2.2 In 2003 a new phase was initiated by the Framework Agreement between ESA and the EU. FP7 got involved in research projects and an EU sector-based industrial policy came within reach. Upstream and downstream investments intensified, competition increased, specialised private business developed new applications and services.

2.3 The EESC strongly endorsed the EU strategy of combining the ESA concept with closer involvement of the

European Institutions as well as concrete proposals and decisions to that end ⁽⁴⁾.

2.4 In subsequent opinions the EESC emphasised the significance of EU space policies for public services, business and, notably, citizens. It endorsed the steps forward in several specific areas as there are the European Earth Observation Programme (GMES), the GMES – Space Component, and A Space Strategy that benefits its Citizens ⁽⁵⁾.

2.5 In 2012 the EESC advocated to bring the financing of GMES within the 2014-2020 Multiannual Financial Framework (MFF) ⁽⁶⁾. On 8 February 2013 the Council decided accordingly in allocating EUR 3,78 million for GMES – from now on named Copernicus – EUR 6,3 billion for Galileo, and EUR 1,7 billion for R&D within Horizon 2020. The decision must still be approved by the EP.

2.6 The recent EC Communication on Industrial policy in the space sector is a further step, needed as "Europe in Space is currently losing ground to most, if not all other space faring nations" ⁽⁷⁾.

3. Current developments

3.1 Circumstances have changed drastically. Worldwide investments by new space-faring nations are rising fast. The US remains the strongest player. The American turnover in the sector is about ten times higher than in Europe. China and India are becoming robust competitors. Recently Russia has announced to step up its space budget substantially.

3.2 Strategic considerations of autonomy and self-reliance are leading. All market in China, India, Japan, and almost in Russia, is 100 % institutional. In the US it is more than 70 %. This is clearly opposite to Europe where 50 % of the market depends on the private sector. It must be noted that in terms of volume the 20 % market share of the private sector in the US represents more than the 50 % private market share in Europe.

3.3 The global market is growing whilst competition intensifies due to the arrival of the new space-faring nations. This threatens the hard-won position of European industry as barriers form even whilst the new entrants conduct aggressive export policies. Due to reductions in the defence budget the American space sector is also shifting to exports worldwide.

⁽⁴⁾ See footnote 2.

⁽⁵⁾ See OJ C 339, 14.12.2010, p. 14; OJ C 44, 11.2.2011, p. 153; OJ C 43, 15.2.2012, p. 20.

⁽⁶⁾ See OJ C 299, 4.10.2012, p. 72 on GMES and its operations from 2014 onwards.

⁽⁷⁾ See ASD-Eurospace position paper on industrial policy, February 2013, page 2.

⁽³⁾ See EC Communication, page 4.

3.4 Against this backdrop the EESC fully supports the objective of maintaining European independent access to space as put forward in a series of Council Conclusions and in EC Communications. More than previously Council and Commission rightly stress the need of European autonomy in strategic areas of the space sector, promoting and safeguarding independent European access to space.

3.5 Europe is currently still substantially dependent on American technologies. Efforts to reduce this dependence ensuring certainty of uninterrupted deliveries of knowledge and high tech material require major efforts from governments, ESA and the EU.

3.6 In response to long-term and high-risk activities predictability, certainty and continuous commitments are indispensable. On its way to full maturity the sector is still fragile, especially where SMEs, crucial for the development of applications, are concerned. The current crisis adds to vulnerability.

4. Industrial policy for the space sector

4.1 In this challenging climate the Commission has presented its proposal for an active EU industrial policy, based on Articles 173 and 189 of the TFEU.

4.2 For the first time the Commission has carried out an in-depth analysis of the challenges as a result of consultations with a range of public and private parties. This widely accepted analysis is a major building block for the leap, from the approximately current EUR 4 billion budget of ESA, to the additional EUR 11 billion space budget 2014–2020. Given the aggressive policies by other space faring nations, this is a decisive step forward.

4.3 This extra funding is also a good starting point in a sector which is tending to grow considerably in the coming decade for two reasons:

- it is a strategic sector;

- with its supportive technologies it is an enabler for many other economic activities, generating positive synergies towards sectors that benefit directly from space technologies and services.

4.4 An increasing number of activities benefit from space services: security, agriculture, transport, regional development, ocean monitoring, meteorology, telecommunications, broadcasting, bridging digital divides.

4.5 Additionally, space will be supportive to a number of global issues such as climate change, food security, fisheries, deforestation, monitoring natural resources, catastrophe monitoring. Europe should be equipped with its own global system to play its full role in line with its economic position in the world. Awareness among the public has to be raised.

4.6 The EESC fully supports the decision that the EU, in putting the right conditions in place, makes use of the opportunities of a pro-active industrial policy. It sees this as a concrete elaboration of the larger concept of EU Industrial policy as laid down in the EC Communications on Industrial policy of 2010 and 2012.

4.7 It should ensure an independent European access – and related technologies – to space in conceiving and developing space systems as well as in launching and exploitation programmes. Self-reliance and independent verification of data is indispensable, certainly with respect to China, but even to befriended nations, like the US, with which Europe is necessarily in competition.

4.8 The main body of industrial policies, driven by national strategies, remains still in the MS. These strategies are part of the larger domain of security and defence policy which explains also the narrow link between governments, national research and industries. This leads to internal barriers and, thus, to fragmentation and patchwork as well as to a European staying behind.

4.9 This underlines that the need for a level playing field is a prerequisite for any EU industrial policy. The Commission should elaborate clear criteria to precisely define the notion of "level playing field". Such well-defined notion is also indispensable for any "reciprocity" measure in mutually opening international markets with third countries.

4.10 The EESC insists that a level playing field and transparent internal competition within the Union must be the ultimate goal. It will help considerably to keep pace with the rest of the world.

4.11 Regarding the Commission's R&D policy the EESC mentions two major concerns that have to be met:

- Horizon 2020 programmes to support EU competitiveness by efficient tendering, in close cooperation with ESA and with the separate space R&D programmes of the MS;

— the guarantee of a streamlined transition from R&D to the operational phases of EU programmes.

4.12 These concerns must be seen in conjunction shrinking R&D budgets in MS. The overall expenditure remains more or less equal due to compensating financial participation of the Commission. The only exception is Germany that recently has raised its R&D space budget with 10 %.

4.13 As the EESC has pointed out at various occasions, a successful industrial policy is transverse: coordination must be ensured among the various EC General Directorates in order to reach all objectives elaborated by DG Enterprise, for instance with DG Connect regarding SatComs and with DG Trade regarding opening of markets and the guarantee of "security of supply" of critical components.

5. ESA and EU

5.1 Science and technology is basic. The EESC underlines once more the great significance of ESA for European space policy. Given the hurdles that have to be overcome in any intergovernmental framework, previous and current performances of ESA are unquestioned. From the start it has contributed significantly to European space activities as they are. ESA has had an indispensable role in space R&D and, to a certain extent, also in industrial activities, not least due to positive cost-quality ratios of the products.

5.2 ESA is a well-equipped partner for national governments and industries. Accordingly, its achievements are a highly qualified part of the chain that builds and reinforces the basis for European industry. Moreover, the ongoing system of "fair return" has encouraged governments to keep an eye on the overall performance in R&D and subsequent activities in the respective countries.

5.3 However, gradually it became manifest that new avenues had to be opened if the EU really wanted to be a competitive global player. The Framework Agreement of 2003 between ESA and the EU started to add EU policies and financial resources as well as to enhance competition and competitiveness. A successful partnership between ESA and the EU took off. A continuing commitment of ESA will be a firm building block for any EU Space industrial policy.

5.4 This being said, the fast changing circumstances ask for an accurate assessment of the procedures and proceedings and for an optimal utilisation of financial resources to support continuing competitiveness and resilience of European companies.

5.5 ESA's role in creating a sound basis for the exploitation of Europe's own space systems through focused and integrated applications is recognised yet the support can provide to EU policies is still to be fully realised. The closer EU/ESA cooperation should generate strong momentum in this respect.

5.6 New approaches and mechanisms are required to sustain a deliberate policy of successful deployment and sustainable exploitation of operational space systems. Equally, an effective Europeanisation of resources must be put in place to sustain three objectives:

- maintenance of a strong scientific base;
- new incentives to applied technology and to the market;
- incentives to develop new series of applications and services, (which support other sectors).

5.7 The recent decisions are in line with the modernisation the EESC advocated in its opinion of 2008 ⁽⁸⁾. At the time the EESC emphasised that the increasing maturity of the space market asks for more flexibility which, in a time of ever faster technological cycles and increasing synergies and applications, is, as a rule, not guaranteed by fixed patterns of relationships that result from the principle of fair return as practiced by ESA ⁽⁹⁾.

5.8 Sudden changes have to be avoided. Therefore the EESC advocated an analysis and dialogue on Europe's desirable performance in ten years' time: "the dialogue should include the way ESA is financed, the dynamic contribution of medium-sized companies, and the maintenance of the highest level of competition" ⁽¹⁰⁾.

5.9 The EESC considers the Council Resolution of last November regarding the relationship between the EU and ESA ⁽¹¹⁾ in conjunction with the new financial framework, adopted on 8 February, as one concrete application of its recommendation in 2008. The EU is entering a new phase.

5.10 In implementing the decisions, ESA, benefitting from its long-lasting experience, will be made responsible for the executive management, but doing so on the basis of EU rules. If implemented well, an optimal balance will be struck between competences of ESA and usual market mechanism of the EU.

⁽⁸⁾ See OJ C 162, 25.6.2008, p. 24.

⁽⁹⁾ See *ibid* point 1.11.

⁽¹⁰⁾ See *ibid* point 1.13.

⁽¹¹⁾ Resolution on the role of ESA in sustaining Competitiveness and Growth in Europe, 20 November 2012.

5.11 It is not yet to foresee how the agreed work methods will function, certainly not in the first phase. Despite slight changes during the last couple of years in which market approaches were pushed forward, a new relationship with science and research in space has to come into being. The Committee therefore welcomes the development of workable boundaries between the principle of fair return conventionally applied in the ESA (the purpose of which is to foster and exploit a versatile space industry in Europe) and the rules of the EU's internal market, which the Commission is bound by, in order to expand the fruitful cooperation between the Commission and the ESA and further strengthen the European space industry.

5.12 This dimension was also addressed in the CCMF's supplementary opinion on this topic. It has since been possible to provide satisfactory answers to some of the critical questions raised there.

6. Specific issues

6.1 In drawing up space policy according to Article 189 parallel competences of Commission and MS should be applied as much as possible. MS should also take the initiative to cooperate on specific issues among themselves. Such processes can be monitored by the Commission.

6.2 The right conditions must be defined in a changing competitive and dynamic environment in support of a firm competitive basis for EU industry. Therefore the EESC insists that, from now on, industry is given a formal place in the consultative bodies, especially when it comes to areas in which smaller companies are active. Requirements must be defined in an open and transparent way.

6.3 Among the issues to be discussed are a free and open data policy, quality, standards, and certification. Services are supplied both by public sector bodies (PSBs) and private actors, which makes effective monitoring necessary.

6.4 Well-established consultative arrangements will sustain the huge potentialities of SMEs. A sufficient part of the budget for Copernicus and Galileo must be used to develop new services and applications.

6.5 Due to technology-intensity the workforce is, on average, highly qualified. Worldwide space employs 800 000 employees, of which 25 % in the US, and 4 % (!) in Europe. There is a growing need for graduated employees to enhance European potentialities and to generate beneficial synergies. Decent labour contracts should be the rule in order to enhance the attractiveness of the sector.

6.6 Space feeds the imagination of youngsters. The EESC insists on an active labour policy, based on up-to-date education and training, and promoted in technical higher education, including a close relationship with research and innovation. This will also foster desirable and appropriate mobility.

6.7 Given the overwhelming significance of the institutional market, industrial policy in the space sector is intimately related to procurement policies. These should meet high requirements of quality and transparency. The EESC underlines that industry would highly welcome the preparation of a specific Space Procurement policy, where the EU is directly involved, once its scope has been defined between the Commission and the MS.

6.8 Such policy will pave the way for the EU to assume its role of owner of European Space infrastructures and that of customer for space based services to fulfil a wide range of public policies.

6.9 The EESC underlines the major role regions and regional engagement have to play to foster the developing activities of the space industry. The role of regions is underestimated. They must be informed and equipped adequately in order to benefit from a possible positive impact of making efficiently use of space services.

6.10 Satisfactory quantitative market measurements are lacking, which results in a lack of reliable data about the final effect of space research in downstream application. The analytical knowledge of up- and downstream must be deepened.

6.11 A Euroconsult analysis that, among others, argues that in the US upstream investments generate twice as much profitable downstream activities than in Europe, is contested, but is never analytically refuted⁽¹²⁾. For the EU another interesting model, singular in its kind, is an updated analysis on the economic impact of the various segments of the UK space industry⁽¹³⁾.

6.12 The EESC encourages the Commission, ESA, and the MS to pursue joint analyses of the various segments of the sector and to put these in worldwide perspective. Consolidated figures on (new) employment, growth rates, and applications will enhance the relevance of the sector and sustain ongoing public support.

⁽¹²⁾ Euroconsult analysed in 2011 that the relation between upstream and downstream application is EUR 1: EUR 16, while in Europe the relation would be "only" EUR 1: EUR 8.

⁽¹³⁾ UK Space Industry, "Update of the Size and Health of the UK Space Industry", by Oxford Economics, 2010.

7. Security and defence

7.1 Similar to space policies of Europe's competitors, an EU space policy would, in the EESC's view, bear more fruits, if it is embedded in a growing agreement between MS regarding strategic issues in defence and security and, thus, in a broader perspective of EU foreign policy. This link should also be taken on board in the forthcoming debate on European defence, where appropriate.

7.2 European cooperation in space is considerably further developed than in any sector of defence. Defence-related space activities may be also related to the elaboration of EU defence policy as pilots or examples for common defence projects. The EESC notes that such a proposal has already been made as long ago as 1987! It has never been given a follow-up.

Brussels, 18 September 2013.

The President
of the European Economic and Social Committee
Henri MALOSSE

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: state of the Innovation Union 2012 — Accelerating change’

COM(2013) 149 final

(2013/C 341/08)

Rapporteur: **Mr STANTIČ**

On 21 March 2013, the European Commission decided to consult the European Economic and Social Committee, under Article 304 of the Treaty on the Functioning of the European Union, on the

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: State of the Innovation Union 2012 — Accelerating change

COM(2013) 149 final.

The Section for the Single Market, Production and Consumption, which was responsible for preparing the Committee’s work on the subject, adopted its opinion on 17 July 2013.

At its 492nd plenary session, held on 18 and 19 September 2013 (meeting of 18 September), the European Economic and Social Committee adopted the following opinion by 161 votes to 1 with 1 abstention.

1. Conclusions and recommendations

1.1 The EESC welcomes the Commission’s decision to publish, for the second year in a row, a report on the state of the Innovation Union, in which it notes considerable progress, namely that 80 % of the commitments under the flagship initiative are being implemented according to plan. The EESC agrees that progress has been made, particularly as regards the framework policy, which relates to the implementation of concrete commitments. It therefore expects that by the end of 2014 all 34 commitments will have been implemented.

1.2 Despite the progress achieved in 2012 in several important areas, such as the single patent and the new rules on venture capital funds, there is no reason for complacency. The Innovation Union is not yet bringing about results in terms of economic growth and creating jobs. Nor can we see major progress in the global competitiveness of the European Research Area.

1.3 The EESC notes with particularly deep concern the trend of diminishing R&D expenditure in the majority of Member State budgets for the second year running. Equally concerning is the widening innovation gap between Member States and between individual regions. There will need to be a rethink of the effectiveness of regional cohesion policy and the Structural Funds in relation to the Innovation Union, especially as regards the brain drain from Europe’s less favoured regions to established research centres.

1.4 The crisis has already forced Europe to deepen integration for the purposes of ensuring macroeconomic stability

and the functioning of monetary union. The EESC is convinced that greater and deeper integration is also needed in the area of R&I if we really want the Innovation Union project to result in greater competitiveness of European knowledge, economic growth and the creation of jobs. The EESC calls on the European Council to support deepening of the Innovation Union concept in the conclusions of its October summit.

1.5 The EESC is convinced that the Innovation Union, even if all 34 commitments are met, needs to go deeper, and in this connection supports the ERIAB⁽¹⁾ recommendations and the Commission’s response to them. At the same time, it calls on the Commission to draw up, as soon as possible, a list of measures and areas in which deepening is possible and urgent. The Committee sees opportunities for deepening particularly in further improving the environment for fast-growing innovative enterprises, in innovation in the public sector, in social innovation and in new, innovative business models, which could radically change the mindset and existing approaches to innovative solutions.

1.6 A functioning European Research Area is an indispensable component of the Innovation Union. Despite the full support of the European Council, the EESC doubts that it will be completed by the end of 2014, as it does not see sufficient progress in the key areas: mobility of researchers, the effectiveness of national research systems, optimisation of use of research infrastructure, the competitive use of national research funds, the completion of the market in intellectual property rights, etc. The EESC therefore calls on the

⁽¹⁾ European Research and Innovation Area Board: Stress-test of the Innovation Union, November, 2012.

Commission and the Member States to ensure, as soon as possible, that all the conditions for the development of the ERA are fulfilled as suggested by the Commission in its communication ⁽²⁾.

1.7 The EESC welcomes the progress in building top-quality research infrastructure at pan-European level and the encouraging initial results of the European Innovation Partnerships. It considers that the latter are in some cases still unverified and unfinished models, and calls on the Commission, on the basis of experience to date, to prepare a comprehensive analysis of their effectiveness along with uniform conditions for their operation and financing.

1.8 The system of support for research and innovation in Europe is still too complex, which puts micro and small enterprises in particular off EU research projects. Besides complicated and time-consuming administrative requirements, there are also significant disparities in procedures between programmes at regional, national and European level.

1.9 The Committee sees considerable potential for stimulating innovation through more innovative targeting of public procurement. It therefore calls on the Member States to increase the use of pre-commercial procurement and share experiences and models of innovation-friendly procurement. This should also apply to public procurement financed by the Structural Funds.

1.10 The reform of education systems should, amongst other things, provide Europe with many more highly qualified scientists and engineers ⁽³⁾. The EESC thinks that it would be good to include entrepreneurial training and management skills in their study programmes; these are essential to the effective transformation of good ideas into successful projects. The Committee calls for businesses and the social partners to be included in preparing curricula and running doctoral programmes.

1.11 The EESC would once again like to highlight the specific role of social innovation, which could play an important role in tackling the crisis and the other challenges of modern society. Therefore, those support mechanisms that are also accessible to potential social innovators in civil society and the social economy sector should be developed. The EESC calls on the Commission to put in place support for the creation of incubators for innovative social projects as soon as possible.

2. Background to the opinion and the Commission communication

2.1 The Innovation Union is one of the seven flagship initiatives announced in the Europe 2020 Strategy. Its aim is

⁽²⁾ Commission Communication COM(2012) 392 final - A Reinforced European Research Area Partnership for Excellence and Growth.

⁽³⁾ Europe will need at least a million new researchers and engineers by 2020 if it wishes to achieve the goals of the EU 2020 strategy.

to create a more innovation-friendly environment in Europe and thus ensure that innovative ideas are turned into products and services that will create growth and jobs. Analyses show that countries that have invested more in R&I in the past recover considerably more quickly and have higher levels of employment ⁽⁴⁾.

2.2 In its communication on the State of the Innovation Union 2012 ⁽⁵⁾, the European Commission for the second year in a row summarises the achievements at Member State and European level in terms of implementing the Innovation Union, one of the key flagship initiatives of the EU 2020 strategy.

2.3 In general terms, the Commission reports considerable progress in the implementation of the Innovation Union. More than 80 % of the initiatives are on track. The Member States are focusing more and more on creating a business environment that is favourable to innovation: they are cutting taxes on investment in research, lowering taxes on profits from patents, making it easier to access risk capital, etc.

2.4 However, the communication mentions a number of worrying trends, most of which are a consequence of the economic crisis and large budget deficits:

- in 2011 and 2012, a **trend of falling R&D expenditure** in the budgets of most Member States emerged;
- differences in the efficiency and effectiveness of national research systems widen the **innovation gap between countries and regions**;
- in some countries, there is a **decline in investment in research and development in the private sector**, especially among small and medium-sized enterprises;
- because of the numerous bottlenecks that impede growth, Europe has **too small a share of fast-growing innovative businesses**.

2.5 A key finding of the communication is that Europe has to step up its commitment to deliver innovation-based growth. To achieve this aim, the Innovation Union must be further developed as a matter of urgency. At present, it is not yet clear in what areas, with what measures and by what means such development and deepening will take place.

⁽⁴⁾ Innovation Union Scoreboard 2013.

⁽⁵⁾ COM(2013) 149 final, 21.3.2013.

3. General comments

3.1 The EESC welcomes the Commission's decision to draw up an analysis of the state of the Innovation Union every year. It is one of the flagship initiatives of the EU 2020 strategy. A timely analysis of the results facilitates corrective measures in areas where things are not going in the right direction.

3.2 A period of two years is, given the usual practice when it comes to implementing new EU legislation, too short for a real evaluation of the results achieved⁽⁶⁾. Nonetheless, the EESC appreciates that the policy framework for the Innovation Union is more or less in place, though results in terms of economic growth and new jobs are not yet apparent.

3.3 In the context of the overwhelming, all-engulfing debate on public budget deficits, unpopular austerity measures and an overall fall in confidence in the European project, the Innovation Union is one of the more positive and successful stories. Most of the commitments under the Innovation Union are more or less on track. The EESC therefore reasonably expects that all 34 commitments will be fulfilled by the end of 2014.

3.4 The EESC welcomes the progress in the area of building pan-European research infrastructure thanks to the efficient role and activity of the ESFRI⁽⁷⁾. Of a total of 48 projects on the ESFRI list, 27 projects are already in the implementation phase, which augurs well for achieving the aim of constructing 60 % of the priority European research infrastructure by 2015⁽⁸⁾. In the Committee's view, Europe is still doing too little to coordinate and optimise the use of its research infrastructure.

3.5 The new concept of **European Innovation Partnerships**, the initial pilot projects of which are aimed at tackling key societal challenges⁽⁹⁾, is so far showing an encouraging picture. They aim to bring together stakeholders at all levels, to overcome fragmentation and to provide a critical mass. Despite these positive signs, European partnerships are in some cases still unverified and unfinished models. The EESC therefore calls on the Commission, on the basis of experience to date, to draw up a comprehensive analysis of their effectiveness as soon as possible and to draw up uniform conditions for their operation and financing in the future.

3.6 Despite the undoubted progress in some areas, there is no room for complacency. Below, the EESC will set out the

areas where improvements have not yet been sufficient and where rapid and effective action is needed.

3.7 **The system of support for research and development** is still much too complex in Europe. Potential beneficiaries are faced with a daunting multitude of existing instruments (national and regional programs, intergovernmental initiatives and EU funding procedures). The amount of red tape has not been significantly cut back either. This hampers cross-border cooperation and puts SMEs and micro-enterprises, in particular, off EU research projects. Besides the administrative burden, there are also significant divergences in procedures.

3.8 The starting point for the Innovation Union must be to build an excellent, **modern education system** in all Member States, including reform of higher education. Businesses still have very little involvement in the preparation of curricula and in running doctoral programmes. The EESC therefore once again calls for the social partners to be allowed to participate actively in planning the education systems of the future.

The EESC also calls for managerial and entrepreneurial skills to be included in the education of future engineers and scientists so as to facilitate and promote the transformation of good ideas into successful marketable projects.

3.9 The EESC supports a broad definition of innovation, which can extend to numerous fields. In its previous opinions, it has repeatedly highlighted the specific role of **social innovation**⁽¹⁰⁾, which often comes directly from civil society organisations. Many aspects of European welfare systems are the fruit of innovative ideas from civil society and social economy actors. Therefore, support for innovation must include all areas of society, and financing mechanisms must reflect the extraordinary diversity of innovation.

3.10 We are still not effective when it comes to **commercialising innovative ideas**: access to finance, especially for small, innovative enterprises, is still difficult (shortage of risk capital funds due to the financial crisis). Entrepreneurship and innovation often go hand in hand. In Europe, we are traditionally less tolerant of the possibility of business failure. We are even more reticent about risky, innovative projects. The single market in capital (especially risk capital) still is not working. New forms of financing innovative businesses such as "crowd funding" and "business angels" are emerging too slowly. The Risk-Sharing Finance Facility has been a very good experience, but sadly it cannot meet demand.

⁽⁶⁾ Some legislative acts on improving the environment for innovation (the intellectual property directive, the European patent, the venture capital passport, etc.) have not yet entered fully into force.

⁽⁷⁾ European Strategic Forum for Research Infrastructure.

⁽⁸⁾ See ESFRI Implementation report, November 2012.

⁽⁹⁾ European Innovation Partnership (EIP) Active & Healthy Ageing, EIP on Agricultural Sustainability and Productivity, EIP on Smart Cities and Communities, EIP on Water, EIP on Raw materials.

⁽¹⁰⁾ See opinions OJ C 132, 3.5.2011, p. 39 (point 3.10.4); OJ C 229, 31.7.2012, p. 39; OJ C 354, 28.12.2010, p. 80.

3.11 The completion of the **single market in innovation** depends in large measure on the proper functioning of the European single market. This still faces numerous obstacles and deficiencies, especially in the area of free movement of services and capital⁽¹¹⁾. The EESC once again suggests to the Commission that it think about establishing a pan-European electronic database (in the form of a search engine) containing specific knowledge from individual businesses and research institutes to facilitate faster networking of businesses and other organisations to link them up to innovative projects (perhaps within the context of the existing European Enterprise Network)⁽¹²⁾.

3.11.1 Obstacles to the **completion of the single market in intellectual property rights** fall within the same category. Whilst the single European patent has finally seen the light of day, which is an important achievement, the procedures are not yet operational.

3.12 Europe is also lagging behind in **completing innovative procurement markets**, especially as regards public procurement mechanisms⁽¹³⁾. In the EU, there are far too few public tenders designed to foster innovation. The EESC therefore calls on the Member States to substantially increase the use of **pre-commercial procurement**, which the Commission estimates would allow the procurement market to grow by EUR 10 billion. In this connection, the Committee also points to the European Parliament's proposals for modernising public procurement⁽¹⁴⁾. More use should also be made of public procurement co-financed by the Structural Funds to increase demand for innovative products and services.

3.13 A functioning **European research area**, which is synonymous with the single market in research and innovation, is one of the key conditions for putting the concept of the Innovation Union fully into practice. The European Council has set 2014 as the deadline for its completion⁽¹⁵⁾. This means that by then all of the key obstacles to mobility and cross-border cooperation should be removed, including by means of an open labour market for researchers, the establishment of additional pension funds, an optimal flow of knowledge and research findings, and a more competitive use of national research resources. The EESC has set out its views on the completion of the ERA in more detail in an opinion⁽¹⁶⁾, in which it expressed the concern that 2014 was too ambitious a deadline.

3.14 The priority for financing and stimulating innovation should be reflected right across all EU funding programmes,

including the cohesion funds, and not just within the competitiveness and innovation programme. The EESC therefore calls on the Member States to take advantage of the opportunities afforded by the new Structural Funds Regulation⁽¹⁷⁾.

3.15 For the Innovation Union to function properly, sustained efforts and effective cooperation at all levels – EU, national and local – are needed. Greater focus is needed on the role of **regional innovation policy**, which could make a significant contribution to stemming the brain drain from regions with limited capacity to established European research centres.

4. Specific comments

4.1 In the EESC's view, the fulfilment of the 34 commitments in the flagship initiative is merely the first step in achieving a genuine Innovation Union. If we want it to make a substantial contribution to smart, sustainable and inclusive growth, **deepening** will be necessary in the next phase, meaning much more integration and coordination of national R&I policy with the EU's policies and activities. The EESC calls on the Commission to produce, without delay, a list of specific measures and areas where deepening is not just possible but is necessary.

4.2 The EESC considers that there is much room for deepening in numerous areas, of which it would like to list just a few:

- *promoting innovation in the public sector* can enhance the efficiency and reduce the costs of public bodies, thus contributing to balancing the budgets and to the general competitiveness of the Member States;
- *further improvements to the business environment for innovative, fast-growing firms* through more determined measures in the area of taxation, support for start-ups (time-limited tax breaks), harmonisation of copyright legislation, etc.;
- *social innovation* can successfully tackle many of the challenges of modern society and the consequences of the economic crisis;
- *innovative solutions in the service sector* would open up new possibilities in retailing, e-commerce, tourism, software applications, etc.

⁽¹¹⁾ See opinion on The Single Market Act - identifying missing measures (not yet published in the OJ).

⁽¹²⁾ See opinion OJ C 218, 11.9.2009, p. 8, points 1.2 and 3.2.4.

⁽¹³⁾ The public procurement market represents around 17 % of Europe's GDP.

⁽¹⁴⁾ IMCO Committee Report and EP Resolution on Pre-Commercial Procurement.

⁽¹⁵⁾ European Council conclusions of February 2011 and March 2012.

⁽¹⁶⁾ OJ C 76, 14.3.2013, p. 31.

⁽¹⁷⁾ Article 9 of the ESF Regulation.

4.3 The EESC supports the findings and recommendations of ERIAB, which has carried out the first "stress test" of the Innovation Union⁽¹⁸⁾. In this report, it expresses the need for a radical rethink of the future European growth strategy, based more on knowledge and innovation. Amongst the key challenges, it mentions:

- weak political commitment by the Member States to the Innovation Union;
- outdated traditional business models;
- insufficient linkage between top-level scientific-academic achievements and actual output in terms of technology-based innovation;

— slow decision-making and adversity to innovation-related risk.

4.4 The EESC suggests to the Commission that it give some thought to specific instruments aimed at promoting the development of new, innovative business models. One possible idea would be to use so-called "innovation vouchers".

4.5 The EESC was invited in the flagship initiatives to encourage the businesses, social partners and NGOs it represents to support the Innovation Union and to help spread best practices. We propose that the Committee, particularly through its EU 2020 Steering Committee, draw up a concrete list of initiatives and activities with which, via the social partners, national economic and social councils and other civil society organisations, it could make a greater contribution than hitherto to building confidence in the Innovation Union.

Brussels, 18 September 2013.

The President
of the European Economic and Social Committee
Henri MALOSSE

⁽¹⁸⁾ European Research and Innovation Area Board, 1st position paper: Stress-test of the Innovation Union, November 2012.

Opinion of the European Economic and Social Committee on the 'Proposal for a Directive of the European Parliament and of the Council on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features'

COM(2013) 266 final — 2013/0139 (COD)

(2013/C 341/09)

Rapporteur: **Ms MADER**

On 7 June 2013 the Council and on 23 May 2013 the European Parliament decided to consult the European Economic and Social Committee, under Article 114 of the Treaty on the Functioning of the European Union, on the

Proposal for a Directive of the European Parliament and of the Council on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features

COM(2013) 266 final — 2013/139 (COD).

The Section for the Single Market, Production and Consumption, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 17 July 2013.

At its 492nd plenary session, held on 18 and 19 September 2013 (meeting of 18 September 2013), the European Economic and Social Committee adopted the following opinion by 163 votes to 2, with three abstentions.

1. Summary

1.1 The EESC welcomes the Commission proposal, which aims to give all European citizens access to a bank account and to improve the comparability of fees and mobility, in order to combat financial exclusion and to make it easier for consumers to join the internal market.

1.2 It considers that the adoption of a directive is the most suitable way of implementing these measures which are beneficial both to consumers and to payment service providers. They will contribute to the completion of the single market in financial services and will help to remove obstacles to the free movement of persons, goods, services and capital. However, the exercise of this right will need to be subject to EU rules on money laundering and the financing of terrorism and it must not encourage tax avoidance. Furthermore, the Committee considers that the utmost regard should be paid to the principles of subsidiarity and proportionality.

1.3 The Committee regrets, however, the restricted scope of some of the measures. It would like to see the harmonisation of terminology cover all charges and thinks that the information document should not only include a list of the most representative transactions. It believes that it is only possible to make an informed choice by comparing the charges applicable to all common transactions, each consumer having different needs.

1.4 It welcomes the provisions which aim to improve transparency, particularly regarding packaged accounts, as the consumer must be able to compare the various options

offered by payment service providers and decide which is the most advantageous and suitable for his or her circumstances.

1.5 It supports the introduction of a requirement for the provision of a statement of fees and would like this to be supplemented by a requirement to inform consumers in advance of the debiting of unusual fees to their account in order to give them the opportunity to take appropriate steps or to contest the fees.

1.6 Also in the interests of transparency, it favours the establishment of independent comparison web sites and calls for the register of existing sites to enable consumers to have access to information on financial institutions located in all the Member States.

1.7 The EESC also welcomes the proposals on banking mobility. However, it considers that the feasibility of a "portable" account number should be studied and that a system for the automatic redirection of transactions should be systematically established⁽¹⁾. An independent study should be carried out before these measures are introduced.

1.8 It also draws attention to the importance of training staff of payment service providers, information being essential but insufficient. Similarly, it reiterates the need for financial education, provided in particular by independent consumer associations⁽²⁾.

⁽¹⁾ OJ C 151, 17.6.2008, p. 1.

⁽²⁾ OJ C 318, 29.10.2011, p. 24.

1.9 The EESC can only support the provisions aiming to give all Europeans access to a bank account with basic features, banking inclusion being a necessity in the modern world.

1.10 It has reservations about limiting the requirement to "at least one payment service provider" per Member State; if there is no competition, this could effectively deny the consumer any choice.

1.11 It considers that the real costs should be taken into account in determining whether charges are "reasonable" in cases where owning and operating the account is not free, and it stresses the need to limit non-compliance charges.

1.12 The EESC shares the Commission's view on the need to provide for checks and dissuasive sanctions in the event of non-compliance with the provisions of the directive. It stresses that the effectiveness of checks depends on sufficient resources being made available to perform the necessary tasks.

1.13 It reiterates its support for alternative dispute resolution systems, providing that they are independent.

2. Background

2.1 On 8 May 2013 the Commission submitted a proposal for a directive of the European Parliament and of the Council on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features.

2.2 This proposal follows on from initiatives taken in recent years aimed at continuing the establishment of a single market in payment services, which is essential for Europe's growth and competitiveness.

2.3 The proposal is based on Article 114 of the Treaty on the Functioning of the European Union, which aims to remove obstacles to the free movement of persons, goods, services and capital.

2.4 The Commission notes that, according to World Bank estimates, about 58 million EU consumers do not have a payment account and approximately 25 million of them would like to open one.

2.5 It points out that the economy is moving towards wider use of non-cash, dematerialised payments by companies, consumers and government, but it does not propose any measures to broaden the use of non-monetary transactions.

2.6 In the light of this, it considers that having a bank account and access to financial services is essential if consumers are to be able to benefit from all the advantages of the single market as well as financial and social inclusion.

2.7 It also points out that current conditions on the single market could dissuade certain payment service providers from investing in new markets.

2.8 The Commission wishes to remove these obstacles, and to this end proposes:

- enabling all consumers, irrespective of their financial circumstances, to hold a payment account with basic features in any EU Member State,
- adopting provisions to improve information on bank charges and promoting comparability,
- establishing arrangements in each Member State to facilitate banking mobility.

2.9 The Commission maintains that these measures will help to make the single market in financial services fully operational and to develop it. Consumers will be able to compare services offered in the Union and move around the EU more easily. Payment service providers will be placed on an equal footing and will be able to benefit from the simplification of procedures and harmonisation of rules in seeking new markets.

3. Assessment of the proposal for a directive

3.1 The EESC endorses the Commission's analysis of the obstacles and of the need to complete the single market in financial services. It considers that every consumer must be able to open a bank account and be able to use it, banking inclusion being an essential precondition for achieving the desired objective.

3.2 It also supports the proposals aimed at tackling the lack of transparency of bank charges and improving mobility. It considers that they will help to encourage competition, to the benefit of consumers and payment service providers.

3.3 It considers the adoption of a directive to be the most suitable method, the Commission having correctly pointed out that the recommendation had not had the desired effect and that voluntary initiatives had proved highly inadequate

4. Specific comments

4.1 Comparability of fees related to payment accounts

4.1.1 **Terminology.** The EESC fully endorses the Commission's proposal to harmonise the terminology used for fees. This harmonisation is essential in order to improve consumers' understanding and comparability. The Committee has doubts about the limited scope of the measure, however, and recommends that the harmonisation of terminology extend to all fees.

4.1.1.1 It notes that the competent authorities in each Member State will be responsible for drawing up provisional lists to be forwarded to the Commission. It considers that the consumer associations and payment service providers, as well as consumers themselves, should be involved in drawing up these lists in order to ensure that the terms adopted are readily comprehensible for all.

4.1.1.2 It points out that the term used must cover identical services at each financial institution.

4.1.2 **Fee information document and glossary.** The EESC welcomes the requirement for payment service providers to provide consumers with a fee information document containing a list of the most representative services before the contract is concluded, and approves the provision requiring free access to this document at any time, inter alia by its publication on financial institutions' website. It suggests that the presentation of the list should be harmonised. It also proposes that these arrangements should be supplemented by a requirement to send consumers a new information document when any changes are made to fees.

4.1.2.1 It considers, however, that the information document should cover all charges. Limiting it to the most representative charges will not enable consumers to compare the offers of different financial institutions effectively on the basis of their needs. Every consumer has specific needs, which are not necessarily those appearing in the list.

4.1.2.2 Assuming that the information document were to cover all charges, the Committee would be in favour of harmonising the presentation of all the headings. It also recommends harmonising the presentation of information by type of transaction (by month, year and transaction) to facilitate comparison.

4.1.2.3 In the interests of transparency and considering that the consumer must be able to assess the desirability of subscribing to a package of financial services, in line with his or her needs, the Committee welcomes the requirement to provide details of these services in the information document.

4.1.2.4 It also welcomes the requirement to use harmonised terminology in the information document and the account statement, in the interests of readability.

4.1.2.5 Finally, the EESC notes the availability of glossaries. However, it considers that the priority must be to use clear and readily understandable terms in the information documents.

4.1.3 **Statement of fees.** The EESC endorses the requirement to send consumers a statement of all fees charged at least once a year. This information enables consumers to assess the cost of services sold to them and to choose suitable products. It considers that this is an absolute minimum and that this statement should be provided free of charge.

4.1.3.1 Committee considers, however, that it would be appropriate to supplement this measure by a requirement to inform consumers in advance before any unusual charges are debited to the account by the payment services provider, enabling consumers to take any necessary steps before the charges are debited, e.g. to fund the account or contest the charges.

4.1.4 **Comparison websites.** The EESC supports the provision of information on bank charges via authorised or public national websites. This measure will help ensure better consumer information, providing that the information provided is independent and complete. The Committee considers that thought should be given to the financing of these sites. The Committee also has questions about the implementation of these tools, particularly concerning the nature of the data to be provided, e.g. will it only cover the unit cost of transactions and services or will it be possible to carry out a personalised calculation?

4.1.4.1 The Committee points out that particular vigilance is required regarding the conditions for accreditation of private operators. It considers that these authorisations should be granted by the competent authorities of the Member States.

4.1.4.2 The Committee also considers it essential that the terms used by comparison websites should be the same as those used in the harmonised terminology.

4.1.4.3 Finally, the Committee recommends that the register list or contain links to the registers of other Member States so that consumers have easy access to the charges of all financial institutions operating in the Union, which will be particularly useful for "migrant" populations.

4.2 Switching

4.2.1 The EESC supports the Commission's proposals, which will help to improve banking mobility, which is essential in view of the psychological and technical barriers to mobility.

4.2.2 It considers, however, that an independent study should be carried out into the possibility of establishing a portable account number, which would be the most effective way of making mobility fully operational.

4.2.3 It considers that, as a minimum, all financial institutions should operate a system of automatic redirection for 15 months to take account of any annual payments.

4.2.4 The Committee welcomes the fact that the Commission lays down conditions for the billing of fees connected with the switching service in order to prevent these fees being dissuasive.

4.2.5 It stresses that other obstacles exist, in particular the cost of transferring certain savings products or the holding of a mortgage.

4.2.6 It notes that information on the existence of these provisions for supporting mobility is crucial. It considers that the bank selected by the consumer should be the only party he or she deals with.

4.2.7 The Committee believes that the staff of payment services providers, including reception staff in branches, should be trained in banking mobility and that financial education should be provided, primarily by consumer associations.

4.3 Access to payment accounts

4.3.1 The EESC can only support the Commission's initiative. It considers that every consumer must have access to a payment account with basic features in order to access all the banking services needed in everyday life, where dematerialisation is making itself increasingly felt. It stresses the importance of information provided by banks on the existence of the service.

4.3.2 It has reservations, however, about the proposal to limit the offer to "at least one payment service provider" in each Member State. If one single institution were to offer the service, this would impose a heavy burden on it and would stigmatise both the institution and the consumers who were its customers. Also, the absence of competition would deprive consumers of any choice and would oblige them to accept the conditions, in particular the charges, offered.

4.3.3 The Committee considers that the list of basic services referred to in Article 16 should be a minimum, with each Member State being free to include additional services, in particular services linked to national conditions.

4.3.4 The Committee considers that it is up to the bank to decide whether or not it grants an appropriate overdraft facility.

4.3.5 The Committee welcomes the fact that the basic services will be free or will carry limited charges.

4.4 Competent authorities, alternative extrajudicial dispute resolution, sanctions

4.4.1 The EESC shares the Commission's view on the need to provide for checks and dissuasive sanctions in the event of non-compliance with the provisions of the directive and stresses that the checks will be effective only if the national authorities have sufficient resources to carry out tasks entrusted to them.

4.4.2 It reiterates its support for alternative dispute resolution systems, providing that they are independent.

4.5 Final provisions

4.5.1 The EESC approves the delegation of powers to the Commission, provided that the arrangements are clearly defined and transparency ensured.

4.5.2 The Committee supports the Commission's evaluation policy.

Brussels, 18 September 2013.

The President
of the European Economic and Social Committee
Henri MALOSSE

Opinion of the European Economic and Social Committee on the ‘Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 528/2012 concerning the making available on the market and use of biocidal products with regard to certain conditions for access to the market’

COM(2013) 288 final — 2013/0150 (COD)
(2013/C 341/10)

Rapporteur working alone: **Pedro NARRO**

On 23 May 2013 the European Parliament and on 6 June 2013 the Council decided to consult the European Economic and Social Committee, under Article 114 of the Treaty on the Functioning of the European Union, on the

Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 528/2012 concerning the making available on the market and use of biocidal products with regard to certain conditions for access to the market

COM(2013) 288 final — 2013/0150 (COD).

The Section for the Single Market, Production and Consumption, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 17 July 2013.

At its 492nd plenary session, held on 18 and 19 September 2013 (meeting of 18 September), the European Economic and Social Committee adopted the following opinion by 154 votes to 2 with 7 abstentions.

1. Conclusions and recommendations

1.1 The European Commission's proposal helps to improve substantially the practical application from 1 September 2013 of the new Biocidal Products Regulation, clarifies the arrangements for the transitional rules and provides greater legal certainty for operators.

1.2 The EESC regrets that, during the long and complex process of adopting the new European legislation on biocidal products, the Commission, the Council and Parliament have not given prior consideration to the distortions that confused and unclear transitional rules could create.

1.3 The EESC agrees that changes need to be made to the Biocidal Products Regulation before it enters into force ⁽¹⁾, so as to facilitate the transition from Directive 98/8/EC. In order to ensure that the system runs smoothly, a coherent framework of transitional measures enabling the system to change gradually for operators and Member States is crucial.

1.4 The EESC welcomes the changes made to the transitional measures concerning treated articles, and the evaluation of existing active substance and biocidal products. These modifications will prevent the de facto freezing of the placing on the

market of many new treated articles, to allow them on the market provided that a complete dossier to assess the active substance(s) contained in these treated articles has been submitted by 1 September 2016 ⁽²⁾. These modifications will also allow a better transition to the harmonised authorisation system for existing biocidal products ⁽³⁾.

1.5 With regard to the innovative provision on the mandatory sharing of studies on environmental fate and behaviour relating to Annex II of Regulation (EC) No 1451/2007, the EESC calls on the Commission to ensure that the new obligation does not distort competition or have a detrimental impact on companies' innovation capacity.

1.6 The EESC is in favour of dealing with other important matters in the context of this legislative modification, such as access to information, the definition of products of the biocidal products family and the obligation to share data.

2. Introduction

2.1 A biocidal product is any active substance or mixture containing one or more active substances, put up in the form in which they are supplied to the user, intended to destroy, deter, render harmless, prevent the action of, or otherwise

⁽¹⁾ It is due to enter into force on 1 September 2013.

⁽²⁾ Article 94 of Regulation (EU) No 528/2012.

⁽³⁾ Article 89 of Regulation (EU) No 528/2012.

exert a controlling effect on any harmful organism by chemical or biological means; all substances, mixtures and products placed on the market with the intention to generate active substances shall also be considered biocidal products⁽⁴⁾. Biocidal products are present in our daily lives, preventing the spread of diseases and promoting a high degree of hygiene in areas with high population densities.

2.2 Directive 98/8/EC of the European Parliament and of the Council laid down rules concerning the placing of biocidal products on the market within the Community⁽⁵⁾. This Directive harmonises at European level the legislation on these products, establishing common principles for the evaluation and authorisation of biocidal products, thus preventing economic or administrative barriers.

2.3 On 16 May 2013, the European Commission presented a new proposal amending Regulation (EU) No 528/2012, concerning the making available on the market and use of biocidal products with regard to certain conditions for access to the market⁽⁶⁾. This "Biocidal Products Regulation" was approved on 22 May 2012⁽⁷⁾ and is due to enter into force on 1 September 2013. The new legislation will replace Directive 98/8/EC and is the result of an intense public consultation and a detailed impact assessment drawn up by the European Commission⁽⁸⁾.

2.4 The purpose of this Regulation is to improve the free movement of biocidal products within the Union while ensuring a high level of protection of both human and animal health and the environment. The Regulation, which maintains the structure of Directive 98/8, is underpinned by the precautionary principle to ensure that the manufacturing and making available on the market of active substances and biocidal products do not have harmful effects on health or the environment.

2.5 This legislation is intended to fill the gaps found in the previous legislative framework and to streamline the functioning of the authorisation system through simplification, the removal of obstacles to trade in biocidal products and the harmonisation of certain provisions.

2.6 The Commission has decided to present a formal modification, before its entry into force, of the Biocidal Products Regulation, No 528/2012, having detected that some of its provisions could lead to distortions in its operation. The fundamental purposes of this modification are:

— to prevent the transitional rules of the Biocidal Products Regulation from introducing an unintended market freeze of up to eleven years for articles treated with biocidal substances which are legal on the EU market, but which have not yet been evaluated at EU level;

— to remove unintended market barriers resulting from the Regulation's application which could harm certain operators.

3. General observations

3.1 In 2010, the EESC adopted its opinion on Regulation (EU) No 267/2009 concerning the making available on the market and use of biocidal products⁽⁹⁾. The Committee expressed its support for replacing the Directive with a Biocidal Products Regulation with a view to achieving simplification and harmonisation of the legislation.

3.2 Despite the impact assessment, the public consultation and the various reports drawn up in the context of the approval of the Biocidal Products Regulation, the criticisms of mainly small and medium-sized suppliers regarding the possibility of significant restrictions and dysfunctions on the market as a result of the implementation of the Regulation have required the European Commission to react urgently by presenting a series of modifications to remove the possible harmful effects of the European biocidal products legislation, in particular its transitional provisions.

3.3 The EESC is pleased that the Commission has amended certain articles with a view to the more rational application of the legislation. However, the EESC believes that, once the procedure to revise the Regulation had been launched, certain gaps in the original legislation should have been dealt with more fully and systematically, regarding access to information, the obligation to share data and the definition of products of the biocidal products family.

3.4 The modifications to the transitional rules, in particular Articles 86, 89 and 94 of Regulation (EU) No 528/2012, will prevent the market-freezing of certain existing active substances and a de facto prohibition of new treated articles, between 1 September 2013 and the approval of the last active substance contained in the articles. The EESC believes that these changes to the transitional rules prevent significant collateral damage which the original wording of the said articles would have produced.

⁽⁴⁾ Directive 98/8/EC

⁽⁵⁾ OJ L 123, 24.4.1998.

⁽⁶⁾ COM(2013) 288 final.

⁽⁷⁾ OJ L 167, 27.6.2012.

⁽⁸⁾ SEC(2009) 773.

⁽⁹⁾ OJ C 347, 18.12.2010, p. 62.

4. Specific comments

4.1 Article 89(4) and Article 93(2) of Regulation (EU) No 528/2012 provide for phase-out periods for biocidal products for which no authorisation is granted. The new text proposes that the same periods should apply for phasing out biocidal products already on the market, where an authorisation is granted but the conditions of the authorisation require the product to be changed. The EESC considers that, in such cases, there should be a derogation from the periods laid down by the general rule in the event that a request is rejected. The EESC suggests that, when a product is approved with changes, the phase-out period should be extended so that it can be used and made available on the market until it has run out.

4.2 The European Chemicals Agency (ECHA) must ensure that the list it publishes (Article 95) only contains information on the corresponding suppliers supporting the renewal of a certain active substance.

4.3 With regard to access to information in accordance with Article 66(3), the EESC believes that a correct balance should be struck between public interest and legitimate private interests. The automatic and systematic disclosure of information regarding the name and address of the manufacturer of an

active substance to any third party requesting it could undermine the protection of the commercial interest of the holder of the authorisation.

4.4 In its opinion on the Biocidal Products Regulation, the EESC welcomed the mandatory sharing of data on animal tests. In fact, one of the most positive aspects of the new regulation is that it prevents the unnecessary suffering of vertebrates through the continuous repetition of toxicological studies. In any event, the Commission should assess whether the obligation to share data, in addition to toxicological and ecotoxicological data, is balanced and favours the development of new active substances, particularly studies on environmental fate and behaviour relating to substances in Annex II of Regulation (EC) No 1451/2007. Effective compensation and protection of data until 2025 are crucial in order to prevent improper use of work.

4.5 The EESC is in favour of extending from 2 to 3 years the time limit for Member States to decide on the authorisation of a biocidal product following a decision to approve a particular active substance for a specific product-type (Article 89, Regulation (EU) No 528/2012). If the change had not been made, due to the different stages of the authorisation process, there would have been a risk of systematic non-compliance with time limits, thus paralysing the process.

Brussels, 18 September 2013.

The President
of the European Economic and Social Committee
Henri MALOSSE

Opinion of the European Economic and Social Committee on the ‘Proposal for a Decision of the European Parliament and of the Council on the deployment of the interoperable EU-wide eCall’

COM(2013) 315 final — 2013/0166 (COD)

and on the ‘Proposal for a Regulation of the European Parliament and of the Council concerning type-approval requirements for the deployment of the eCall in-vehicle system and amending Directive 2007/46/EC’

COM(2013) 316 final — 2013/0165 (COD)

(2013/C 341/11)

Rapporteur-General: **Thomas McDONOGH**

On 1 July 2013 and on 5 July respectively, the European Parliament and the Council decided to consult the European Economic and Social Committee, under Article 91 of the Treaty on the Functioning of the European Union, on the

Proposal for a Decision of the European Parliament and of the Council on the deployment of the interoperable EU-wide eCall

COM(2013) 315 final — 2013/0166 (COD).

On 27 June and on 1 July 2013 respectively, the Council and the European Parliament decided to consult the European Economic and Social Committee, under Article 114 of the Treaty on the Functioning of the European Union, on the

Proposal for a Regulation of the European Parliament and of the Council concerning type-approval requirements for the deployment of the eCall in-vehicle system and amending Directive 2007/46/EC

COM(2013) 316 final — 2013/0165 (COD).

Given the urgent nature of the work, the European Economic and Social Committee appointed Mr McDonogh as rapporteur-general at its 492nd plenary session, held on 18 and 19 September 2013 (meeting of 19 September), and adopted the following opinion by 141 votes with one abstention.

1. Conclusions and Recommendations

1.1 The Committee notes 28 000 persons were killed and 1,5 million were injured on EU roads in 2012. The Committee believes strongly that reducing the number of road fatalities to is extremely important for society and endorses the Commission's ambitious goal of reducing the figure to half of 2010 levels during the period 2011 to 2020.

1.2 The Committee welcomes the proposed Decision and Regulation from the Commission on the implementation of eCall, to ensure that from October 2015 all new models of passenger cars and light duty vehicles would be fitted with 112 eCall, and that the necessary infrastructure would be created for the proper receipt and handling of eCalls in emergency call response centres (Public Safety Answering Points: PSAPs), thus ensuring the compatibility, interoperability and continuity of the EU-wide eCall service.

1.3 The EESC agrees with the conclusions of the eCall Impact Assessment which showed that the mandatory

introduction of eCall was the only way to bring eCall's benefits to the Union's citizens. The Committee had advised the Commission in numerous opinions that a voluntary approach would not be successful.

1.4 The EESC notes that the proposals will only apply to new types of vehicles first registered on or after 1 October 2015 and that existing models can continue to be manufactured and sold without eCall after that date. While appreciating the possible financial cost on automotive manufacturers, the Committee calls on manufacturers to also install eCall technology as soon as possible on existing types of vehicles to be manufactured after October 2015.

1.5 The Committee notes that the proposals do not include the provision of eCall technology on motorcycles and other powered two-wheel vehicles. As the risk of death and injury to drivers and passengers on these types of vehicles is a significant problem, the EESC urges manufacturers and Member States to extend the eCall system to powered two wheelers as soon as possible.

1.6 The Committee also calls again on the Commission to submit proposals as soon as possible on explicitly improving the active and passive safety of powered two-wheel vehicles.

1.7 The EESC is impressed by the success of road safety authorities established in a number of Member States to provide oversight on the implementation of national road safety strategy, to advise on road safety policy and to promote road safety best practices. The Committee believes that a European road safety agency should be set up to help harmonise and drive the implementation of road safety across the EU, including the implementation of eCall. This body would include road safety experts appointed by the Member States.

1.8 The Committee directs the Commission's attention to the previous opinions of the EESC that has discussed the topic of road safety, and which commented on the need for the mandatory introduction of eCall ⁽¹⁾.

2. Gist of the proposals

2.1 eCall

eCall is a technology designed to send in-vehicle emergency calls using the EU-wide 112 emergency telephone number either automatically, in the event of an accident, or when activated manually. "eCall" system automatically dials 112 - Europe's single emergency number - in the event of a serious accident. It communicates the vehicle's location to emergency services, even if the driver is unconscious or unable to make a phone call. In 2011 the Commission adopted a Recommendation, 2011/750/EU, that mobile network operators should ensure their networks are capable of carrying eCalls.

2.2 Only around 0,7 % of vehicles are currently equipped with private eCall systems in the EU, with numbers barely rising. These proprietary systems do not offer EU-wide interoperability or continuity.

2.3 Draft Regulation

The draft Regulation seeks to create the type approval requirements for eCall technology and mandate its installation to new types of passenger cars and light commercial vehicles from October 2015. The proposal sets out obligations on manufacturers and Member States, the requirements for privacy and data protection for users, the vehicles to which it applies and the date of introduction.

2.4 Draft Decision

The draft Decision seeks to ensure that all emergency call response centres – Public Safety Answering Points (PSAPs) – are mandated to handle eCalls when they are triggered, either

automatically or when activated manually, in the event of an accident. The Commission wants to ensure that by 1 October 2015 that eCalls are generated, transmitted and handled consistently across the EU.

2.5 Provisions of the Regulation

The proposed Regulation lays down legal requirements including:

2.5.1 Manufacturers of passenger cars and light goods must ensure that new types of these vehicles are manufactured and approved with compliant eCall systems from October 2015.

2.5.2 Member States would have to ensure that from 1 October 2015 new types of vehicles covered by the proposed Regulation receive European Community Whole Vehicle Type Approval.

2.5.3 The type approval authorities must ensure that these vehicles meet the prescribed standards before issuing a type approval certificate.

2.5.4 Manufacturers must ensure that eCall technology does not allow the vehicles to be subject to constant tracking.

2.5.5 Sufficient safeguards against surveillance are required and users must be provided with information about how the data used by the system will be processed.

2.5.6 The Commission is empowered to adopt Delegated Acts to establish the technical requirements of in-vehicle systems, to define the requirements in relation to the privacy of users and, on the basis of a cost/benefit analysis, to exempt certain classes of passenger cars and light commercial vehicles.

3. General Comments

3.1 The Committee notes that 28 000 persons were killed and 1,5 million were injured on EU roads last year. When emergency services are called to a road accident, every minute is critical to save lives and reduce the severity of injuries. However, people injured in an accident do not always have the physical ability to call emergency services.

3.2 eCall technology addresses this problem by alerting emergency services immediately even if the driver or passenger is unconscious or otherwise unable to call. The EESC also notes that eCall technology is expected to speed up the arrival of emergency teams by an estimated 40 % in urban areas and 50 % in rural areas, and that once widely deployed, eCall will save several hundred lives in Europe every year, reducing the severity of injuries and trauma in tens of thousands of cases.

⁽¹⁾ OJ C 80, 30.3.2004, p. 77, OJ C 168, 20.7.2007, p. 71, OJ C 77, 31.3.2009, p. 70, OJ C 48, 15.2.2011, p. 27 and OJ C 132, 3.5.2011, p. 94.

3.3 A number of Member States have established road safety authorities with a national mandate to evaluate road safety strategy and advise their governments on priority actions. A European Road Safety Agency with a clear mandate for all road safety domains (infrastructure, vehicles and road users) across the Union could help to improve the implementation of a harmonised EU road safety strategy. Such an Agency could have specific tasks in terms of the identification, specification, establishment and promotion of best practices, as well as the enhancement of cross-border information exchange and collaboration.

4. Specific Comments

4.1 The proposal applies only to the type approval of new passenger cars and light goods vehicles and would not impose a requirement to ensure that eCall be fitted prior to first registration, which means that existing types of those vehicles can continue to be manufactured and sold without eCall. The

Committee notes that because of this policy, it will be 2033 before there is full penetration of the eCall service. While understanding the need to take account of the financial impact and design problems that might be caused for automotive manufacturers, the EESC would like manufacturers to also install eCall technology as soon as possible on existing types of vehicles to be manufactured after October 2015.

4.2 The Regulation concerning type-approval requirements for the deployment of the eCall in-vehicle system will not apply to powered two-wheel vehicles (motorcycles etc.). Drivers of powered two-wheel vehicles are 18 to 20 times more at risk of suffering a serious injury on the road than car drivers. Special attention is needed to address the road safety issues of this high-risk vehicle class. In addition to the fitting of eCall technology, proposals are needed as soon as possible on improving the active and passive safety of powered two-wheelers.

Brussels, 19 September 2013.

The President
of the European Economic and Social Committee
Henri MALOSSE

Opinion of the European Economic and Social Committee on the 'Proposal for a Directive of the European Parliament and of the Council on the conditions of entry and residence of third-country nationals for the purposes of research, studies, pupil exchange, remunerated and unremunerated training, voluntary service and au pairing'

COM(2013) 151 final — 2013/0081 (COD)

(2013/C 341/12)

Rapporteur: **Mr PÎRVULESCU**

On 26 April 2013, both the European Parliament and the Council decided to consult the European Economic and Social Committee, under Article 304 of the Treaty on the Functioning of the European Union, on the

Proposal for a Directive of the European Parliament and of the Council on the conditions of entry and residence of third-country nationals for the purposes of research, studies, pupil exchange, remunerated and unremunerated training, voluntary service and au pairing

COM(2013) 151 final — 2013/0081 (COD).

The Section for Employment, Social Affairs and Citizenship, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 5 September 2013.

At its 492nd plenary session, held on 18 and 19 September 2013 (meeting of 18 September), the European Economic and Social Committee adopted the following opinion by 126 votes to 2 with 1 abstention.

1. Conclusions and recommendations

1.1 The Committee welcomes the European Commission's initiative and considers that it is necessary to recast the two directives with a view to tackling the demographic and economic challenges facing the EU.

1.2 The EU urgently needs a smart and solid migration policy if it wishes to achieve the goals it has set under the Europe 2020 strategy and other major initiatives. If the EU wishes to remain an innovation hub and a strong centre of industry, it needs to attract talented people and ensure effective "brain circulation".

1.3 The Committee believes that the policy of encouraging migration and mobility should be firmly anchored in the fundamental human rights system. The principles of the Charter of Fundamental Rights should be implemented at all levels.

1.4 The Committee encourages the European Commission and the Fundamental Rights Agency to assess the vulnerabilities that third-country nationals face here and put forward to the Member States active measures aimed at removing them. Determined efforts should be made at all levels to tackle discriminatory situations.

1.5 The Committee strongly supports the Commission in its efforts to develop bilateral "mobility partnerships" which offer a

framework for cooperation between the EU and non-EU countries (notably in the EU neighbourhood).

1.6 The Committee encourages the European Commission and the Member States to take into account the gender aspect and to configure their programmes so as to facilitate the participation of more women.

1.7 An in-depth analysis of the obstacles that hinder visa procedures is needed, irrespective of their nature, and measures to eliminate them should be identified. The process for granting visas should be simple, fair, accessible and non-discriminatory.

1.8 The Committee stresses the importance of the principle of third-country nationals being treated on a par with nationals of the host Member State as regards access to goods and services.

1.9 The Committee draws attention to the need to ensure appropriate protection for students, researchers, volunteers and au pairs where they are engaged in paid work or active in the labour market. Such paid work often obscures working relationships and abuses that may result from this situation should be avoided by ensuring equal treatment for all of these categories. Special attention should be given to people engaged in domestic work as au pairs, particularly women.

1.10 The Committee welcomes Article 24, which allows third-country nationals to stay in the Member State for 12 months upon completion of their research or studies in order to look for work. However, the equal-treatment provisions in Directive 2011/98/EU include derogations that seem to run counter to the objectives of the proposal to recast the two directives.

1.11 The Committee thinks that the communication aspect is crucial to the success of this policy. The Member States and the EU institutions should communicate with third-country nationals and give them access to high-quality information.

2. Introduction

2.1 The EU is facing major structural challenges both demographically and economically. The working-age population is shrinking, and companies are struggling to find skilled staff.

2.2 The EU Global Approach to Migration and Mobility sets the overarching framework of the EU's migration policy. It also defines how the EU organises its dialogue and cooperation with non-EU countries.

2.3 The EU is also facing a situation of "innovation emergency". The Europe 2020 strategy and its Innovation Union flagship initiative have set the goal of increasing investment in research and innovation, requiring an estimated one million extra research jobs. Immigration from outside the EU is one source of highly skilled and talented people who the Member States can and should attract.

2.4 Article 79 of the Treaty on the Functioning of the European Union (TFEU) entrusts the EU with the task of developing a common immigration policy aimed at ensuring efficient management of migration flows and fair treatment of third-country nationals residing legally in the Member States.

2.5 Directive 2004/114/EC lays down mandatory provisions for the admission of students who are third-country nationals. The application of the directive to school pupils, volunteers and unremunerated trainees was left optional for Member States. Directive 2005/71/EC provides for a fast-track procedure for admitting researchers from third countries who have signed a hosting agreement with a research organisation approved by the Member State.

2.6 In 2011, the Commission presented reports on the implementation of the two directives to the European Parliament and the Council. The reports revealed a number of shortcomings in the directives.

2.7 The biggest problem identified in the two directives relates to authorisations for third-country nationals to enter and stay in the EU (long-term visas and/or residence permits).

The legal provisions here are often complex and unclear. The procedures are lengthy and are not always applied fairly and consistently. Current provisions on immigration are not sufficiently supportive of EU programmes including mobility measures such as Erasmus Mundus or Marie Curie.

2.8 In terms of the labour market, there is a lack of opportunities for graduates from third countries to identify work opportunities after they graduate, and for researchers to do so after finishing their research project. In some cases, third-country nationals cannot be employed by universities because they are considered to be public-sector institutions. Priority should be given to encouraging women to access the scientific professions by removing all forms of direct and indirect discrimination or other barriers that hinder their access to highly-skilled scientific positions.

3. General comments

3.1 The Committee welcomes the European Commission's initiative and considers that it is necessary to recast the two directives.

3.2 Being open to the outside world remains a priority for the EU and in the current climate this goal is difficult to pursue. The EU should facilitate mobility and make use of all the tools at its disposal to improve access for third-country nationals to educational and research activities in the EU and to its labour market.

3.3 The EU needs to take a new approach to economic migration, one that would allow third-country nationals to acquire knowledge and skills. Cooperation with third countries should encourage "brain circulation", which benefits both the receiving and the sending countries.

3.4 In October 2010, the European Commission adopted an initiative setting out an ambitious set of actions and policies needed to transform the EU into an "Innovation Union". To that end, the EU should ease entry and residence rules for third-country nationals.

3.5 Third-country nationals can bring dynamism and diversity to Europe's educational, scientific, cultural and economic activities. The Committee believes that facilitating the mobility of third-country nationals is one of the answers to the demographic and economic-development challenges facing the EU. At the same time, it believes that this policy should be firmly anchored in the fundamental human rights system.

3.6 The Committee welcomes the commitment to unifying and simplifying the procedures involved in accessing the EU's territory. The current economic and political conditions may lead to the fragmentation of systems, policies and national legislation regarding third-country nationals.

3.7 The EU's role here is to encourage discussion, find common solutions, promote certain practices and support the efforts of its Member States and of third countries and their nationals.

3.8 The Committee also welcomes the fact that there has been clarification of the particular groups of third-country nationals that are the beneficiaries of easier access to the EU. This brings clarity and predictability for both the Member States and the third-country nationals. Although their conditions of entry and residence are differentiated, the inclusion of all the groups in the new directive helps promote certain essential cross-cutting aspects such as respect of fundamental human rights.

3.9 Third-country nationals have both rights and obligations, which they should be aware of and duly exercise.

3.10 The Committee appreciates the attempt to more efficiently link third-country nationals' access with the major policy areas regarding migration, education and research, in particular in relation to recognised programmes such as Erasmus Mundus and Marie Curie.

3.11 The Committee also welcomes the emphasis on the fundamental rights of third-country nationals. However, greater attention needs to be given to active measures to ensure their fair treatment. In practice, third-country nationals are often in vulnerable situations, especially students and au pairs. The Committee encourages the European Commission and the Fundamental Rights Agency to assess the vulnerabilities that third-country nationals face here and put forward to the Member States active measures aimed at removing them.

3.12 The Committee is concerned about the spread of racist and xenophobic attitudes targeting third-country nationals. If we facilitate their mobility but fail to put a stop to these attitudes, all of the policy objectives will be undermined.

3.13 The Committee notes that the proposal contains practical measures for integrating third-country nationals into the European research and education areas and into the labour market.

3.14 Access for third-country nationals to forms of employment that combine work with education and training should be encouraged. It is important to reinforce the principle of equal treatment with regard to the employment and conditions of employment of people whose situation is governed by these directives.

3.15 The Committee encourages the European Commission and the Member States to take into account the gender aspect and to configure their programmes so as to facilitate

the participation of more women. This objective should be pursued as a priority when it comes to the mobility of students, and, in particular, of researchers.

3.16 The Committee would encourage the Member States and EU institutions to give consideration to a broader sphere of interaction, including research, education and the labour market. Europe is a space in which artistic production and the creative industries constitute a driver for both integration and social progress and economic development.

3.17 In the case of third-country nationals admitted as researchers, students or au pairs, the Committee encourages the Commission, the Member States and the European Parliament to strengthen their protection in the workplace or where they participate in the labour market. In particular, the Committee thinks that the derogations from the equal-treatment provisions of Directive 2011/98/EU should be removed for students, researchers and au pairs.

4. Specific comments

4.1 The Committee considers it appropriate to extend the scope of the directive to include remunerated trainees and au pairs.

4.2 The Committee believes that, in practice, a huge number of procedural and institutional obstacles continue to stand in the way of mobility. These obstacles mainly concern visa procedures. These procedures are lengthy, unpredictable and even arbitrary. They entail very high, almost-prohibitive costs for applicants. Access to embassies and consular offices is often limited. An in-depth analysis of these obstacles is needed, irrespective of their nature, and measures to eliminate them should be identified. The process for granting visas should be simple, fair, accessible and non-discriminatory.

4.3 The private sector is very important for achieving the objectives related to funding and developing research. Companies should be encouraged to adopt a pro-active attitude to attracting researchers. Specific measures must also be devised by the Member State authorities, in cooperation with institutions and private companies, aimed at removing practical barriers to the integration of third-country nationals. For instance, the procedure involved in opening a bank account can be complicated and lengthy.

4.4 The Committee notes the procedural difficulties involved in granting visas to people seeking to work on a voluntary basis. Volunteering is a special activity that constitutes neither employment nor education, but involves both to a certain extent. Volunteering should be formally recognised as an activity that warrants the issuing of visas.

4.5 In this context, the EESC would welcome the involvement of local and regional authorities.

4.6 As regards the provision that Member States may grant more favourable conditions to the persons to whom the proposal for a directive applies, the Committee endorses this as it allows the individual states to develop their own policies for attracting third-country nationals. Although this does not come under the scope of the directive, the Member States' policies should not discriminate against certain groups of nationals or individual nationals.

4.7 The Committee supports the development of mobility partnerships under this policy and underlines the need to enhance cooperation between the EU and third countries to ensure effective "brain circulation". Developing education and research in the EU should not be done by depriving third countries of the skills of their own citizens. It is not clear from the Commission proposal what specific activities are envisaged in this regard.

4.8 Regarding the situation of students and the new group of remunerated trainees, the Committee endorses the proposal to allow them to stay in a second Member State for periods of between three and six months, provided that they fulfil the general conditions laid down in the directive.

4.9 The Committee agrees with enhancing students' access to the labour market, under the conditions set out in the directive, by enabling them to work a minimum of 20 hours per week. It is up to each Member State, within the framework of social dialogue with the social partners, to determine the maximum number of hours per week or days or months per year allowed for such an activity, which is not to be less than 20 hours per week, or the equivalent in days or months per year. However,

given that completion of studies is the primary objective, the permitted working time should be limited to a level conducive to this goal. Proof of progress with studies should be provided at regular intervals.

4.10 The Committee stresses the importance of the principle of third-country nationals being treated on a par with nationals of the host Member State as regards access to goods and services.

4.11 In its opinions on the Green Paper on economic migration, adopted in 2006 ⁽¹⁾, and on the single permit, adopted in 2008 ⁽²⁾, the Committee advocated granting legal migrants the right to education and vocational training, in addition to equal treatment in the workplace (working conditions, pay and dismissal, health and safety in the workplace, freedom of association, etc.).

4.12 The Member States should ensure that the fundamental rights of third-country nationals are respected in practice.

4.13 The Committee thinks that the communication aspect is crucial to the success of this policy. The Member States and the EU institutions should communicate with third-country nationals and give them access to high-quality information.

4.14 The Committee will continue to act as a bridge between organised civil society and the EU institutions and aims to continue promoting best practice in the area of immigration and integration.

Brussels, 18 September 2013.

The President
of the European Economic and Social Committee
Henri MALOSSE

⁽¹⁾ OJ C 286, 17.11.2005, p. 20.

⁽²⁾ OJ C 27, 3.2.2009, p. 114.

Opinion of the European Economic and Social Committee on the ‘Proposal for a Directive of the European Parliament and of the Council on measures facilitating the exercise of rights conferred on workers in the context of freedom of movement for workers’

COM(2013) 236 final — 2013/0124 (COD)

(2013/C 341/13)

Rapporteur: **Mr PARIZA CASTAÑOS**

Co-rapporteur: **Ms DRBALOVÁ**

On 21 May 2013, the European Parliament and, on 13 May 2013, the Council decided to consult the European Economic and Social Committee, under Articles 46 and 304 of the Treaty on the Functioning of the European Union (TFEU), on the

Proposal for a directive of the European Parliament and of the Council on measures facilitating the exercise of rights conferred on workers in the context of freedom of movement for workers

COM(2013) 236 final — 2013/0124 (COD).

The Section for Employment, Social Affairs and Citizenship, which was responsible for preparing the Committee’s work on the subject, adopted its opinion on 5 September 2013.

At its 492nd plenary session, held on 18 and 19 September 2013 (meeting of 19 September), the European Economic and Social Committee adopted the following opinion by 133 votes, with 2 abstentions.

1. Conclusions and proposals

1.1 The Committee notes that, of the four freedoms enshrined in the Treaty, the free movement of workers is the one that continues to encounter the greatest obstacles in practice.

1.2 The Committee considers that exercise of the free movement of workers, without obstacles or discrimination, will help to safeguard fundamental rights and will improve the EU’s competitiveness, business productivity and the quality of employment for workers, being a pillar of the Europe 2020 strategy.

1.3 The free movement of workers in Europe must continue to be a political priority for the EU. The Committee considers that the directive will contribute to fair and balanced mobility.

1.4 The EESC supports the Commission’s proposal for a directive, which will facilitate equal treatment and non-discrimination on grounds of nationality for European workers exercising the right to free movement. Other obstacles to mobility persist, however, as the Committee has pointed out in other opinions.

1.5 In order to further reduce the existing barriers to mobility, additional measures should be adopted to make easily understandable information on labour and social law

available to mobile workers in their respective national languages. Workers should also have a specific right to advice. The relevant advice facilities should work closely with the social partners and EURES, ensuring that mobile workers are informed about social and legal conditions in the host countries before they leave their countries of origin.

1.6 The EESC supports the objectives which the Commission is seeking to achieve through the directive, such as the defence of rights derived from the principle of equal treatment of workers and members of their families in terms of employment and various social rights by means of administrative and judicial procedures; the activity of associations, organisations and other legal entities; the establishment of support and supervisory structures at national level; social dialogue; the improvement of information provided to businesses and workers. The Committee appreciates the fact that the implementation of the directive in national law will respect national legal procedures and practices.

1.7 The Committee is in favour of the establishment of information and advice services on the exercise of freedom of movement and mobility to assist workers. It would also be necessary to keep employers properly informed.

1.8 The EESC supports the Commission’s efforts to modify and expand the role of EURES in order to facilitate mobility and improve the match between skills and labour market needs.

2. The proposal for a directive

2.1 The May 2010 report by Mario Monti entitled A new strategy for the single market stressed that free movement of workers has been a success from the legal point of view but that it is the least used of the four single market freedoms. The gap between theory and practice is also reflected in the 2010-2014 political guidelines presented by the European Commission president, Mr Barroso.

2.2 The Commission proposes a directive aimed at improving the application of EU legislation and facilitating the exercise of the rights conferred on workers in the context of freedom of movement. The Treaty and the applicable European legislation grant all European citizens the right to move freely to another Member State to work and live, protect them from discrimination on the grounds of nationality when seeking employment, and guarantee them equal treatment.

2.3 In recent years three action plans for worker mobility⁽¹⁾ have been implemented, in 1997, 2002 and 2007 respectively. However, this right to EU mobility is being exercised by 3 % of European workers. The Commission, the Parliament, the Committee of the Regions, the EESC and the social partners have indicated the obstacles to the practical exercise of this right:

- national authorities which fail to comply with EU law (inconsistent or incorrectly applied legislation), with a negative effect on migrant workers in the EU;
- employers and legal advisers who fail to comply with EU law;
- EU migrant workers who do not have access to information or the means to enforce their rights.

2.4 As a result of these problems, discrimination on grounds of nationality often continues to be a major obstacle for EU migrant workers

2.5 The Commission has carried out wide-ranging consultations with the Member States, the social partners, civil society and specialist bodies, and has concluded that the most appropriate legal instrument to facilitate exercise of workers' rights to free movement is a directive, ensuring uniform respect of the rights conferred by Article 45 (TFEU) and Articles 1 to 10 of Regulation No 492/2011.

2.6 The scope of the directive will include aspects which, with regard to free movement of workers, are covered by Regulation 492/2011, which guarantees equal treatment and non-discrimination in:

- access to employment;

- conditions of employment and work in particular as regards remuneration and dismissal;

- access to social and tax advantages;

- membership of trade unions;

- access to training;

- access to housing;

- access to education for workers' children.

2.7 The directive will require Member States to:

- set up national contact points to inform, assist and advise migrant workers on the rights guaranteed by European legislation, including non-discrimination and free movement;

- provide and ensure the availability of administrative and/or judicial means of redress at national level;

- ensure that trade unions, NGOs and other legal entities can engage in administrative or judicial procedures to ensure compliance with the rights derived from Article 45 TFEU and Articles 1 to 10 of Regulation (EU) No 492/2011 on behalf or in support of workers and members of their families, with their consent, in accordance with national law;

- provide better information to migrant workers in the EU and employers about European legislation on free movement.

3. General comments: European citizens and free movement

3.1 The European Union must fully mobilise labour market capacity in order to drive growth and employment, fully develop the potential of the single market and create a dynamic and inclusive European labour market with better prospects for long-term employment. To this end, it is essential to remove any obstacles to the free movement of workers, and to guarantee the rights and responsibilities of workers and businesses.

3.2 The EESC welcomes that fact that, during the European Year of Citizens, the Commission has adopted the present proposal for a directive to facilitate the free movement of European workers. Free movement of persons is one of the four fundamental freedoms (alongside freedom of movement of goods, capital and services) underpinning the single market, and is enshrined in the Treaty, which guarantees that EU citizens moving to another Member State for work purposes have the right not to be discriminated against on grounds of nationality.

⁽¹⁾ COM(1997) 586 final, COM(2002) 72 final, COM(2007) 773 final.

3.3 In 2011 the Committee drew up an exploratory opinion ⁽²⁾ at the request of the Belgian Presidency in which it analysed the role of immigration in the EU demographic context. It concluded that as a consequence of the negative demographic situation and labour market imbalances, Europe must improve the internal mobility of European workers and facilitate immigration from third countries.

3.4 In 2009, the Czech Presidency also requested an exploratory opinion ⁽³⁾, which identified the outstanding obstacles to mobility within the internal market. The Committee considered that, in spite of the Treaty and European legislation, EU citizens who want to move or who actually move to another Member State for work purposes continue to face numerous problems that seriously hinder exercise of the right to free movement. The opinion argued, among other things, that "mobility in Europe should remain one of the EU's political priorities", and that "measures [...] must contribute to establishing a new concept for a fair and balanced mobility", "curbing social dumping and undeclared work".

3.5 The Commission's proposal for a directive will facilitate equal treatment and non-discrimination on grounds of nationality for European workers exercising the right of free movement. However, other obstacles and risks still hamper mobility, as the EESC has pointed out in a number of opinions ⁽⁴⁾ in which it puts forward various solutions in areas such as:

- the transitional periods that temporarily limit the free movement of European workers, generally or in specific sectors;
- Member State labour laws that create legal and administrative obstacles; similarly, collective agreements must facilitate free movement for workers;
- the problems in the areas of taxation and social security which cross-border workers have to confront in order to exercise the right to free movement;
- the lack of language skills;
- insufficient coordination between public social security systems and problems with the portability and recognition of supplementary pensions;
- the continuing serious problems regarding the recognition of vocational and academic qualifications;
- difficulties in access to lifelong training;

- the lack of information and advice on European law and procedures regarding the free movement of workers available at national level to workers, businesses, the social partners and NGOs, as well as the courts and other legal practitioners;
- the lack of information and advice for workers on labour and social-law issues and contacts in the host country, provided before workers leave their country of origin;
- housing prices and lack of availability, including the lack of social housing;
- discriminatory taxes and social contributions and benefits;
- difficulties in access to health services;
- obstacles in education arrangements for children.

3.6 The EESC has also drawn up opinions ⁽⁵⁾ on legislation to combat discrimination on various grounds. The Committee considers that both Regulation 492/2011 and the anti-discrimination Directives 43/2000 and 78/2000 must be applied and used to eliminate discrimination in national legislation, administrative and legal practice, and in collective agreements, in order to facilitate labour mobility in the EU.

3.7 Mobility is considered to be positive for both businesses and workers, if it operates effectively and fairly and on a voluntary basis. BUSINESSEUROPE and the European Trade Union Confederation have expressed this view. Businesses will have more recruitment opportunities, and workers will be able to choose from a wider range of employment opportunities.

3.8 A distinction must be made between free movement for workers, as set out in the present proposal, and the freedom for companies to provide services. The EESC recently adopted an opinion on the latest proposal for a directive on the posting of workers ⁽⁶⁾.

3.9 The EESC supports the new efforts to improve the functioning of the EU's internal market and the measures facilitating mobility by removing continuing obstacles. The proposed directive will require the Member States to adapt their laws and institutions, which the EESC supports. The Committee does not want unnecessary red tape to be generated for businesses.

3.10 National authorities and support and supervisory bodies will exercise particular vigilance in ensuring equal treatment of EU migrant workers with disabilities.

⁽²⁾ OJ C 48, 15.2.2011, pp. 6–13.

⁽³⁾ OJ C 228, 22.9.2009, pp. 14–23.

⁽⁴⁾ OJ C 68, 6.3.2012, pp. 11–14, OJ C 191, 29.6.2012, pp. 103–107.

⁽⁵⁾ OJ C 204, 18.7.2000, pp. 82–90, OJ C 155, 29.5.2001, pp. 65–71, OJ C 77, 31.3.2009, pp. 102–108.

⁽⁶⁾ OJ C 351, 15.11.2012, pp. 61–64.

4. Specific comments and recommendations

4.1 Although Article 45 of the Treaty and Regulation (EU) No 492/2011 guarantee equal treatment for EU migrants in the framework of free movement, if correctly applied in the Member States, many problems of practical application persist. The Committee therefore considers that the proposal for a directive is the appropriate legal instrument to facilitate exercise of the rights conferred on workers, since it will enable the objectives set to be attained in a uniform way when incorporated into national legislation. The Committee calls on the Parliament and Council also to support the proposal for a directive.

4.2 The EESC considers that protecting the rights arising from free movement of European workers, by guaranteeing equal treatment, will facilitate mobility and strengthen the single market. European workers and businesses will enjoy new opportunities, making full use of the potential of the European labour market.

4.3 By the same token, the EESC considers that equal treatment and non-discrimination will facilitate the integration of migrant workers and their families.

4.4 Both the European Trade Union Confederation and BUSINESSEUROPE have, within the Advisory Committee on Free Movement of Workers ⁽⁷⁾, voiced their support for a proposal for a directive. The EESC welcomes the joint efforts by the European social partners to back fair mobility and economic migration within the EU ⁽⁸⁾.

4.5 The Technical Committee ⁽⁹⁾ on free movement of workers will also have to adopt new guidelines to improve labour mobility.

4.6 In order to further reduce the existing barriers to mobility, additional measures should be adopted to make easily understandable information on labour and social law available to mobile workers in their respective national languages. Workers should also have a specific right to advice. The relevant advice facilities should work closely with the social partners and EURES, ensuring that mobile workers are informed about social and legal conditions in the host countries before they leave their countries of origin.

4.7 The directive, once properly transposed into national legislation, will require public authorities to guarantee compliance with European law on free movement. It will also facilitate the work of employers and legal advisors, who at

present are unfamiliar with European legislation. Similarly, workers and their families will have greater access to information and to protection of their rights.

4.8 The EESC backs the four objectives set out by the Commission:

- lessening discrimination against EU migrant workers on grounds of nationality;
- closing the gap between EU migrant workers' rights on paper and their exercise in practice by facilitating the correct implementation of legislation;
- reducing the incidence of unfair practices against EU migrant workers;
- empowering EU migrant workers to ensure their rights are respected.

4.9 The Committee fully agrees with the objective of the directive (Article 1) of ensuring uniform application and enforcement of the rights conferred by Article 45 TFEU and Articles 1 to 10 of Regulation (EU) No 492/2011, and fully endorses the scope of the directive (Article 2), which covers the areas relating to the freedom of movement of workers which are also included in the regulation.

4.10 The EESC considers that the regulation and the directive protect the rights of cross-border workers who are also European workers exercising their right to freedom of movement.

4.11 The Committee also agrees that a guarantee of defence of the right to equal treatment, means of redress and time limits should be incorporated into the administrative and judicial systems and procedures of each Member State (Article 3). However, it recommends to the Member States that administrative and legal procedures be kept to a minimum in order to make them manageable for workers and members of their families.

4.12 The EESC also considers appropriate the text of Article 4: "Member States shall ensure that associations, organisations or other legal entities, which have, in accordance with the criteria laid down by their national law, a legitimate interest in ensuring that the provisions of this directive are complied with, may engage, either on behalf of or in support of the worker and members of his/her family, with his/her approval, in any judicial and/or administrative procedure provided for the enforcement of rights under Article 45 of the Treaty and Articles 1 to 10 of Regulation (EU) No 492/2011". This is without prejudice to national procedures for representation and defence before the courts. In this respect, the role granted by national laws to the trade unions is crucial, and the directive must take account of this.

⁽⁷⁾ Meeting of 30 October 2012.

⁽⁸⁾ Joint Work Programme of the European Social Partners 2012-2014: mobility, economic migration and the integration of migrant workers in the labour market.

⁽⁹⁾ As planned in Regulation 492/2011.

4.13 The Committee supports Article 5 which requires Member States to designate structures and bodies for the promotion, analysis, supervision and support of equal treatment. The EESC agrees that these practical tasks may, depending on national conditions, be assigned either to newly established bodies or to existing national agencies that have similar objectives regarding equal treatment and non-discrimination. In the framework of the national systems, it should be obligatory for the national social partners to be involved in this decision. In both cases the bodies and agencies should clearly include this new mandate among their responsibilities and receive the human and financial resources necessary to perform the new tasks. The Committee proposes that these agencies and bodies be fully independent of governments. The national and regional-level social partners must be effectively involved in these bodies, within the framework of the national systems.

4.14 The directive makes no mention of the role of the labour inspectorates and authorities which, when the directive is transposed, will have to ensure compliance with equal treatment provisions in employment contracts, collective agreements and social protection systems. The Committee proposes that the directive address this issue.

4.15 The EESC supports the four competences to be invested in these bodies (Article 5(2)), i.e. legal and/or other assistance, surveys, reports and information.

4.15.1 The system of "points of single contact" can be very important for facilitating information and guidance to migrant workers on how to live and work in each Member State. The social partners must be closely involved in this. But they must cooperate with existing information and assistance centres and further education centres at regional, national and European level. The essential role of the EURES portal should be maintained and supported, as it is an important EU instrument

focusing both on worker mobility and a better match between skills and labour market needs. Here too the involvement of the social partners must be improved and further guaranteed.

4.16 The EESC considers that social dialogue between the labour market partners and the tripartite dialogue between government, trade unions and employers' organisations, alongside dialogue with civil society⁽¹⁰⁾, are powerful tools for public policy, and have a positive impact on citizens. It therefore supports Article 6 on social dialogue in accordance with national law.

4.17 The dissemination of information in the Member States (Article 7) is very important in ensuring that migration of workers within the EU takes place satisfactorily. It is crucial for workers and employers to have access to information: in this way, the internal market and the European labour market can operate properly. Accurate and accessible information can limit abuses by employers and the passive acceptance of discrimination by workers.

4.18 The EESC urges migrant workers and their families also to make use of existing information outlets such as Your Europe and EURES.

4.19 The EESC welcomes the fact that the European social partners are dealing with the question of internal mobility in the EU and economic migration from non-EU countries in their current 2012-2014 joint work programme and proposes that the European Commission launch new programmes in cooperation with the European Trade Union Confederation and BUSINESSEUROPE to improve information flows between trade unions and employers at national level, in order to facilitate fairer freedom of movement of European workers and their families and the protection of their rights.

Brussels, 19 September 2013.

The President
of the European Economic and Social Committee
Henri MALOSSE

⁽¹⁰⁾ OJ C 181, 21.6.2012, pp. 137-142.

Opinion of the European Economic and Social Committee on the 'Green Paper on a European Plastic Waste Strategy'

COM(2013) 123 final

(2013/C 341/14)

Rapporteur: **Mr ZBOŘIL**

On 10 April 2013, the European Commission decided to consult the European Economic and Social Committee, under Article 304 of the Treaty on the Functioning of the European Union, on the

Green Paper on a European Plastic Waste Strategy

COM(2013) 123 final.

The Section for Agriculture, Rural Development and the Environment, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 3 September 2013.

At its 492nd plenary session, held on 18 and 19 September 2013 (meeting of 19 September), the European Economic and Social Committee adopted the following opinion by 138 votes to 6 with 6 abstentions.

1. Conclusions and recommendations

1.1 The problem of uncontrolled waste streams in general, and of plastic waste in particular, is grave, since they frequently end up in the environment, either in unregulated landfills or in the marine environment. Although plastic litter in the environment is a global problem, the solutions are obviously local, with specific approaches depending on local conditions and capabilities.

1.2 The Green Paper on a European plastic waste strategy provides a breadth of statistics from EEA and Eurostat sources, as well as references to further publications, books, academic reports, etc. We recommend that this data be categorised and analysed in order to make it easier to understand and to use for drawing conclusions on the appropriate treatment of plastic waste streams.

1.3 When it comes to aquatic and marine environments, plastic waste accounts for a large majority of visible floating pollutants. This problem is aggravated by the degradation of plastic materials causing them to become invisible and to enter the food-chain. It is vital to improve the accuracy of analyses of material and waste streams that contain plastics, including analysis of how this waste enters the marine environment. The violation of existing rules in terms of mismanaged landfilling should not be tolerated. Plastic waste in the marine environment is unacceptable.

1.4 The EESC highly appreciates the initiatives organised by various interests groups to alleviate this serious problem. The EU might propose an international initiative to organise the clearing up of the worst accumulations of floating plastic waste in the oceans. It should take what steps it can to

prevent plastic waste originating in Europe from getting into the sea; and it should consider using development assistance programmes to promote and support more sustainable waste management practices in developing countries, and in particular to reduce the building up of plastic waste from those countries in the oceans.

1.5 In line with the waste hierarchy, efforts should be made to ensure that less plastic waste is generated in the first place. Some uses of plastics could be banned if there are more environmentally friendly and feasible alternatives.

1.6 The Committee also notes that a prerequisite for successful recycling is the identification and separation of waste streams both at source – where they occur – and once collected. The EESC sees a need for a better overview of the whole process of household waste collection to identify and disseminate best practice. The Committee urges the Commission to look at the different waste collection systems adopted to find out whether their impact varies, especially with regard to plastic waste dispersal in the environment.

1.7 The Committee understands that the three key pieces of EU legislation related to plastic waste (the Waste Framework Directive, the Packaging and Packaging Waste Directive and the Waste Electrical and Electronic Equipment Directive) have not been properly enforced throughout the EU. The EESC therefore advocates improving their enforcement and updating them as necessary. Unintended consequences must be properly assessed and any loopholes identified must be fixed, following a thorough expert analysis of sufficient and relevant data and processes. Efforts towards more efficient recovery and recycling in general should help to solve also the plastic waste problems outlined in the Green Paper.

1.8 Lastly, the EESC highlights the growing role that consumers can play, and endorses the position of the Green Paper when it comes to empowering consumers to know what they buy: "Informed consumers can play a decisive role in promoting more sustainable production patterns for plastic and plastic products that also improve resource efficiency. In targeting consumer behaviour, clear, simple and concise information could be instrumental for informing consumers of the plastic content of a product and its potentially harmful additives/colours (...). Full consumer product information on the type of plastic and its recyclability could be provided beyond existing schemes, in order to enable consumers to make an informed choice when buying a plastic product."

1.9 Numerous stakeholders have been involved in the EU waste and plastic waste agenda. They have suggested initiatives to reduce plastic waste and recover these valuable resources as far as possible. Their knowledge and expertise are a good basis for fairly rapid progress towards phasing out plastic waste from landfilling. Civil society plays a crucial role in boosting thorough implementation and behavioural change.

2. Green Paper

2.1 The purpose of the Green Paper is to launch a broad discussion on possible responses to the public policy challenges posed by plastic waste, which is not specifically addressed in EU waste legislation at present.

2.2 The inherent characteristics of plastics create specific challenges for waste management:

- Commonly used plastics are relatively cheap and versatile, with many industrial applications. This has led to a sharp increase in use over the past century and this is still continuing.
- Plastics are very durable materials which outlive the products made from them. As a result, the generation of plastic waste is growing worldwide.
- Their uncontrolled disposal is problematic, since plastic can persist in the environment for a very long time.
- It is particularly necessary to continue efforts to reduce the incidence and impacts of plastic in the marine environment.

2.3 Whatever the current difficulties, better management of plastic waste also offers new opportunities. Although, as a rule,

thermoplastics are fully recyclable, only a small fraction of thermoplastic waste is actually recycled at present.

2.4 Improved recycling will contribute to the aims of the Roadmap to a Resource Efficient Europe⁽¹⁾ and to the reduction of greenhouse gas emissions, and imports of raw materials and fossil fuels. Appropriately designed measures to recycle plastics could also improve competitiveness and create new economic activities and jobs.

2.5 The Green Paper, which is said to be based on a lifecycle analysis (LCA) approach, should help reassess the environmental and human health risks of plastics in products when they become waste.

2.6 It should help to advance the internalisation of lifecycle impacts of plastics, from raw material extraction to the end of life phase, into the costs of plastic products.

3. General comments

3.1 The EESC sees a need for a better overview of the whole household waste collection process in order to identify what actually constitutes best practice – and what is appropriate for different GDP levels, climates, land availability, etc. Best practice should be adapted to the specific conditions of individual Member States and regions and then disseminated.

3.2 The problem of uncontrolled waste streams in general, and of plastic waste in particular, is grave, since they frequently end up in the environment, either in unregulated landfills, in the soil (e.g. due to the use of plastic films in agriculture), or in the marine environment. While plastic litter in the environment is a global problem, solutions are obviously very much local but should essentially be applied throughout the EU.

3.3 We should understand the importance of plastics in our daily life. It is not plastic as such that is a problem, but the way we mismanage our waste, including plastic waste. The measures adopted should primarily address this fact since prevention and gradual reduction of waste is a basic principle of sustainability.

3.4 In order to make it easier to understand and use the breadth of statistics provided in the Green Paper, we recommend categorising them in a way that allows data to be compared and trends identified so that options for addressing the problem can in turn be suggested.

⁽¹⁾ COM(2011) 571.

3.5 To this end, a distinction has to be made between thermoplastics – i.e., those plastics that are assumed to be the core problem since they end up in the environment despite being recyclable and reusable – and thermosetting materials (resins), which are produced in far smaller quantity, are used in making technical equipment and are either completely non-recyclable or are very difficult to recycle today.

3.6 Most plastics are ideal as fuel stocks, but incineration is not the best solution for PVC. Burning plastics with other waste components may be the best approach in many cases, in order to avoid using fresh oil or gas to assist combustion. LCA analysis would provide the answer – however there is little reference to such an analysis in the Commission's Communication.

3.7 The Green Paper should primarily be concerned with thermoplastics, particularly plastic film (technical and packaging using PE, PP and PVC) and drinks containers (especially from PET), which have boomed globally, largely replacing glass or tin, and which also present a risk for the marine environment when their disposal is uncontrolled.

3.8 Synthetic fibres (PE, PP and polyamides) originating from various woven/textiles and non-woven industrial and consumer products; and foams used in packaging and cushions may also end up in the environment since worn textile products are not collected. This waste component is not mentioned in the Communication.

3.9 When it comes to marine pollution, plastic waste accounts for a large majority of visible floating pollutants, as well as invisible particles. This is a problem for marine fauna, including birds, mammals (dolphins, whales), tortoises and other animals. However, the light density of plastics may also facilitate clean-up measures.

3.10 This is why it is vital, in the Committee's view, to improve the accuracy of analyses of materials and waste streams that contain plastics, including analysis of how this waste enters the marine environment. Attention should also be given to the main material streams and to taking an incremental approach that first tackles the most important streams.

3.11 There are two main land-based sources of marine debris:

- Beaches and rivers where people just dump their waste.
- Poorly managed landfills, which are sometimes even deliberately placed near the sea or rivers so that they do not fill up too quickly.

Another important source is the irresponsible (intentional or negligent) dumping of waste from ships and lost fishing nets. Unfortunately, at this stage, no analysis of these sources has been presented in order to facilitate reliable conclusions.

3.12 The Committee points out that, given the global character of the problem in the marine environment, it is also at the global level that remedial measures must be adopted and implemented. The Committee recommends taking measures to ensure that EU waste of any sort is not merely exported to other parts of the world for dumping (should such cases exist). If waste can be re-used, then it is no longer waste and should be treated as a useful stream of raw materials.

3.13 The Committee also notes that a prerequisite for successful recycling is the identification and separation of waste streams both at source – where they occur – and once collected. New sorting technologies should be introduced that can separate metals, plastics and cellulose fibres, for example, from the stream of mixed household waste. The Committee also points out that while these technologies come at a cost in terms of energy, it is undoubtedly worthwhile investing further in their development.

3.14 Numerous stakeholders have been involved in the waste and plastic waste agenda. They have suggested initiatives to reduce plastic waste and recover these valuable resources as far as possible. Their knowledge and expertise are a good basis for fairly rapid progress towards phasing out plastic landfill waste. Such initiatives deserve adequate support.

4. Specific comments – answers to questions in the Green Paper

4.1 Policy options for improving management of plastic waste in Europe

4.1.1 **Can plastic be appropriately dealt with in the existing legislative framework?** The current Waste Framework Directive requires 50 % (by weight) of household waste to be recycled, thus implicitly creating an infrastructure for separate collection. The Packaging and Packaging Waste Directive provides the legal framework for extending the responsibility of manufacturers, as does the WEEE Directive (Directive on waste electrical and electronic equipment) for plastics in such products. The Committee understands that these three pieces of legislation have not been properly enforced throughout the EU. The EESC therefore advocates improving enforcement and updating them as necessary. Unintended consequences must be properly assessed and any loopholes identified must be fixed, following a thorough expert analysis of sufficient and relevant data and processes.

4.1.2 How can measures to promote greater recycling of plastic best be designed? All that is required in addition is to properly set the targets in these directives. However, this involves respecting a balance between the goals of recycling and energy use, in order to both spare the consumer huge costs and to avoid diminishing the environmental efficacy. For example, while the recycling of the widespread PE and PET plastics is both economically affordable and environmentally effective, that of less common plastics would require costly transport to the few places where, because of the low demand for their recycling, specialised plants are located. This transportation over long distances would also make recycling less environmentally sound than energy recovery. The problem is to get a steady stream in a constant quality in a required volume. LCA guidelines should help here.

4.1.3 Would full and effective implementation of the waste treatment requirements in the existing landfill legislation reduce sufficiently current landfilling? One particular problem is the conflict between the aim of source reduction of packaging waste by weight and the requirement of more recycling. This is because the efforts to reduce weight, while maintaining the required barrier properties, involve using multi-layered packaging composed of a variety of plastics, which is practically non-recyclable. The "design for recycling" concept should be used instead of trying to make it lighter. The rules on this should be amended but kept as simple as possible.

4.1.4 Another useful approach would be to stimulate, e.g. by means of prizes or other support, innovative solutions to specific packaging problems – for instance a fully and economically recyclable laminate container for milk or juices would be a market winner (and may even be available).

4.1.5 What measures would be appropriate and effective to promote plastic re-use and recovery over landfilling? One very important element is rigorous and effective compliance with the waste treatment requirements in the current landfill legislation: consistent implementation of the rules is an absolute prerequisite for increasing both recycling and the properly controlled disposal of plastic waste. Obviously, gradually phasing out the landfilling of plastic waste could enhance recovery and recycling, nonetheless, the development of adequate infrastructure is a prerequisite.

4.1.6 What further measures might be appropriate to move plastic waste recovery higher up the waste hierarchy? An actual landfill ban or prohibitive taxing of sites will only lead to a massive expansion in energy recovery from mixed waste, including plastics. Phasing out the landfilling of plastics has to be managed carefully to ensure that it does

not simply result in extensive incineration. Incineration is nevertheless preferable to dumping, especially uncontrolled illegal dumping.

4.1.7 If a tax on energy recovery is to have the desired effects, it has to be very carefully thought out and seen in the broader picture, i.e. consideration must be given to the impact on alternative streams and, for example, on the possible use of a practically pure hydrocarbon element from polyolefin plastics for making liquid alternative fuels.

4.1.8 Should separate doorstep collection of all plastic waste combined with pay-as-you-throw schemes for residual waste be promoted in Europe? The separation of plastics from other material streams is desirable, and penalties should be established in order to discourage bad practices, but we should not underestimate some of the difficulties involved. These include the fundamental economic and environmental problems that make recycling plastics more difficult, i.e. the demanding transportation of large (albeit light) amounts over long distances. There could be exceptions to the imposition of separate collection on every waste producer when the benefits of recycling risk being outweighed by transport costs in cases where there is little plastic to separate.

4.1.9 Are specific plastic waste recycling targets necessary in order to increase plastic waste recycling? While it would be possible to incorporate a specific target in the Waste Framework Directive, it would be expedient to do so after reevaluating the efficacy of the present directive.

4.1.10 Is it necessary to introduce measures to avoid substandard recycling or dumping of recyclable plastic waste exported to third countries? Plastic waste for recycling has become a globally traded commodity. Landfilling in third countries is very unlikely, since foreign entities will not buy plastic waste for this purpose. Transportation costs for plastic packaging are very high, making any export for landfill improbable. Defining "substandard recycling" is extremely difficult, as is monitoring the implementation of corresponding regulation, so measures to curb this are more or less unenforceable and easy to circumvent.

4.1.11 Would further voluntary action, in particular by producers and retailers, be a suitable and effective instrument? Voluntary action, in particular by producers and retailers, could be a suitable and effective instrument for achieving better resource efficiency in the lifecycle of plastic products, especially in relation to agreements on the use of plastic packaging with elements (combination of materials, colour, etc.) that facilitate recycling.

4.2 Targeting consumer behaviour

4.2.1 Is there scope to develop deposit and return or lease systems for specific categories of plastic products?

It is necessary to target personal and voluntary behaviour – of consumers without affecting the provision of more focused waste collection and recycling processes, which are mostly dependent upon the availability of local authority funding, unless they are truly commercially profitable for the operators. Given that almost all authorities, even in Germany, are now short of funds, it would make sense to propose solutions that do not require high subsidies – and therefore leave more money for education, health, social care or policing etc.

4.2.2 There is little scope for deposit-refund and similar systems. However, such systems already exist in business-to-business dealings and do not require special support. One area where it could be used would be for drinks packaging. Separating a stream of deposit-refund waste from the rest could be somewhat confusing for consumers, making the collection of non-deposit items less effective and sorting less economical. Good information based on reliable analyses must therefore go hand in hand with the implementation of such systems.

4.2.3 What type of information would you consider necessary to empower consumers to make a direct contribution to resource efficiency when choosing a plastic product? Getting consumers directly involved is far from easy. In order to effectively change consumer behaviour, we need not only awareness raising but most of all user-friendly products and systems that make it easy for consumers to make the right choices, both when buying a product and when disposing of the waste. Consumer information concerning the correct handling of plastics in the separated collection of household waste – i.e. the labelling of items or instructions for sorting – is highly relevant. Mandatory information on the chemical content of recyclable waste should be formulated clearly and comprehensibly so that consumers can make an informed decision.

4.2.4 **How could information on the chemical content of plastics be made available to all actors in the waste recycling chain?** Information about the chemical composition of plastics or products from plastic is readily available up to the moment of sale. The value of such information to the customer is questionable: the only way to do this would be by means of understandable and easy-to-read texts, alongside the use of substances in the manufacture of plastics or other packaging materials, the safety of which has been checked on the basis of exposure and impact tests (REACH).

4.2.5 **How can challenges arising from the use of micro plastics in products or industrial processes and of nano-particles in plastics be best addressed?** The question of micro

plastics and nano-particles in plastics requires an analysis of the extent to which these – for the most part inert constituents used in small concentrations – can enter the environment in quantities that pose a risk. There are, in fact, two separate issues: micro plastics, or better, plastic debris and nano-particles. Both should be treated individually because of their origin and effects. Still, too little is known about their effects on the environment, the potential risks for human health and their impact on marine life. Proper waste management in general would help to solve a good part of this problem. The occurrence of plastic debris has presumably been the case over the last 50 years – and is significant where it is shown to present or increase risks to human life and the environment.

4.3 Durability of plastics and plastic products

4.3.1 Should product design policy tackle planned obsolescence of plastic products and aim at enhancing re-use and modular design in order to minimize plastic waste?

Plastic waste from some products arises as a result of obsolescence in the face of technical innovation. For others – window frames, car components, furniture, household goods, medical equipment, building materials, electrical and heating insulation, shoes, clothing ... and many other applications, durability is critical. These products do not account for a significant share in the total volumes of plastic waste and normally they are not part of household waste. Policy measures to address the durability of products would not have any major impact on the quantity of waste, but it could harm the competitiveness of EU products. Ecodesign criteria will not in the main affect this area, since they primarily concern the function and environmental efficiency of the basic product, and not its plastic components.

4.3.2 Should market-based instruments be introduced in order to more accurately reflect environmental costs from plastic production to final disposal? Given the great diversity of products, it is necessary to study in detail the internalisation of external factors for plastic product components, as well as other raw materials, thereby avoiding in reality an excessive administrative burden, a curbing of competitiveness and, at the same time, a favouring of imports. The necessary lifecycle analyses would have to be applied to all rival materials to plastics and their application to goods imported from third countries would also have to be effectively secured.

4.3.3 How can the waste burden posed by short-lived and single-use disposable plastic products best be addressed?

The waste burden posed by short-lived and single-use disposable plastic products can best be addressed through separate collection by plastic type and corresponding sorting. Some countries do it with success others do not because of the higher costs.

4.4 Biodegradable plastics

4.4.1 What are the applications for which biodegradable plastics deserve to be promoted? It is hard at present to identify an area in which biodegradable plastics are a proven benefit without side effects. Biodegradable plastics are preferable to applications where recycling is out of the question, such as cases where the plastic article is mixed with food and other waste, primarily intended for composting. In any event, it must be ensured that these plastics are clearly distinguishable and separable in order to avoid contamination of recycling processes. Lifecycle analysis should underpin their environmental and economic credibility before they are offered for larger-scale use.

4.4.2 Would it be appropriate to reinforce existing legal requirements by making a clear distinction between naturally compostable and technically biodegradable plastics? Such problems need to be discussed at the expert level, based on relevant information and data. Knowledge on this subject needs to be expanded.

4.4.3 Would the use of oxo-degradable plastic require any kind of intervention with a view to safeguarding recycling processes? The EESC does not have sufficient information to support or reject the use of oxo-degradable plastics.

4.4.4 How should bio-based plastics be considered in relation to plastic waste management and resource conservation? If the use of bio-based plastics is to be promoted, this should be based on a thorough lifecycle analysis. It must be realised that "bio" is not necessarily anything new (plastics based on casein, for example, have been used in the past) and past experience needs to be very critically assessed. Bio-based plastics are not bio-degradable; bio-degradability is an intrinsic material property related to the molecular structure of the polymer.

4.5 EU initiatives dealing with marine litter including plastic waste; international measures

4.5.1 What actions other than those described in this Green Paper could be envisaged to reduce marine litter? Analyses of how plastic waste reaches the marine environment

– whether through accidents or systemic processes – should be verified and expanded at international and European level. Consideration should be given, on the basis of this, to the possibility of a complete ban on discharging waste, including plastics, into the sea. Needless to say, sustained work to inform and incentivise the public – including cleaning of beaches and other activities – is desirable to effect a general change in public attitudes.

4.5.2 How can setting the EU-wide quantitative reduction target for marine litter provide added value to measures that reduce plastic waste generally? Setting quantitative targets for reducing waste in the oceans will do nothing to limit actual plastic waste, since this is in fact waste that has not been channelled as such and so it has never, legally speaking, been treated as waste in the first place. The goal here would have to be framed as one to curb the inappropriate behaviour of people dumping waste where it does not belong. This is really about incentivising the public at the national level and, first and foremost, at the local level – including when they are on holiday elsewhere; "ownership" and responsibility go together. Good experiences and practices should be disseminated.

4.5.3 How could the EU promote more effectively international action to improve plastic waste management worldwide? In terms of proposing possible international measures to manage the marine environment and coasts, we need to embark on studies to evaluate the situation where none have yet been conducted – and to propose solutions to the problems as they are identified in bilateral and multilateral negotiations with third countries and regions.

4.5.4 The EESC highly appreciates the initiatives organised by various interest groups to alleviate this serious problem. The EU might propose an international initiative to organise the clearing up of the worst accumulations of floating plastic waste in the oceans. It should take what steps it can to prevent plastic waste originating in Europe from getting into the sea; and it should consider using development assistance programmes to promote and support more sustainable waste management practices in developing countries, and in particular to reduce the building up of plastic waste from those countries in the oceans.

Brussels, 19 September 2013.

The President
of the European Economic and Social Committee
Henri MALOSSE

APPENDIX I

to the Committee opinion

The following paragraphs of the section opinion were altered to reflect amendments adopted by the Assembly but received more than one quarter of the votes cast (Rule 54(4) of the Rules of Procedure):

Point 4.1.8

Should separate doorstep collection of all plastic waste combined with pay-as-you-throw schemes for residual waste be promoted in Europe? The separation of plastics from other material streams is desirable but we should not underestimate some of the difficulties involved. These include the fundamental economic and environmental problems that make recycling plastics more difficult, i.e. the demanding transportation of large (albeit light) amounts over long distances. Imposing separate collection on every waste producer could risk the benefits of recycling being outweighed by transport costs in cases where there is little plastic to separate. As a result, this should not be a blanket EU-wide requirement and the details must be left to the Member States, in line with the principle of subsidiarity.

Result of the vote on the amendment

For: 74
Against: 50
Abstentions: 22

Point 4.1.11

Would further voluntary action, in particular by producers and retailers, be a suitable and effective instrument? Voluntary action, in particular by producers and retailers, could be a suitable and effective instrument for achieving better resource efficiency in the lifecycle of plastic products, especially in relation to agreements on the use of plastic packaging with elements (combination of materials, colour, etc.) that facilitate recycling. It could, however, run up against competition rules, since it presupposes agreements coordinating marketing practices. It could further increase public resentment at EU interference in areas of day-to-day life that are already difficult. A reality check is needed before suggesting solutions that could eventually fail.

Result of the vote on the amendment

For: 77
Against: 57
Abstentions: 15

Point 4.2.3

What type of information would you consider necessary to empower consumers to make a direct contribution to resource efficiency when choosing a plastic product? Getting consumers directly involved is far from easy. In order to effectively change consumer behaviour, we need not only awareness raising but most of all user-friendly products and systems that make it easy for consumers to make the right choices, both when buying a product and when disposing of the waste. The only piece of information that is relevant for consumers concerns the correct handling of plastics in the separated collection of household waste – i.e. the labelling of items or instructions for sorting. Mandatory information on the chemical content of recyclable waste would be counterproductive, since consumers may not make an informed decision on the actions required.

Result of the vote on the amendment

For: 74
Against: 66
Abstentions: 13

Point 4.2.4

How could information on the chemical content of plastics be made available to all actors in the waste recycling chain? Information about the chemical composition of plastics or products from plastic is readily available up to the moment of sale. It would certainly be unrealistic to expect it to be retained in the phase of recycling and processing of the waste. The value of such information to the customer is questionable: it is more effective to use substances in the manufacture of plastics or other packaging materials, the safety of which has been checked on the basis of exposure and impact tests (REACH).

Result of the vote on the amendment

For: 86
Against: 51
Abstentions: 6

Opinion of the European Economic and Social Committee on the 'Proposal for a Directive of the European Parliament and of the Council establishing a framework for maritime spatial planning and integrated coastal management'

COM(2013) 133 final — 2013/0074 (COD)

(2013/C 341/15)

Rapporteur: **Mr BUFFETAUT**

On 27 March 2013, the Council and, on 15 April 2013, the European Parliament decided to consult the European Economic and Social Committee, under Articles 43(2), 100(2), 192(1), 194(2) and 304 of the Treaty on the Functioning of the European Union, on the

Proposal for a Directive of the European Parliament and of the Council establishing a framework for maritime spatial planning and integrated coastal management

COM(2013) 133 final — 2013/0074 (COD).

The Section for Agriculture, Rural Development and the Environment, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 3 September 2013.

At its 492nd plenary session, held on 18 and 19 September 2013 (meeting of 18 September), the European Economic and Social Committee adopted the following opinion by 185 votes to 2, with 5 abstentions.

1. Conclusions and recommendations

1.1 The European Economic and Social Committee points out that 50 % of the EU's population lives in coastal areas. This means that policies for coastal management and maritime spatial planning are particularly important for the EU. The intention to establish administrative cooperation both within Member States and between them, particularly in cross-border areas, with the full involvement of civil society representatives active in these areas, is therefore all the more welcome.

1.2 The EESC stresses the need for a participatory approach bringing together everyone active, working or doing business in coastal and maritime areas so that consultation achieves practical results. Despite general support for the Commission's objectives, it is the method of implementation that will be pivotal in determining whether the directive is implemented successfully. There is a wide range of activities in the maritime areas concerned: commercial fisheries, aquaculture, recreational fishing, maritime transport, tourism, diving, military activities, energy resources, etc. These activities are in competition but can also be complementary.

1.3 To be effective, consultation must take place at local level. The implementation of the Habitats (Natura 2000) and marine strategy directives has demonstrated the need for a territorial dynamic. Despite the range of interests at stake, it is crucial that marine area users learn to communicate and agree on clear, achievable goals. The methodology used is therefore key to bringing about a group dynamic, which must necessarily begin with a shared view of the current situation, based on real-life conditions in the local area and expected developments in local activities.

1.4 For rules to be accepted, goals and actions undertaken must be understandable and transparent; rules must be understood if they are to be obeyed. The logic behind them must be clear to all involved, and maritime and coastal organisation must be gradual and integrated.

1.5 Besides the principle of systematic consultation, priorities should also be set for activities which can be carried out in maritime and coastal areas. Such priorities cannot be pre-defined as they will inevitably vary from one situation to another, given geographical, environmental, human and economic differences. The subsidiarity principle therefore applies in this field both at Community level and within Member States.

1.6 The Committee points out that the Member States are not the only stakeholders concerned by this, and that local and regional authorities as well as economic sectors should also be consulted. The social partners should also be included here, given that certain decisions could impact on jobs and working conditions (for example in the fisheries or tourism sectors). It points out that implementation of Natura 2000 is already based on various forms of local governance.

1.7 In practice, implementation difficulties are largely due to the fact that legal systems differ between land and sea, although these areas are interdependent and interlinked. What is more, approaches to problems can easily become corporatist. It is therefore imperative to strike the right balance between legitimate interests and what is necessary for the common good, without any ideological preconceptions.

1.8 To avoid losing sight of real-life situations, the EESC agrees with the principle of regularly reviewing planning programmes and management strategies, but underscores the need to avoid being blinkered by a regulatory approach. The aim is to manage human activities in a changing, fragile area – it is therefore important to think dynamically, in terms of flows.

1.9 Of course, funding sources for these policies are a very important issue. Funding for fisheries, environmental management (Natura 2000) and regional development policies or even the CAP should be used here alongside integrated maritime policy funding. It is therefore important to ensure that this plethora of funding sources does not get in the way of implementing the relevant policies. Macroregional strategies should help to link up the various cohesion funds.

1.10 The EESC emphasises that this funding is a key factor in allowing for dynamic human follow-up of the consultations and actions undertaken in connection with the new directive. Without the input of people who know how to focus attention and support implementation, the efforts could well be fruitless or ephemeral.

1.11 Given that many marine environmental problems are caused by land-based pollution, it would make sense for maritime planning to go hand-in-hand with coordinated or even integrated terrestrial planning of coastal areas.

1.12 The EESC also emphasises that some Member States are in a special situation. For example, practically the entire Polish coastline is classified as Natura 2000, which makes it complicated to combine new economic activity and environmental protection in these areas. (In fact, as on land, current or ongoing economic activities are included in target documents.)

1.13 In terms of evaluation, data collection and information exchange, criteria can vary from one Member State to the other. It would therefore be useful for the Commission to establish a kind of common approach to ensure that assessments and the data collected are coherent and comparable.

1.14 The European Economic and Social Committee emphasises the need to carefully ensure that new legislation, rather than contradicting or obstructing the implementation of legislation already in force, such as the Habitats (Natura 2000) and marine strategy directives, supports them in the early stages of their implementation. This new directive should therefore be seen as a new pillar in the structure of the EU's integrated maritime policy.

1.15 Finally, the Committee urges provisions for public involvement in Article 9 of the proposal to be applied as

closely as possible to reality at local level, given that each area concerned has its own specific characteristics in environmental, geographical and economic terms.

2. Introduction

2.1 This proposal is part of a policy aimed at giving the EU a strong maritime dimension. This is an obvious aim given the length of the European coastline and the extent of its exclusive economic zones, including those of the outermost regions, which are of great importance for Member States such as Spain, France, the United Kingdom, Ireland and Portugal.

2.2 For the Commission, the aim is to reconcile economic, social and environmental concerns - all of which seems quite self-evident. This approach is both about maritime spatial planning and integrated management of coastal areas, with their complex land-sea interactions.

2.3 The main purpose of the proposal is expressed in the usual jargon - promoting the sustainable growth of maritime and coastal activities and the sustainable use of coastal and marine resources.

2.4 The European Commission wants planned and coordinated management of these areas in order to avoid conflicting activities and to ensure harmonious usage. As a result, the proposed initiative is not sectoral but cross-cutting in nature. The scope of the text is therefore very broad, which raises the question of how it should be implemented in practice.

2.5 The proposal envisages cooperation between Member States, which will be responsible for implementing such integrated planning and management. The aim is to coordinate national or regional sectoral policies to achieve a coherent overall approach, including in relation to the cross-border dimension. However, it should be noted that the proposed directive does not apply to activities whose "sole purpose ... is defence or national security".

3. Objectives of the proposal

3.1 The Commission wants Member States to define and implement maritime spatial plans and one or more coastal management strategies. Of course, these instruments will need to take account both of the specific situation at regional or sub-regional level, and of sectoral activities.

3.2 Given these general principles, the specific aims are:

— helping to secure the EU's energy supply by tapping into marine energy sources (ocean current, tidal, wave, wind energy, etc.);

- effectively developing maritime transport;
- fostering the sustainable development of the fisheries and aquaculture sector;
- ensuring the preservation and improvement of the environment;
- enabling coastal areas to adapt to and resist the effects of climate change.

4. The Commission's demands

4.1 Following its usual practice, the Commission lists a series of rather bureaucratic requirements which it thinks would help to achieve these objectives. These requirements include the following:

- mutual coordination between Member States;
- cross-border collaboration;
- awareness of cross-border impacts of policies.

4.2 Spatial plans must take account of activity relating to renewable energy, exploitation of oil and gas reserves, maritime transport, undersea cables and pipelines, fisheries, aquaculture and nature conservation sites.

4.3 Coastal management strategies must take account of natural resource use (particularly in the field of energy), infrastructure development (energy, ports, maritime works, etc.), agriculture and industry, fisheries and aquaculture, ecosystem management and protection, coastal sites and landscapes, and the effects of climate change.

4.4 The text requires Member States to put in place arrangements involving the public in defining maritime spatial plans and coastal management strategies, something which is obviously of great interest to the EESC.

4.5 None of this can be implemented effectively in the absence of genuine cooperation between the Member States and with third countries, given that maritime areas are, by their very nature, open and constantly interacting.

5. Practical implementation

5.1 It is up to each Member State to appoint an authority with responsibility for implementing the directive and to provide the Commission with a list of such authorities. Member States are also required to send the Commission reports on implementation of the directive. Decisions must be taken as close as possible to the people concerned (sea users) and to the local level.

5.2 The text gives the Commission the option of using implementing acts to specify certain data or administrative requirements, which is a perfectly acceptable approach provided that it is not used to create new obligations not envisaged by the reference text.

6. General comments

6.1 The scope of this proposal, which adds to existing texts (the Habitats Directive - better known as Natura 2000 - and the Marine Strategy Framework Directive covering all coastal areas) is extremely broad. Everything is to be managed by new government bodies at local, regional or national level.

6.2 The key question is how the planned legislation should be coordinated and synchronised with existing directives?

6.3 The broad scope of the new proposal could imply a risk of its impact being watered down into the production of very bureaucratic reports. It is vital not to lose track of real-life situations.

6.4 The declared aim is to achieve closer coordination between policies affecting maritime areas. Nobody could object to such an objective, but we may well ask if it would not have made more sense to wait for existing legislation to achieve its full impact before adding a new regulatory layer. Legislation takes time before it starts achieving the desired result and it is important to have a clear understanding of what has to be implemented. Cardinal Richelieu said that a good law was a law that people understood.

6.5 This improved coordination is also necessary for the allocation of European funds intended to support the implementation of the new directive. Macroregional strategies must be seen as a framework linking up the various cohesion funds which can be tapped.

6.6 There are numerous economic, scientific, political and administrative stakeholders in the various activities taking place in maritime and coastal areas. Furthermore, there are competing uses in different economic sectors: fisheries, transport, energy resources, tourism, etc. In addition, in coastal areas the influence of land-based activities is complex and of great importance, and this interaction means that land and maritime areas cannot be considered independently.

6.7 It is therefore important to avoid an excessively bureaucratic approach, which could only make things more complex, as well as slowing down and obstructing initiatives. At the same time, it is vital to ensure genuine involvement of stakeholders in dealing with and operating in such maritime and coastal areas: economic operators, social partners, scientists, NGOs, etc. The purpose of this is not to obstruct processes but to prevent subsequent objections (possibly in court) and ensure that decision-making is not too out of touch with the reality on the ground.

7. Specific comments

7.1 It should be pointed out that maritime spatial planning and integrated coastal zone management need to tie in with directives that have already been adopted, for example the Marine Strategy Framework Directive (2008) and the Habitats Directive (Natura 2000, 1992, applied subsequently to coastal habitats). Together, these documents comprise the EU's current integrated maritime policy (IMP).

7.2 At the same time, this new directive should be implemented in compliance with the principle of subsidiarity between the European Union, the Member States and also subnational levels. The priorities set out in the directive should be ranked in line with certain priorities which vary from one area concerned to another. The Baltic and the Mediterranean cannot be dealt

with in the same way, due to geographical and environmental characteristics. There are similar differences between one region or coastal area and another.

7.3 One of the most useful areas covered by the proposal is the organisation of mutual cooperation between managing authorities, flanked by information and monitoring measures. For all of this to genuinely work, it would make sense to define common general criteria enabling information and data to be easily exchanged and communicated, not just between authorities but also between all stakeholders in coastal and maritime activities. However, for this to be effective a suitable method must be selected which will mobilise local public and private stakeholders around common goals, with a shared view of the current situation as the starting point. The key to the whole process is ensuring that people carrying out a wide range of activities in the same coastal and maritime area communicate with each other.

7.4 Given that land-based pollution (urban and industrial sewage, macro-waste carried along by water courses during flooding, etc.) and structures built out into the sea (ports, embankments, seawalls, etc.) are very harmful to marine areas, terrestrial planning of areas close to the coast should be coordinated with or even integrated into policies for coastal management and maritime spatial planning.

Brussels, 18 September 2013.

The President
of the European Economic and Social Committee
Henri MALOSSE

Opinion of the European Economic and Social Committee on the ‘Proposal for a Regulation of the European Parliament and of the Council laying down certain transitional provisions on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and amending Regulation (EU) No [...] [RD] as regards resources and their distribution in respect of the year 2014 and amending Council Regulation (EC) No 73/2009 and Regulations (EU) No [...] [DP], (EU) No [...] [HZ] and (EU) No [...] [sCMO] as regards their application in the year 2014’

COM(2013) 226 final — 2013/0117 (COD)

(2013/C 341/16)

Rapporteur: **Mr BOLAND**

On 21 May 2013 and 17 July 2013, the European Parliament and the European Council decided to consult the European Economic and Social Committee, under Articles 43(2) and 207(2) and 304 of the Treaty on the Functioning of the European Union, on the

Proposal for a Regulation of the European Parliament and of the Council laying down certain transitional provisions on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and amending Regulation (EU) No [...] [RD] as regards resources and their distribution in respect of the year 2014 and amending Council Regulation (EC) No 73/2009 and Regulations (EU) No [...] [DP], (EU) No [...] [HZ] and (EU) No [...] [sCMO] as regards their application in the year 2014

COM(2013) 226 final — 2013/0117 (COD).

The Section for Agriculture, Rural Development and the Environment, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 3 September 2013.

At its 492nd plenary session, held on 18 and 19 September 2013 (meeting of 18 September), the European Economic and Social Committee adopted the following opinion by 138 votes to 2 with 3 abstentions.

1. Conclusions and recommendations

1.1 The EESC welcomes the proposal to establish transitional provisions for 2014 regarding certain rules relating to the Common Agricultural Policy (CAP), in particular the system of direct payments and support for rural development financed from the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD).

1.2 The EESC strongly supports the transitional arrangements for 2014 securing continuity of payments to beneficiaries in the event of a late adoption of the new rural development plans and because of the need to postpone the application of the new direct payments scheme for practical and administrative reasons. Otherwise farm families would be in peril and without support for environmental measures; much of the protection that exists in this area would disappear.

1.3 The EESC strongly recommends that the beneficiaries of "classic" schemes located in remote upland areas should not be disadvantaged in any way by the transitional arrangements. The EESC also notes with concern that remote communities, heavily dependent on agri-environment agreements as a source of income in return for the delivery of vital public benefits, may suffer a reduction of income in the new programme period leading up to 2020.

1.3.1 The EESC recommends that transitional payments to these communities reflect the level of funding already agreed under the old programme.

1.4 The EESC strongly recommends that the transitional arrangements be analysed by the Commission with the purpose of ensuring that the effects of proposed reductions on rural families are minimised and the impact of reductions on environmental initiatives are proven to be at least neutral.

1.5 It is the view of the EESC that transitional arrangements should allow for new commitments for area- and animal-related measures and for urgent farm investment measures in 2014, even if the resources for the current period have been exhausted.

1.6 In the framework of the horizontal rules for the financing of the CAP, the postponement of the application of the new direct payments scheme implies that transitional measures are needed for the Farm Advisory Service (FAS), the Integrated Administration and Control System (IACS) and cross-compliance. Therefore, the EESC believes that it is imperative that specific transitional rules are adopted by the Council and the European Parliament before the end of the year, amending the current CAP basic acts where necessary.

1.7 The EESC stresses that none of the transitional rules should be undermined by the imposition of unrealistic national ceilings on funds available.

2. Introductory remarks

2.1 The European Commission is continuing to work intensively with the European Parliament and the Council to reach a final political agreement on CAP reform. The main substance of the agreement was reached at the end of June 2013, which should make it possible for new legal regulations to be operable from 1 January 2014. However, a final agreement has yet to be reached, which means that it is not realistic to expect that Member States will have all the necessary administrative procedures in place on that date.

2.2 Following a debate in the European Parliament and the Council, the various regulations and implementing acts are expected to be approved by the end of 2013, with the CAP reform in place from 1 January 2014.

2.3 In order to ensure continuity, the Commission proposal of 18 April 2013 seeks to establish transitional rules for some elements of policy. This would mean that the existing rules of the Single Payment Scheme, the SAPS system and payments targeted under "Article 68" will continue in the 2014 claim year. New rules, for example those relating to "greening", would therefore not apply until the start of 2015, thereby allowing paying agencies more time to prepare for these changes.

2.4 An initial political agreement on EU farm policy reform was struck by the Parliament, the Council and the Commission on 27 June after three months of intensive trilateral negotiations. This agreement is subject to the formal conclusion of negotiations on the EU's Multiannual Financial Framework budget (2014-2020) and confirmation by the Agriculture Committee, Parliament's plenary and the Council.

2.5 The proposal relates to Regulation (EU) No 335/2013 of 12 April 2013 amending Regulation (EC) No 1974/2006, which sets out the rules for the application of Council Regulation (EC) No 1698/2005 on support for rural development by the EAFRD.

2.6 For rural development payments, it is standard practice to define transitional rules in order to bridge the gap between two multiannual programming periods. However, some specific transitional arrangements are also needed, notably to deal with the implications of the delay in the new direct payment regime. The proposal also covers new transitional rules for Croatia.

2.7 It is the Commission's intention that paying agencies should have time to put administrative arrangements in place and guarantee the proper management of EU funds, so that farmers understand the new rules and are not pushed into something new before it is ready.

3. Gist of the Commission proposal

3.1 The aim of the Commission proposal is to lay down certain transitional provisions on support for rural development by the EAFRD.

3.2 Transitional rules are needed to define technical arrangements which will allow for smooth adaptation to the new conditions, while at the same time ensuring continuity of the different forms of support under the 2007-13 programme.

3.3 With a view to giving Member States time to address the needs of their agricultural sectors or to strengthen their rural development policy in a more flexible way, they should be given the possibility to transfer funds from their direct payment ceilings to their support for rural development, and from support for rural development to their direct payment ceilings. At the same time, Member States where the level of direct support remains lower than 90 % of the EU average should be given the possibility to transfer additional funds from support for rural development to their direct payment ceilings. Such choices should be made, within certain limits, once and for the whole period of financial years 2015-2020.

3.4 The single area payment scheme laid down by Regulation (EC) No 73/2009 is transitional in nature and was due to end on 31 December 2013. Since the new basic payment scheme will replace the single payment scheme from 1 January 2015, an extension of the single area payment scheme for the year 2014 is necessary in order to prevent new Member States from having to apply the single payment scheme for only one year.

3.5 Regarding direct payments, sufficient time must be built in to allow Member States, and especially their paying agencies, to prepare arrangements that will allow payments to beneficiaries to be made, while establishing the procedures necessary for the new programme to begin. Therefore, the claims for 2014 will be processed under transitional rules.

3.6 As for the second pillar, defining rules for the transition between the two programming periods is standard practice. Transitional rules are generally needed to bridge the two consecutive programming periods. However, for rural development, on this occasion some specific transitional arrangements are needed, notably to deal with the implications of the delay in the new direct payment regime for certain rural development measures, especially the baseline for agri-environment and climate measures and the application of cross-compliance rules. Transitional arrangements are also needed to ensure that Member States can continue undertaking new commitments for area- and animal-related measures in 2014 even if the resources for the current period have been exhausted. These new commitments, as well as corresponding ongoing commitments, will be eligible to be covered by the new financial envelopes of the rural development programmes of the next programming period.

3.7 Under legal commitments relating to Regulation (EC) No 1698/2005, Member States may continue to undertake new legal commitments to beneficiaries in 2014 pursuant to the rural development programmes adopted on the basis of Regulation (EC) No 1698/2005 even after the financial resources of the 2007-2013 programming period have been used up, until the adoption of the respective rural development programme for the 2014-2020 programming period. The expenditure incurred on the basis of these commitments will be eligible under Article 3 of this Regulation.

4. Budgetary implications

4.1 This proposal for a regulation simply implements the Commission proposals on the MFF and the CAP reform for financial year 2015, taking into account the European Council conclusions of 8 February 2013. It incorporates external convergence of direct payments, flexibility between CAP pillars and the co-financing rate for rural development.

4.2 For direct payments, compared to the Commission proposal the European Council conclusions of 8 February 2013 correspond to a reduction of EUR 830 million (in current prices) in financial year 2015 (corresponding to claim year 2014 for direct payments).

4.3 The distribution of direct payment ceilings among Member States takes account of external convergence as from financial year 2015. Compared to the Commission proposal, the European Council conclusions modify the timeframe of convergence (six years) and add a minimum of 196 EUR/ha to be reached by financial year 2020. Compared to the Commission proposal, the European Council conclusions increase flexibility between pillars. It will be budgetary neutral: the amounts by which one fund (EAGF or EAFRD) are reduced will be made available to the other fund.

4.4 As regards rural development, this proposal for a regulation aims to ensure the continuity of a number of measures involving multiannual commitments. Those provisions have no financial impact as the rural development allocation remains unchanged. However, the distribution over time of the payments might be slightly different but it cannot be quantified at this stage.

4.5 The proposal contains provisions empowering the Commission to adopt delegated acts in accordance with Article 290 of the Treaty on the Functioning of the European Union.

5. General comments

5.1 It is imperative to ensure continuity in payments to beneficiaries in rural areas, as demonstrated by the following facts:

— Over 77 % of the EU's territory is classified as rural (47 % is farm land and 30 % forest) and is home to around half of its population (farming communities and other residents).

— Overall, agriculture and the agri-food industry - which is heavily dependent on the agricultural sector for its supplies - account for 6 % of the EU's GDP, comprise 15 million businesses and provide 46 million jobs.

— Europe has 12 million farmers and an average farm size of about 15 hectares (by way of comparison, the US has 2 million farmers and an average farm size of 180 hectares).

5.2 The EESC welcomes the Commission proposal to regulate the period between two programmes.

5.3 Across Europe, a large number of agri-environment schemes, financed by the EAFRD, will be coming to an end in 2014. There are numerous "classic" agri-environment schemes which have been in place for 10 years or more. Many of the beneficiaries of these "classic" schemes are located in remote upland areas and are heavily dependent on agri-environment agreements as a source of income in return for the delivery of vital public benefits. Even if the new rural development regulation is agreed without further delay, it is almost certain that the new programmes will not be approved and in place by 1 January 2014. In the absence of a new programme and support measures, these farmers will have no alternative rural development support scheme to apply for when their existing commitments end in 2014.

5.4 The Commission must put in place systems ensuring that the environmental gains achieved by the previous rural development programmes are maintained, and the income of these farmers is safeguarded. It is important to ensure that neither farmers nor the environment suffer as a result of a failure to agree either the EU budget or the CAP proposals in time for the next rural development programmes to start in 2014.

5.5 As regards direct payments, sufficient time must be built in to allow Member States, and especially their paying agencies, to be well prepared and to thoroughly brief farmers on the new rules sufficiently in advance. Therefore, the claims for 2014 will need to be processed under transitional rules. As for the second pillar, defining rules for the transition between the two programming periods is standard practice. Transitional rules are generally needed to bridge the two consecutive programming periods, as already experienced at the beginning of the current programming period. However, for rural development some specific transitional arrangements will be necessary. This is notably due to the serious implications which any delay in the new direct payment regime may have for certain rural development measures, especially the baseline for agri-environment and climate measures and the application of cross-compliance rules.

5.6 Transitional arrangements are also needed to ensure that Member States can continue undertaking new commitments for area- and animal-related measures and for urgent farm investment measures in 2014, even if the resources for the current period have been exhausted.

5.7 For the horizontal regulation, the need for transitional measures is limited to the Farm Advisory Service (FAS), the Integrated Administration and Control System (IACS) and cross-compliance, due to their link to direct payments. In this regard, specific transitional rules need to be adopted by the Council and the European Parliament before the end of the year, amending current CAP basic acts where necessary.

5.8 Changes in national ceilings may have a negative impact on funds received by farmers in 2014. To minimise this potential consequence, it will be necessary for each national government to clarify their intentions in this respect in advance of their proposals.

5.9 Regulation (EC) No 1698/2005 states that the Member States may continue to undertake new legal commitments, and so it is possible that the State will refuse to honour its commitment because the obligation is discretionary.

Brussels, 18 September 2013.

The President
of the European Economic and Social Committee
Henri MALOSSE

Opinion of the European Economic and Social Committee on the ‘Proposal for a Regulation of the European Parliament and of the Council on amending Council Regulation (EC) No 1198/2006 as regards certain provisions relating to financial management for certain Member States experiencing or threatened with serious difficulties with respect to their financial stability’

COM(2013) 428 final — 2013/0200 (COD)

(2013/C 341/17)

Rapporteur: **Mr SARRÓ IPARRAGUIRRE**

The European Parliament and the Council decided, on 1 July 2013 and 10 July 2013 respectively, to consult the European Economic and Social Committee, under Articles 43(2) and 304 of the Treaty on the Functioning of the European Union, on the

Proposal for a Regulation of the European Parliament and of the Council on amending Council Regulation (EC) No 1198/2006 as regards certain provisions relating to financial management for certain Member States experiencing or threatened with serious difficulties with respect to their financial stability

COM(2013) 428 final — 2013/0200 (COD).

The Section for Agriculture, Rural Development and the Environment, which was responsible for preparing the Committee’s work on the subject, appointed Mr Sarró Iparraguirre rapporteur and adopted its opinion on 3 September 2013.

At its 492nd plenary session, held on 18 and 19 September 2013 (meeting of 19 September), the European Economic and Social Committee adopted the following opinion by 128 votes to one with eight abstentions.

1. Conclusions

1.1 The European Economic and Social Committee considers that the sustained financial and economic crisis has put national financial resources under pressure as Member States pursue necessary policies of fiscal consolidation.

1.2 It therefore considers the proposal for amendment of Regulation (EC) No 1198/2006, proposed by the European Commission, to be necessary and very opportune and strongly supports it, convinced that the budgetary resources will be used in the most efficient way.

2. Background

2.1 The sustained global financial crisis and unprecedented economic downturn have seriously damaged economic growth and financial stability and provoked a strong deterioration in financial and economic conditions in several Member States.

2.2 Particularly in the Member States most affected by the crisis, which have received financial aid in the framework of an adjustment programme, this situation has been aggravated by liquidity problems resulting from budget consolidation which affect their economic growth and financial stability, as well as by a deterioration in their deficits and levels of debt. Co-financing makes financial assistance more effective and reducing co-financing creates a risk of reducing this effectiveness – a risk which must be minimised by all available means.

2.3 In this context, ensuring a smooth implementation of the European Fisheries Fund is of particular importance for investment in the fisheries sector.

2.4 Regulation (EC) No 1198/2006 on the European Fisheries Fund (EFF) contains the following definitions:

— Operational programme: single document drawn up by the Member State and approved by the Commission containing a coherent set of priority axes to be achieved with the aid of the EFF.

— Priority axis: each of the priorities in an operational programme comprising a group of measures which are related and have specific measurable goals.

2.5 The priority axes for the EFF are as follows:

— Priority axis 1: measures for the adaptation of the Community fishing fleet.

— Priority axis 2: aquaculture, inland fishing, processing and marketing of fishery and aquaculture products.

— Priority axis 3: measures of common interest.

— Priority axis 4: sustainable development of fisheries areas.

— Priority axis 5: technical assistance.

2.6 When approving the operational programme presented by each Member State, the Commission establishes with the Member State a co-financing rate for each priority axis which also sets out the maximum amount of the contribution of the EFF.

2.7 The payment by the Commission of the financial contribution of the EFF takes the form of pre-financing, interim payments and a final balance, subject to the authorisation of the certification and audit authorities of each operational programme.

3. State of play

3.1 Articles 76 and 77 of Regulation (EC) No 1198/2006 provided, as indicated in point 2.7, for interim payments and a final balance, in accordance with a financing plan for each priority axis.

3.2 The economic and financial situation referred to in points 2.1 and 2.2 prompted the Commission to propose a change to Articles 76 and 77, in order to help accelerate investment and improve the availability of funds.

3.3 Consequently, the European Parliament and the Council approved Regulation (EC) No 387/2012, which, through a change to these Articles, allows the Member States most affected by the crisis and which have agreed a macroeconomic adjustment programme with the Commission to apply for an increase in the co-financing rate for interim and final payments from the EFF.

3.4 To date seven Member States have received financial aid and agreed an adjustment programme: Cyprus, Hungary, Romania, Latvia, Portugal, Greece and Ireland. However, the amendment to Regulation (EC) No 1198/2006 provides that any other Member State applying for and obtaining a financial aid programme in the future, as provided for in Article 76(3)(a), (b) and (c) of the Regulation, can also benefit from these increases in co-financing.

3.5 At the request of a Member State, interim payments and payments of the final balance shall be increased by an amount

corresponding to ten percentage points above the co-financing rate applicable to each priority axis, up to a maximum of 100 %, to be applied to the amount of eligible public expenditure newly declared in each certified statement of expenditure submitted during the period in which a Member State fulfils one of the conditions laid down in points (a), (b) and (c) of Article 76(3).

3.6 It is also provided that, for the purpose of calculating the interim payments and the final balance after the Member State ceases to benefit from the Union financial assistance referred to in Article 76(3), the Commission shall not take into account the increased amounts paid in accordance with that paragraph.

3.7 The new text of Regulation (EC) No 1198/2006 includes a new Article 77a, paragraph 5 of which limits the benefit of these co-financing increases to statements of expenditure presented by the Member States in question up to 31 December 2013.

4. Amendment of the proposal for a regulation

4.1 The amendment set out in the current proposal for a regulation, which is the subject of this opinion, is connected with the limitation imposed by Article 77a, paragraph 5.

4.2 The Commission considers that, since Member States still face serious difficulties with respect to their financial stability, the application of the increased co-financing rate should not be limited to the end of 2013.

4.3 It therefore proposes amending Regulation (EC) No 1198/2006 by deleting paragraph 5 of Article 77a.

5. General comments

5.1 The European Economic and Social Committee considers the European Commission's proposal to be highly opportune and therefore fully supports it.

5.2 The EESC agrees that total financial allocation for the period from the Funds to the countries and the programmes in question should not change.

Brussels, 19 September 2013.

The President
of the European Economic and Social Committee
Henri MALOSSE

Opinion of the European Economic and Social Committee on the 'Action Plan for a Maritime Strategy in the Atlantic area — Delivering smart, sustainable and inclusive growth'

COM(2013) 279 final

(2013/C 341/18)

Rapporteur: **Luis Miguel PARIZA CASTAÑOS**

On 3 July 2013, the European Commission decided to consult the European Economic and Social Committee, under Article 304 of the Treaty on the Functioning of the European Union, on the

Action Plan for a Maritime Strategy in the Atlantic area — Delivering smart, sustainable and inclusive growth

COM(2013) 279 final.

The Section for Agriculture, Rural Development and the Environment, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 3 September 2013.

At its 492nd plenary session, held on 18 and 19 September 2013 (meeting of 18 September), the European Economic and Social Committee adopted the following opinion by 184 votes to 3 with 8 abstentions.

1. Conclusions and recommendations

1.1 The EESC supports the Action Plan for a Maritime Strategy in the Atlantic area, which sets out priorities for research and investment in the region and provides considerable European added value in terms of boosting blue growth under the Europe 2020 strategy. Cooperation will develop within this strategic framework between authorities and social and economic operators in the Atlantic regions of the five Member States concerned: Ireland, the United Kingdom, France, Spain and Portugal.

1.2 However, the Committee regrets to note that the scope of the Action Plan is limited to the Atlantic basin and suggests that it should be only the first step in establishing a macro-regional strategy that explicitly includes a territorial pillar and is linked to the objectives of cohesion policy. The approach should be more ambitious, providing for the conversion of the strategy into a macro-regional strategy before 2017, when the mid-term review is scheduled, and taking the experience of the Baltic Sea and Danube regions into account.

1.3 The Committee is sorry that the Action Plan does not provide for an adequate system of governance, envisaging only a weak implementation mechanism. In its earlier opinion on the subject ⁽¹⁾, the EESC already proposed a multilevel governance system that would guarantee the involvement of all relevant players based on a bottom-up approach that would allow local and regional authorities, the private sector and civil society to spur activities and contribute their know-how directly on the ground.

1.4 It is unfortunate, in the EESC's view, that the Commission has wound up the activities of the Atlantic

Forum with the adoption of the Action Plan. The Committee proposes that the activities of the Atlantic Forum be continued until 2020, with regular meetings of interested parties to stimulate activities and programmes under the strategy, evaluate their implementation and mobilise all policy-makers and economic and social players in the Atlantic region.

1.5 It is essential to maintain a firm political commitment on the part of the EU institutions and the Member States, and ensure effective participation of all relevant parties: local and regional authorities, social and economic players, and civil society. With the Leadership Group and the Steering Group during the Atlantic Forum it was possible to involve the EU institutions, the Member States, the regions and civil society. The Commission must have the necessary human and material resources.

2. Background

2.1 Since the macro-regional strategies for the Baltic Sea and Danube regions were launched, there have been various initiatives to adopt a similar approach for the Atlantic. The Council tasked the Commission with developing a maritime strategy for the Atlantic region, and the Commission published a communication on the matter on 21 November 2011 ⁽²⁾.

2.2 The European Parliament also adopted a resolution on the subject EU Cohesion Policy Strategy for the Atlantic Area in 2011. The EESC adopted an opinion on 24 May 2012 ⁽³⁾, and the Committee of the Regions also adopted an opinion ⁽⁴⁾, on 10 October 2012. The European Parliament, the EESC and the

⁽¹⁾ OJ C 229, 31.7.2012, p. 24.

⁽²⁾ COM(2011) 782 final.

⁽³⁾ OJ C 229, 31.7.2012, p. 24.

⁽⁴⁾ OJ C 391, 18.12.2012, p. 1.

CoR endorsed the Commission's proposal, but considered that a broader approach was needed, to take full account of the regional dimension and establish clear links between offshore and onshore regions. The Committee proposed a more ambitious approach: a macro-regional strategy which, in conjunction with the maritime pillar, incorporates the territorial pillar, taking account of the experiences of the Baltic Sea and Danube regions.

2.3 The Commission, European Parliament, EESC and CoR, together with the five Atlantic Member States, jointly set up the Atlantic Forum to draw up the Action Plan. The Forum enabled these Member States, the European Parliament, the EESC, the CoR, local and regional authorities, civil society and all interested parties to be involved. Five Atlantic Forum meetings were held: in Horta, Brest, Bilbao, Cardiff and Cork. The Leadership Group of the Atlantic Forum was set up, which comprises the EU institutions and the five Member States in question. A Steering Group was also created. The involvement of the EESC made it possible for civil society representatives from the Atlantic region, as well as the Atlantic Transnational Network of Economic and Social Councils (ATN), and economic and social players, to take part in the events of the Forum.

2.4 In its opinion, the EESC proposed that the objectives of the Atlantic region should be based on the thematic pillars of the Europe 2020 strategy, that the Atlantic Forum should not be dissolved after drawing up the Action Plan, that the limits of the "3 NOs" (no new legislation, no new financing, no new institutions) be transcended, and that a system of multilevel governance be established.

3. Commission communication: the Action Plan

3.1 The Action Plan develops the Maritime Strategy for the Atlantic Ocean area (COM(2011) 782 final) and sets out investment and research priorities with a view to stimulating blue growth in the Atlantic region, encouraging the sustainable development of coastal zones, and safeguarding the environmental and ecological well-being of the Atlantic ecosystem.

3.2 In the Atlantic Forum, the Member States, European institutions, local and regional authorities and civil society representatives discussed how to address the five challenges of the Atlantic region identified in the strategy. Five thematic workshops and an online consultation exercise also took place.

3.3 Based on the discussions conducted with the Member States and the response from the Atlantic Forum, the Commission drew up an Action Plan with a number of priority areas, focused on promoting blue growth and furthering sustainable development in the Atlantic region.

3.4 The timing of the Action Plan dovetails with that of the Common Strategic Framework for the Structural and

Investment Funds. The Plan is based on three pillars for action: properly targeted investment, increasing research capacity and improving skills and qualifications.

3.5 The Action Plan has four priorities:

3.5.1 to promote entrepreneurship and innovation through: knowledge-sharing between higher education, businesses and research centres; strengthening competitiveness and innovation capacity in the maritime economy; and adapting and diversifying economic activities to promote the potential of the Atlantic region;

3.5.2 to protect, secure and develop the potential of the Atlantic marine and coastal environment by: improving maritime safety and protection; exploring and protecting marine waters and coastal zones; practising sustainable management of marine resources; and developing the renewable energy potential of the marine and coastal environment;

3.5.3 to improve accessibility and connectivity by promoting cooperation between ports;

3.5.4 to create a socially inclusive and sustainable model of regional development by improving understanding of social challenges in the region and preserving and promoting the Atlantic cultural heritage.

3.6 The timing of the Action Plan will enable the Member States to take account of its priorities in the Partnership Agreements which they are negotiating in 2013 for the period 2014-2020. These agreements must take the Atlantic strategy into account when identifying priority areas. Financing through the funds of the Common Strategic Framework (ERDF, ESF, EAFRD and EMFF) will be coordinated with other source of financing.

3.7 The Action Plan will guide the Commission with respect to the funds which it manages directly, including Horizon 2020, LIFE+, COSME and the European Maritime and Fisheries Fund.

3.8 Public investment will trigger private business initiatives. The European Investment Bank is also ready to mobilise its financing instruments and expertise to support implementation of the Action Plan.

3.9 The Action Plan will encourage the mounting of joint projects for the five Member States, e.g. through Horizon 2020, European territorial cooperation financed through the ERDF, the Erasmus programme and other European programmes.

3.10 The Commission proposes creating an implementation mechanism that will enhance the engagement of national, regional and local players and allow progress to be monitored, taking on board lessons learned from the Atlantic Forum.

3.11 The implementation mechanism will promote political commitment and oversight, private sector involvement and evaluation. It will be light and based on other strategies. The mechanism will be defined in consultation with the Member States and relevant stakeholders before the end of 2013. It could also serve to guide the project promoters, provide a means of liaising with the managing authorities of the programmes, and promote cooperation in the Atlantic region.

3.12 The Commission will work together with the Member States to establish a monitoring method. A mid-term review of implementation is planned before the end of 2017, together with an independent evaluation.

3.13 The Commission and the Member States will also endeavour to involve international partners from America and Africa in implementing the strategy.

4. General comments on the Action Plan: the Atlantic strategy as a sea-basin strategy

4.1 The EESC has endorsed the Integrated Maritime Policy in other opinions. Since the publication of the "Blue Paper" on an Integrated Maritime Policy, a new approach to sea-related policies has been initiated based on common horizontal instruments and a focus on the development of maritime sectors.

4.2 The Integrated Maritime Policy has highlighted the maritime dimension of the EU and laid the groundwork for economic development of seas and their sustainable use based on a cross-sectoral and integrated approach.

4.3 This new approach to maritime affairs received a further boost with the Blue Growth initiative, set out in the Commission Communication on *Blue Growth: opportunities for marine and maritime sustainable growth* (COM(2012) 494 final), which draws attention to the key contribution that the blue economy makes to economic growth and the creation of jobs in Europe. The blue economy is the maritime pillar of the Europe 2020 strategy.

4.4 In its opinion on Blue Growth⁽⁵⁾, the EESC emphasised that this focus is "the necessary logical continuation of efforts to implement an Integrated Maritime Policy (IMP) in the European Union".

4.5 The Action Plan is a further step, one which will help the Atlantic maritime regions to take advantage of growth and job-creation opportunities. The Atlantic strategy and its Action Plan

are premised on the implementation of the Integrated Maritime Policy and the Blue Growth initiative in line with the specific features of the Atlantic basin.

4.6 Under the sea basin strategies, the thrust of maritime activities will be guided by the particular circumstances of each basin, helping to produce a more effective approach that better reflects the potential of the Atlantic region. This effort will require cooperation between players across sectors and borders, and internationally.

4.7 The EESC is pleased that the Action Plan addresses not just emerging sectors, but also traditional industries such as fishing and maritime transport, whose revitalisation is envisaged with a view to increasing their competitiveness and reducing their environmental footprint. If they assimilate innovative processes and technologies, these traditional sectors will generate continued growth and employment in the Atlantic region.

4.8 However, while supporting the Commission's proposal in so far as it identifies the marine environment research initiatives as priorities, the EESC believes that it should also forefront measures designed to improve the capacity and opportunities of industrial sectors that create jobs and economic growth directly.

4.9 Support to improve the competitiveness of SMEs should not be limited to the tourism, aquaculture and fisheries sectors, but be broadened to include all the spheres considered in the Action Plan, such as shipbuilding – an important downstream industry – port activities, renewable marine energy and biotechnology, sectors which now have a solid economic foothold in parts of the Atlantic region.

4.10 In the Committee's view, it is small companies and microbusinesses that drive economic activity in remote regions, and it is essential that such businesses should also be involved in the activities of the Atlantic strategy.

4.11 The EESC suggests that the economic, social and environmental dimensions of the Action Plan be better balanced. In its opinion on Blue Growth the Committee noted the importance of the human factor in the maritime economy and indicated that working conditions are often difficult.

4.12 The Action Plan should include references to improving working conditions and social standards for the maritime professions, and to the recognition and accreditation of professional qualifications. Training and reskilling should be promoted among coastal communities to make it easier for workers to adapt both to traditional economic activities and to new professions. The image and quality of the maritime professions must be improved so that they become more attractive to young people.

⁽⁵⁾ OJ C 161, 6.6.2013, p. 87.

4.13 The development of new economic activities must be compatible with protecting the marine environment. The Action Plan must boost research programmes in this area. Research focused on avoiding harm to the marine environment will reduce the uncertainty of these activities, e.g. marine energy, modernisation of ports, aquaculture and maritime tourism. Such research will speed up the process of obtaining authorisations.

4.14 The EESC believes that a sustainable and socially cohesive regional development model should preserve the Atlantic maritime culture, which is closely associated with the traditional way of life of coastal communities and is a very important aspect of cultural heritage and identity.

4.15 The EESC believes that the Action Plan and its priority measures should be complemented by legislation to improve the structure of the regulatory framework and make it clearer for the maritime industries.

4.16 The EESC welcomes the inclusion in the strategy of cooperation with the other Atlantic nations. It is crucial, in the Committee's view, to initiate cooperation agreements in the sphere of research, not just with the United States and Canada, but also with the countries of South America and Africa.

5. EESC proposal to convert the maritime basin strategy into a macro-regional strategy

5.1 The Atlantic strategy and its Action Plan are exclusively maritime in nature, in accordance with the agreement adopted by the Council of Ministers.

5.2 The EU has initiated a number of macro-regional strategies, which will be expanded in the future under the Treaty mandate to improve economic, social and territorial cohesion.

5.3 The Committee thinks that the maritime strategy for the Atlantic basin should explicitly provide for a territorial pillar linked to cohesion policy objectives.

5.4 The Committee has already stated this view in its relevant opinion⁽⁶⁾: "The EESC proposes a more ambitious approach, however; a macro-regional strategy which, in conjunction with the maritime pillar, incorporates the territorial pillar, taking account of the experiences of the Baltic Sea and Danube regions". And: "Many of the opportunities and challenges of the Atlantic area reside within its maritime dimension, but bearing in mind that its relationship with the continent remains vital, the EESC proposes that as well as the maritime dimension, the territorial dimension also needs to be included. The continental region manages and develops the hinterland,

without which any attempt to enhance the maritime potential would be meaningless. The maritime coast needs an active, dynamic hinterland and the synergies that allow for consistent development of the region as a whole".

5.5 The Atlantic regions must develop their strategies within a coherent framework of maritime and regional policy. It is not possible to develop activities in ports unless there is coordination with regional investment in rail transport or roads; or to develop marine energy without reference to energy transport infrastructure; or to preserve coastlines and the marine environment without considering the water-treatment systems of cities and towns inland of the Atlantic coast.

5.6 The Committee therefore believes that maritime issues cannot be addressed in the Atlantic region without looking at the region as a whole, as those issues must be incorporated into the economic and social agenda of the whole region. It is only by strengthening coordination between offshore and onshore activities that the full benefit of blue growth can be realised.

5.7 The EESC therefore proposes that the maritime strategy for the Atlantic be converted into a macro-regional strategy based on the Action Plan.

6. Governance

6.1 The EESC is disappointed that the Action Plan addresses implementation mechanisms only vaguely. In its above-mentioned opinion⁽⁷⁾ the Committee suggested that a multilevel governance system be established to guarantee involvement of all players.

6.2 Financing the Action Plan through the various European structural and investment funds, and EU policy funds which are managed directly by the European Commission, will require close coordination between the Commission and national and regional authorities.

6.3 The process of drawing up the Action Plan following the Atlantic Forum meetings was managed by the Leadership Group and the Steering Group, composed of representatives from the five Atlantic Member States and the EU institutions. The Atlantic regions were involved through the Steering Group, where they had observer status, while economic and social players were represented by the European Economic and Social Committee. A large number of social and economic players from the Atlantic region were enthusiastic participants, both in the five conferences and in the consultation exercise.

6.4 It is unfortunate in the EESC's view that the Commission has wound up the activities of the Atlantic Forum with the adoption of the Action Plan, rather than extending its life for the duration of the strategy, up until 2020.

⁽⁶⁾ OJ C 229, 31.7.2012, p. 24.

⁽⁷⁾ *Ibid.*

6.5 The Committee believes it is crucial to maintain the momentum and the engagement achieved during the Atlantic Forum, so that all relevant players (regional, private sector and civil society) are committed during the phases of implementation, follow-up and evaluation.

6.6 The system of governance is of fundamental importance, and the EESC therefore regrets that the Action Plan devotes only one section to governance, under the heading "Support", which contains a sketchy proposal to introduce an "implementation mechanism", whose form and functions are to be determined at a later point.

6.7 The "3 NOs" principle discourages the introduction of new administrative systems, but this does not prevent a multilevel, participatory governance system from being established, as for the Baltic and Danube region strategies.

6.8 The EESC recommends that a proper system of multilevel, participatory governance be introduced, building on the bottom-up approach, that will allow the Member States, EU institutions, local and regional authorities, and private sector and civil society in the Atlantic region to lead the process of implementing the Action Plan and contribute their expertise directly on the ground.

6.9 The EESC believes that regions must be involved in governance of the Atlantic strategy. The European Atlantic regions know that the sea is a crucial part of their way of life. In policy terms, many Atlantic regions have broad powers to design and implement sectoral policies and strategies relating to maritime and coastal activities.

6.10 Economic and social players in these regions have the most at stake and are committed to economic development and the creation of jobs in the blue economy. They also have expertise and organisations operating locally.

6.11 The Committee proposes that the activities of the Atlantic Forum be continued, with regular meetings of interested parties to stimulate activities and programmes under the strategy, evaluate their implementation and mobilise all policy-makers and economic and social players.

6.12 The EESC would like to see an emphasis on the European nature of this strategy, which makes it essential to guarantee the involvement of European bodies – notably the European Parliament, European Economic and Social

Committee and Committee of the Regions – in governance systems. The Commission plays a key role in keeping the process going, playing the role of facilitator and supporting the involvement of the relevant players. It must therefore have sufficient resources available to it.

6.13 The Committee recommends ensuring involvement of the various Atlantic networks: the Atlantic Arc Commission of regional authorities, the Transnational Network of Economic and Social Councils, and the Conference of Atlantic Arc Cities. These networks play a key role in encouraging the engagement of all players, and they give considerable European added value. They are grassroots entities with a long history of cooperation and in-depth understanding of the Atlantic area, its problems and its players. Their involvement in implementing the strategy will ensure a transnational, multilevel and cross-sectoral approach. The networks also provide a link with the local situations, potential and needs of Atlantic regions, which are often located far away from the capitals of the Member States.

7. Funding

7.1 The EESC urges the Member States and the European Commission to take into account the priorities of the Atlantic regions in the 2014-2020 Partnership Agreements for the Structural Funds and European investment funds.

7.2 The European Commission should assign high priority to the objectives of the Action Plan and the funds which it manages directly, such as Horizon 2020, LIFE+, COSME and the European Maritime and Fisheries Fund.

7.3 Cross-border and transnational cooperation are central to implementation of the strategy, because they provide European added value and can address challenges in the Atlantic region more effectively than the Member States individually. This cooperation is where the Action Plan has the most added value and where it is necessary to have a European approach.

7.4 Since there will be no specific budget, the Commission, the Member States and the regions managing the programmes must operate in a coherent and complementary way.

7.5 The EESC believes that these public measures will promote investment and private initiatives. The cooperation of the European Investment Bank is critical, and it needs to be an active contributor to the strategy.

Brussels, 18 September 2013.

The President
of the European Economic and Social Committee
Henri MALOSSE

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 the Future of Carbon Capture and Storage in Europe’

COM(2013) 180 final

(2013/C 341/19)

Rapporteur: **Mr ADAMS**

On 27 March 2013 the European Commission decided to consult the European Economic and Social Committee, under Article 304 of the Treaty on the Functioning of the European Union, 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 the Future of Carbon Capture and Storage in Europe

COM(2013) 180 final.

The Section for Transport, Energy, Infrastructure and the Information Society, which was responsible for preparing the Committee’s work on the subject, adopted its opinion on 2 September.

At its 492nd plenary session, held on 18 and 19 September 2013 (meeting of 18 September), the European Economic and Social Committee adopted the following opinion by 168 votes to 5 with 12 abstentions.

1. Conclusions and recommendations

Conclusions

1.1 EU energy and climate policy must recognise and be responsive to global markets and international agreements. It also must develop answers when the markets fails to respond to social priorities and deal with the lack of political coherence.

1.2 The debate on Carbon Capture and Storage (CCS) exemplifies the tensions represented in such a policy initiative.

1.3 The present global energy market is failing to take account of the massive and damaging externalities involved in the accelerating use of all fossil fuels – particularly the impact on public health and the atmospheric accumulation of greenhouse gases. Global political initiatives also have yet to have a significant effect on carbon reduction.

1.4 CCS offers a known technological process which potentially can provide an answer to the fundamental question of climate policy: before we release so much carbon dioxide into our atmosphere that it generates devastating climate change can we bury carbon at the same rate that we extract and use it?

1.5 The CCS policy initiative, seen as a vital element in mitigating market weaknesses, has nevertheless met severe obstacles. The near-failure of the EU Emissions Trading Scheme (resulting from weak design, recession and lack of global agreement on climate policy and carbon pricing) has undermined the programme.

1.6 Nevertheless, the case for developing CCS to the stage of a viable, large-scale option capable of being deployed remains compelling but a number of things are necessary for its acceptance which are identified in the following recommendations.

Recommendations

1.7 Maximum effort must be made to secure an international agreement on a climate stabilisation policy, including an agreed, effective and implemented programme for pricing carbon so that consumption of fossil fuel and consequent CO₂ emissions are progressively constrained and funds are available to prevent or mitigate impacts.

1.8 Irrespective of such an agreement an active CCS demonstration projects programme should be continued to overcome the concerns raised by the public. The potential benefits – in technology, industrial collaboration, public awareness, statutory and regulatory definition, and in cost-reduction – make a very strong case for further development. The EESC considers this programme to be of vital strategic importance in order to pave the way for deployment

1.9 Such a programme would greatly benefit from being set in the context of a high profile, co-ordinated public dialogue at European level on the future of our total energy system and the need for it to make a transition to a low-carbon future. Public acceptance remains a vital issue for development of CCS infrastructure

1.10 In this context the issues of comparative effectiveness with other low carbon strategies, including CO₂ re-usage, in-depth analysis of risk issues and the application of the precautionary principle can all be considered.

1.11 Any policy aimed at promoting CCS will require supportive financing from the public authorities and has to be accompanied by mechanisms offsetting the costs for European industries exposed to international competition.

2. Introduction and background

2.1 The EU's energy policy is complex. It seeks to recognise and balance sustainability, competitiveness and security whilst taking account of issues largely beyond its control such as technological change, global market factors and international developments on climate change action. The need to remain responsive to rapidly changing events and externalities further complicates the objective of setting a framework in which necessary long-term decisions can be made. CCS has to be seen in this context. It is, potentially, a technology of great importance. The Energy Roadmap 2050 makes it clear that CCS could have a very significant role to play and yet the medium to long-term strategic decisions surrounding it containing numerous economic, social political and technical uncertainties.

2.2 The Commission's communication on CCS contains evidence of these complexities, identifying the lack of a long term business case as the main reason for failure to progress in CCS development. However, behind this economic assertion lies a set of environmental technical and socio-political factors which determine the conditions on which such a business case can be made. In seeking to address the questions about CCS asked by the Commission this Opinion also tries to address the underlying issues.

3. Summary of the Communication

3.1 CCS is presented as an essential element in achieving Europe's carbon reduction programme. It is seen as offering the only significant option to deal with CO₂ resulting from the persistence of fossil fuel-derived energy in the coming decades. "The 2050 (climate) target can only be achieved if the emissions from fossil fuel combustion are eliminated from the system."

3.2 Since 2007 the EU has sought to support the development of CCS in various ways; a legislative framework for CO₂ capture, transport and storage, support for a 10-12 project demonstration programmes, and continuing efforts to establish a carbon price through the Emissions Trading Scheme (ETS) to act as a development funding source and driver for implementation and longer term deployment.

3.3 However, no large scale demonstration projects yet exist in the EU and "even the most promising EU projects are facing major delays". This is because today "no rationale exists for economic operators to invest in demonstration CCS". The ETS has failed to deliver both the funds for investment in such plants and a stable CO₂ price to support their future operation. Currently the CO₂ price is around 10 % of the figure regarded by many as the absolute minimum needed to establish a possible business case for CCS. However, the Communication points out that even were a business case established it is by no means certain that in some countries, principally those where CCS would be most needed, the public would accept what they perceive as the risk involved in geological storage.

3.4 Nevertheless the Communication argues that it is vital to gain experience in progressing CCS to commercial scale roll-out which will reduce costs, demonstrate the safe geological storage of CO₂, generate transferrable knowledge about the potential of CCS, and de-risk the technologies for investors. The promotion of such a programme also focuses attention on the detail of a suitable regulatory framework and stimulates public response. Knowledge thus gained will offer opportunities to be an active part of a future global CCS programme and reinforce the EU's potential role as a supplier of technology and skills.

3.5 Supplementary support mechanisms to fill the gap left by the gross underperformance of the ETS are proposed such as mandatorily purchasing CCS certificates, setting mandatory emission performance standards or creating support for demonstration projects through the equivalent of feed-in tariffs.

3.6 Finally a series of questions are presented which seeks respondents' views on the key issues facing the future of CCS.

4. General comments

4.1 The Commission's document is both a review and a consultation proposal and concludes with a series of questions on CCS-related issues in Europe. The objective of the Communication is limited – to address "the prime challenge of stimulating investment in CCS demonstration ... to test whether the subsequent deployment and construction of CO₂ infrastructure is feasible". Such a demonstration programme could then be the precursor to a CCS roll-out, though numerous other conditions would need to be met and obstacles overcome for this to happen.

4.2 In the view of the EESC the Commission has correctly identified the necessity for an urgent policy response. The options presented by the Commission are either to make CCS commercially viable or mandatory. The question should be asked, however, is it possible to see such a policy response being forthcoming in the present circumstances? The Committee therefore strongly argues for a much tighter focus

in the CCS programme. This would involve recognition that, at this stage, more substantial public funding, possibly from a wider range of sources are necessary to bring any single CCS demonstrator project to fruition. Concentration is needed – on a sufficient number of demonstration projects but with 2-3 times the financial support and provision for supporting subsequent operation.

4.3 On balance it is the view of the EESC that such a commitment can continue to be justified as a risk investment in a technology which could have a significant role to play in the context of an international agreement on a carbon pricing or quota mechanism. We believe that such an agreement is a precondition for progressing CCS development (either in Europe or worldwide) to any significant extent. We also believe that a detailed response to the questions posed by the Communication can only follow a re-assessment of the objectives set by the European Council and a re-orientation of policy goals and instruments – but such a re-orientation has to involve a pragmatic approach to energy and climate policy.

4.4 This difficult topic can be best approached by asking under what conditions is CCS likely to be implemented at a large scale within Europe, where supportive legislative and regulatory frameworks in the shape of the CCS directive are largely in place. The answers are mostly contained within the Commission's document.

- An enforceable global agreement on climate change action is necessary, equitably sharing the costs of both mitigation and adaptation measures. Without such an agreement no country or trading bloc, economically dependent on holding a competitive position in world markets could, in the medium to long term, afford to pursue an independent carbon-minimisation programme. Any proposal to unilaterally impose a realistic carbon "pricing" mechanism would be competitively and politically unacceptable especially in the present circumstances. A general, if phased and progressive global agreement would also be necessary to assure citizen support in democratic countries.
- Minimisation of carbon production would need to be prioritised in such an agreement and a resulting "price" of carbon (however achieved) established which would support the business case for devoting resources to CCS. Nevertheless, CCS would still have to make a competitive case against alternative technologies seeking investment funds for the same purpose such as biological storage or carbon capture and usage programmes. The EESC considers that CCS is strongly placed as the leading carbon sequestration technology.
- The public (and therefore political) acceptability of CCS as a low-risk carbon sequestration technology would need to be

assured in those EU Member States where it was a realistic option. This particularly applies to the perceived risks involved in onshore storage – the only option for many MS – and where the precautionary principle needs due consideration.

4.5 The likelihood of the first two conditions being met, based on evidence of international climate negotiations to date, is low. There is considerable doubt about whether an effective global climate pact can be reached at the UN Paris conference in 2015. There is also no evidence that policy-makers have been able to convincingly explain to the consumer the future costs of the related market failure. This results in current prices of goods and services not fully reflecting the expected costs of climate change impacts which will be borne by generations to come. Citizens, whether as consumers or voters, are reluctant to accept the implications, particularly at a time of austerity and low or negative economic growth.

4.6 The thrust of this Opinion so far has been realistically pessimistic. We believe this appropriately reflects the present concerns of civil society. The outcome of unrealistically optimistic thinking in policy making is currently only too evident and casts a shadow of despair for some and disillusion for many. But there are some grounds for believing that the present situation and outlook on energy and climate policy (and related CCS issues) can be gradually transformed.

4.7 It is increasingly apparent that EU policy legitimacy will (and should) become more dependent on public understanding and involvement in the decision-making process. Without public understanding of the underlying rationale of climate and energy policy and public acceptance of CCS technology, carbon sequestration is unlikely to progress beyond a demonstration phase or the present commercial usages such as enhanced oil recovery and food and drink applications.

4.8 It also has to be recognised that every decision that a country takes on energy sources and related issues is ultimately based on that society's value judgments over technical and economic considerations. Thus a societal and ethical dimension is always present in such decisions. This creates a difficulty in developing a common EU policy especially when, as with energy, final competence on sources and composition of supply remain with the Member State.

4.9 One effect of lack of citizen awareness is the failure of the public to realise the potential of climate change mitigation technologies such as CCS. Jobs, a lead in global innovation, new types of investment and finance methods and the development of new technologies are examples of such benefits. A roll-out of CCS could also offer greater job security in traditional industries such as mining.

4.10 The EESC therefore advocates and will be active in developing a European Energy Dialogue, an inclusive, transparent, trustworthy and coordinated multi-level conversation within and across all Member States. It should translate into everyday terms the essential points about the energy "transition" – and related issues such as CCS, energy poverty, etc. It should bring discussion about a low carbon transition into the classroom, the cafe and the kitchen. Such a Dialogue should be framed to feed into policy-making and encourage discussion of how far sometimes conflicting goals – secure, sustainable, safe, competitive and affordable energy – can be reconciled. The process will enable more qualitative and robust input from citizens and organisations to future formal energy consultation exercises. But the Dialogue will also focus on out-reach as an "honest broker" and facilitator, in this sense it can encourage and augment energy discussions in Member States and play a key communication role in forming more of a common view on energy across Europe. In this context CCS, as a contributing technology to atmospheric carbon reduction, can be comparatively assessed and options and trade-offs discussed.

5. Specific comments

5.1 The Commission makes the fundamental point that elimination of CO₂ from fossil fuel combustion is vital in achieving agreed 2050 EU climate targets. A similar approach needs to be adopted at a global scale and the extent of the problem understood by all policy-makers and reconciled with economic aspirations. The world's known fossil fuel reserves equate to approximately 3 000 billion tonnes of carbon dioxide if combusted, but just 31 % of that could be burned for an 80 % chance of keeping below a 2C global temperature rise. For a 50 % chance of 2C or less, just 38 % could be burned (Unburnable Carbon <http://www.carbontracker.org/wp-content/uploads/downloads/2012/08/Unburnable-Carbon-Full1.pdf>). But the mitigating role that CCS could play needs to be put in proportion. Even an optimistic scenario which sees 3 800 commercial CCS projects worldwide would allow only an extra 4 % of fossil fuel reserves to be burned (IEA World Outlook 2012). The reality is that energy assets already valued at trillions of euros will have to be left in the ground, unburned, if currently proposed global climate aspirations are to be met without CCS. This will have profound economic consequences. It is essential to recognise that it is necessary to find a way to resolve this fundamental dilemma if climate and energy policy (and CCS) are to have any chance of being effective.

5.2 It should be noted that carbon dioxide can be used as well as stored. In addition to enhanced oil recovery, food use and other minor applications it is possible that both chemical and biological engineering may play a part in the use of CO₂ in building materials, feedstock, other chemical processes and other products with the benefit of further R&D. However the scale of extraction of fossil fuels suggests that, in the foreseeable future, only a modest contribution to the CO₂ problem will come from this source.

6. Specific responses to the questions presented in the Communication

1) *Should Member States that currently have a high share of coal and gas in their energy mix as well as in industrial processes, and that have not yet done so, be required to:*

- a. *develop a clear roadmap on how to restructure their electricity generation sector towards non-carbon emitting fuels (nuclear or renewables) by 2050,*
- b. *develop a national strategy to prepare for the deployment of CCS technology.*

The merit of requiring MS to forward-plan for low carbon energy and CCS deployment is that it both raises the awareness of those involved in the process and offers the potential of a valuable, if daunting, cost and impact assessment which would accompany future legislative proposals. This would seem to be a useful exercise but should also include the balancing of comparative national options on other biological, chemical and physical sequestration processes and low emission technologies ⁽¹⁾.

2) *How should the ETS be re-structured, so that it could also provide meaningful incentives for CCS deployment? Should this be complemented by using instruments based on auctioning revenues, similar to NER300?*

The lesson of the vulnerability of the ETS to global economic forces must be taken into account. It is clear that a globally agreed climate policy (or the failure to achieve one) will determine the future of the ETS and the outcome of the 2015 talks will be crucial and the radical remedial measures which the ETS demands cannot be undertaken without greater global policy clarity. Concerning financial incentives in general it is clear that support for operating costs of demonstrator CCS plants are required in addition to development and capital cost funding.

3) *Should the Commission propose other means of support or consider other policy measures to pave the road towards early deployment, by:*

- a. *support through auctioning recycling or other funding approaches*
- b. *an Emission Performance Standard*
- c. *a CCS certificate system*
- d. *another type of policy measure*

The Commission should certainly explore other funding methods for a CCS demonstrator project though it is considered that action on early widespread deployment of CCS is premature, for the reasons given. This, however, does not

⁽¹⁾ OJ, C 299, 4.10.2012.

affect the case for public funding of a small number of demonstration projects. Work on an Emissions Performance Standard and a CCS certificate system could explore and test methods for regulatory processes that are almost certainly going to be needed in the future.

4) *Should energy utilities henceforth be required to install CCS-ready equipment for all new investments (coal and potentially also gas) in order to facilitate the necessary CCS retrofit?*

This is a logical step if roll-out of CCS technology could be given an above average probability. At present this seems unlikely. It should also be noted that large industrial CO₂ producers using primary fossil fuel energy sources— especially cement producers – would also need to be treated in a similar way.

5) *Should fossil fuel providers contribute to CCS demonstration and deployment through specific measures that ensure additional financing?*

The risks implicit in possible failure to apply CCS technology seem to place it in the category of being fully supported from public funds, pro bono publico. Fossil fuel providers should certainly be involved in subsequent deployment funding and a case could be made for their contributing to development costs. However, a range of issues need to be recognised, such as implications involving WTO rules and the need for all fossil fuel sources to be contributors, even those where at present no relevant CCS process exist, particularly in transport.

6) *What are the main obstacles to ensuring sufficient demonstration of CCS in the EU?*

The main obstacles are:

- the failure to establish a realistic carbon "pricing" mechanism that is sustainable at global level;
- "competition" from other carbon sequestration or low carbon technologies;
- the need for the public to accept what is perceived as a potentially risky technology;
- the possible failure to establish a fund of sufficient size to support the programme in both capital and running costs.

7) *How can public acceptance for CCS be increased?*

Active dialogue with the public on the nature of CCS, its potential benefits and a realistic and independent assessment of risks should be undertaken as part of a total systems approach to energy awareness. In certain countries and regions the fact that there could be beneficial job outcomes from the deployment of CCS should also be recognised.

Brussels, 18 September 2013.

The President
of the European Economic and Social Committee
Henri MALOSSE

Opinion of the European Economic and Social Committee on the 'Preparing for a Fully Converged Audiovisual World: Growth, Creation and Values (Green Paper)'

COM(2013) 231 final

(2013/C 341/20)

Rapporteur: Mr PEGADO LIZ

On 8 July 2013, the European Commission decided to consult the European Economic and Social Committee, under Article 304 of the Treaty on the Functioning of the European Union, on

Preparing for a Fully Converged Audiovisual World: Growth, Creation and Values (Green Paper)

COM(2013) 231 final.

The Section for Transport, Energy, Infrastructure and the Information Society, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 2 September 2013.

At its 492nd plenary session, held on 18 and 19 September 2013 (meeting of 18 September), the European Economic and Social Committee adopted the following opinion by 175 votes to 2 with 8 abstentions:

1. Conclusions and recommendations

1.1 The EESC welcomes the Commission initiative to reopen the file on a converged audiovisual policy, with a view to taking the opportunity to broaden access to diversified European content and to launch new public consultation to address particularly this issue's impact on economic growth, employment and innovation at EU level.

1.2 The EESC regrets, however, that the Commission has not seized this opportunity to put forward more tangible and structured proposals on the matter.

1.3 The Committee would have liked the Commission, when drawing up the Green Paper, to have focused its approach more on the fundamental values of freedom of expression, media pluralism, respect for human dignity and the rights and interests of public users, in particular minors and other vulnerable people, and then to have moved on to the programme objectives of promoting innovation, market development and the appropriate funding.

1.4 Nevertheless, the Committee endorses most of the issues raised in the Green Paper and acknowledges the relevance of the majority of the questions being put forward for public consultation, but notes that the document sometimes lacks a common thread linking the various topics and questions.

1.5 The Committee is particularly aware of the new challenges and prospects opening up as a result of convergence, which create significant business opportunities for independent producers, likely to require changes to the industry's current business models.

1.6 While it is conscious of the growing economic importance of on-demand audiovisual services in the European audiovisual landscape, the EESC wishes to stress that the traditional range of linear audiovisual services still accounts for a very significant share of people's media usage habits, particularly as a result of technological innovation applied to traditional supply, and this is where we see the foundations of identity and cultural and linguistic diversity, which must be preserved.

1.7 Similarly, while recognising the many positive aspects of both the strategy for innovation and technological convergence of audiovisual services with the Internet, the EESC wishes to draw attention to the effects of such developments on traditional forms of media, namely regional and local media, especially in Member States that are home to some of the EU's minority languages. The conditions therefore need to be put in place enabling these traditional media platforms to continue to provide their important public interest service, with a view to supporting linguistic and cultural diversity and safeguarding pluralism of information.

1.8 The EESC also feels that media pluralism, the promotion of cultural and linguistic diversity and the preservation of the key role of public service media in the European media ecosystem are all values in the public's interest, which future policies will have to not only uphold but also promote as a feature of the European social model.

1.9 In short, the Committee believes that the central aims of the European debate on audiovisual convergence should be to promote European cultures and - hand in hand with this - to safeguard the public interest and fundamental rights, specifically the protection of minors and other vulnerable people.

1.10 The EESC therefore calls on the Commission to take account in any future measures, legislative or otherwise, of the recommendations made in so many of the Committee's opinions, and, in particular, of the specific comments set out in this opinion.

2. Subject of the Green Paper

2.1 With this Green Paper (COM(2013) 231 final), the Commission is aiming to launch a wide-ranging public debate on the implications of the on-going transformation in media services, fuelled by the increasing convergence of these services with the internet.

2.2 The Commission views this changing technological environment as an opportunity to make access to high-quality, diversified European content more widespread; to do so, there needs to be a debate both on how to ensure that the framework conditions are right and on possible public policy responses at European level.

2.3 With this strategic objective in mind, the Commission raises two major questions:

- How can the process of convergence in a larger European market be transformed into economic growth and business innovation in Europe?
- What are the implications of convergence for values such as media pluralism, cultural diversity, and the protection of consumers, including that of specific groups such as minors?

2.4 It expressly excludes from its scope those aspects relating to copyright and intellectual property, dealt with in another Green Paper ⁽¹⁾, and aspects relating to data protection, also dealt with in recent Commission proposals ⁽²⁾, despite recognising the importance thereof and their link with the topics being tackled.

2.5 It acknowledges that the public consultation under consideration does not presuppose any specific outcome. However, it recognises that it may pave the way for possible regulatory and other policy responses in the longer term, especially as regards a Better Internet for Kids, media freedom and pluralism, and work on self-regulatory initiatives.

⁽¹⁾ COM(2011) 427 final, OJ C 143, 22.5.2012, p. 69-73.

⁽²⁾ COM(2012) 10 final, COM(2012) 11 final, OJ C 229, 31.7.2012, p. 90-97.

3. General comments

3.1 The EESC welcomes the Commission initiative in terms of the importance and topical nature of the subject under discussion. The progressive convergence of linear television services with the internet has been recognised as an inevitable trend on the audiovisual market.

3.2 It does, nevertheless, feel that the instrument used here (Green Paper) is rather late in coming and not ambitious enough, lacking a common thread running through the presentation of the various topics and questions, which could give rise to uncertainty regarding the tack the Commission is adopting in these matters.

3.3 In the wake of its numerous opinions on various aspects of this topic, and as a preliminary to the future design of an integrated audiovisual policy in the context of technological convergence in the EU, the EESC would have preferred if the Commission had opted for an approximation more centred on the fundamental values of freedom of expression, media pluralism, respect for human dignity and the rights and interests of users, particularly those in the more vulnerable sections of the population, and had then turned to the key aspects of innovation, the market and funding, as stated in the EP resolution of 21/05/2013 (P7_TA(2013)0203), rather than the other way around.

3.4 Notwithstanding this, the EESC welcomes most of the subjects raised in the Green Paper and acknowledges the relevance of the great majority of the questions submitted for public consultation.

3.5 It is thus aware of the growing economic importance of on-demand audiovisual services in the European audiovisual sector.

3.5.1 It does, however, feel it should underline that the traditional range of linear audiovisual services on offer continues to represent a highly significant portion of European media usage habits.

In fact, in 2012 average television consumption in Europe was 3 hours 55 minutes per day, seven minutes more than the average recorded in 2011.

3.6 Moreover, despite recognising the strategic importance of innovation and the technological convergence of audiovisual services with the internet, the EESC would highlight the possible repercussions thereof on traditional media sectors, namely the written press and radio.

3.6.1 The EESC considers that the Commission will need to play a key role in creating the right conditions for enabling traditional forms of the media to adjust to the digital age and, bearing in mind certain socio-cultural features of the population at whom they are directed, allowing them to continue in non-digital form.

3.6.2 It thus believes that at European level the right conditions should be created for traditional media, particularly regional and local media, to be able to continue providing the important public service they do, in support of linguistic and cultural diversity, as well as efforts to safeguard media pluralism, as part of moves to uphold the European social model.

3.7 The EESC also feels that media pluralism, the promotion of cultural and linguistic diversity, and the preservation of the formative role of the media's public service in the European media ecosystem are all values in the public's interest in general and in the interest of media users in particular, which future policies will have to take into account ⁽³⁾.

3.8 In short, the EESC feels that in the European debate on convergence in the audiovisual sector, one of the key aims of and fundamental guidelines for Community policy in this area should be to promote the public interest and safeguard the interests and rights of the public in general and of media users in particular.

4. Specific comments

4.1 The questions posed in the public consultation could be divided into six subject areas: access to content and platforms (questions 1 to 3); financing for audiovisual production (questions 4 and 5); interoperability (question 6); infrastructure and spectrum (questions 7 to 9); implications of convergence for regulation (questions 10 to 19); protection of minors (questions 20 to 25); and accessibility (questions 26 and 27).

4.2 Access to content and platforms

4.2.1 The EESC shares the concern that platforms which aggregate content might distort free competition in the provision of audiovisual services and thus impact negatively on users' freedom of choice and their access to a range of high-quality, diverse content.

4.2.2 It therefore believes that specific regulatory measures should be envisaged which go beyond competition rules, in such a way as to promote and facilitate access to these platforms nationally and transnationally, along the lines already set out in the Commission's 2009 communication ⁽⁴⁾.

⁽³⁾ OJ C 140, 18.5.2000, p. 19-23; OJ C 116, 20.4.2001, p. 30-36; and OJ C 77, 31.3.2009, p. 109-114.

⁽⁴⁾ OJ C 257, 27.10.2009, p. 1-14.

4.3 Financing audiovisual production

4.3.1 On various occasions the EESC has stated the importance of European cultural industries, including the audiovisual sector, in the Union's development strategy ⁽⁵⁾.

4.3.2 Bearing in mind changes in the value chain in the audiovisual sector, namely the growing importance of content platforms and aggregators, the EESC considers that the current requirements of the AVMS Directive do not constitute the most appropriate, proportionate and efficient way of promoting the creation, distribution and use of European works.

4.3.3 The Committee is therefore of the view that the Commission will need to reassess the framework of obligations incumbent on television operators and expand the scope of these obligations to include new players in the audiovisual value chain against the background of convergence, taking into account the growing impact of these services on the public, embarking on a revision of the directive as soon as possible.

4.4 Interoperability of connected TV

4.4.1 The EESC believes that the Commission should guarantee the interoperability of the various services distributed via hybrid platforms, promoting fair competition conditions for all suppliers of content and services, and should ensure that users are able to freely choose from a high-quality, diversified range of services on offer, without discrimination, specifically geographical discrimination.

4.5 Spectrum policy

4.5.1 The EESC would basically refer to its opinions on the First radio spectrum policy programme/European Broadband: Investing in digitally driven growth ⁽⁶⁾, on the Commission Communication on Transforming the digital dividend into social benefits and economic growth ⁽⁷⁾, and on the Commission Communication on Promoting the shared use of radio spectrum resources in the internal market ⁽⁸⁾.

4.5.2 As regards audiovisual service operators' increasing use of hybrid models, combining terrestrial broadcasting with the use of broadband to deliver content, the EESC recommends carrying out studies into the impact of such business models on the audiovisual sector's value chain, paying particular attention to the public's access to content and platforms, as well as access for the operators themselves and for producers of the content. The EESC wishes to highlight the need for infrastructure that guarantees broadband coverage for the whole of Europe, as a key factor for promoting digital equality.

⁽⁵⁾ OJ C 181, 21.6.2012, p. 35-39; and OJ C 198, 10.7.2013, p. 39-44; OJ C 77, 31.3.2009, p. 63-68, OJ C 248, 25.8.2011, p. 144-148, and OJ C 143, 22.5.2012, p. 69-73.

⁽⁶⁾ OJ C 107, 6.4.2011, p. 53-57.

⁽⁷⁾ OJ C 44, 11.2.2011, p. 178-181.

⁽⁸⁾ OJ C 133, 9.5.2013, p. 22-26.

4.6 Implications for regulation

4.6.1 In the light of the latest technological and market developments, the EESC considers that the Commission should as soon as possible launch a formal public consultation procedure on the review of the AVMSD.

4.6.2 In this consultation procedure, the Commission should assess the issue of the scope of the directive, specifically the possibility of including provisions on the transparency and concentration of ownership of audiovisual media services, be they linear or non-linear, and the central issue of defining the concept of editorial responsibility in audiovisual media services. The fundamental principle guiding this review should be that, whatever the audiovisual medium, core values must be respected and guaranteed in an identical manner, irrespective of the specific nature of the medium.

4.6.3 The EESC feels that it would likewise be valuable for the Commission to submit a proposal for reviewing the rules applying to commercial communications in audiovisual media services and for placing them on a more systematic basis, since the rules are currently spread out over various legislative instruments, as indicated in previous opinions⁽⁹⁾.

4.7 Freedom of expression and media pluralism

4.7.1 It is important to take proper account of the fact that freedom of the press and media pluralism, as formative elements of active citizenship and participatory democracy, enshrined in the Charter of Fundamental Rights (Article 11), are fundamental to consolidation of the Union integration process.

4.7.2 Consequently, and in keeping with concerns expressed by the European Parliament, the EESC considers that the Commission should, as a priority, take appropriate measures in this connection, including the presentation of a legislative initiative on pluralism and concentration of the media, particularly in follow up to the report from the Centre for Media Pluralism and Media Freedom and the report of the High-Level Group on freedom and pluralism of the media.

4.7.3 Given the specific features of the European audiovisual market – fragmented, divided by various linguistic and cultural barriers and submerged in a particularly difficult economic climate – the EESC would highlight the importance of *public service media* for safeguarding political pluralism and promoting cultural diversity. The EESC would thus suggest that the Commission encourage widespread debate on the model of governance for the *public service media* in the new context of convergence, taking particular account of the Council of Europe's recent conclusions on this matter.

4.8 Protection of minors and vulnerable sections of the public

4.8.1 Bearing in mind the cultural dimension of the media and its impact on society at large, the EESC has made one of its key priorities the protection of minors and other vulnerable sections of the public in relation to both audiovisual media and the digital environment (internet, social media, etc.), in such important aspects as the right to privacy and to image protection and other fundamental rights, recognised inter alia by the European Convention on Human Rights and today also enshrined in the EU's Charter of Fundamental Rights, fortunately now incorporated in the Treaty. While by turning the viewer into a media performer (interactivity), audiovisual convergence opens up enormous opportunities for communication and information, it does expose more vulnerable individuals to illegal activity (cyber-crime).

4.8.2 This has therefore been one of the aspects which the EESC has also had the opportunity to highlight in a variety of its more recent opinions, particularly in relation to certain Commission initiatives which, although praiseworthy in themselves, the Committee feels are overly timid; it reiterates the need to guarantee the existence and accessibility of content filters and age-appropriate ratings for the parents or guardians of minors.

4.8.3 The EESC therefore firmly believes that when tackling the matter of protection of minors and other vulnerable people as regards the use of the internet in general, and audiovisual media in particular, steps must be taken to ensure a balance is struck and a fair trade-off found between the fundamental right to freedom of expression and the public interest objective of protecting minors, irrespective of the medium used.

4.8.4 However, it is important to bear in mind that the Commission has itself recognised⁽¹⁰⁾ that on-demand television service operators have not provided an adequate response as regards co- and self-regulation designed to protect minors from harmful content or as regards technical means for providing children with selective access to content on the internet.

4.8.5 This is therefore one of the subjects which the EESC would like to highlight as being amongst the most important when devising EU integrated audiovisual policy in the future, for which it envisages not only legislative measures (regulation, self-regulation and co-regulation), but also education for the media, information, literacy and empowerment, not just for minors, but also for families and schools. It therefore calls on the Commission and Member States to take steps to increase the use of content filters by parents and guardians.

⁽⁹⁾ OJ C 351, 15.11.2012, p. 6-11.

⁽¹⁰⁾ COM(2011) 556 final.

4.9 Accessibility

4.9.1 Here, the EESC would mainly refer to its opinions on accessibility ⁽¹¹⁾.

4.9.2 These generally highlight both the need to boost accessibility as a fundamental right and, in the specific case of audiovisual services and websites, their classification as genuine services of general interest ⁽¹²⁾.

4.9.3 Readily applicable legal requirements on the accessibility of audiovisual services are therefore needed to secure access thereto for people with various types of disability and communication handicaps.

Such requirements must be based on more European standardisation, not only of audiovisual content, but also of network distribution, user terminals and interface software. It is vital to ensure that the market in accessibility solutions is genuinely Europe-wide so as to attract new operators to this market and reduce costs.

4.10 One final observation: the EESC reiterates the need for a global, integrated approach to the planned digital inclusion objective, where the Union and its Member States guarantee Europeans access to the digital environment, particularly to connected television services, through promoting and supporting initiatives for the continuous learning of digital skills and the development of digital literacy ⁽¹³⁾.

Brussels, 18 September 2013.

The President
of the European Economic and Social Committee
Henri MALOSSE

⁽¹¹⁾ OJ C 94, 18.4.2002, p. 9-13; OJ C 117, 30.4.2004, p. 49-51; OJ C 110, 9.5.2006, p. 26-32; OJ C 175, 27.7.2007, p. 91-95; Accessibility of public sector body websites (not yet published in the Official Journal) and Accessibility as a human right (not yet published in the Official Journal).

⁽¹²⁾ Affordability of Services of General Economic Interest (not yet published in the Official Journal).

⁽¹³⁾ OJ C 318, 29.10.2011, p. 9-18.

Opinion of the European Economic and Social Committee on the 'Draft proposal for a Council Directive amending Directive 2009/71/Euratom establishing a Community Framework for the nuclear safety of nuclear installations'

COM(2013) 343 final

(2013/C 341/21)

Rapporteur: **Richard ADAMS**

On 13 June 2013 the European Commission decided to consult the European Economic and Social Committee, under Articles 31 and 32 of the Euratom Treaty, on the

Draft proposal for a Council Directive amending Directive 2009/71/EURATOM establishing a Community Framework for the nuclear safety of nuclear installations

COM(2013) 343 final.

The Section for Transport, Energy, Infrastructure and the Information Society, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 2 September 2013.

At its 492nd plenary session, held on 18 and 19 September 2013 (meeting of 18 September), the European Economic and Social Committee adopted the following opinion by 160 votes to 9, with 15 abstentions.

1. Conclusions and Recommendations

1.1 The EESC positively welcomes the timely amendments to the Nuclear Safety Directive, the outcome of the European Council's mandate to the Commission to consider and propose necessary legislative changes following the Fukushima disaster. Subsequently, stress tests of European nuclear power plants identified areas needing attention. Nuclear safety is a major cross-border issue for the EU. How this issue is perceived by the public has a significant impact on national policy. Citizens rightly expect verifiable high standards and consistency.

1.2 The Committee is encouraged to see that several issues highlighted in our previous Opinions⁽¹⁾ on nuclear safety have been addressed in this proposal. These include a stronger approach to harmonisation amongst Member States, clarification of regulatory responsibilities, competence and capacity, the independence of national regulators, and action on on-site emergency preparedness and response. In particular we commend the strengthened approach to overall transparency and the drive to include specific obligations as a necessary and potentially effective contribution to dealing with public concerns.

1.3 The Committee particularly welcomes the greatly enhanced approach to national regulatory responsibility, competence, application and independence which strengthens each of these areas and also provides support and verification mechanisms.

1.4 The enlarged "definitions" Article will aid clarity of interpretation and help with greater legal enforceability although it should be ensured that the text is compatible where equivalent definitions are provided by WENRA (Western European Nuclear Regulators Association) and the IAEA (International Atomic Energy Authority) and updated as necessary to remain consistent with internationally agreed terminology.

1.5 The strengthening of provisions for on-site emergency preparedness and response arrangements is noted. Prompt action will be needed in response to recommendations from the in-progress report on off-site emergency preparedness, when available. This is an area of particular concern to the European citizen and requires urgent and effective additional measures to be put in place.

1.6 Provisions for public information and transparency are enhanced but Member States should be required to ensure that the public and civil society organisations are practically and actively supported in developing, with the regulatory authority, participative processes for strengthening public involvement in planning, review and decision-making.

1.7 The Committee appreciates the prompt action taken by the Commission in bringing forward this amending directive. We also note that international analysis of the lessons to be learned from Fukushima continues and that a review of the implementation of the current Nuclear Safety Directive may suggest further safety insights in due course. All parties are committed to continuous improvement and experience indicates that further enhancements of nuclear safety will remain a work in progress.

⁽¹⁾ OJ C 306, 16.12.2009, p. 56-63.

OJ C 218, 23.7.2011, p. 135-139.

OJ C 44, 15.2.2013, p. 140-146.

2. Introduction

2.1 In 2009, in its Opinion on the proposed *Community framework for nuclear safety* ⁽²⁾, the EESC indicated its concern at the length of time it had taken to develop and win sufficient consensus to bring forward the first nuclear safety directive (2009/71/ Euratom); a Council Resolution of 22 July 1975 on the technological problems of nuclear safety had called for appropriate action and a harmonised approach at Community level. By contrast it has taken just four, rather than 34 years, for the present amendments to be proposed to the 2009 Directive.

2.2 There are a number of reasons for this change of pace. Primarily the proposed amendments are a response to the report on the extensive 'stress test' programme carried out in Europe subsequent to the impact of the tsunami on the Fukushima Daiichi nuclear power complex in March 2011. In Japan this had exposed a range of technical, operational and regulatory weaknesses and failures. However, the amendments also reflect concerns expressed prior to 2009 which, due to views expressed by regulators, Member States and the nuclear industry, it had not been possible to include in the original Directive. Fukushima not only made it possible to reconsider these concerns but also had a major and direct impact on nuclear policy in several Member States.

2.3 This Opinion expresses the responsibility of the European Economic and Social Committee to reflect the views and concerns of civil society in general, a responsibility enhanced in this case by the procedure under Art. 31 of the Euratom treaty (on health and safety matters) where the Committee's Opinion is a priority requirement. The Committee has previously commented that because nuclear safety directives contain fundamental issues of workers health, environment and public safety (emergency response), which the EU deals with under the TEU and TFEU there is a case for dealing with it under these treaties rather than Euratom. This would furthermore increase democratic credibility, because it would have to be co-decided with the European Parliament.

2.4 Some of the public is still concerned about the 132 nuclear reactors operating in Europe. Although attitudes vary by Member State, nuclear power plants can remain a source of underlying anxiety, a feeling which can be greatly stimulated by external events. Many citizens are looking for assurance in a form they can understand and trust and turn to the EU which has extensive experience and a largely good reputation in enhancing and consolidating public safety issues. In an important sense Fukushima signalled that any promotion of the concept of *absolute* safety, a tendency in Japan in technological and institutional terms, could not be maintained. The challenge facing any legislative approach is whether it can underpin a *relative* approach to safety which can sustain public confidence. Such confidence will be based on a combination of how the risk is perceived and the strength of the protective or mitigating measures. Fully harmonised safety standards for Europe do not yet exist and public concern is present where

they believe safety standards, or their enforcement, in an adjacent country are lower than in their own. It is understandable that one solution to any such variability could be an EU-level competent authority.

2.5 In all Member States nuclear safety is the responsibility of the plant operator acting within a framework overseen by the national regulatory body. Fukushima raised questions about a series of issues including plant design and defensive actions, mitigation efforts, emergency response, information communication, human error, governance, transparency and regulatory oversight. The implications of a limited number of these issues as they might be applicable to European nuclear power plants and safety were addressed in the stress test process, and subsequent reports.

2.6 Nuclear safety is a cross-border issue and the EU has taken action because international safety standards and conventions governing nuclear safety are either legally non-binding or directly legally non-enforceable. The present amendment proposals are the outcome of the mandate given to the Commission by the European Council to review the existing legal and regulatory framework and propose any necessary improvements.

3. Summary of the Commission's proposal

3.1 The proposal is a review of the existing legal and regulatory framework for nuclear safety which seeks to guarantee consistent and high standards of nuclear safety and oversight. In the light of the stress tests and lessons learned from the Fukushima enquiries it proposes adjusting, in some respects and where possible, the EU's nuclear safety framework to the latest technical standards and requires greater transparency.

3.2 The powers and independence of national regulatory authorities would be strengthened and they would be given a greater role, supported with expert staff and resources. Together with plant operators they would be required to develop and publish a strategy to provide information to the public, especially in case of accidents but also for normal operation. Citizens would be able to participate to a greater extent in the licensing of nuclear plants.

3.3 The siting, design, construction, commissioning, operation, and decommissioning of nuclear plants will be subject to new safety objectives and an EU-wide system of peer reviews of nuclear installations every six years would be introduced, resulting in the development of technical guidelines for the improvement of nuclear safety.

3.4 New nuclear power plants should be designed so damage to a reactor core cannot have consequences outside the plant and each plant must have a well-protected emergency response centre and strict accident management guidelines.

⁽²⁾ OJ C 306, 16.12.2009, p. 56-63.

4. General Comments

4.1 The EESC has closely followed the debate about nuclear safety, the stress test process and subsequent developments. In its Opinion *Final report on the nuclear stress tests* ⁽³⁾ the EESC urged an ambitious revision of the 2009 directive. The European Commission also clearly stated its own ambitions for the directive in its report on the stress tests ⁽⁴⁾. It identified four main areas where the Nuclear Safety Directive required revision, these being:

- safety procedures and frameworks;
- role and means of nuclear regulatory authorities;
- openness and transparency;
- monitoring and verification.

A short review of whether the objectives identified under these four headings are achieved is set out in section six.

4.2 The current proposal details over 90 amendments to the existing directive, some of them of considerable length and substance. The extensive recitals to the directive offer interpretive guidance on rationale and practical implementation though it should be noted that the Articles of the Directive constitute the substantive text, with which this Opinion deals.

4.3 The EESC notes that the term "reasonably achievable", as used in the text, though provided with an expanded definition, could lead to giving undue weight to economic or political considerations. An alternative would be the use of "Best Available Technologies (BAT)" and "Best Regulatory Practice (BRP)", as applicable, but this would have significant cost implications.

4.4 The EESC notes that although the Commission states that the Directives should ensure that new nuclear power plants are designed so damage to a reactor core cannot have consequences outside the plant, current technical and scientific opinion suggests that such a far-reaching claim cannot be made and it is a practical impossibility to eliminate fully all off-site consequences.

5. Specific Comments

5.1 The original directive will be strengthened, extended and clarified by this amending directive and a number of specific concerns relevant to public assurance on safety matters will be addressed. In particular the Committee welcomes:

- The extension and clarification in Article 3 of the definitions of terms, particularly where uncertainty could be present. For example the clearer definition of terms like "practically eliminating" removes a lot of potential ambiguity and will increase public confidence in a consistent approach. However, it should be ensured that where equivalent definitions are provided by the IAEA and WENRA the terminology is consistent and updated as necessary.
- The specific requirement that safety arrangements cover all stages of the lifecycle of nuclear installations. (Art. 4.1.a).
- The maintenance of the principle of the legal independence of national regulatory authorities and their considerable strengthening by including specific reference to independence from political interest, the provision of an appropriate, autonomously managed budget and adequate expert staffing resources (Art. 5.2), and a clearer definition of legal powers. (Art. 5.3).
- The specific inclusion of verification of "defence in depth" requirements supported by a clear definition. (Art. 6.3).
- The requirement that licence applicants must submit a detailed demonstration of safety commensurate with the scale of the hazard. (Art. 6.4.a).
- The extension to sub-contractors of the requirement to maintain extensive competencies in relation to safety. (Art. 6.5).
- The inclusion of on-site emergency preparedness and response supporting arrangements. (Art. 7).

5.2 The EESC commends the renaming and expansion of Article 8, now dealing with Transparency and the new Section 2, which defines extensive Specific Obligations. Previously Article 8, entitled "Information to the public", was of very limited scope. Taken together with Articles 8.a-f, and the expanded "definitions" in Article 3, they now comprise nearly 50 % of the text of the amended Directive. Legal enforcement should be enhanced by these provisions though some areas remain open to divergent interpretation. It is particularly encouraging to see the extensive new provisions which are proposed and which could go a considerable way towards addressing citizens' understandable concerns. Amongst these can be highlighted:

- An obligation to produce and apply a transparency strategy covering all eventualities. (Art. 8.1).

⁽³⁾ OJ C 44, 15.2.2013, p. 140-146.

⁽⁴⁾ COM(2012) 571 final.

— An emphasis on information provision with reference to international obligations. (Art. 8.3) Though not mentioned in directive's text the preamble states that exchanges with experts, in which the EESC participated, confirmed the very important role of the public in decision-making procedures and the applicability of the provisions of the Aarhus Convention.

— Strong support for more rigorous safety objectives and methodology. (Art. 8a-8c).

— The development of requirements (in conjunction with Art. 7) for on-site emergency preparedness and response. (Art. 8d).

— The expansion and extension of the requirement for international peer review. (Art. 8e).

5.3 The EESC notes that the important topic of off-site emergency preparedness and crisis communication is not dealt with in this directive but is the subject of a current review and report with recommendations to be brought forward by the end of 2013. Any necessary action should be taken on these recommendations as a matter of urgency.

5.4 The question of protection of nuclear facilities against terrorist attack was dealt with as a separate track alongside the stress test programme and was reported on to the European Council in 2012. Member States regard security measures as a matter of sovereign competency which lies outside the provisions of the Nuclear Safety Directive. It can be noted that the Nuclear Regulation Authority in Japan in the post-Fukushima analysis, has decided to ask all nuclear power plants to take appropriate measures to ensure that power plants are buffered against the possibility of terrorist attacks.

5.5 To some degree the Directive expands legislative requirements. It is important that new demands are necessary, proportional and serve the purpose of assuring public safety. The EESC is of the opinion that an appropriate balance has been achieved in the amending directive.

6. Will the proposal eliminate the weaknesses identified in the present directive?

6.1 Continuing differences between Member States result in the absence of a consistent approach to nuclear safety. This is identified (by the Commission) as the key finding capable of being remedied through a legislative framework. The absence of codified EU mechanisms to agree on technical standards and ways to conduct safety reviews are highlighted. Amending

Art. 8f establishes such a mechanism though the EESC believes that the phrase "*Member States shall, with the support of the competent regulatory authorities, jointly develop and establish guidelines*" lacks precision and indicates insufficient resolution on this issue. The effectiveness of this approach should therefore be kept under review and in the event that serious doubts arise the establishment of an EU Nuclear Safety Regulatory Agency ought to be considered. Such an approach could offer significant advantages in terms of access to skills and resources for smaller Member States.

6.2 Questions about national regulators' independence, split responsibilities, lack of coordination, adequate resourcing and defined competences are all areas which need addressing. Amending Art. 5 provides much more specific legislative requirements of Member States. These should go a considerable way in dealing with these issues. However, there is a need to urgently verify the independence and competence of national regulators – one of the areas specifically raised in the Commission report. Such verification should be seen as enhancing rather than infringing on the independence of national regulators and it should not be left to a ten-year self-assessment with supplementary international peer review. The EESC proposes that assessment and peer review should take place in all Member States no later than the end of 2018, and six-yearly thereafter.

6.3 At present the monitoring and verification mechanisms at EU level are limited to the peer review of the national nuclear safety framework and competent regulatory authorities. Chapter 2a of the amending directive considerably expands the scope of international peer reviews – a welcome development. However, the schedule of a six-yearly review "on one or more specific topics" would seem to leave scope for some areas to remain unexamined in depth for decades. The Committee therefore proposes that the topical reviews be conducted in parallel with the review process of the Convention on Nuclear Safety which takes place every three years. The discussion of which specific topics are the subject of review should also be an area in which the public are involved as part of the commitment to transparency.

6.4 Public information and transparency have been given considerably greater emphasis in the amending directive, with specific requirements, in several cases, replacing those which are currently generic. However, in practice it is often difficult for individuals or civil society organisation to engage with public consultation and information mechanisms. The effectiveness of public participation was seen in the two meetings organised by ENSREG in relation to the stress tests. The EESC proposes that Member States are required to ensure that public and civil society organisations are actively supported in developing, with the regulatory authority, participative processes for establishing public engagement and consultation for planning, review and decision-making. This should also apply to formal or de facto plant lifetime extensions. Established processes, such as the RISCOM model for transparency (http://www.karita.se/our_approach/riscom_model.php) could, when independently conducted, offer effective routes.

6.5 The understanding of what constitutes a comprehensive approach to nuclear safety is continually advancing. Ethical, socio-economic and psychological factors have all won greater acceptance in the period of intense debate since the Fukushima disaster. The Committee believes that other areas of energy generation and use, particularly in a period of transition and global pressure, can also benefit from such analysis.

Brussels, 18 September 2013.

The President
of the European Economic and Social Committee
Henri MALOSSE

Opinion of the European Economic and Social Committee on the ‘Proposal for a Regulation of the European Parliament and of the Council amending certain Regulations in the field of fisheries and animal health by reason of the change of status of Mayotte with regard to the Union’

COM(2013) 417 final — 2013/0191 (COD)

and on the

‘Proposal for a Directive of the European Parliament and of the Council amending certain Directives in the fields of environment, agriculture, social policy and public health by reason of the change of status of Mayotte with regard to the Union’

COM(2013) 418 final — 2013/0192 (COD)

(2013/C 341/22)

On 1 July 2013 the European Parliament, and on 27 June and 16 July 2013 respectively the Council, decided to consult the European Economic and Social Committee, under Article 43(2), Article 141, Article 153(2), Article 168 and Article 192(1) of the Treaty on the Functioning of the European Union, on the

Proposal for a Regulation of the European Parliament and of the Council amending certain Regulations in the field of fisheries and animal health by reason of the change of status of Mayotte with regard to the Union

COM(2013) 417 final — 2013/0191 (COD)

and on the

Proposal for a Directive of the European Parliament and of the Council amending certain Directives in the fields of environment, agriculture, social policy and public health by reason of the change of status of Mayotte with regard to the Union

COM(2013) 418 final — 2013/0192 (COD).

Since the Committee endorses the content of the proposals and feels that it requires no comments on its part, it decided, at its 492nd plenary session of 18 and 19 September 2013 (meeting of 18 September 2013), by 170 votes to 6 with 12 abstentions, to issue an opinion endorsing the proposed text.

Brussels, 18 September 2013.

The President
of the European Economic and Social Committee
Henri MALOSSE

Opinion of the European Economic and Social Committee on the ‘Proposal for a Directive of the European Parliament and of the Council on the return of cultural objects unlawfully removed from the territory of a Member State’

COM(2013) 311 final — 2013/0162 (COD)

(2013/C 341/23)

On 10 June and 24 June 2013, the European Parliament and the Council respectively decided to consult the European Economic and Social Committee, under Article 114 and 304 of the Treaty on the Functioning of the European Union, on the

Proposal for a Directive of the European Parliament and of the Council on the Return of cultural objects unlawfully removed from the territory of a Member State (Recast)

COM(2013) 311 final — 2013/0162 (COD).

Since the Committee endorses the contents of the proposal, it decided at its 492nd plenary session of 18 and 19 September 2013 (meeting of 18 September), by 192 votes in favour with 10 abstentions, to issue an opinion endorsing the proposed text.

Brussels, 18 September 2013.

The President
of the European Economic and Social Committee
Henri MALOSSE

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