

FOLLOW-UP PROVIDED BY THE COMMISSION TO THE OPINIONS OF THE

EUROPEAN ECONOMIC AND SOCIAL COMMITTEE

PLENARY SESSIONS OF JANUARY AND FEBRUARY 2016

N°	Title	References	Plenary Month
DG FISMA			
1.	<p>A European framework for simple, transparent and standardised securitisation</p> <p>Proposal for a Regulation of the European Parliament and of the Council laying down common rules on securitisation and creating a European framework for simple, transparent and standardised securitisation and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012</p> <p>and</p> <p>Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms</p> <p>Rapporteur: Daniel MAREELS (GRI-BE)</p>	<p>COM(2015) 472 final – 2015/0226 (COD)</p> <p>COM(2015) 473 final – 2015/0225 (COD)</p> <p>EESC-2015-04971-00-00-AS-TRA</p> <p>ECO/385</p>	January
2.	<p>Action plan on a capital markets union (communication)</p> <p>Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Action Plan on Building a Capital Markets Union</p> <p>Rapporteur: Daniel MAREELS (GRI-BE)</p>	<p>COM(2015) 468 final</p> <p>EESC-2015-05437-00-00-PA-TRA</p> <p>ECO/384</p>	February

DG ENER			
3.	<p>Regulation setting a framework for energy efficiency labelling</p> <p>Proposal for a Regulation of the European Parliament and of the Council setting a framework for energy efficiency labelling and repealing Directive 2010/30/EU</p> <p>Rapporteur: Emilio FATOVIC (GTII-IT)</p>	<p>COM(2015) 341 final – 2015/0149 COD</p> <p>EESC-2015-04936-00-00-PA-TRA</p> <p>TEN/576</p>	January
4.	<p>Launching the public consultation process on a new energy market design (communication)</p> <p>Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Launching the public consultation process on a new energy market design</p> <p>Rapporteur: Lutz RIBBE (GRIII-DE)</p>	<p>COM(2015) 340 final</p> <p>EESC-2015-05033-00-00-PA-TRA</p> <p>TEN/577</p>	January
5.	<p>Delivering a new deal for energy consumers (communication)</p> <p>Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Delivering a new deal for energy consumers</p> <p>Rapporteur: Lutz RIBBE (GRIII-DE)</p>	<p>COM(2015) 339 final</p> <p>EESC-2015-05067-00-00-PA-TRA</p> <p>TEN/578</p>	January
6.	<p>Integrated SET Plan: accelerating the European energy system transformation (rolling programme)</p> <p>Opinion on the Communication from the Commission – Towards an Integrated Strategic Energy Technology (SET) Plan: accelerating the European energy system transformation</p> <p>Rapporteur: Mihai MANOLIU (GRI-RO)</p>	<p>C(2015) 6317 final</p> <p>EESC-2015-05124-00-00-PA-TRA</p> <p>TEN/579</p>	February

DG TAXUD			
7.	<p>Common system of value added tax - duration of the obligation to respect a minimum standard rate</p> <p>Proposal for a Council Directive amending Directive 2006/112/EC on the common system of value added tax, with regard to the duration of the obligation to respect a minimum standard rate</p> <p>Rapporteur: Daniel MAREELS (GRI-BE)</p>	<p>COM(2015) 646 final 2015/0296 CNS ECO/402</p>	February
DG REGIO			
8.	<p>The future of the EU Urban Agenda seen from the perspective of civil society</p> <p>Rapporteur: Roman HAKEN (GRIII-CZ)</p>	<p>EESC-2015-05281-00-00-PA-TRA ECO/386 Exploratory opinion</p>	February
DG EMPL			
9. co-lead SG D1	<p>Annual Growth Survey 2016: Strengthening the recovery and fostering convergence</p> <p>Draft Joint Employment Report from the Commission and the Council accompanying the Communication from the Commission on the Annual Growth Survey 2016</p> <p>Communication from the Commission to the European Parliament, the Council, the European Central Bank, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank – Annual Growth Survey 2016: Strengthening the recovery and fostering convergence</p> <p>Rapporteur: Juan MENDOZA CASTRO (GRII-ES)</p>	<p>COM(2015) 700 final COM(2015) 690 final EESC-2015-06764-00-00-APA-TRA SC/042</p>	February

10.	Fighting poverty Rapporteur: Seamus BOLAND (GR11-IE) Co-rapporteur: Marjolijn BULK (GR11-NL)	EESC-2015-06663-00-00-PA-TRA SOC/530 Exploratory opinion	February
DG NEAR			
11.	EU Enlargement Strategy (communication) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – EU Enlargement Strategy Rapporteur: Ionuț SIBIAN (GR11-RO)	COM(2015) 611 final EESC-2016-00255-00-00-PA-TRA REX/453	February

<p>N°1 Proposal for a Regulation of the European Parliament and of the Council laying down common rules on securitisation and creating a European framework for simple, transparent and standardised securitisation and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 COM(2015) 472 final; Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms COM(2015) 473 final EESC 2015/4971 - ECO/385 513th Plenary Session – January 2016 Rapporteur: Mr Daniel MAREELS (GRI-BE) DG FISMA – Commissioner HILL</p>	
<p>Points of the EESC opinion considered essential</p>	<p>Commission position</p>
<p>The EESC believes that taking a holistic approach should be a key priority. In establishing the new securitisation framework, the EU should proceed on a sustainable and thorough basis and seek to strike the right balance. At all levels, all the required objectives and the interests of all stakeholders should be taken into account. In this regard, the efforts being made to enhance the stability of the financial system are appreciated, as is the approach taken whereby investors have both rights and obligations.</p>	<p>The Commission proposal has been designed with the precise aim of aligning the interests of all parts involved in the securitisation structuring chain, balancing their rights and obligations in order to ensure a more widespread use of this financing channel without endangering financial stability. Indeed, the EESC recognises this in the last part of the quoted point.</p>
<p>In the Commission proposal, it is proposed that the securitisation STS system be assessed after a period of four years. The EESC would prefer to see this assessment happen sooner. A period of two years would be appropriate.</p>	<p>According to the Council's negotiation mandate, the review period should be reduced from four to two years. It remains to be seen how this evolves in trilogue negotiations once they start. The Commission will then take position.</p>

<p>The EESC has underlined the importance of securitisation as a channel for small and medium-sized enterprises (SMEs) funding. In addition, the EESC argues that SME loan securitisation is currently very limited, in contrast to property securitisation, which suffered little from the financial crisis.</p> <p>The EESC considers, therefore, that there should be a particular emphasis on SME-backed securitisation under the strategy for establishing a single capital market.</p>	<p>The Commission proposal includes key provisions aimed at fostering the securitisation of loans to SMEs.</p> <p>First, the proposal introduces criteria to identify simple, transparent and standardised (STS) asset-backed commercial paper (ABCP) conduits. These are financing structures used commonly to finance trade receivables by SMEs. By identifying qualifying ABCP programmes and adjusting the prudential treatment to better represent their lower risk profile, the Commission proposal should foster the expansion of this important channel of finance for SMEs.</p> <p>Furthermore, the Commission proposal has provisions dedicated to so-called "tranching covers", another specific securitisation type that is widely used by EU national and supranational promotional banks to foster SME lending. These provisions accord a preferential prudential treatment to such programmes, conditional on the portfolio of securitised loans being SME loans.</p>
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N°2 Action Plan on Building a Capital Markets Union
COM(2015) 468 final – EESC 2015/5437 - ECO/384
514th Plenary Session – February 2016
Rapporteur: Mr Daniel MAREELS (GRI-BE)
DG FISMA - Commissioner HILL

Points of the EESC opinion considered essential

Commission position

The Opinion welcomes the 'Action Plan on building a Capital Markets Union' and endorses its goals.

The Commission adopted on 30 September 2015 an Action Plan on Building a Capital Markets Union ('the CMU Action Plan') which sets out the steps that the Commission will take in order to build a Capital Markets Union by 2019.

The Commission's goal is that the CMU benefits all 28 Member States, in particular those where capital markets are less well developed and where SMEs need additional investment to grow.

CMU will provide a wider range of finance opportunities to companies with high-growth potential and strong commercial prospects, regardless of where they are located. It will also provide an increased capacity to attract investment through the removal of barriers which prevent a better allocation of capital across borders, such as reduction in tax deterrents, more efficient business insolvency procedures, and more efficient clearing and settlement processes.

For EU investors, the CMU should bring greater choice and higher potential returns for investors across the EU

	<p>through efforts to enhance the range of retail investment products on offer, and increased efficiency and service quality in the intermediation chain.</p> <p>The Commission has already taken several steps to implement the CMU Action Plan (for example, two legislative proposals on simple, transparent and standardised securitisation, and on a prospectuses regime and several consultations, among which those on covered bonds and venture capital) and will continue to put effort into delivering the actions set out in the Action Plan according to the announced schedule.</p>
<p>The Opinion stresses the importance of finding ways to improve access to finance and funding sources for SMEs, especially small and micro-businesses.</p> <p>The Opinion expresses some serious concerns about the relevance and effectiveness of the capital markets union for small and micro-businesses. However, the Opinion calls for the CMU to put in place the widest possible range of funding structures and opportunities for SMEs and the broadest possible diversification of the financial ecosystem.</p> <p>The Opinion stresses that SME funding should be cheaper and SME access to finance be improved.</p>	<p>The CMU Action Plan encompasses a comprehensive package of actions targeted to improving the financing of SMEs by developing and diversifying market-based sources of funding. These include: modernising the Prospectus Directive to make it less costly for businesses to raise funds publicly (through a Commission legislative proposal for a Prospectus Regulation which was adopted on 30 November 2015 and which is currently under discussion by the co-legislators); a review of the regulatory barriers to small firms listing on equity and debt markets; and ongoing work to better link SMEs in search of funding with potential non-bank investors.</p> <p>To address the current SME information deficit, the Commission has already started work to develop an information system to help small businesses to find new funding opportunities more</p>

	<p>effectively by promoting best practice in delivering relevant information to firms which could benefit from alternative funding sources, and by promoting advisory capacity to SMEs in search of alternative sources of finance, in all Member States.</p> <p>The Commission agrees that bank lending will continue to play a key role in financing the economy, especially for microenterprises. This is why one of the priorities of the CMU Action Plan is to enhance banks' capacity to lend. For example, the Commission presented last year a legislative proposal to create a framework for simple, transparent and standardised securitisation. Simple, transparent and standardised securitisation would allow banks to free up their balance sheets so that they could lend more to SMEs.</p>
<p>The Opinion points out the need to strengthen the single market for capital. For this purpose, the Opinion considers that maximum harmonisation and uniformity of rules should be a primary consideration.</p>	<p>While the Commission shares the views that the single market for capital should be strengthened, the Commission considers that maximum harmonisation legislation is not the only tool which the Commission has in order to reach this objective.</p> <p>The CMU Action Plan envisages the use of a wide range of instruments by the Commission in order to build a CMU. In accordance with the Commission's policy of Better Regulation and the Interinstitutional Agreement on Better Law-making, Commission proposals should respect the principles of subsidiarity and proportionality and generally be</p>

	<p>supported by an impact assessment (including consultation of stakeholders) where the economic, environment or social impacts are expected to be significant. The Commission will also use a variety of non-legislative tools to address some of the challenges to better functioning and more integrated capital markets, such as promoting best practice and market-led initiatives, or enforcement of the single rulebook for capital markets. The Commission will also work with the European Securities and Markets Authority (ESMA) on fostering supervisory convergence in order to reduce regulatory arbitrage and support a level playing field for market participants and investors.</p>
<p>The Opinion welcomes the objective of the CMU to provide more choice for investors in capital markets, but calls for accompanying this by better investor protection. In particular, the Opinion expressed that there should thus be more simplification, transparency and comparability of financial instruments and information.</p>	<p>The Commission agrees that a successful CMU is not possible without building the confidence and trust of retail investors. The Commission has launched preparatory work on ways to boost consumer choice and competition in cross-border retail financial services and insurance, through a consultation which ended on 18 March 2016.</p> <p>To enable European households to save more effectively for their retirement, the Commission will look into the possibilities of developing a policy framework to establish a successful European market for simple and competitive personal pensions to complement existing national solutions.</p> <p>The CMU Action Plan also foresees a comprehensive assessment of European markets for retail investment products,</p>

	<p>including distribution channels and investment advice, by 2018. This should improve retail investors' access to suitable products on cost-effective terms.</p>
<p>The Opinion calls for an appropriate monitoring of potential excessive or disproportionate risk-taking and for mitigating such risks. It stressed the need for greater convergence and cooperation in the area of micro- and macro-prudential supervision, at both EU and national levels.</p> <p>The Opinion points out that the EU's economic and financial stability should be one of the priorities of the CMU.</p>	<p>By promoting more diverse funding channels, CMU will help to increase the resilience of the EU financial system. At the same time, the Commission will enhance the monitoring of financial stability risks that may be linked to the growth of capital market-based financial flows.</p>
<p>The Opinion stresses that it is important to maintain focus on the CMU goals and to ensure that regular progress is made. The Opinion raises some concerns about the timeframe for achieving the goals of the CMU, given the breadth of the project and the substantial differences in Member States' capital markets. The Opinion calls for regular interim assessments.</p>	<p>The Commission agrees with the need to maintain focus on the CMU. The Commission will publish reports to monitor progress and ensure that the CMU remains on track.</p>

<p>N°3 Regulation setting a framework for energy efficiency labelling and repealing Directive 2010/30/EU COM(2015) 341 final – EESC 2015/4936 - TEN/576 513th Plenary Session - January 2016 Rapporteur: Mr Emilio FATOVIC (GRIL-IT) DG ENER – Commissioner ARIAS CAÑETE</p>	
<p>Points of the EESC opinion considered essential</p>	<p>Commission position</p>
<p>Points 1.1. and 1.2.</p> <p>The EESC supports the Commission proposal and believes that it addresses the main problems relating to current legislation, including effective enforcement, efficient market monitoring and the right of consumers to receive clear, comprehensible and comparable information.</p>	<p>The Commission welcomes the broad support of the EESC for the proposal.</p>
<p>Point 1.4.</p> <p>The EESC considers it essential to introduce stricter controls on products on sale to check that the characteristics of the product actually correspond to those shown on the label.</p>	<p>The Commission would highlight that market surveillance is the competence of the Member States and they are in a position to decide on reinforcing controls. The product database proposed in Article 8 will allow market surveillance authorities to work more efficiently and focus on their core enforcement tasks.</p>
<p>Points 1.5. and 4.7.</p> <p>The EESC calls on the Commission to devise and fund common standardised training courses for all workers and others involved in surveillance and monitoring.</p>	<p>Article 5(2) of the proposal requires the Commission shall support cooperation and exchange of information on market surveillance. In this context, the Commission is already providing funding for joint projects by market surveillance authorities under the Horizon 2020 Programme. The first project funded ('EEPLIANT') includes</p>

	such training.
<p>Points 1.7. and 5.2.</p> <p>The EESC proposes a new graphic design for the energy label to combat counterfeiting and avoid creating confusion among consumers, particularly during the transitional period. The EESC suggests greying out the colour scale for classes where there are no products on the market, or where rescaling has taken place or as a result of the limits imposed by the Ecodesign Directive.</p>	<p>The Commission takes note of the opinion of the EESC. The Commission would draw its attention to the 'Study on the impact of the energy label – and potential changes to it – on consumer understanding and on purchase decisions' by London Economics and Ipsos, which found that consumers did not understand greyed-out arrows well. Therefore, the Commission proposed in Article 7(2) not to show classes on the label in case products in such classes cannot be placed on the market due to an implementing measure adopted under the Ecodesign Directive.</p>
<p>Points 1.8. and 5.1.</p> <p>The EESC proposes including other information of relevance to consumers in the new label, such as the minimum life-expectancy of products and the energy consumption of the product in the course of its lifecycle.</p>	<p>The supplementary information referred to in Article 1(1) and defined in Article 2(20) can include such information.</p>
<p>Points 1.9. and 4.9.</p> <p>The EESC considers that leaving an aspect as crucial as the adoption of a system of penalties to the individual Member State would result in uneven enforcement of the rules.</p>	<p>The Commission takes note of the opinion of the EESC. The Commission would emphasize that the national legal systems are responsible for ensuring effective remedies for breaches of rights under EU law. Member States' market surveillance authorities are responsible for ensuring that market actors respect their obligations. The Commission can take action where it has evidence that those authorities are not adequately enforcing EU rules.</p>
<p>Points 1.10. and 5.3.</p>	<p>Using energy efficient products brings overall savings over the product's</p>

<p>The EESC believes that the EU will have to take action to make high energy efficiency products more readily accessible to the more disadvantaged social groups as a means of tackling the phenomenon of energy poverty.</p>	<p>lifetime, but disadvantaged social groups would not be able to afford investing into more expensive efficient products. While it would be legitimate to contribute to allow their easier access to such products in an effort to fight energy poverty, according to Article 153 of the Treaty on the Functioning of the EU, in the field of combating social exclusion, the EU is entitled to encourage cooperation among Member States and organise exchange of best practice. Otherwise, combating social exclusion is the national competence of the Member States.</p>
<p>Points 1.12. and 5.3.</p> <p>The EESC calls on the EU to take action to prevent any additional costs under the new labelling system from being automatically passed on to retailers or end users.</p>	<p>The Commission has estimated such costs resulting from rescaling and the product registration database to be low, as specified in the explanatory memorandum: 2.5 eurocent per product sold.</p>
<p>Points 1.13. and 5.5.</p> <p>The EESC regrets that there is no ad hoc strategy for online commerce. It is one of the areas where comparability of products, and in particular market surveillance, is the most complex and difficult.</p>	<p>The Commission is addressing this for EU product policy in general by following up on action 12 ('products sold online') of its Communication on 20 actions for safer and compliant products for Europe: a multi-annual Action Plan for the surveillance of products in the EU (COM(2013)76).</p>
<p>Points 1.18. and 5.9.</p> <p>The EESC believes that a single week, at the end of the transition period, does not allow enough time to switch permanently to products labelled under the new system. It therefore requests that the</p>	<p>The Commission takes note of the opinion of the EESC. It is in the consumer's interest to limit the confusion caused when they make comparisons between products bearing old and new labels. The final decision will necessarily be a trade-off between</p>

<p>period be extended to 30 days.</p>	<p>the interest of the consumers and the interest of dealers, and is subject to the outcome of negotiations with the other Institutions.</p>
<p>Points 1.19. and 5.10.</p> <p>The EESC urges the Commission to adopt a more prudent and measured approach to delegated acts. In particular, it hopes that delegated acts will be clearly defined, that scrutiny by the Parliament will be guaranteed and, above all, that the adoption of delegated acts will always be subject to proper consultation and involvement of Member States, the EESC and stakeholders.</p>	<p>The Commission would emphasise that the EESC has a clear role under Article 304 of the Treaty. It must be consulted in the cases defined in the Treaty; the adoption of delegated acts is not one of these cases. Article 290 gives ex-post scrutiny to the European Parliament and Council. A consultation of the EESC would not fit in this scrutiny mechanism. It is unclear which function an EESC opinion on a delegated act could have in this context, in which the European Parliament and Council can – within short deadlines - only decide whether or not to object to the delegated act.</p>
<p>Points 1.21. and 5.13.</p> <p>The EESC considers it crucial that an unequivocal, stable rescaling mechanism be designed so that subsequent rescaling made necessary by technological developments on the market is inexpensive, precise and unambiguous. It would therefore propose rescaling only when products in energy class A represent at least 20 % of the market.</p>	<p>The Commission takes note of the opinion of the EESC. It is in the interest of consumers that labels at all times sufficiently differentiate between products on the market, while it is in the interest of suppliers to avoid too frequent rescaling. The final decision will necessarily be a trade-off between the interest of the consumers and the interest of suppliers, and is subject to the outcome of negotiations with the other Institutions.</p>

<p>N°4 Launching the public consultation process on a new energy market design COM(2015) 340 final - EESC-2015-05033 - TEN/577 513th Plenary session - January 2016 Rapporteur: Mr Lutz RIBBE (GRIII-DE) DG ENER – Commissioner ARIAS CAÑETE</p>	
<p>Points of the EESC opinion considered essential</p>	<p>Commission position</p>
<p>1.7. The Commission should adapt its own subsidy system and that the ongoing practice of setting prices at national level should be abolished. The Commission has yet to produce a coherent plan for this.</p>	<p>The Commission is working on a review of the Renewables Directive¹ in parallel with the Market Design Initiative; a comprehensive legislative proposal on these issues is announced for the end of 2016.</p>
<p>1.10. The Commission therefore needs to think about the trading system in terms of the desired energy infrastructure required without attempting to make the necessary changes to energy infrastructure compatible with the current trading system. It also needs to consider together with market operators what changes to energy infrastructure and the trading system would create the conditions to bring about a more diverse, flexible, consumer-centred and cost-effective energy system.</p>	<p>The Commission agrees with the identified issues. They are at the heart of the Market Design Initiative, and the Commission intends to address them with its legislative package.</p>
<p>1.12. The Commission has on several occasions underlined the fact that renewable energy still faces obstacles which must be removed and that</p>	<p>The Commission's strategy regarding the current renewables support policy will be presented with the proposal for a reform of the Renewables Directive</p>

¹ 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.

<p>renewable energy sources must be promoted in accordance with the market requirements and on a regional basis. The EESC agrees with this but notes that the extension of the market and reduced regulation will not of itself lead to an increase in renewable energy production. Unfortunately, however, the Communication provides no indication of what exactly the Commission has in mind to address this.</p>	<p>at the end of 2016.</p>
<p>4.4.1. With exchange prices currently at 30 or 40 EUR/MWh, which is of course advantageous for consumers insofar as they are actually passed on to them, investments cannot be re-financed, whether they be in new electricity production capacity or in storage technologies.</p>	<p>The Commission agrees with the observation on the declining average wholesale prices, which constitute a challenge for new energy investments.</p> <p>The Commission, however, wants to put an emphasis on the fact that in a truly flexible market where prices reflect actual scarcity in terms of time and location, average prices may not be the sole relevant factor for new investments. New types of flexible, locally focused generation should be incentivised by clear price signals.</p> <p>The Commission therefore considers the introduction of scarcity pricing as an important element to maintain investment incentives for new and flexible generation.</p>

<p>N°5 Delivering a New Deal for Energy Consumers COM(2015) 339 final – EESC 2015/5067 – TEN/578 513th Plenary Session - January 2016 Rapporteur: Mr Lutz RIBBE (GR III-DE) DG ENER - Commissioner ARIAS CAÑETE</p>	
<p>Points of the EESC opinion considered essential</p>	<p>Commission position</p>
<p>1.2. The obstacles “preventing consumers from self-generation and self-consumption” addressed in the Commission Communication are issues that urgently need to be resolved. Unfortunately, however, the document does not explain in sufficient detail where and how these obstacles arise and what must be done to eliminate them. The Commission should produce a separate document to this end.</p>	<p>As noted by the EESC, obstacles <i>'preventing consumers from self-generation and self-consumption'</i> stop citizens from enjoying the full benefits of the energy transition.</p> <p>The Communication "Delivering a New Deal for Energy Consumers" was published alongside the Commission Staff Working Document on Best Practices on Renewable Energy Self-Consumption. This document describes in more detail the opportunities and challenges for further development of self-generation and self-consumption.</p> <p>Moreover, the recent consultation of a new Renewable Energy Directive for the period after 2020 included a specific question on the barriers for consumers to produce and self-consume their own renewable energy. The results of the consultation will aid the Commission's understanding on the nature and importance of these barriers.</p>
<p>1.5. Demand response will play a central role. To this end, the technical conditions (smart meters, smart grids) must first of all be established on the consumer side and should be understood and financed as part</p>	<p>The Commission fully agrees on the central role that demand response will play in the future consumer-centred energy system.</p>

<p>of grid development.</p>	<p>The Commission also agrees that smart meters and smart grids are fundamental to managing the energy systems more efficiently and to empower consumers.</p>
<p>1.9. The Commission does not adequately define self-production and self-consumption in its Communication. The examples listed show that it has a very limited understanding of the “prosumer approach”. In the EESC’s view, self-production and self-consumption must be interpreted much more broadly than simply self-produced and self-consumed electricity from a private generator behind the meter.</p> <p>1.11. More broadly defined forms of self-production and self-supply that use the public grid – in exchange for a fee, obviously – also enable tenants, smaller businesses or members of co-operatives to play an active and responsible role in the energy market and to earn and/or save money. A narrow definition of the terms self-generation and self-consumption is therefore unjust in social policy terms and economically discriminatory.</p>	<p>The Communication "Delivering a New Deal for Energy Consumers" was published alongside the Staff Working Document on Best Practices on Renewable Energy Self-Consumption.</p> <p>The fast-moving policy environment in relation to self-production and self-consumption led to a variety of uses of these terms across Member States.</p> <p>In the Staff Working Document, the Commission describes the changing landscape of policies and national schemes on small-scale self-consumption of renewable energy. Yet, this focus should not be interpreted to suggest that other forms of self-consumption are to be excluded.</p> <p>The terms self-production and self-consumption, however, have not yet been defined in EU Energy Legislation (e.g. Directive 2009/72/EC or 2009/73/EC, Directive 2009/28/EC)</p>
<p>1.10. Other forms of more broadly defined community prosumer structures are emerging but are being seriously impeded. The implementation of novel business models would enhance the new, active role of consumers and open up completely new opportunities to add value. It is essential that they are taken into account in a “new deal for energy consumers”.</p>	<p>The Communication "Delivering a New Deal for Energy Consumers" recognised the positive impact that collective schemes can have on consumers.</p> <p>More and more consumers engage in collective self-generation and cooperative schemes to better manage their energy consumption. This innovation by consumers is also</p>

resulting in innovation for consumers and opens up new business models.'

The Commission continues investigating to what extent barriers may hamper renewable energy projects at local level. For example, a specific question regarding this topic was included in the latest consultation of a new Renewable Energy Directive for the period after 2020.

<p>N°6 Towards an integrated Strategic Energy Technology (SET) Plan: accelerating the European energy system transformation C(2015) 6317 final – EESC 2015/5124 - TEN/579 514th Plenary Session - February 2016 Rapporteur: Mr Mihai MANOLIU (GRI-RO) DG ENER – Commissioner ARIAS CAÑETE</p>	
<p>Points of the EESC opinion considered essential</p>	<p>Commission position</p>
<p>Point 1.6.</p> <p>The EESC believes that the new energy policy should be based on developing key sectors (established through dialogue and cooperation) for research and innovation, as well as the area of training for the staff that will operate the new technologies.</p>	<p>The EESC recommendation for identification of key sectors in our research and innovation energy policy is in line with the SET Plan goals. Issues like staff training and skills will be addressed in the Skills Agenda Package but also in the Energy Union Research, Innovation and Competitiveness strategy that is currently being developed and foreseen to be adopted by late 2016.</p>
<p>Point 1.7.</p> <p>The EESC believes that in order to respond to the expectations of Europeans, a consistent and holistic approach needs to be taken to the issue of energy, involving cooperation between States and an efficient internal energy market. Massive investments are needed in both technological research and infrastructure; investors need a stable, sound policy framework, shaped by an accurate analysis of development priorities, feasible and available funding opportunities, Europe's industrial competitiveness and, last but not least, the wishes of the public.</p>	<p>Regarding the EESC recommendation on a holistic approach for the needs of the energy system and for European competitiveness issues, the Integrated SET Plan has analysed and acknowledged the importance of those challenges and included them in its 10 proposed actions.</p>

<p>Point 1.8.</p> <p>The SET Plan must be specific and rooted in the real-life situation of Europe. Should new energy technologies give rise to increases in final energy prices, and where such increases are due to political action, the EESC feels that correction can rightfully be expected. There should be stable, practical involvement of consumers; energy poverty should also be combated through social policy measures, education and training.</p>	<p>Both the energy poverty issues and the costs of energy are very crucial in the frame of European energy policies. Innovation breakthroughs in clean technologies supported by the Commission's policy strategy as expressed in the SET Plan could contribute to reducing energy prices in the long term but also addressing energy poverty issues.</p>
<p>Point 1.9.</p> <p>The European experience has shown that the imposition of technologies that produce low-carbon energy, without taking into account the costs and maturity of the technologies, does not produce convincing results; on the contrary, it puts the internal energy market at risk of collapse.</p>	<p>Regarding the EESC recommendation on taking into account the costs for low carbon energy technologies, the 1st and 2nd Actions of the Integrated SET Plan aim at reducing the cost and improve the performance of renewable technologies in order to maintain European industries' leading role.</p>
<p>Point 1.10.</p> <p>The EESC believes that renewable power generation technologies have considerable potential, and can provide solutions that should be supported by means of demonstration projects and the dissemination of success stories. Other low-carbon technologies should also be considered: clean coal technologies, energy storage (including electricity), demand response, carbon and hydrogen use, co-generation, city cooling, and nuclear fission and fusion.</p>	<p>Most of the renewable power generation technologies as well as other low-carbon technologies, that EESC proposes, are addressed in the 10 SET Plan Actions.</p>
<p>Points 1.13. and 1.14.</p> <p>The EESC considers that measures should</p>	<p>The Commission takes note of EESC recommendation to take measures and step-up R&D efforts and investments</p>

<p>be taken to integrate the different ways of generating energy (including those established through technological research) into the energy markets, including with regard to grid connection, balancing and charges.</p> <p>The EESC advocates stepping up investment and R&D in the area of storage. In addition, it calls for better European synergies in this area in order to reduce energy transition costs, guarantee security of supply (European grid interconnection) and make the European economy more competitive.</p>	<p>for technologies that support energy system flexibility (grids, storage) as these technologies are also important priorities for the EU R&I agenda and are addressed under various SET Plan Actions, especially 4 (energy system) and 7 (batteries).</p>
<p>Point 15.</p> <p>In this regard, the EESC highlights the importance of gas in the energy mix and its significance in terms of energy security for Europeans. The EESC calls for storage to be encouraged, so that Member States have joint reserves. The vast potential for improving energy efficiency in buildings and transport should also be tapped.</p>	<p>The new Commission proposal for a revised Security of Gas Supply Regulation deals with issues such as the importance of gas in the energy mix and energy security aspects.</p>
<p>Points 1.16. and 1.17.</p> <p>The EESC believes that consolidating research and innovation funding could generate economic growth and create new jobs in the EU. A new system of energy governance (based on national plans) could ensure consistency in the energy market, with European dialogue an absolute prerequisite.</p> <p>The EESC considers that the added value of the SET Plan will derive from better</p>	<p>The Commission welcomes the EESC recommendation that consolidating research and innovation funding could generate economic growth and create new jobs in the EU. This is fully in line with the EU ambitions through the SET Plan and also the Research, Innovation and Competitiveness strategy that is being developed.</p>

<p>coordination of and a new system of governance for the European energy system; the plan must avoid the earlier duplications and be based on real, transparent data. This plan will consolidate the fundamental cornerstones of Europe: the Community method, European democracy in action, competition, cooperation and solidarity, Europe and global governance.</p>	
<p>Points 3.2. and 3.3.</p> <p>To meet the ambitious objectives of the SET Plan, the EESC considers that the EU has to innovate in terms of how energy is produced and transported, how it is delivered and serviced to customers. Consumers will be centre-staged and supported in a very competitive market industry with considerable technical expertise.</p> <p>New technologies and innovations will be the key to transforming the EU energy system and changing the energy value chain in order to become more flexible, with consumers as active players ("prosumers"), including small producers, with new networks of energy producers, operators and regulators capable of interacting in a complex market. Small producers may have a role to play in the development and deployment of new energy technologies.</p>	<p>The Commission welcomes the EESC recommendation for a consumer-centric energy system. This is fully in line with the EU vision of the future energy system.</p>
<p>Points 3.5. and 3.6.</p> <p>The EESC finds that new business models, schemes to guarantee fair reward of services, and adequate functioning of the energy system will be based on general technology</p>	<p>The Commission agrees with the EESC comment on the importance of developing new business models, new services as well as on the impact of technology progress and smarter</p>

<p>progress in Member States. Deeper understanding of consumers' behaviour will be completed by exchange of information in a transparent, safe and user-friendly manner.</p> <p>The EESC considers that economic stability depends on the resilience of energy systems, which have to be prepared for significant levels of change, as set out in the SET Plan. Security of supply and high quality of services for customers in Member States shall be supported by the development of smarter, more integrated EU energy networks.</p>	<p>networks which will play an important role in the new energy system. The Commission has taken these areas into account in its policy recommendations.</p>
<p>Point 4.4.</p> <p>The EU needs to do more to bring new, high performance low-cost, low-carbon sustainable energy technologies to market, following a transparent assessment of their environmental impact.</p>	<p>The Commission agrees with the EESC conclusion that more should be done to bring new high performance, including low-cost, low-carbon sustainable energy technologies, to market, and with the Integrated SET Plan it aims at strengthening efforts and achieve the desired progress through its innovation policy.</p>
<p>Point 4.5.</p> <p>The EESC considers that R&D activities under the SET Plan should focus on the following specific elements, as pillars of European energy policy:</p> <ul style="list-style-type: none"> – competitiveness: infrastructure and energy networks, the internal market and competitiveness, research and innovation in the energy sector; – security of supply: external energy policy, oil, gas; – climate: energy efficiency, renewable energy, carbon capture and storage (CCS), 	<p>The Commission welcomes the EESC recommendation to focus the SET Plan actions on competitiveness, security and climate related elements as these are in line with the general objectives of the Energy Union Framework Strategy.</p>

<p>the EU emissions trading system (ETS).</p>	
<p>Points 4.6. and 4.7.</p> <p>In the EESC's view, the increasing use of intermittent renewable energy technologies may lead to a significant rise in costs, which, if passed on to consumers, would result in significant price hikes over the next few years, until such systems move to the stage of being manufactured industrially. Moreover, it is inevitable that costs will increase – for a long time and to an ever greater extent – with the inclusion of external costs and the ending of subsidies for fossil fuel-fired power generation.</p> <p>In the EESC's view, industrial competitiveness, energy technology and innovation policy need to deliver rapidly on reducing costs, speeding up the introduction of sustainable technologies to market; not doing so will have direct consequences on private investments and national budgets and result in an economic downturn.</p>	<p>As said in point 1.9., the 1st and 2nd Actions of the Integrated SET Plan focus at reducing the cost and improving the performance of renewable energy technologies aiming at reducing the overall cost of energy delivered to consumers.</p>
<p>Points 4.8.-4.12.</p> <p>The balance between supply, conversion, transport and final use of energy will require the optimisation of the system, the development of new technologies (as set out in the SET Plan) to ensure efficient interaction from various actors and components with a holistic approach and potential synergies between energy networks (electricity, oil, gas, heat and mobility) with a view to completing the internal energy market.</p>	<p>The Commission welcomes the EESC comments which show the importance of an integrated and holistic view towards the energy system of the future with increased balance and flexibility requirements. The Commission is taking into account all available options and tools to facilitate this change.</p>

<p>The role of cities will be more important in decarbonising the EU's economy since urbanisation will continue to rise in the EU. To tackle in an integrated way the common challenges and to improve sustainability it is necessary to foster various stakeholders at local levels, bringing together local authorities, industry and citizens.</p>	
<p>Points 4.13.-4.14.</p> <p>In the EESC's opinion the challenge in Li-ion recycling is mainly economic, as the processes have been developed allowing close-loop recycling, but these processes have to be adapted for recycling of the electric vehicle battery.</p> <p>In the EESC's opinion, the EU battery industry needs to adapt to the recycling industry and face significant development of the e-mobility market and the growing market of portable equipment. The industry relies on the willingness of the EU to adopt the European battery technology.</p>	<p>Regarding the comment on recycling needs especially in the battery sector, the Circular Economy Initiative supports the idea of addressing technologies over their full life-cycle.</p>
<p>Points 4.14.-4.18.</p> <p>In the EESC's opinion, the EU battery industry needs to adapt to the recycling industry and face significant development of the e-mobility market and the growing market of portable equipment. The industry relies on the willingness of the EU to adopt the European battery technology.</p> <p>To improve the EU security of energy supply, a portfolio of sustainable technologies has to be mixed (advanced biofuels, hydrogen and alternative liquids</p>	<p>The SET Plan proposes a wide range of low carbon technologies in which the innovation needs will have to be strengthened, to allow Europe to accelerate its transition to a low carbon energy system, to reassure that there is a higher level of security of supply and to keep its competitiveness position.</p>

and gaseous fuels, including LNG).

The EESC highlights that the EU is home to world leading companies capable of developing low-carbon technologies, including nuclear fission. The EU's energy supply must be competitive and its investments in R&I must encompass the whole technology supply chain from materials to manufacturing.

Despite the growing deployment of renewable energy generation fossil fuels, coal is still used extensively around the world for electricity generation. Despite its low efficiency, coal will continue to be used in the EU's power generation. This will require the deployment of more efficient coal technologies.

The EESC notes that the EU is divided on nuclear power. When it comes to nuclear energy, the EU's policy is anything but unified. Advanced new reactors under construction can lead to a nuclear renaissance, so the nuclear revival seems to be a fact despite brief hesitation. Time will tell as to whether or not the EU can cut back on the share of nuclear power in its energy mix, but so far the wheels are turning. Feedback on operating and compliance costs of the oldest systems would be useful for future policy decisions on nuclear energy.

<p>N°7 Proposal for a Council Directive amending Directive 2006/112/EC on the common system of value added tax, with regard to the duration of the obligation to respect a minimum standard rate COM(2015) 646 final – 2015/0296 (CNS) – ECO/402 514th Plenary Session - February 2016 Rapporteur: Mr Daniel MAREELS (GRI-BE) DG TAXUD – Commissioner MOSCOVICI</p>	
<p>Points of the EESC opinion considered essential</p>	<p>Commission position</p>
<p>1.1. The EESC endorses the proposed directive extending the minimum standard rate for VAT. The minimum will remain at the same level as in previous periods, i.e. 15%, and will be extended for two years as of 2016.</p>	<p>The Commission welcomes the European Economic and Social Committee support to its proposal.</p>
<p>1.4 & 1.6 The EESC reaffirms the need to move towards a definitive VAT regime.</p>	<p>The Commission fully shares this view and notes that the Action Plan for VAT, published by the Commission on 7 April 2016, represents a key milestone to that end.</p>

<p>N°8 The future of the EU Urban Agenda seen from the perspective of civil society (exploratory opinion) EESC 2015/5281 - ECO/386 514th Plenary Session - February 2016 Mr Roman HAKEN (GRIII-CZ) DG REGIO – Commissioner CREȚU</p>	
<p>Points of the EESC opinion considered essential</p>	<p>Commission position</p>
<p>1.6. To ensure effective implementation of the new EU Urban Agenda it is necessary (...) to consider the basic needs of the partners involved and pay attention to capacity-building (mainly for horizontal municipal partnerships). For this, the EESC recommends using the "technical assistance" resources of the European Structural and Investment Funds (ESIF).</p>	<p>The Commission is considering ways to support financially the Partnerships. The one proposed by the EESC is one of them.</p>
<p>1.7. The EESC would like to see clarification of how the thematic partnerships will deal with the issues and challenges of urban development. Horizontal partnerships should be those that implement specific measures in specific urban areas. It is therefore necessary to ensure that good practices are shared through specific events. It is essential that all regions of the EU are equally included (especially in southern and eastern Europe).</p>	<p>The EU Urban Agenda is not implemented solely by the Commission but through a Partnership of equal partners (Member States, cities, etc.). The Commission will indeed promote a balanced representation in the Partnerships and an involvement of a wide range of interested parties (for example, there should be a system enabling to propose contributions).</p>
<p>1.7. The Urban Agenda will have to recognise the relationships between cities and towns and the adjacent/ surrounding peri-urban areas which contribute to urban quality of life. The Urban Agenda should not be in conflict with or limit the development of rural areas.</p>	<p>This is indeed the Commission's position. To ensure that this happens in practice, there is a cross-cutting principle on this issue ("Governance across administrative boundaries and inter-municipal cooperation: urban-rural, urban-urban and cross-border</p>

	cooperation"). The aim is to screen every proposed action against this principle to ensure that it is in line.
1.9. The EESC suggests including Urban Communities and Citizens Participation as a new theme in the Urban Agenda. Cities need a functioning mechanism for strengthening citizens and groups of citizens so that they can be real and solid partners in discussions and implementation of development priorities for their cities and in implementing the Urban Agenda. Only a self-confident and strong community with high social capital will be able to deal with the challenges that are emerging. The EESC is prepared to work on fleshing out this idea.	The current list of Priority Themes may be revised over time.
1.10. Elements such as the UN 2030 Agenda for Sustainable Development, with its 17 Sustainable Development Goals, and in particular Goal 11 ("Make cities and human settlements inclusive, safe, resilient and sustainable") should also be included. The EESC adopted a position on this topic in September 2015 ¹ .	The EU Urban Agenda aims to be coherent and consistent with the global Urban Agenda prepared in the frame of the third United Nations Conference on Housing and Sustainable Urban Development (Habitat III ²) and objectives agreed in the context of the overarching 2030 Agenda for Sustainable Development.
1.10. The EU does not have equal competencies in all policy areas, and its powers in relation to social matters in particular do not seem to be strong enough. It is questionable whether the EU can influence urban development in the social domain or adequately assess the social impact of measures implemented in other	The EU Urban Agenda is a new form of informal multilevel cooperation and non-binding process involving more partners than the EU Institutions. Therefore, the Commission can address a wide range of issues in full respect of the subsidiarity principle.

¹<http://www.eesc.europa.eu/?i=portal.en.press-releases.37475>.

² <https://www.habitat3.org/>.

policy areas.	
<p>1.11. The EESC is interested in becoming a fully-fledged member of the EU Urban Agenda steering group and in participating in Urban Agenda Partnerships. The EESC represents CSOs from all the Member States, organisations which are respected and have expertise, and which can contribute to urban development.</p>	<p>The Pact of Amsterdam foresees that the EESC can take part in the Partnerships and is an observer in the Directorate-General meeting on Urban Matters.</p>
<p>2.2. The EESC suggests adopting more balanced representation in Partnerships. A good example of fair representation is provided by the LEADER Programme, where a maximum of 50% of Partnership members may come from public administration. The EESC recommends much greater involvement of target groups (urban residents). It is important that residents themselves have a greater say in the future of cities. Most of the themes identified cannot be addressed without the commitment of NGOs, social partners and business. All successful examples in Europe have proven to be due largely to the engagement of non-governmental forces and to effective public-private cooperation.</p>	<p><i>Please see the above comment.</i></p>
<p>3.1. It is the right of every EU citizen to know, understand and also influence EU policies. The EESC points out that a partnership should not become a closed shop. The way that partnerships communicate with the outside world is very important. Open public administration communicating with the general public and organisations representing citizens' interests should be a key element of urban development, as it is not possible to achieve strategic goals without the support of local</p>	<p><i>Please see the above comment.</i></p>

<p>citizens and CSOs, and it is important to ensure transparency and effective involvement of stakeholders in the preparation and implementation of the Urban Agenda. Involving people who want to be involved is the best way to win their support for outcomes. The EESC suggests opening an invitation to organisations that might want to share their experiences and ideas on Urban Agenda themes and could join some of the partnership meetings.</p>	
<p>3.4. Action plans should be the subject of open online consultation. This would ensure that all the relevant stakeholders can contribute to their content and that all interests are covered.</p>	<p><i>Please see the above comment,</i></p>

<p>N°9 Annual Growth Survey 2016: Strengthening the recovery and fostering convergence COM(2015) 700 final - COM (2015) 690 final – EESC 2015/6764 – SC/042 514th Plenary Session – February 2016 Rapporteur: Mr Juan MENDOZA CASTRO (GRII-ES) DG EMPL – Commissioner THYSSEN</p>	
<p>Points of the EESC opinion considered essential</p>	<p>Commission position</p>
<p>4.2. The 2016 AGS must be based not on the reiteration of the policy recommendations of previous years but on a real coordinated impetus for growth and employment.</p>	<p>In the 2015 AGS, the Commission set out its strategy to boost jobs and growth based on three pillars: a boost to investment, structural reforms and fiscal responsibility. These broad priorities remain valid for the 2016 AGS, with a greater focus on employment and social challenges. The AGS also focused on setting the recovery on a sustainable path, unlocking investment, strengthening the adjustment capacity of Member States, fostering productivity and accelerating convergence.</p>
<p>5.1. The 2016 AGS must place more emphasis on strengthening governance in order to effectively carry out the major European policies on market integration and modernising the economy.</p>	<p>Following up on the Five Presidents' Report on deepening EMU, the Commission presented in October 2015 a set of proposals to revamp the European Semester and improve the toolbox of economic governance. The 2016 European Semester already incorporates these proposals, which include a better integration of the euro area and national dimensions, a stronger focus on employment and social performance, in particular by adding three employment indicators to</p>

	<p>the scoreboard of the Alert Mechanism Report underpinning the Macroeconomic Imbalance Procedure, greater attention to social fairness of macroeconomic adjustment programmes and strengthened role of social partners – the promotion of convergence by benchmarking and pursuing best practices and more focused support to reforms through EU funds and technical assistance.</p>
<p>5.3. The EU will have to extend its planning horizon to at least 2030 in order to implement the SDGs.</p>	<p>The EU has been instrumental in shaping the United Nations' 2030 Agenda including the 17 Sustainable Development Goals (SDGs). Many of the Agenda's goals and targets are closely linked to EU policies, the ten priorities of the Commission and the Europe 2020 strategy. A public consultation was launched between May and August 2016 to inform the planned update of the Consensus on Development at EU level, which would be an essential element to shape EU policies and cooperation with partner countries to promote progress towards the SDGs. The Commission will also present a Communication which will reflect the significance of the SDGs for Europe and explain how the EU contributes to the SDGs. It will show the coherence between the internal and external EU policies and map out EU policies contributing to the implementation of the SDGs. This Communication will be presented later in 2016.</p>
<p>7.4. The call for immediate action to tackle long term unemployment, youth</p>	<p>The Commission stresses the importance of implementing the</p>

<p>unemployment and the situation of NEETs.</p>	<p>Council Recommendation on long-term unemployment adopted in December 2015 and reducing youth unemployment and enhancing the labour market integration of NEETs in line with the Youth Guarantee (following the Council Recommendation adopted in April 2013). Employment, education and social issues are also covered, as appropriate, by the 2016 country-specific recommendations presented on 18 May 2016 by the Commission¹.</p>
<p>7.6. The Europe 2020 poverty target</p>	<p>The prolonged crisis exacerbated the existing social challenges, poverty, exclusion and inequality. As a result, instead of progressing, the Europe 2020 poverty target has drifted away. However, there are now signs of stabilisation. The Commission has already put fairness at the core of its agenda. Further efforts are needed in order to make real progress.</p>
<p>7.7. The EESC regrets that the AGS 2016 does not include proposals to tackle the underrepresentation of women in the labour market and the call for the Commission to put forward a general strategy for gender equality.</p>	<p>The Annual Growth Survey recognises the problem of the gender gap in terms of employment rate. Member States should have a comprehensive approach to improving the work-life balance, including through care facilities, leave and flexible working time arrangements, as well as tax and benefit systems free of disincentives for second earners to work or to work more. Particular attention is needed to single parents and people with caring</p>

¹ http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index_en.htm.

	responsibilities.
8.4.1. The call to change the direction of austerity policy towards greater commitment to growth policies.	The responsible fiscal policies are still needed to secure long term sustainability of public finances and to address the legacy of the crisis. The 2016 AGS underlines the need to focus also on composition of fiscal strategies and to further prioritise growth-friendly expenditure and preserve productive public investment. On the revenue side, it is important to ensure efficient and growth-friendly tax systems. This is also reflected in the 2016 country-specific recommendations.
8.4.3. The call to publicise the EFSI's funding opportunities more widely.	The agreement on the management of the European Fund for Strategic Investments (EFSI) and on the granting of the EU guarantee between the European Investment Bank (EIB) and the Commission sets out, in Article 30, an EFSI communication strategy. This strategy provides that the Commission and the EIB shall establish a joint communication framework to ensure that stakeholders have all necessary information on the functioning of EFSI and on how to engage with EFSI; ensure broad public access to information about EFSI's performance and results, contributing to its accountability and the understanding of its impact; and create support for the initiative by ensuring EFSI objectives are known, understood and shared by the largest possible number of stakeholders and by the general public. The Commission and the EIB have since agreed on such a joint framework.

	<p>Moreover, as outlined in the same agreement, the EIB's website has a section dedicated to EFSI where, in particular, details on application procedures are explained.</p> <p>http://ec.europa.eu/growth/industry/innovation/funding/efsi/index_en.htm.</p> <p>http://www.eib.org/efsi.</p>
<p>8.4.5. The consideration that the Capital Markets Union should see the facilitation of SMEs' access to finance as one of its key objectives.</p>	<p>While the overall credit conditions are improving in the EU, many European SMEs are struggling to get funding, particularly in those countries worst hit by the crisis. This is why the Commission puts a strong emphasis on the fact that a Capital Markets Union should help SMEs gain improved access to finance. It should also help businesses to tap into more diverse sources of funding from investors in the EU and all over the world.</p>
<p>8.5.3. The consideration that flexicurity does not mean unilateral and illegitimate reduction of workers' rights but rather the design of labour law, job protection systems and, together with the social partners, collective bargaining practices, with a view to ensuring an optimal balance between flexibility and security for all employment relationships and providing adequate security for workers under all forms of contracts in order to tackle segmented labour markets</p>	<p>The Commission agrees that a comprehensive approach to flexicurity requires achieving a balance between the flexibility and security components, and the 2016 AGS is clear about the importance of both pillars. The Commission underlines that this approach will only be successful if based on strong involvement of social partners.</p>
<p>8.5.6. The EESC regrets that the Commission seems to have abandoned "greening the European Semester", and calls on the Commission to pay attention to</p>	<p>Already in the 2015 Semester round, the Commission introduced greater focus by significantly decreasing the number of recommendations, only</p>

<p>the transition to a low carbon and circular economy.</p>	<p>covering key priority issues of macro-economic and social relevance that require Member States' attention in the following 12 to 18 months. This streamlining and focus on the most pressing challenges for Member States continued during the 2016 European Semester. However, the European Semester is not only about the country-specific recommendations. The Country Reports continue to take a holistic approach, covering a broader range of topics with economic relevance for the Member States, including energy and environmental topics. Many of these issues will also be taken up via other policy processes, including in the context of the Energy Union.</p>
<p>9.3.3. The call on the Commission and other EU Institutions to actively support the governments of the Member States so as to provide proper conditions and prospects for integrating the relocated asylum applicants. The call to clarify, inter alia, that expenditure incurred by the Member States in receiving and integrating asylum-seekers and refugees is not long-term, structural expenditure and should not, therefore, be included in the calculation of structural budget deficits.</p>	<p>The Commission is applying flexibility under the Stability and Growth Pact to cater for the refugee-related costs under the 'unusual event' clause. The Commission is assessing the concerned amounts, on the basis of sufficiently detailed data provided by the authorities of the concerned Member States in their Stability Programmes. These costs have to be directly linked to the inflow of refugees and be net of any targeted contribution from the EU budget. The allowances granted under the 'unusual event' clause only allow for a temporary deviation and not a permanent one. At this stage, the 'unusual event' concerns the years 2015 and 2016. The costs are the incremental costs incurred in these years compared to the previous year, in order to ensure consistency with the</p>

	<p>framework which is based on the change in the structural balance. The Commission is making a final assessment on a case by case basis.</p>
<p>9.4.2. The consideration that NRPs must include forums for discussion, especially economic and social councils.</p>	<p>In its October 2015 proposals to deepen EMU, the Commission indicated that Member States should pay greater attention to the contribution of social partners in the European Semester, and in particular encouraged their stronger involvement in the elaboration of National Reform Programmes (NRPs). The Commission is working to strengthen consultation and dialogue with national social partners at key milestones of the Semester. In particular, in its guidance to Member States for the preparation of the national reform programmes, the Commission encouraged a stronger involvement of social partners in the elaboration of the programmes and asked Member States to report on this. The already well-established involvement at EU level will be continued and possibly enhanced.</p>
<p>9.4.3. The consideration that national competitiveness boards must be fully compatible with free collective bargaining and the social partners' existing mechanisms for participation and dialogue in each Member State.</p>	<p>In its proposal to establish a system of national Competitiveness Boards, the Commission made clear that such boards should not interfere with the wage setting process and the role of social partners at national level and do not aim to harmonise national wage-setting systems.</p>

<p>N°10 Fighting poverty (exploratory opinion) EESC 2015/6663 - SOC/530 514th Plenary Session - February 2016 Rapporteur: Mr Seamus BOLAND (GR11-IE) Corapporteur: Ms Marjolijn BULK (GR11-NL) DG EMPL – Commissioner THYSSEN</p>	
<p>Points of the EESC opinion considered essential</p>	<p>Commission position</p>
<p>1.7. and 5.7: The EESC recommends that the European Semester take the Europe 2020 poverty reduction target fully into account and that this issue be systematically addressed throughout the process, starting with the Annual Growth Survey (AGS), followed by the National Reform Programmes (NRPs) and ending with the Country Specific Recommendations (CSRs), through (1) specific poverty alleviation measures, (2) comparable indicators for the state of poverty and for policy effectiveness, and (3) mandatory social impact assessments of all reform agendas proposed by the NRPs and CSRs.</p>	<p>In the revamped European Semester, the Commission has deepened the analysis of employment and social performances, including poverty developments. Both the 2016 AGS and the Joint Employment Report pay close attention to poverty issues, and in particular, the AGS stresses the importance of more effective social protection systems. In the context of the European Semester, the Commission has recommended Member States to take steps in this direction in order to tackle poverty and social exclusion.</p> <p>The new integrated Guidelines on Better Regulation confirm the importance of a careful consideration of economic, social and environmental impact in all of the main Commission activities. In line with this requirement, a social impact assessment of the new stability support programme for Greece was published in August 2015.</p>
<p>1.8. The EESC calls, particularly in connection with combating poverty, for a move away from EU economic policies which continue to be only austerity-orientated.</p>	<p>While responsible fiscal policies are necessary to secure sustainability and long term control over deficit and debt levels, the Commission believes that the composition of fiscal strategies should further prioritise growth-friendly</p>

	<p>expenditure and preserve productive public investment. The Commission made this clear in the 2016 AGS. On the revenue side, it is important to ensure efficient, fair and growth-friendly tax systems.</p>
<p>1.12. and 5.5. The EESC strongly encourages the Commission to initiate a separate process for improving EU and national statistics on poverty and inequality, which should lead to a more elaborate set of common indicators providing relevant data for national and EU actions, including measures related to the SDGs and the European Semester.</p>	<p>Improving social statistics is high on the Commission agenda. Indicators on income and living conditions and social protection will be reinforced. In its 2016 work programme, EUROSTAT planned the re-design of the Statistics on Income and Living Conditions (SILC), including timeliness and more robust data on poverty and inequalities, better regional coverage, development on revised material deprivation, methodologies for advanced estimations of the risk of poverty and better integration of income, consumption and wealth statistics.</p>
<p>1.13. The EESC reiterates its proposal to introduce an adequate minimum income at EU level.</p>	<p>The EU has no competence to adopt legislative measures introducing a minimum income at EU level. As minimum income schemes aim at combating poverty and social exclusion, they fall in the remit of Article 153(1)(j) of the Treaty on the Functioning of the European Union (TFEU) and therefore the legal basis for the adoption of measures in this field is Article 153(2)(a) TFEU, which only allows for the adoption of <i>“measures designed to encourage cooperation between Member States through initiatives aimed at improving knowledge, developing exchanges of information and best practices, promoting innovative approaches and evaluating experiences, excluding any harmonisation of the laws and regulations of the Member</i></p>

	<p><i>States”.</i></p> <p>The Commission has undertaken activities to support Member States in developing adequate levels of minimum income.</p> <p>This includes providing guidance and issuing country specific recommendations in the context of the European Semester.</p> <p>The Commission is also implementing a pilot project to promote a minimum income network, mutual learning and transfers of good practice as well as a project to develop a common methodology for reference budgets; this will serve as a means of helping both Member States to design efficient and adequate income support and the Commission to monitor the adequacy of income support in Europe.</p>
<p>1.14., 4.4 and 5.9. The EESC asks the Commission to push for measures for preventing and fighting against over-indebtedness at EU level and especially against irresponsible extended credit and usury.</p>	<p>Prevention and treatment of financial exclusion and over-indebtedness are regarded as a major element of the fight against social exclusion and poverty.</p> <p>Over-indebtedness and the important role of financial literacy have been two of the main areas of research and mutual learning of European projects financed with the help of PROGRESS. Partnerships between public authorities and financial service providers have become stronger; the creation of reference networks (such as the European Financial Inclusion Network or the European Microfinance Network) has been facilitated. A number of microcredit providers have signed contracts under the PROGRESS Microfinance Facility targeting in particular those on low-income, migrants or ethnic minorities who are often amongst those financially</p>

	<p>excluded in our society.</p> <p>A "Directive on the transparency and comparability of payment account fees, payment account switching and access to a basic payment account" was adopted in July 2014 with a view to taking into account the needs of more vulnerable consumers.</p> <p>Facilitating access to essential services (including financial services) is recognised as one of the principles of the European Pillar of Social Rights adopted by the Commission on 8 March 2016.</p>
<p>1.15. The EESC calls on the Commission to propose, without delay, new guidelines for consulting stakeholders in the social field, allowing them to provide input in a structured way as part to the European Semester, at all stages of the process, namely during: design, delivery and evaluation.</p>	<p>Consultations with stakeholders, in particular with social partners, are being enhanced in the context of the revamped European Semester. The Commission, in line with the new start for social dialogue, is working to strengthen consultation and dialogue with national social partners. The already well-established involvement at EU level will be continued and possibly enhanced (see also replies to 6.1. and 6.3.).</p>
<p>1.16. and 5.10. The EESC asks the Commission to urgently consult Member States and stakeholders to find out whether the decision to earmark 20% of the European Social Fund (ESF) to promote social inclusion and fight poverty is being effectively implemented.</p>	<p>According to the latest available figures, 25.6% of the ESF has been earmarked to promoting social inclusion, combating poverty and any discrimination. Monitoring of the progress in Member States in achieving this objective is a part of the general performance assessment of the European Structural and Investment Funds (ESIF).</p> <p>The Commission also ensures that Member States focus their interventions on challenges identified in the country-specific recommendations, e.g. in the</p>

	<p>areas of social services, healthcare systems, long-term care services as well as Roma inclusion. The Commission is also closely monitoring the fulfilment of the ex-ante conditionality on poverty reduction which requires Member States to set up and implement a national strategic policy framework for poverty reduction.</p>
<p>1.17. and 3.9. and appendix: The EESC strongly encourages the Commission to include principles for more effective and reliable social standards and systems in the announced European Pillar of Social Rights and to make fighting poverty and social exclusion one of the major components of that pillar. The Commission, when proposing measures under the European Pillar of Social Rights, should take into account the different levels of socio-economic developments of the individual Member States and pay attention to the possible consequences, especially of raising social standards, on employment levels and the risk of poverty and social exclusion in these countries.</p>	<p>The Communication on the European Pillar of Social Rights has launched a broad public consultation on the function of the Pillar and the principles it should contain. The draft outline of the Pillar has a strong focus on fighting poverty and social exclusion, and sets out principles to ensure access to adequate social protection, including minimum income, social housing, and activating and enabling benefits and services.</p> <p>While acknowledging that situations differ widely across Member States and that there is no "one size fits all" approach, the Pillar builds on common values and principles shared at national, European and international levels. While focusing on the Euro area, the Pillar will remain open to all Member States wishing to join.</p>
<p>3.6. In-work poverty in particular is on the rise. The Commission should evaluate the impact on rising levels of in-work poverty of recent reform measures taken to boost employment by liberalising labour relations.</p>	<p>The Commission is concerned about the rise of in-work poverty in the EU, and especially the sharp increase in 2014 compared with 2013. A key challenge for Member States is to establish minimum wages that enable a decent standard of living while not discouraging recruitment of the least skilled. Therefore, one of the principles of the Communication on the European Pillar of Social Rights</p>

	<p>published by the Commission on 8 March 2016 is setting minimum wages through a transparent and predictable mechanism, maintaining employment prospects for the low skilled and making work pay for the unemployed and inactive. Maintaining an evolution of wages in line with productivity, in consultation with the social partners and in accordance with national practices, has proven crucial for competitiveness.</p>
<p>5.2. The EMCO and SPC committees should continue to play an active role in assessing national reforms as part of the European Semester process, but should progressively start consulting relevant European stakeholders at EU level.</p>	<p>The Commission welcomes the active involvement of EMCO and SPC, in line with their Treaty mandate to monitor the employment and social protection situation and policies in the Member States and the Union (as per Article 150 and 160 TFEU). Both committees are engaged in providing multilateral surveillance analysis in the framework of the European Semester examination of the implementation of the country-specific recommendations. The committees also prepare the EPSCO Council's adoption of country-specific recommendations covering employment and social affairs under all relevant legal bases and in particular under Article 148 TFEU. In the preparation of the Semester, joint meetings are held with the Economic Policy Committee, the Education Committee and the Council Working Party on Public Health at Senior Level to discuss issues that cut across the competences of the respective Committees and therefore require joint decisions. EMCO also seeks the advice of the European Network of PES on relevant aspects of the CSRs.</p>

	<p>In addition, EMCO and SPC also meet regularly with the Social Partners (trade unions and employers) and with civil society organisations at EU level (such as the Social Platform and the European Anti-Poverty Network) in order to exchange views on issues of common interest and to share their input with all the members of the two committees.</p>
<p>6.1. and 6.3. One of the flagship initiatives of the Europe 2020 strategy, the European Social Platform against poverty and social exclusion (EPAP), was created as a broad umbrella, covering a wide range of policies to help reach the European poverty target. It should have had provided the basis for a joint commitment between national governments, EU institutions and key stakeholders to fight poverty and social exclusion, but so far it has merely been a platform for discussion and has not produced tangible results in relation to reaching the poverty target. The Council and the Commission should reflect on ways to empower it as a platform to support good practices in the fight against poverty and to ensure that it is directly linked to the main EU processes – e.g. the European Semester and the Europe 2020 strategy.</p>	<p>In the Communication 'Taking stock of the Europe 2020 Strategy'¹ the Commission concluded that the EPAP provided mixed results. The main shortcomings were limited visibility, lack of coherence and insufficient involvement of stakeholders and civil society.</p> <p>In October 2015, the Commission launched a revised approach to its civil dialogue in the area of social and employment policies, with an overall focus on inclusive growth.</p> <p>The dialogue is now more focused on the political priorities of the Commission, timelier and more output-oriented with a new format: an Annual Convention for Inclusive Growth (ACIG) preceded by a series of Strategic Dialogue meetings. The increased focus on the political priorities of the Commission is a way to involve civil society at an earlier stage and more actively in the discussions and policy processes, and to take stock of their expertise and feedback in preparing initiatives and proposals. The first ACIG</p>

¹ COM(2014) 130 final.

	<p>was organised on 21 March 2016, and focused on social rights, with the recently launched consultation on the European Pillar of Social Rights.</p>
<p>6.4. Equally, there is need to engage with those experiencing poverty in order to listen to their voices and to counter large-scale disaffection, particularly among young people, from the EU. The EAPN annual meetings of people who have first-hand experience of poverty are an example of good practice. The EESC calls on the Commission to ensure that these meetings continue to be financially supported and be integrated into the consultation process on progress made towards meeting the poverty target as part of the European Semester. Moreover, these meetings should also take place at national level.</p>	<p>The Commission has been supporting the organisation of meetings with people experiencing poverty since 2001. The last meeting took place in November 2015. It aimed at consulting people experiencing poverty on how to foster upward social convergence in Europe and strengthen participation of people experiencing poverty in policies that affect them.</p> <p>This approach is now fully integrated in the new format of the civil dialogue, and its results will feed into one of the workshops of the 2016 ACIG.</p>

<p>N°11 EU Enlargement Strategy COM(2015) 611 final – EESC 2016/0255 - REX/453 514th Plenary Session - February 2016 Rapporteur: Mr Ionuț SIBIAN (GR11-RO) DG NEAR – Commissioner HAHN</p>	
<p>Points of the EESC opinion considered essential</p>	<p>Commission position</p>
<p>1.1. The European Economic and Social Committee (EESC) supports the particular emphasis placed by the Commission on the fundamentals in the accession process, with the need for enlargement countries to prioritise reforms in the rule of law, fundamental rights, functioning of democratic institutions (including election system reform and public administration reform), economic development and strengthening competitiveness. In monitoring progress, special attention should be paid to civil society’s warnings against political actions and developments that negatively affect rule of law and democratic standards.</p> <p>1.2. The EESC strongly encourages the Commission to retain the quality of participatory democracy as one of the core political criteria to be assessed. Decisive action should be further undertaken to ensure systemic work to build effective, fully operational institutions with meaningful participation by civil society organisations (CSOs).</p>	<p>As highlighted in the Enlargement Strategy, enlargement policy remains focused on the "fundamentals first" principle. Core issues of the rule of law, fundamental rights, strengthening democratic institutions, as well as economic development and competitiveness remain key priorities in the enlargement process. Properly addressing the fundamentals is key to meeting the Copenhagen and Madrid membership criteria. It will also help ensure both the future and current Member States can fully reap the benefits of future EU enlargement.</p> <p>A stronger role for civil society organisations (CSOs) and a much more supportive and enabling environment to foster their development is needed in the enlargement countries. This is necessary to enhance political accountability and promote deeper understanding of accession-related reforms. Therefore, the Commission strongly supports an increased role of civil society organisations, and is providing financial assistance to this end (see also reply to 1.7.).</p>

	<p>The Commission's fundamentals first approach also applies to its reporting, where specific emphasis is given to key areas such as rule of law and the functioning of democratic institutions. Civil society organisations play a key role in the preparation of the Commission's report, as they provide valuable input on the situation on the ground.</p>
<p>1.6. The EESC reiterates the need to increase the transparency and inclusiveness of the whole accession process. The Commission should set an example by facilitating further access to negotiation documents, such as mission reports, expert opinions on national legislation, TAIEX (Technical Assistance and Information Exchange) reports, and publicising the achievements and results of EU financed projects in the region. This will provide a means of raising awareness of the effects of EU assistance and building on experiences already acquired in the region.</p>	<p>The Commission attaches great importance to the transparency of the accession negotiations, including the publication of key documents. Negotiating Frameworks as well as screening reports are systematically made public on the website of DG Neighbourhood and Enlargement Negotiations. This also applies to the guidance communicated to candidate countries as a basis for the action plans for the chapters on the Judiciary and fundamental rights (chapter 23) as well as on Justice, Freedom and Security (chapter 24).</p> <p>As accession negotiations take place in an intergovernmental conference (IGC) context, publication of related documents cannot be decided by the Commission.</p>
<p>1.7. The Commission should provide for a substantial increase in financial support, including from projects under the Civil Society Facility, aiming at strengthening the capacity of civil society organisations (including the development of policy expertise and support to increase monitoring capacity) and promoting the</p>	<p>The Commission is channelling its substantive financial assistance to civil society primarily through the Civil Society Facility (CSF). The aim is to enhance the capacity, accountability and credibility of CSOs, fostering dialogue between CSOs and governments within the region and</p>

<p>professionalism and independence of the media. Regional cooperation and networking should be further supported, capitalising on good experiences that already exist in the region, including instruments to facilitate cooperation and joint work among non-governmental organisations (NGOs) and the social partners (including business organisations), with civic dialogue and the learning perspective as common ground.</p>	<p>promoting CSOs' role in the democratic process. Financial assistance under the Instrument for Pre-Accession Assistance (IPA II, 2014-2020) has been increased with reference to the previous period and the Commission aims to invest almost 3% of the whole envelope for civil society and media. Various funding modalities are being used (such as sub-granting or operating grants) in order to reach out also to grass-roots organisations and smaller CSOs in remote areas.</p>
<p>1.8. Strengthening the social partners' capacity to participate actively in social dialogue should become a priority of EU assistance programmes. Assistance is needed to facilitate their access to financing opportunities and develop their ability to participate effectively in all economic, social and legal issues, including in EU accession negotiations. Their organisational structures, internal communication and capacity to serve their members should be strengthened.</p> <p>2.3. The EESC reaffirms that social dialogue is key for the economic development of the Western Balkans and the EU. The specific challenges faced by the social partners should be considered more systematically and in greater detail in country assessments and reports. Particular attention should be paid to protecting people's employment and social security rights.</p>	<p>The Commission agrees that social dialogue is important for the economic development of the Western Balkans and Turkey and acknowledges the importance of engagement with social partners. Social partners have access to capacity building activities under the Technical Assistance Facility (TACSO) and are eligible for funding under the various calls from the Civil Society Facility. The Commission also encourages a stronger involvement of CSOs, including trade unions and business associations, in the accession negotiations.</p> <p>Social dialogue, employment policy and social security are covered by chapter 19 (Social Policy and Employment) and also reported on under the respective section of the annual reports.</p>
<p>2.1. The EESC acknowledges that the EU's enlargement policy plays a key role in ensuring peace, security and stability in</p>	<p>Enlargement is a strict but fair process built on established criteria and lessons learned from the past. In its 2015</p>

<p>Europe. The 2015 Enlargement Agenda sets out for the first time a medium-term perspective for the policy. Despite the unequivocal message conveyed that none of the enlargement countries will be ready to join the EU during the term-of-office of the current Commission, it is crucial for countries of the Western Balkans to maintain a clear perspective of EU membership, and for their progress and efforts to be measured, monitored and assisted, based on clear benchmarks with a forward-looking outlook as to where the countries want and need to reach.</p>	<p>Enlargement package, the Commission introduced a strengthened approach to its assessments. In addition to reporting on progress, much more emphasis is put on the state of play in the countries and where they stand in terms of preparedness for taking on the obligations of membership. At the same time, the reports provide even clearer guidance for what the countries are expected to do in both the short and long term. This confirms the clear support for the European perspective of the Western Balkans.</p>
<p>2.2. The inclusion of civil society in a separate section within the political criteria of the country reports and, to some extent, further mainstreaming of the civil society role in the negotiations chapters represents a positive step. In monitoring the progress and assessing the state of play of the enabling environment for civil society, the Commission should follow closely the integration of its guidelines for EU support to civil society in the enlargement countries. The guidelines should also become a reference and a guide for accession countries themselves.</p>	<p>The Commission reaffirms that the Guidelines for EU support to civil society in enlargement countries (2014-2020) remain a key document for its engagement with and support of CSOs in the enlargement region. The Commission has developed tools to monitor progress with regard to the enabling environment (which includes for instance mechanisms for dialogue and consultation between CSOs and public authorities or the way public funding is distributed) as well as the capacity of CSOs.</p>
<p>2.13. The EU institutions have provided several channels for consultation with civil society in order to collect evidence on the progress of accession-related reforms, including online correspondence, annual civil society consultations in Brussels, in-country meetings, briefings and public events during visits by EU officials. The Commission has also been open to independent monitoring reports prepared by civil society organisations. Yet the</p>	<p>The Commission will explore how it can further strengthen consultations with trade unions and business associations.</p>

<p>Commission has admittedly been much more proactive towards NGOs than towards trade unions and business associations. Hence, the EESC calls on the Commission to improve its approach and take further action, in line with recommendations from the EESC opinion 'Enhancing the Transparency and Inclusiveness of the EU Accession Process' (REX/401).</p>	
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