



European Economic and Social Committee

Brussels, 17 March 2005

**PLENARY ASSEMBLY
ON 9 AND 10 MARCH 2005**

SUMMARY OF OPINIONS ADOPTED

**Full text versions of EESC opinions are available in the official languages on
the Committee's web site at the following address:**

<http://www.esc.eu.int> (Documents)

The plenary assembly was attended by **Ms Mariann Fischer Boel**, member of the European Commission, in connection with the adoption of the opinion on *Support for rural development by the EAFRD*.

1. THE LISBON STRATEGY – ENTREPRENEURSHIP

- ***Multiannual programme for SMEs***

- **Rapporteur:** Mr Pezzini (Employers – IT)

- **References:** COM(2004) 781 final – 2004/0272 COD – CESE 245/2005

- **Key points:**

The EESC believes that it is appropriate for DG Enterprise to begin as soon as possible a series of meetings in the new Member States with representatives of SME organisations from all Member States, with the aim of discussing best practice and focusing on the specific difficulties of the new Member States. This would make it possible to highlight the issues that need to be taken forward under the new framework programme.

The EESC believes that a fourth European conference on micro-, small and medium-sized enterprises could be held during 2006.

The EESC aims to achieve high-quality, practical development policies; it is necessary both to step up the debate among and with those whose lives are directly affected by enterprise issues (employers and workers), and to acknowledge that the problems of micro- and small enterprises are different from those of large enterprises, or, where this is not so, that they have different characteristics. It therefore calls on the Commission to submit a report on this issue to the EESC and the European Parliament.

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- ***Cooperatives***

- **Rapporteur:** Mr Hoffelt (Various Interests – BE)

- **References:** COM(2004) 18 final – CESE 243/2005

- **Key points:**

The EESC supports, in particular, the priority attached to the promotion of cooperative entrepreneurship.

Whilst expressing its support for the thrust of the Commission's Communication, the EESC takes the view that some of the actions should have been defined in more concrete terms and have been based on a predefined timetable. The EESC thus recommends the introduction, as soon as possible, of a monitoring process in respect of the proposed actions, rather than awaiting publication after 2008 of the assessments of these actions, as proposed by the Commission.

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2. THE LISBON STRATEGY - THE ROLE OF THE EIB

- **The Role of the EIB in Public-Private Partnerships (PPP)**
- **Rapporteur:** Mr Levaux (Employers – FR)
- **References:** Own-initiative opinion – CESE 255/2005
- **Key points:**

This opinion draws heavily on a background paper prepared by the EIB for the EESC in July 2004 (*The EIB's role in Public-Private Partnerships (PPPs)*, European Investment Bank, July 2004. This document was prepared for the EESC study group and can be requested by email from the EESC secretariat: eco@esc.eu.int).

PPPs offer the opportunity to capture private sector efficiencies and introduce appropriate risk-sharing mechanisms between the public and private sector.

The EIB requires that all PPP projects supported by it are financially robust, economically and technically viable, meet the Bank's environmental requirements and are competitively tendered in accordance with EU procurement rules. Wherever possible, EIB becomes involved in projects at an early stage.

The EIB's overall experience is that the performance of the projects it has financed has been good. The "EIB has brought significant added value to the PPPs it has financed.

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- **Credit institutions**

- **Rapporteur:** Mr Ravoet (Employers – BE)

- **References:** COM(2004) 486 final – 2004/0155 + 0159 COD – CESE 244/2005

- **Key points:**

The quality of the draft legislation reflects the unprecedented level of consultation, including participation in the Basel Committee's impact studies, carried out by the Commission during the process of converting the Basel rules into the EU law. The EESC commends this development and urges the co-legislators to continue to incorporate the views of market participants in the EU legislative process.

The Committee feels that the emphasis now should be on agreement of a flexible Directive that is consistent with the Basel framework and encourages convergent application across the EU.

It is important that the Directive is agreed relatively quickly. Delayed implementation would put the European banking industry at a competitive disadvantage in the global market. This would not be in the interests of Europe's depositors and borrowers.

The Committee believes that the implementation dates of the Directive should be 1 January 2007, rather than 31 December 2006, for the Standardised Approach and 1 January 2008, rather than 31 December 2007, for the Advanced Approaches. The requirement to implement the Directive on 31 December would result in burdensome reporting requirements.

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3. COHESION POLICY

- **The new Member States and the BEPGs**

- **Rapporteur:** Mr Koulumies (Employers – FI)

- **References:** Own-initiative opinion – CESE 256/2005

- **Key points:**

The economic convergence of the new Member States and the EU-15 has made relatively good progress and the trend is set to continue, although uncertainties surround the future. Under the most likely scenario, the relative advantage of the new Member States vis-à-vis the EU-15 in terms of wages and prices will diminish, but this will take time because of a low starting level.

All the Member States must continue to work for the completion of the internal market, more effective implementation of the Lisbon reforms and improved economic governance. Without these reforms, there is a risk of a decline in economic growth and well-being throughout the EU.

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4. RURAL DEVELOPMENT

- **Rural Development/EAFRD**
- **Rapporteur:** Mr Bros (Various Interests – FR)
- **References:** COM(2004) 490 final – 2004/0161 (COD) – CESE 251/2005
- **Key points:**

The Commission's legislative proposal regarding support for rural development is largely in line with the Salzburg conclusions. The Committee has given much attention to this subject and would like to thank the Commission for the level of dialogue that it maintained with its members. The EESC wishes to stress that:

- The EAFRD cannot, by itself, provide a solution to all the problems of rural development.
- A tie-in with the European Regional Development Fund and the European Social Fund should be examined further.
- To ensure the economic and social sustainability of rural areas, it is necessary to take into account the contribution of the CAP's two pillars to the maintenance and creation of employment in all the EU's regions, particularly through the development of competitive agricultural or non-agricultural activity, based on innovation.

It is for this reason that the Committee asks the Commission and the Council to include the new directions of the CAP in the mid-term assessment of the Lisbon strategy.

The budgetary issue remains at the heart of the questions raised. The Committee believes the Commission's budgetary proposals to be modest and stable (1.24% of GNI). It is this that has led the Committee to take a critical view of the complete integration of NATURA 2000 into the EAFRD, as this would account for almost one half of the EAFRD budget envelope. At the same time, the tripling of the budget envelope for the LEADER approach is rather surprising given the developments in national contributions. The Committee also points out that the Commission's financial proposal represents a minimum basis for discussion, without which the future rural development policy could not form an effective part of the sustainable development strategy or of the Lisbon strategy. The Committee would also like to propose several changes as regards the policy guidelines arising from

the Salzburg conference, such as the maintenance of the link between the 1st and 2nd pillars of the CAP, the principle of subsidiarity in planning measures, and greater simplification of procedures for the final beneficiary. The Committee hopes that it will be closely involved in the decision-making process in the future and during the implementation of this policy in order to give its opinion on the Community's strategic plan and ensure that organised civil society is properly consulted on the development of rural development programmes.

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5. SOCIAL POLICY AND YOUTH

- ***European Social Fund***

- **Rapporteur:** Ms Engelen-Kefer (Employees – DE)

- **References:** COM(2004) 493 final – 2004/0165 COD – CESE 250/2005

- **Key points:**

- The EESC supports the European Commission's proposal to concentrate funding in regions with the weakest economies, benefiting new Member States in particular; the proposed increase in the budget seems appropriate, given that these resources will now have to be shared by 25 Member States.
- The EESC feels that the redefined objectives are appropriate; restructuring of objectives should be beneficial if programming activities are similarly integrated, and regional priorities should be set for ESF employment policy measures, depending on the structure of unemployment.
- Integrating disadvantaged groups should be a priority, using measures to support social assistance, training and work organisation, and the ESF should support measures to help reform education and training systems, particularly with a view to the needs of a knowledge-based society and improvement of their labour market relevance; the EESC welcomes the intention of the Commission to fully integrate the Community Initiative EQUAL into the ESF.
- The EESC doubts whether annual implementation reports, both on the national strategic frame of reference and on each operational programme, are helpful, and recommends instead that national action plans on implementation of the EU employment guidelines are linked to programming requirements for ESF measures to simplify programming.
- The EESC is pleased to note that structural support will continue to be based on the principles of concentration, programme planning, additionality and partnership, but would like there to be greater emphasis on the special role of the social partners in ESF employment measures, and on the need for their involvement at both central and regional levels.

- The Committee is pleased to see that also non-governmental organisations are given access to the financial support and that the Member States and managing authorities for each operational programme should consult non-governmental organisations as appropriate when planning, implementing and monitoring ESF aid.

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- **Youth in action programme 2007-2013**

– **Rapporteur:** Mr Rodriguez Garcia Caro (Employers - ES)

– **References:** COM(2004) 471 final – 2004/0152 COD – CESE 253/2005

– **Key points:**

The Committee is encouraged to note that the text of the proposal includes recommendations expressed in its own-initiative Opinion on the *White paper: youth policy*. As an integral part of European civil society, the Committee acts as a channel of communication between civil society and the European institutions, bringing its experience and knowledge to bear on all actions benefiting EU citizens.

The Committee wishes to highlight one of the recommendations made in the proposal resulting from the interim evaluation of the YOUTH programme. Specifically, the Committee strongly agrees that the new programme, aimed at all youth sectors, should focus particularly on young people with fewer opportunities, in the widest sense of the word. **In this context it is also very important to ensure that resources are distributed equally between young women and young men.**

The extension of the age range of participants, by reducing the lower age limit to 13 and increasing the upper limit to 30, is a noteworthy achievement that is in line with previous recommendations of this Committee. This means opening up the programme to a large section of the population, with 75 million potential participants. The Committee considers that a study should be drawn up to give a clearer picture of this age group (unprecedented in history not only in its diversity, but also in its unity) and thereby underpin the youth programme in the European Union, especially if the latter wishes to follow the recommendations of the High-Level Group on “the future of social policy”, which seek to change the generational pact.

However, the Committee reiterates its suggestion to extend the age for participating in exchange initiatives to 11: although this age group can be considered as pre-adolescent, there is no doubt that learning and the transmission of values are absorbed in specific ways when they take place at an earlier age. This participation should always take place as part of a properly organised scheme and never on an individual basis.

The Committee welcomes the new initiative launched by the Heads of State and Government of France, Germany, Spain and Sweden to sign a Pact for European Youth as part of the Lisbon Strategy, in order to develop new ways of involving young people in politics.

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6. THE EUROPEAN SOCIAL MODEL – AN EXAMPLE TO THE WORLD

- ***The social dimension of globalisation – the EU's policy contribution on extending the benefits to all***

- **Rapporteurs:** Mr Etty (Employees – NL)
Ms Hornung-Draus (Employers– DE)

- **References:** COM(2004) 383 final – CESE 252/2005

- **Key points:**

The EESC underlines the importance of a values-based approach to globalisation in terms of those concepts that constitute the essence of a social market economy. Such aspects are individual responsibility, respect for the rule of law, respect for the individual and property, transparency, integrity, human dignity, equality and freedom, fundamental trade union and workers rights, sound industrial relations and a high level of social protection. These underpin the key elements of the EU approach to globalisation:

- solid institutional structures,
- effective public services and services of general interest,
- strong social and civil dialogue,
- investment in human capital, and
- quality of employment.

The EESC can actively engage in and pursue a policy which can convince governments of the necessity of these elements. If the EU wants to play that role effectively, however, the Commission as well as the Member States will have to look carefully at their own policy coherence in relevant areas.

The Committee notes with interest the Commission's intention to set up new joint mechanisms in bilateral agreements to discuss and monitor relevant aspects for the social dimension of globalisation. Instruments like this can effectively demonstrate the responsible role of free and independent social partners as well as other relevant civil society organisations.

The EESC believes that the success of the Lisbon Strategy is key for the success of a specific EU-policy contribution to the social dimension of globalisation.

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7. TRANSPORT INFRASTRUCTURE

- **Financial aid/TEN - T.E.**
- **Rapporteur:** Mr Ranocchiari (Employers – IT)
- **References:** COM(2004) 475 final – 2004/0154 COD – CESE 257/2005
- **Key points:**

The EESC welcomes the proposal, which essentially incorporates recommendations that the EESC has consistently reiterated in its previous opinions. The EESC calls for a strict and rigorous policy vis-à-vis the Member States (including penalties, even including a recall of funds), in order to ensure that commitments are fulfilled. Nevertheless, the EESC fears that despite the proposed increases the resources available will not always be sufficient to stimulate investment and render the commitments undertaken irreversible. For this reason, it believes that a suggestion put forward in one of its previous opinions to create a European fund for transport infrastructure remains worthy of consideration. It would be funded by a reasonable levy on European fuel consumption in the EU-25 without incurring a corresponding increase in excise tax. A second possibility would be to restrict this proposal to those Member States involved in the TEN-T projects. The EESC also suggests bringing forward the new Regulation's entry into force to the earliest possible date so that work can begin immediately. The Committee welcomes the Commission's proposal to adopt comitology rather than co-decision procedures, to define the application of the rules that will govern the allocation of aid. However, the tasks of the executive agency for the trans-European transport network still need to be clarified.

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- **Financial assistance/Marco Polo II**
- **Rapporteur:** Mr Levaux (Employers – FR)
- **References:** COM(2004) 478 final – 2004/0157 COD – CESE 247/2005
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- *Air traffic controller licence*
- **Rapporteur:** Mr McDonogh (Employers – IE)
- **References:** COM(2004) 473 final – 2004/0146 COD – CESE 246/2005
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8. AGRICULTURE AND FISHERIES

- *TSE amendments*
 - **Rapporteur:** Mr Chiriaco (Employees – IT)
 - **References:** COM(2004) 775 final – 2004/0270 COD – CESE 249/2005
 - **Contact:** *Ms Annika Korzinek*
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 - *Quota system for potato starch*
 - **Rapporteur:** Mr Konstantinidis (Various Interests – CY)
 - **References:** COM(2004) 772 final – 2004/0269 CNS – CESE 248/2005
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