

THE COMMISSION'S FOLLOW UP

TO THE OPINIONS OF THE ECONOMIC AND SOCIAL COMMITTEE

DURING THE SECOND QUARTER OF 2001

(April, May)

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**1. Organised civil society and European governance: the Committee's contribution to the drafting of the White Paper
Own-initiative opinion – ESC 535/2001 - April**

Main points of the ESC Opinion	Commission Position
Consultation of Committee at the earliest possible stage.	Accepted in the framework of the cooperation protocol signed on 24 September 2001.
Provide reasons for not taking the Committee's proposals on board.	Accepted in accordance with Article 11 of the protocol.
The Committee proposed drawing up a list of criteria for representativeness and to take charge of monitoring this.	The Commission expressed an interest but made no commitment.
Contribute to the development of civil dialogue.	The Commission expressed an interest but made no commitment.
All institutions should hold annual conferences.	This point will be taken into account in the context of the negotiations with the other Institutions.
The Committee intends to involve civil society players from the applicant countries in its discussions about Europe's future	The Commission takes note of this suggestion.

2. Preparation of a European Union strategy for Sustainable Development COM (2001) 264 final – May

Main points of the ESC Opinion	Commission Position
<p>0.4 The Committee recommends that a sustained effort be made after the Gothenburg summit to create public awareness, inspire debate at local level, and channel comments and suggestions concerning the development of the Strategy for Sustainable Development.</p>	<p>The Commission is committed to promoting the "ownership" of the sustainable development strategy by society at large through a comprehensive dialogue with its representatives. This will be the purpose of the stakeholder forum with the Commission intends to organise with the Economic and Social Committee, in the second half of 2002, for the first time.</p>
<p>0.7 The Gothenburg summit should, bearing in mind the short time for preparation, focus on setting a number of general objectives and call on the Commission and other relevant bodies to present more concrete proposals.</p>	<p>In Gothenburg, the European Council agreed a strategy for sustainable development, singled out a number of objectives and measures and asked the Council to develop the arrangements for implementing the strategy. The Commission will fully play its part in these developments.</p>
<p>0.8 The Committee stresses the need for all levels of Government to introduce new horizontal structures for planning and monitoring the SDS.</p>	<p>The Commission shares the Committee's concern and expects that it will be taken into account in the national sustainable development strategies which the Gothenburg European Council invited Member States to draw up.</p>
<p>0.11 As part of the SDS there is scope for an active family support policy at national level, creating real economic and social opportunities for parents to combine children <i>and</i> career.</p>	<p>The creation of opportunities to combine the education of children and career is one of the main aims of the European employment strategy and was confirmed in the proposal for employment guidelines which the Commission adopted on 12 September 2001.</p>

<p>0.12 The Committee strongly supports the Kyoto protocol and expects the EU to act forcefully to sustain it as global strategy.</p>	<p>The role of the EU has been central for the success of the recent Bonn conference on the Kyoto protocol and the Commission will see to it that the momentum is kept through ratification of the protocol by the EU and its Member States. The European Commission intends to present a proposal for EU ratification before the end of the year.</p>
<p>3.2.3 It is necessary that the EU take the lead in a global context, in deciding on an SDS and giving inspiration to other countries.</p>	<p>The Commission is convinced that the EU must engage as fully in the Johannesburg Summit as it did in the Bonn conference. The communication which the Commission prepares on the external dimension of SD will express this determination.</p>
<p>6.1.2 One area that is not expressly mentioned is employment, a key issue in the Lisbon strategy.</p>	<p>The communication on a EU strategy for sustainable development makes clear in its annex that employment has an essential role to play in the fight against social exclusion, and in the tackling through active ageing of the consequences of demographic changes. In this spirit, the employment impact of major Community initiatives will be considered, as part of their assessment from a SD perspective which the Commission has announced in its communication on the SD strategy.</p>
<p>6.3.1 The strategy for sustainable development must emphasise the need for policy coherence between a number of EU strategies and programmes.</p>	<p>This coherence will notably be aimed at in the synthesis report to be prepared for each Spring session of the European Council.</p>
<p>6.3.5 This policy coherence must also include indicators for evaluation and follow-up.</p>	<p>The list of indicators on which the synthesis report is based is under revision to cover the whole range of sustainable development priorities.</p>

<p>8.4. The Committee proposes that the EU take special steps to enable candidate countries that so wish to be integrated in the SDS process at an early stage.</p>	<p>The Commission supports this approach. Within the negotiation process, the candidate countries are already invited to develop policies and procedures enabling them to achieve SD results in line with the conclusions of Lisbon and Gothenburg. The national SD strategies which applicant countries are invited (like Member States) to prepare in the run up to the Johannesburg Summit will reinforce this convergence. In addition, social actors of the candidate countries will be invited to take part in the consultation activities foreseen in the context of the EU sustainable development strategy.</p>
<p>9.2 The Committee proposes that its participation in support of the SD strategy be identified in three parts: The Forum role, The Mobilisation role, The quality Watch-dog role.</p>	<p>The Commission welcomes the commitment of the Economic and Social Committee.</p>

3. EU enlargement: the challenge faced by candidate countries of fulfilling the economic criteria for accession
Own-initiative opinion - ESC 528/2000 – April

Main points of the ESC Opinion	Commission Position
Candidate countries should bolster their efforts to incorporate the <i>acquis</i> effectively in their national legislation.	Taken into account of this opinion.
EU support to candidate countries should be made more effective.	The Commission carried out a review of the Phare programme in 2000 with this end in mind. The main challenges identified were 1) to deliver on past reforms and 2) to move to Structural Funds. Both of these will serve to make EU support more effective together with the coming on stream of Ispa and Sapard.
Step up preparations for deeper economic cohesion in an enlarged Union.	Candidate countries need to implement necessary economic reforms; EU support is available now and foreseen after accession.
The opinion tries to define a role for the social partners and the ESC in the enlargement process. In particular, the opinion states that they should be involved in (i) the planning, implementation and monitoring of EU support, (ii) providing training to the candidate countries (with PHARE support), and (iii) the elaboration of the Commission's Regular Reports on candidate countries.	Ad (i) planning, implementation and monitoring of EU support is the responsibility of the Commission. Consultation with other EU institutions is carried out in the usual way. Ad (ii) training is provided to candidate countries as part of overall Institution Building projects. Where appropriate social partners may provide inputs to these projects. In addition Phare finances a "Business Support Programme" which encourages projects that support the participation of Candidate Country businesses and producers in EU-wide structures. Ad (iii) the Regular Reports on candidate countries are elaborated under the responsibility of the Commission.

The opinion welcomes the recent ECOFIN involvement in the enlargement process.	Favourable opinion taken into account.
The opinion recommends that candidate countries should join the ERM2 immediately upon accession.	ERM2 participation needs to be reviewed on a case-by-case basis.

**4. Broad Economic Policy Guidelines 2001
Own-initiative opinion - ESC 727/2001 - May**

Main points of the ESC Opinion	Commission Position
<p>The opinion reviews the 2001 Broad Economic Policy Guidelines (BEPGs) as presented in the Commission recommendation of April 2001. The ESC, by means of this opinion, welcomes the BEPGs, agrees with the general thrust of the policy strategy and commends the Guidelines for early and effective implementation.</p>	<p>The Commission welcomes that the ESC has taken the initiative to review with the BEPGs the central economic policy document of the EU and appreciates that the Committee endorses the policy approach to make the EU the most competitive and dynamic knowledge-based economy by means of stability and growth oriented macroeconomic policies and a broad structural reform process.</p>
<p>3.1, 3.3, 3.4, 7.2 The ESC notes that while the EU economic performance was excellent in 2000, GDP growth has been slowing since last year. It considers the Commission Spring 2001 forecasts over-optimistic and believes that rapid action may be necessary to offset any sudden economic worsening.</p>	<p>The economic forecasts of the Commission services are based on an assessment of the data available up to the cut-off date (Spring 2001: 6 April). While the factors weighing on EU growth were taken into account in the forecast this Spring, it was also clearly said that downside risks pertained so some elements of this assessment. As usual, the BEPGs are drawn up against the economic background of the services' Spring forecast. Obviously, some of the recommendations can be contingent on the evolution in the general economic environment.</p>
<p>5.1, 5.2, 5.5, 7.2 The ESC considers timely adjustments to interest rates as important in EMU, welcomes the recent decision by the ECB to reduce rates and suggests that the Bank maintain a flexible approach to setting rates if the economic outlook deteriorates. The ESC does not question price stability as primary objective of the ECB but believes that the Bank should take a wider view of economic prospects when determining rates.</p>	<p>The Commission considers that monetary policy, in keeping with its mandate, has the capacity to respond swiftly to evolving circumstances. The Treaty assigns as primary objective to maintain price stability and grants the ECB independence from outside instructions in carrying out its tasks. In view of this it is warranted to note that the more the stability task of monetary policy is facilitated by an appropriate fiscal stance, adequate wage developments and enhanced flexibility of markets, the more monetary conditions can be favourable to growth and employment.</p>

<p>3.5, 5.1, 5.6, 6.8.1 The ESC appreciates recent progress with fiscal consolidation and it acknowledges that the rules developed for EMU have brought useful discipline. The Committee notes a slight easing in the 2001 fiscal stance, fortuitously appropriate in view of the economic slowing, but suggests that fiscal easing should not be pursued further in order to secure fiscal positions that allow the free working of automatic stabilisers without coming close to excessive deficits.</p>	<p>The Commission welcomes the support of the ESC for the budgetary framework in EMU. Indeed, this framework aims at securing sound underlying budgetary positions which allow to fully draw on the automatic stabilisers also in periods of slow activity without incurring excessive deficits.</p>
<p>6.8.2.2, 7.5 Moreover, the ESC supports the goal of improving the quality and sustainability of public finances. It acknowledges the benefits of reducing further public debt while stressing that this should not be detrimental to public investment.</p>	<p>The Commission appreciates that the ESC speaks out in favour of an improved quality and sustainability of public finances. The Commission underlines the importance of increasing the efficiency of public spending, its strict control and reorientation towards capital accumulation. Together, this will create room for both progress with a speedy reduction in debt levels and emphasising public investment.</p>
<p>5.8 The ESC expresses satisfaction that recent and expected wage developments are consistent with price stability and job creation.</p>	<p>The Commission is grateful that the ESC speaks out in favour of responsible wage settlements compatible with price stability and conducive to more jobs.</p>
<p>6.2, 6.3, 6.4 The ESC generally agrees with the recommendations for invigorating labour markets, ensuring efficient product markets and promoting the efficiency and integration of EU financial markets.</p>	<p>The Commission appreciates the support of the ESC for the structural reform process.</p>
<p>6.5, 6.6, 6.7, 7.5 The ESC speaks out in favour of moving towards the knowledge-based economy, considers research, education, training and investment as crucial in this respect and expresses concern about the investment rate in the EU. Moreover, it deplores a lack of entrepreneurial activity and it welcomes the proposals to enhance environmental sustainability.</p>	<p>The Commission is pleased that the ESC supports the transition to a knowledge-based economy and is in favour of encouraging entrepreneurship. The Commission agrees that investment, both private and public, is important and would like to point out that the ratio of capital spending over GDP in the EU has already edged higher over recent years, in line with the policy strategy of the BEPGs. The Commission is moreover grateful that the ESC backs its approach to make increased use of market-based instruments in the pursuit of environmental objectives.</p>

<p>6.9 The ESC stresses the importance of demographic trends. It considers that the ageing problem is due to both increased longevity and lower birth rates and argues for a broadly based policy response. Aims include higher employment rates, pension reform and sustainable public finances.</p>	<p>The Commission fully agrees that it is a major challenge to prepare for the consequences of ageing. It appreciates the support of the ESC for its policy proposals in this field while maintaining that one element towards public finance sustainability is a speedy reduction in debt, which need not be at odds with strong public investment.</p>
<p>1.2, 2.1, 2.2, 2.3, 7.3, 7.4, 7.6, 7.7 The ESC underlines the importance of the BEPGs for the formulation and coordination of economic policies in the EU. It stresses that achieving goals requires the implementation of the policy recommendations and urges policy makers to turn words into action.</p>	<p>The Commission appreciates the ESC's positive assessment of the BEPGs procedure. It fully agrees that determined action is necessary to reach ambitious goals. The monitoring activities of the Commission aim at securing action and its annual report on the implementation of the BEPGs of the preceding year, which strengthens also peer pressure, is an instrument to precisely this end.</p>

**5. Proposal for a Directive of the European Parliament and of the Council amending for the 24th time Council Directive 76/76/EEC relating to restrictions on the marketing and use of certain dangerous substances and preparations (pentabromodiphenyl ether)
COM (2001) 12 final – April**

Main points of the ESC Opinion	Commission Position
The Committee agrees with the Commission's proposal.	Favourable opinion taken into account.
Proposes further studies on workers health and consumer safety.	Suggestions taken into account in the framework of forthcoming negotiations with other institutions.
Calls on the Commission to assess whether there is a case for applying the precautionary principle to octabromodiphenyl ether.	Suggestions taken into account in the framework of forthcoming negotiations with other institutions.

6. The craft sector and SMEs in Europe

Own-initiative opinion – ESC 700/2001 - May

Main points of the ESC Opinion	Commission Position
1.3 to 1.15 Definition of small business and lack of statistics on craft firms.	The Commission partly accepts the observations: As indicated in the recommendation of 30 April 1996 ¹ , the Commission considers that the definition of micro-enterprises is a Community matter, but that they “should not be confused with craft enterprises, which will continue to be defined at national level due to their specific characteristics”. However, whilst respecting this principle, the Commission will seek to achieve a balance when revising this recommendation between, on the one hand, a greater degree of accuracy in statistical data, and on the other hand, the concern not to increase the administrative burden on administrations and businesses themselves.
Methodology.	The Commission has asked the Tagliacarne Institute to think about defining a European statistical methodology in order to achieve a better understanding of the reality of craft-type firms. The results of this study will be available at the end of 2001.
7.13 Social dialogue Involve the social partners and develop employee participation by encouraging business-owners to promote guaranteed social standards.	The Commission fully accepts these comments.

¹ OJ L 107, 30.04.96

<p>3.2.2 Legal value of the Charter.</p>	<p>The calls from the ESC and the European Parliament concerning annexing the European Charter for Small Enterprises to the Multiannual Programme for Enterprise and Entrepreneurship, in particular for SMEs (2001-2005) in order to give it legal value, have not been accepted mainly for legal reasons. However, it should be noted that the Council Decision on the mulitannual programme mentions in Article 2(3) that: “by its very nature, this programme shall be used as a means of progressing towards the objectives set by the European Charter for Small Enterprises”.</p> <p>Furthermore the Commission reiterates that progress on achieving these objectives has already been made with the “Best projects” and with the continuous monitoring of the implementation of the “action plan to promote entrepreneurship and competitiveness”.</p>
<p>3.2.3. Abandonment by DG Enterprise of measures for cooperation between companies.</p>	<p>The Commission reiterated that it needed to concentrate its efforts and limited resources on policy development and on identifying and exchanging best practice rather than continuing to manage projects which could be better and more easily organised at national or regional level. With this strategy, the Commission expects to achieve a better analysis, to create greater added value at European level and to have a greater impact with regard to improving the environment of businesses, in particular the smallest ones.</p>

<p>3.2.4. Moves to set up an expert committee on small firms not in keeping with the Charter.</p>	<p>As far as the Commission knows, an “Expert committee on small firms” has not been set up. On the other hand, a large number of members of the Professional Chamber of the Enterprise Policy Group represent the interests of small and medium-sized enterprises and the business world. Furthermore, as well as our permanent contact with such organisations, we have stepped up our dialogue with the organisations concerned by holding regular meetings during which we present and examine together the different issues of our work.</p>
<p>4. Strengthening the competitiveness of small companies and craft firms, particularly by:</p> <ul style="list-style-type: none"> - (4.13) facilitating small companies' access to innovation networks and to Community R&D programmes; - (7.4) a radical review of tax systems and labour costs, especially as regards the period of apprenticeship and/or training. 	<p>The Commission will take account of these suggestions in its subsequent work.</p>
<p>7.14 Monitoring and coordination of measures for small companies.</p>	<p>The Commission fully accepts this comment.</p>
<p>7.15 Setting aside a share of public contracts for small companies.</p>	<p>Rejected.</p> <p>Firstly, introducing a system for setting aside a share of public contracts for small companies might prove to be inefficient from an economic point of view, detrimental in terms of competition, and very expensive in terms of administration.</p>

	<p>Secondly, there is a clear risk that setting aside a share of contracts for small companies would lead to a <i>de facto</i> discriminatory preference, which would be incompatible with Community law. This risk exists because SMEs often concentrate their trading efforts in their home Member State. Consequently, contracts reserved for SMEs could, in practice, only attract SMEs from the Member State of the given contracting authority and would therefore exclude companies from other Member States which might be interested in such contracts.</p> <p>Thirdly, introducing such a system would not be compatible with the European Union's ongoing efforts to persuade other signatories of the Agreement on Government Procurement (GPA) to abolish their quota systems for SMEs. Introducing such a system would not be compatible with the European Union's obligations under this agreement.</p> <p>Finally, it is important to note that in its presentation to the European Parliament on the Commission's proposals on the public procurement directives, UEAPME (the European Association of Craft, Small and Medium-sized Enterprises), the main association for SMEs at European level, announced its scepticism about introducing a specific quota for contracts for SMEs and its refusal to introduce positive discrimination in favour of SMEs in relation to large companies.</p>
<p>5. The financial obstacles to development and innovation facing small businesses and craft firms.</p>	<p>The Commission partly accepts the observations.</p>

<p>5.4, 5.6, 5.9, 7.6, 7.9 and 7.10 Access for small companies to finance and financial instruments; simplification and reduction of the number of financial instruments and the cost of access to these instruments; better information and establishment of guarantees for micro-credit.</p>	<p>The multiannual programme makes explicit reference to micro-credit as a priority sector where there is a recognised weakness in the market and where the aim is to encourage financial intermediaries to be more active [see point 4(a)(ii) of the Annex to the Council Decision]. There is also a focus on the importance of investment in equipment, software and training in the new information technologies as another priority sector where the guarantees would be available.</p> <p>Guarantees for investment in companies in the start-up phase are provided for in the multiannual programme [see point 4(a)(ii) of Annex 1).</p> <p>The multiannual programme specifically provides for the possibility of using part of the budget allocation to provide additional help to financial intermediaries, particularly in terms of micro-credit, in order to partly compensate for the costs involved in processing files.</p> <p>Finally, the Commission will take account of the comments during the current discussions with the European Investment Fund on implementing the financial instruments provided for by the MAP (Multiannual Programme for Enterprise and Entrepreneurship).</p> <p>It should be noted, however, that the desire for simplification does not justify an additional programme being created at Community level in relation to those which are already being implemented.</p>
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6.1.1 Setting up an Academy responsible for monitoring and verifying the implementation of the Charter, and for formulating proposals for practical measures for the effective implementation of the Charter's action lines.

The Commission partly accepts the observations.

The Commission welcomes the interest of all parties concerned and particularly that of the Academy in implementing the European Charter for Small Enterprises. However, it is clearly stated in the Charter that it is up to the Commission and the Member States to implement its recommendations:

“We commit ourselves to progress towards these goals using the open method of co-ordination of national enterprise policies ... We will monitor and evaluate progress annually on the basis of a Commission report on the relevant issues at the spring summits”.

**7. Evaluation Report on motor-vehicle distribution and sales and after-sales service in accordance with Regulation No. 1475/95 (Additional opinion to the opinion on the XXIXth Report on competition policy)
Own-initiative opinion – ESC 722/2001 - May**

Main points of the ESC Opinion	Commission Position
<p>The Committee agrees in the main with the conclusions of the Commission's evaluation report.</p>	<p>The Commission takes note of this position.</p>
<p>The Committee would also like to suggest that the Commission update the Communication on intermediaries and set up guidelines on the use to be made of the Internet by dealers and producers. A further suggestion would be to assess how the Internet - which did not exist when Regulation 1475/95 was prepared - may lead to a different view of a number of elements in the regulation.</p>	<p>The Commission will pay due attention to all of the ESC's suggestions in its current work on a proposal for the future regime for car distribution.</p>

**8. Proposal for a Directive of the European Parliament and of the Council amending Council Directive No. 80/987/EEC on the approximation of the laws of the Member States relating to the protection of employees in the event of the insolvency of their employer
COM (2000) 832 final – May**

Main points of the ESC Opinion	Commission Position
To include in Article 10 of the Directive the possibility for Member States to take measures to avoid abuses in cases of “reconstruction”.	The current Article 10 already allows measures to prevent abuses; it does not seem necessary to specifically mention cases of reconstruction.
To abolish the possibility to exclude domestic servants and share-fishermen (Article 1(3)).	Reservations, pending the outcome of negotiations with the other institutions.
To provide for the possibility for Member States to exclude people who have a dominant influence on the management of the company (Article 1(3)).	Reservations, pending the outcome of negotiations with the other Institutions.
To provide for the possibility to set a ceiling for the guarantee (Article 4(3)).	This point will be taken into account in the context of the negotiations with the other Institutions.

<p>9 Proposal for a Council Regulation amending Regulation (EEC) No. 1696/71 on the common organisation of the market in hops COM (2000) 834 final – April</p>	
<p>Main points of the ESC Opinion</p>	<p>Commission Position</p>
<p>The Committee agrees with the Commission's assessment, which is also that of the producer associations in all hop-growing countries in the EU, that the five-year aid programme has had a decisive, positive impact on improvements in quality and varietal conversion and thus, as a whole, on the stabilisation of hop production in the EU.</p>	<p>The Commission shares this view.</p>
<p>The Committee assumes that due to the high production and market risks, long-term contract production, based on advance contracts usually concluded for five year-periods, will also continue to be of prime importance.</p>	<p>Long-term contracts are compatible with the Commission's proposal, with the aid scheme having an indefinite period.</p>
<p>The Committee recognises that the producer associations, which have benefited from aid, have played an important role over the last five years in improving production. These measures should therefore continue.</p>	<p>The Commission accepts this comment. The role of the producer associations will remain the same.</p>
<p>The Committee wants to maintain aid for hop producers, by extending it for five years.</p>	<p>The Commission partly accepts this, with its initial proposal having been amended to extend aid for a period of three years.</p>

<p>10. Proposal for a Council Regulation amending Regulation (EC) No 1254/1999 on the common organisation of the market in beef and veal COM (2001) 87 final – April</p>	
<p>Main points of the ESC Opinion</p>	<p>Commission Position</p>
<p>The ESC agrees with the Commission on the urgent need for emergency measures to tackle the upheavals on the beef and veal market brought about by the BSE crisis.</p>	<p>The Commission takes note of the ESC's view.</p>
<p>The ESC supports appropriate measures designed to remedy this situation in the short term and to restore the markets to balance in the medium term. National aid schemes must not trigger new distortions in competition or even trends towards a "renationalisation" of the Common Agricultural Policy.</p>	<p>The Commission takes note of the ESC's support and in particular its concern about the effects of aid measures in terms of competition and "renationalisation" of the CAP.</p>
<p>In the ESC's view the BSE crisis poses a threat to the existence of both small and large enterprises irrespective of the farming method employed. Steps should therefore be taken to ensure that the proposals do not result in further loss of income for particular farms and regions. The necessary measures should also be taken so that the Community's efforts are not reduced to nothing by increased imports.</p>	<p>The Commission takes note of the ESC's view.</p>

<p>The ESC is critical of the fact that the proposals contain no incentives to reduce the supply of beef and veal by lowering carcass weights.</p>	<p>The Commission has not included such a measure in its proposals as it considers that establishing a link between the premium for slaughtering adults and a maximum weight would be very complicated: the maximum weight should be different according to the Member States, the categories of animal and even according to race. This would give an advantage to dairy breeds as these animals are lighter than meat breeds. Given that many animals are cross-bred, and that breed is not information which can be controlled at the abattoir, the system would not be viable. In terms of veal, the early marketing premium has the disadvantage of giving a premium for animals which would have been lighter than the limit even without a premium. For this reason, this measure has been criticised by the Court of Auditors.</p>
<p>The ESC requests the Commission to back up the supply-side measures by additional and more pro-active demand-side measures. The wide-ranging consumer protection measures should go hand in hand with the substantial stepping-up of an information and communication campaign.</p>	<p>The Commission reiterates that the means to achieve the objectives set out in the Committee's opinion already exist. Council Regulation (EC) No 2826/2000 provides that the Member States submit proposals for national information campaigns to the Commission, which approves or rejects them. On the basis of this Regulation, the Commission recently adopted a regulation (being published) which provides for specific measures on communication in the beef sector, and departs from existing provisions, in particular by extending their scope, and adapting the procedure for approving programmes and the rules on financing.</p>
<p>The Committee warns against any return to permanent intervention in the beef sector. In the light of the current extreme market disruptions, it considers that the proposal that the intervention ceiling of 350,000 t set out in Agenda 2000 be temporarily repealed is the right course of action.</p>	<p>The Commission takes note of the ESC's support concerning the temporary repeal of the quantitative limit on buying-in and reiterates that its proposal on this issue provides for a time-limited measure.</p>

<p>11. Proposal for a Council Regulation amending Regulation (EC) No. 1251/1999 establishing a support system for producers of certain arable crops COM (2001) 87 final – April</p>	
<p>Main points of the ESC Opinion</p>	<p>Commission Position</p>
<p>The ESC considers that this proposal is positive but that it is grossly inadequate and deals only partially with the problem.</p>	<p>Rejected. The Commission communication to the Council and Parliament concerning the supply of protein clearly explains the limits of the additional measures.</p>
<p>The ESC asks that the amendment of the Regulation should not be reserved for organic production alone, so that all farmers can develop environmentally friendly practices, and suggests that the proposal be extended to seed legumes and protein crops not covered by the Blair House agreements.</p>	<p>Rejected due to:</p> <ul style="list-style-type: none"> - the depreciation of set-aside; - the environmental risk; - the risk of burdening the WTO negotiations.
<p>The temporary ban on the use of meat meal in animal feed heightens the need to analyse in depth the EU's situation of dependence in the field of vegetable proteins and seek sustainable and suitable solutions. The ESC wishes to be consulted on this subject, which is of concern both to farmers and consumers.</p>	<p>The Commission presented its analysis in its report COM(2001) 148/2 final.</p>

<p>12. Commission Report to the Council and the European Parliament on the quality strategy for olive oil - Proposal for a Council Regulation amending Regulations No. 136/66/EEC and (EC) No. 1638/98 as regards the extension of the period of validity of the aid scheme and the quality strategy for olive oil COM (2000) 855 final – May</p>	
<p>Main points of the ESC Opinion</p>	<p>Commission Position</p>
<p>In terms of the operational conclusions of the report, the ESC is pleased that the Commission acknowledges the enormous promotional and research work being carried out by the IOOC, but regrets that this is not reflected more widely in areas such as promotion in the internal market, and that its “research” budget has not been increased.</p>	<p>Promotion in the internal market: a promotion campaign is currently under way. A new regulation on promotion also includes the olive oil sector. However, it is institutionally difficult to use an international body to manage an action financed by the EU within the EU.</p>
<p>The ESC proposes that, in the light of the IOOC's international experience and given the huge importance which a change of designation can have for the promotion of olive oil, the ESC proposes that the body's views should be heard before making any such changes.</p>	<p>There is already dialogue between the EU and the IOOC, and in any case the Community and IOOC rules will need to be harmonised for the Codex meeting in 2003.</p>
<p>Following a one-year transitional period, labelling will have to comply with the specifications arising from the CMO applicable with effect from 1 November 2001. The same period should be set for making it compulsory to retail olive oil in containers with a capacity of 5 L or less, which are hermetically sealed and single-use.</p>	<p>The Commission will make proposals on this point before the end of 2001.</p>

<p>With regard to the proposed regulation, the ESC approves of the Commission's intention to extend the current CMO for two additional marketing years. However, certain instruments such as private storage, which have been revealed as ineffective in periods of low market prices, must be corrected.</p>	<p>The effectiveness of private storage is not subject to the instruments in place but to the wish of operators to immobilise their stocks for a relatively long period. The Council did not want to amend the existing instruments.</p>
<p>The ESC supports the Commission's intention to ensure that consumers are better informed about olive oil as part of a strategy on quality. A start should be made on these approaches in the near future: there is no need to wait a further two marketing years to implement them.</p>	<p>The strategy quality consists of a body of regulations which is (largely) independent of the deadlines set by the Council on the CMO reform.</p>
<p>The ESC advocates stepping up research in the sector with a view to obtaining higher quality oils and boosting exports.</p>	<p>The Commission shares the ESC's view.</p>
<p>It is essential, in the ESC's view, to continue and intensify the EU's promotion policy, in terms of both market regulation and increasing olive oil exports.</p>	<p>The Commission shares the ESC's view.</p>

<p>13. Report from the Commission to the Council on the state of implementation of Regulation (EC) No. 2200/96 on the common organisation of the market in fruit and vegetables COM (2001) 36 final – May</p>	
<p>Main points of the ESC Opinion</p>	<p>Commission Position</p>
<p>The Committee acknowledges the Commission's efforts to describe the current situation of the sector and considers the report acceptable as an information document. However, it questions its usefulness as the basis for a coherent discussion of the sector's problems and for possible legislation to improve the CMO.</p>	<p>As indicated in the foreword to its report, the Commission recognises that this is only “a first step in answering the Council’s request of October 1996” and towards possible new proposals for reform. It nevertheless welcomes the debate which its report has provoked, and in particular, the ESC’s important contribution.</p>
<p>The Committee also believes that a more detailed and extensive analysis should have been carried out of issues in this sector and suggestions put forward for solving them.</p>	<p>The Commission used the information which was available. It has already, on several occasions, highlighted the statistical gaps which exist for the fruit and vegetables sector. It indicates that Regulation (EC) No 609/2001 is aimed in particular at improving, for the future, the information available on producer organisations and operational programmes.</p>
<p>The ESC believes a more detailed and extensive analysis is needed of all CMO financing in order to properly assess spending and how well it responds to the sector's needs in order to make better use of available resources.</p>	<p>The Commission reiterates that the budget of the EAGGF’s “Guarantee” section is not “available resources” but expenditure forecasts for measures classified as “compulsory expenditure”. In particular, since the entry into force of Regulation (EC) No 2699/2000, expenditure on aid towards the operational funds is only limited by the turnover of producer organisations.</p>

The Committee urges the European Parliament and the Council to broaden their discussion beyond the content of the report and calls on the Commission to present short-term proposals to adapt the common market organisation, based on the guidelines set out in this opinion.

The Commission is actively exploiting the results of the debates which its report has provoked and will draw conclusions as soon as possible. It will take the fullest account of the ideas suggested in the ESC's opinion.

<p>14. Proposal for a Regulation of the European Parliament and the Council amending Council Regulation (EEC) No. 881/92 on access to the market in the carriage of goods by road within the Community to and from the territory of a Member State or passing across the territory of one or more Member States as regards a uniform Driver Attestation COM (2000) 751 final – April</p>	
<p>Main points of the ESC Opinion</p>	<p>Commission Position</p>
<p>4.1. In general the Committee agrees with the Commission Proposal for introducing a Driver Attestation, and to link it to the Community Authorisation.</p>	<p>This is in line with the Commission Proposal.</p>
<p>4.1. The Committee agrees with the Council's decision to require the attestation only for drivers who are nationals of non-member states.</p>	<p>The Commission may be open to this suggestion.</p>
<p>4.2. The Committee would like Member States to adopt a more uniform approach in the interpretation of the term 'establishment', in response to the question of whether driver attestations may only be issued in the Member State where a company is physically established.</p>	<p>The Commission used the word 'establishment' in the sense of the EC-Treaty, which is a well known concept.</p>
<p>4.5. The Committee thinks that drivers of own-account haulage, who are not required to hold a Driver Attestation or a Community Authorisation, should be advised on how to act if checked in another Member State.</p>	<p>If the papers show that the transport is own-account-haulage there should be no question of having to present a Driver Attestation, nor to check the employment status of the driver.</p>
<p>4.6. The Committee thinks that the Commission should indicate the minimum number/percentage of checks that should be carried out according to the number of driver attestations issued.</p>	<p>The Commission believes that the decision on the number of checks to be carried out may be left to the Member States.</p>

15. Proposal for a Regulation of the European Parliament and of the Council on action by Member States concerning public service requirements and the award of public service contracts in passenger transport by rail, road and inland waterway
COM (2000)7 final – May

Main points of the ESC Opinion	Commission Position
<p>3.1.1 – article 2 (dealing with the relationship with public procurement law) should be deleted.</p>	<p>This amendment would not achieve its objective (of extending the contract award procedure in article 12 to all public transport contracts, including those currently covered by the more stringent rules of the public procurement directives). In any case, this objective is not legally acceptable because to do so would infringe the terms of the Government Procurement Agreement of the WTO, to which the Community has assented. Therefore it is not acceptable.</p>
<p>3.2.2 – widen the definition of ‘integrated services’ in article 3 so that it includes cooperation among several operators.</p>	<p>Taken in conjunction with article 7(4), this amendment would have the effect of increasing the extent of exemptions from the general principle of competition. One of the objectives of the proposal is to promote legal certainty in the sector. This means that any exemptions from competition need to be based on solid transport policy considerations. There is no transport policy case for this extension of exemptions, since the evidence is that integration among different operators need in no way be undermined by competition. Therefore it is not acceptable.</p>
<p>4.1.4 – additions to the list of quality criteria to be respected in the development of public transport systems (article 4(2) of the proposal).</p>	<p>All the criteria are acceptable except the last (‘the financial strength of the company and the existence of an adequate system of guarantees to cover claims by third parties’) – which might disadvantage SMEs.</p>

<p>5.1.1 – deletion of article 6(b).</p>	<p>The regulation requires the use of contracts for the operation of public transport services. Without article 6(b), there would be no definition of what activities form part of ‘the operation of public transport services’. The amendment is justified on the grounds that article 6(b), as written, requires operating costs to be covered from ticket revenue. This is a misreading of the provision – it does not lay down such a requirement. This amendment is therefore not acceptable.</p>
<p>5.1.2 – increase in maximum length of contracts to between 8 and 15 years (article 6(c)).</p>	<p>The principle of an increase is acceptable. 8 years is a reasonable figure. Article 6(c) already allows for longer periods to be adopted where this is necessary to allow operators to recover the cost of investment in rail vehicles and infrastructure – there is no need for an additional amendment (e.g. referring to 15 year periods) to provide for this.</p>
<p>5.1.7 – Article 6 should state that contracts entailing reckless underbidding will not be accepted</p>	<p>The objective is acceptable – but this should be a power rather than a duty for competent authorities, and should be insert in article 12 rather than article 6.</p>
<p>5.2.1 – exemption from competition in article 7 for services that Member States define as services of general interest</p>	<p>Such an approach would not provide legal certainty for these services and would not serve the interests of citizens (the evidence is that controlled competitive pressure encourages operators to provide better services).</p> <p>To achieve legal certainty, exceptions from competition should be based on transport policy criteria, which this is not. Therefore, it is not acceptable.</p>
<p>5.2.2 – exemption from competition for rail services where this is necessary to meet ‘regional and local safety and quality criteria’ (as well as ‘national and international safety standards’, as in the Commission’s proposal).</p>	<p>The evidence is that competition promotes quality. This amendment would create room for the creation of discriminatory criteria designed solely to forestall the introduction of competition. It is thus not acceptable.</p>

<p>5.2.3 (i) – exemption from competition for light rail and metro services if this would involve increased coordination costs, regardless of whether these costs would be offset by savings from competition.</p>	<p>Not acceptable. Competition necessarily involves increased coordination costs – typically in the order of 2-3% - linked to the preparation and monitoring of contracts and the management of competitive processes. It also involves financial savings – typically in the order of 20-25% in public transport. To focus on the former while ignoring the latter would enable all contracts to be withheld from competition and would not be in the public interest.</p>
<p>5.2.3 (ii) – exemption from competition ‘if existing integrated services are threatened or their further integration impeded’.</p>	<p>There is plenty of evidence that integration is fully compatible with competition. It is therefore not acceptable.</p>
<p>7.3.1 (linked to 5.2) – there should be a consultation process before the decision is taken to initiate a tendering procedure.</p>	<p>This point is not acceptable because the provisions to which this proposal is linked are themselves not acceptable.</p>
<p>5.2.4 – quality criteria should be taken into account when contracts for new initiatives are directly awarded under article 7(6).</p>	<p>This point can be accepted.</p>
<p>5.3.1 – the award of contracts on the basis of a lighter ‘quality comparison’ procedure, rather than a full call for tenders, should be permitted for networks as well as individual routes (article 8).</p>	<p>The quality comparison procedure is less transparent than calls for tenders. If quality comparison is applied on a route by route basis, the competent authority is obliged to apply the same quality criteria for all operators. If applied on a once and for all basis for a whole network, the competent authority can abuse the rules to pick the quality criteria that suit its favoured candidate. In addition, allowing a single operator to lock up a whole network in this way would close the door to enterprising new initiatives under article 7(6). The point is thus not acceptable.</p>
<p>5.4.1(i) – delete article 9(1), which enables competent authorities to oblige operators to subcontract part of their network.</p>	<p>This provision enables competent authorities to keep a place in the market for SMEs, and to maintain a competitive market for future tender processes. The deletion of the article can not thus be supported. However, it would be acceptable to introduce further safeguards into the provision to guard against the dangers referred to by the ESC.</p>

<p>5.4.1 (ii) – delete article 9(2), which enables competent authorities to reject offers from operators which have more than 25% of the relevant market.</p>	<p>As it is written, the point is not acceptable as this provision safeguards against oligopoly. However, it would be acceptable to amend the provision to meet the technical concerns expressed by the ESC.</p>
<p>5.4.2 – amend article 9(3) (which allows competent authorities to extend the protection of directive 77/187 to employees which the directive does not cover) so that it becomes compulsory, and so that they receive a higher level of protection than this directive foresees.</p>	<p>This regulation has primarily concern with transport matters. On the second point, Member States already have the power to do this when they transpose the directive into national law – additional provisions are not appropriate here.</p>
<p>6.1.1 – remove the 20% limit on compensation for complying with general rules.</p>	<p>The principle of increasing the limit is acceptable. However a reasonable limit should remain to avoid this provision being used to circumvent the other provisions of the proposal and to ensure that, when operators receive substantial sums of public money, they have to meet specific quality and reliability requirements.</p>
<p>8.1.3 – increase in the transitional period to 8-10 years.</p>	<p>The principle of an increase in the general transition period is acceptable.</p> <p>8-10 years is much longer than is needed for operators to prepare for competition, however, and is not an acceptable general transition period.</p> <p>The principle of a transition period longer than the general one for contracts previously awarded following competition is, however, acceptable.</p>

**16. Proposal for a Regulation of the European Parliament and of the Council on establishing common rules in the field of civil aviation and creating a European Aviation Safety Agency
COM (2000) 595 final – May**

Main points of the ESC Opinion	Commission Position
<p>4.4 and 4.5 The Agency's independence must be strengthened - it must have more implementing powers in the technical field and in international relations.</p>	<p>The Commission agrees that the Agency must be independent from the individual interests which it is going to be involved in regulating. However, this does not justify:</p> <ul style="list-style-type: none"> - the Agency evading the necessary political control of the Community institutions; - making exceptions to the Treaty provisions regarding extending the executive powers which the European Parliament and Council may delegate; - making exceptions to the Treaty provisions regarding the exercise of the Community's powers in its relations with third countries.
<p>4.8, 1st indent. A clear schedule and time-frame must be established with regard to future proposals (OPS, FCL, airports and ATM).</p>	<p>The Commission agrees with the ESC with regard to establishing ambitious objectives for extending the field of Community competence in the fields mentioned. Commitments will be made to this effect.</p>
<p>4.8, 2nd indent. A clear transitional arrangement should be introduced between the JAA and the Community system.</p>	<p>The Commission also shares this point of view and work has been undertaken to this effect. The corresponding amendments will be introduced in the Regulation.</p>
<p>3.4.3. The sections of the proposal concerning transparency and the participation of interested parties should be strengthened.</p>	<p>The Commission considers that its proposal already covers this point satisfactorily and that will be up to the Agency's Administrative Board to establish ways of working after consultation with the interested parties.</p>

<p>3.4.6. The methods for working with third countries must be clarified.</p>	<p>The Commission agrees with this point, but this cannot be done in the Regulation itself and must be negotiated on a case-by-case basis with the countries concerned. Contacts have already been made to this effect.</p>
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- 17. Proposal for a Directive of the European Parliament and of the Council establishing a Community monitoring, control and information system for maritime traffic**
Proposal for a Regulation of the European Parliament and of the Council on the establishment of a fund for the compensation of oil pollution damage in European waters and related measures
Proposal for a Regulation of the European Parliament and of the Council establishing a European Maritime Safety Agency
COM (2000) 802 final - May

Main points of the ESC Opinion	Commission Position
4.1.1.2. In light of the fact that most accidents are due to 'human factor', additional proposals were necessary ('Erika 3') dealing with the human factor. Need for the ILO's maritime Conventions to be incorporated in Community Law.	To be considered in the context of future Commission initiatives.
4.2.8. Article 15. It is suggested that the general principles regarding the prohibition to sail in bad weather condition have to be clearly set up in the Directive.	Reserve pending the negotiations with the other institutions.
4.2.10. Article 17. Suggests that the concept of "areas of refuge" should be introduced in addition to "ports of refuge established in the proposal.	Taken into account the suggestions in the context of negotiations with the other institutions.
4.3.1.2. The ESC does not agree with one aspect of the proposal: the introduction of a financial penalty for persons who have contributed to the pollution (Article 10).	The Commission rejects the ESC position since it considers the financial penalties provision as an essential part of its proposal.
4.4.3. There should not be any overlapping between the Committee on Safe Seas and the Agency.	Taken into account of the comments in the context of the negotiations with the other institutions.
4.4.4. A proper and effective working relationship (not antagonistic) should be achieved among the Agency, Member States and the EU Institutions.	Taken into account of the comments in the context of the negotiations with the other institutions.
4.4.2. A significant part of the Agency staff should be seconded from National Administrations.	Taken into account of the comments in the context of the negotiations with the other institutions.

**18. Proposal for a Directive of the European Parliament and of the Council on reporting formalities for ships arriving in and departing from Community ports
COM(2001) 46 final – May**

Main points of the ESC opinion	Commission Position
The ESC opinion is favourable, welcomes the Commission proposal and agrees with it.	Favourable opinion taken into account.
The ESC calls on the Commission and the Member States to examine jointly the areas in which further harmonisation provisions could facilitate the procedures for clearing seagoing ships in Community ports.	The Commission is carrying out a continuous exercise to identify bottlenecks in short sea shipping with a view to finding solutions to them at appropriate levels (Community, national, regional/local or operational levels). This work is done together with the Member States and industry.

19. Green Paper - Towards a European strategy for the security of energy supply COM(2000) 769 final - May	
Main points of the ESC Opinion	Commission position
ESC welcomes the Green Paper.	Appreciates the substantial opinion of ESC.
An important question is whether the measures envisaged by the Commission can really reverse trend of growing external dependence and greenhouse gas emissions, without compromising economic and employment objectives.	Will report on the consultations, both institutional and public, after the expiry of the consultation period on 30 November 2001. ESC opinion will be included.
Analysis should be more global and a question on EU action to support sustainable development in 3 rd countries should be added. Time-frame of analysis should be longer. The Commission must develop common framework and set EU-wide indicative targets.	Proposals on strategies and measures will be made after and, in line with the Green Paper definition of security of supply, will fully take into account economic and social concerns. The various points of the ESC opinion will be borne in mind in the preparation of proposals.

<p>20. Proposal for a Directive of the European Parliament and of the Council providing for public participation in respect of the drawing up of certain plans and programmes relating to the environment and amending Council Directives 85/337/EEC and 96/61/EC COM (2000) 839 final – May</p>	
<p>Main points of the ESC opinion</p>	<p>Commission position</p>
<p>Generally favourable opinion, sharing the importance attached to involving the public in environmental decision-making and the effort to achieve consistency and precision in integrating the Aarhus principles in existing Directives.</p>	<p>Favourable opinion taken into account.</p>
<p>2.4 Approves principle of defining “public” and “public concerned”, considers however definition of “<i>public concerned</i>” as being too vague, in that it refers to those who have an interest in the said procedure. Should be specified that the interest must be <i>direct</i> and <i>practical</i>, and in every case recognised by national law.</p>	<p>Definitions of ‘public concerned’ in proposed Directive taken from Aarhus Convention, suitably adapted to purposes of environmental impact assessment (in Article 2) and integrated pollution prevention and control Directives (in Article 3). Commission would want no further restriction.</p>
<p>2.5 Wants closer de-limitation of NGOs, deemed to have an interest. In addition to “meeting any requirements under national law” it is suggested that a definition be found which links their participation to specific related environmental interests.</p>	<p>Against such restriction as concerns participation of environmental NGOs. This would also go counter the relevant Aarhus provisions.</p>

<p>2.6 Proposal should contain provisions concerning the <i>safeguard of legitimate interests</i> along the lines of the Aarhus Convention (i.a. Confidentiality of personal data and of commercial and industrial information).</p>	<p>Proposed Directive intends to implement Aarhus provisions by laying down main principles of relevant <i>information</i> to be provided in the course of a procedure to allow meaningful participation of the public. If additional information is requested, this would need to be done under the terms of the access to information Directive (Commission proposal COM (2000) 402 final) which, upon its adoption, will replace Directive 90/313/EEC. Here provision is made for exempting information from disclosure in order to protect certain legitimate interests. To the extent the present proposal modifies, by its Article 2, the Directive on environmental impact assessment (Council Directive 85/337/EEC as amended by Council Directive 97/11/EC), the latter already contains a confidentiality provision in its Article 10. Directive 96/61/EC on integrated pollution prevention and control, which is modified by Article 3 of the present Directive, contains a reference to the access to information Directive 90/313/EEC, and to its exceptions for disclosing information (Article 15 (4) of Directive 96/61). This reference remains ‘untouched’ by the present proposal.</p>
<p>2.7 Several points on access to justice provisions:</p> <p>(1) Commission should make proposals for greater harmonisation of national provisions on <i>principles and conditions</i> concerning access to justice in environmental matters.</p> <p>(2) Present proposal should clearly distinguish between cases of access to justice to contest <i>procedural legitimacy</i> and cases relating to <i>substantive legitimacy</i> (to avoid appeals for substantive reasons intended solely to slow down administrative procedures).</p>	<p>(1) The issue of possible further proposals in relation to access to justice in environmental matters is at present under consideration within the Commission services.</p> <p>(2) The Aarhus Convention, in relation to access to justice linked to public participation, relates to the right to appeal both for substantive and procedural reasons, and the Commission’s proposal follows this concept.</p>

<p>2.8 As regards the provision of public information and participation in decisions that can have <i>cross-frontier effects</i>, ESC wants the proposal “to lay down the balance between the various legitimate interests involved”, including practical questions such as translation costs.</p> <p>Furthermore, it is considered desirable for the Commission to receive periodic reports from Member States on implementation of this provision.</p>	<ul style="list-style-type: none"> - The principle of public participation in decision-making with transboundary effects is already in present EIA and IPPC Directives. - As concerns the question whether to add the concept that the public of the country affected shall only be involved on a ‘reciprocal and equivalent basis’, this is not seen necessary in the Community context where such reciprocity is pre-conceived. - Practical questions at this respect such as translations are procedural details which are to be left to Member States - Periodic reports from Member States on implementation of this provision: For the IPPC Directive 96/61/EC, this is already included in the reporting procedure established under its Article 16 (3) (see Commission Decision 1999/391/EC concerning the questionnaire, question 15.3). Equally, under the EIA Directive 85/337/EEC, as amended by Directive 97/11/EC, provision is made for a report on the Directive’s application and effectiveness, due in 2002, where transboundary issues will be covered.
<p>2.9 Assessment criterion for <i>substantial modification and/or enlargement of a plant or production process</i> (Art. 3(1)(a)) not sufficiently clear. It would be more logical to maintain definition of substantial modification in Art. 2 of Council Directive 99/13/EC on limiting the emissions of volatile organic compounds.</p>	<p>The criterion for “substantial modification” of Council Directive 99/13/EC, as far as non-IPPC installations are concerned, i.e. emission increase expressed in percentage, cannot be applied to IPPC installations. The integrated approach of the IPPC Directive is not properly reflected by only referring to emissions (also waste avoidance, energy efficiency and accident prevention are to be taken into account when determining whether a modification is “substantial” or not).</p>

21. Proposal for a Decision of the European Parliament and of the Council laying down the Community Environment Action Programme 2001-2010 COM (2001) 31 final - May	
Main points of the ESC opinion	Commission position
2.1 The Committee welcomes the Commission's proposal and agrees with the key points raised.	The Commission welcomes the favourable opinion.
3.1 Summary table of legislative and non legislative actions. Separate Annex on problems encountered in managing the Fifth Programme and with integration. Specify practical performance indicators, the bodies responsible for implementing and applying them plus monitoring and evaluation timetables. Include medium and long-term quantitative indicators.	<p>The Sixth Programme sets out priority strategic objectives and is not intended to be a work programme.</p> <p>The choice between legislative or non-legislative actions will depend on the individual circumstances of each priority area that must be addressed. This will in turn be based on a scientific assessment.</p> <p>The Sixth Programme is a legal text outlining strategic objectives. Such an annex would not seem to be very appropriate, though it is agreed as a general rule that learning of past lessons is a useful practice.</p> <p>Article 9 of the Common Position now defines the types of indicators and their use. Only Eurostat and the EEA are, in any case, able to compile them and timetables are a question of resources and programming.</p> <p>Indicators need to be defined in relation to a discussion on the basis of available data. This is a matter of detailed discussion related to the implementation of the programme.</p>

<p>Identify objectives to be achieved according to a pre-established timetable, and how to incorporate them into national objectives, which local authorities must be charged with achieving.</p>	<p>This legal text is not a work programme, with all the implications that would have for resource issues. Neither is it a suitable vehicle for mandating local authorities. That is a matter for the implementation of the programme.</p>
<p>Explain the higher reference standards proposed, examining their impacts on costs and implications for competitiveness</p>	<p>This point is not entirely clear, but the Commission firmly believes that cost-effectiveness is an important aspect of policy and decision making.</p>
<p>3.2 Systematic involvement of stake-holders, with involvement at all stages of the process and all possible methods and instruments for training and educating [various groups] and individuals</p> <p>Taking the environmental dimension on board as a basic value and encouraging the performance of environmental services</p> <p>Greater Community support in forging voluntary agreements</p>	<p>The Commission is fully committed to stakeholder involvement at all stages of policy development. Training activities may be beyond the scope and resourcing of the Commission but Member States should give consideration to this aspect. The Commission should consider the feasibility of guide-lines for participants, in line with the text of the Common Position.</p> <p>The Commission agrees that this would be a laudable aim.</p> <p>The Commission welcomes this support for the use of voluntary agreements and stresses that it is firmly of the opinion that they are a valuable instrument.</p>
<p>3.3 Sustainable economic development in the applicant countries raising awareness of the public and authorities, encouraging involvement in economic restructuring, in plans for urban development and transport, requires coherent action on the full application of the acquis and funding.</p> <p>The Committee recommends greater clarity in identifying ways of redressing the apparent mismatch between the aim of spreading high environmental standards and the feeble resources made available for carrying out this operation.</p>	<p>The Commission notes the concerns expressed on the available funding for support to implementation in the candidate countries. However, this is an issue for the Community budget process and expenditure is established in the Financial Perspectives. The Sixth Programme legal text is not the appropriate place to review this issue.</p>

<p>3.4 Rewarding more environmentally friendly behaviour, in part through non-economic incentives, is globally a more effective instrument than sanctions the development of more environment friendly production systems, processes, technologies and products should be seen as a form of innovation to be rewarded.</p> <p>The Community and the Member States should engage in a coordinated and sustained effort to disseminate good practice and transfer clean technologies across the various industrial sectors.</p>	<p>The Commission welcomes the support for its proposal to adopt measures aimed at encouraging and incentivising business. The Economic and Social Committee is encouraged to bring forward concrete practical suggestions in this regard.</p> <p>The Commission will consider in the implementation of the programme how best to encourage dissemination of best practice.</p>
<p>3.5 Market instruments...should be examined more closely to assess the real benefits for the environment...The Committee would strongly argue that, in keeping with their name, such forms of taxation should be used to foster more ecological products, technologies and methods and/or to restore the environment.</p>	<p>The Committee's concerns are noted. Very clearly, rigorous analysis will be needed to ensure the use of the most appropriate instruments in order to meet specific objectives. This should be undertaken in a wider framework of consultation with stakeholders to facilitate the choice of the best measures that have the impacts desired.</p>
<p>3.6 Tax incentives to promote technological innovation and guide industrial processes along more environment-friendly lines are also appropriate, provided they do not entail market distortions. In practice, enhancing the quality of life may have repercussions, including higher costs for industry and/or public finances: it must be ensured that this process affects all parts of the EU equally, and does not penalise European development.</p>	<p>The Commission is strongly committed to the identification and introduction of the most cost-effective measures, with the aim of minimising costs. It is also desirable to examine win-win solutions at the same time as looking to correct prices and influence the market through fiscal measures.</p> <p>The Committee's concern for Community environment policy measures is well taken.</p>
<p>3.7 The Commission should step up and accelerate its efforts to achieve consensus among all Member States on this point (3.6), making a more thorough assessment of the socio-economic effects of applying these instruments ...to make a convincing case for them. It should also play an active role in international forums, especially on climate change, offering itself as a model and undertaking to press other countries and international organisations too - and not only environment-oriented ones - to meet the highest current standards. The aim should be to ensure fair and full compliance with environmental protection requirements throughout the world.</p>	<p>The Commission welcomes the Committee's reflections on these points.</p> <p>The Common Position reflects the concerns on the need for better assessment and evaluation techniques, something that the Commission itself is committed to.</p> <p>The Commission fully endorses the statement about the need to be fully active in international negotiations, and indeed, already is a leading player.</p>

22. The situation of nature and nature conservation in Europe
Own-initiative opinion - ESC 721/2001 – May

Main points of the ESC opinion	Commission position
2.3: While being a classic case for a “bottom-up” approach, Nature conservation requires top-level coordination by the EU.	The Commission agrees – the existence of two Nature Directives and the Biodiversity action plans illustrate that.
2.5, 2.5.1: Causes of nature decline, in particular problems related to the fisheries policy.	In its recent Communications on "Elements of a Strategy for the Integration of Environmental Protection Requirements into the Common Fisheries Policy", COM(2001)143, and "Biodiversity Action Plan for Fisheries", COM(2001)162, the Commission addresses the issue, in view of the reform of the Common Fisheries Policy.
3.5: Severe criticism of the Member States for significant delays in proposing NATURA 2000 sites under the Birds and Habitats directives. Paragraph 3.5: Urges Member States to submit complete national lists based on technical criteria.	The Commission is striving towards improving implementation of Nature directives in the Member States, including as stated in the opinion, legal action.
3.5.2: The ESC welcomes the Commission's initiative to link payments under the Structural Funds, including the Rural Development Regulation 1257/99, with the submission of sufficient NATURA 2000 sites.	The Commission will continue to ensure proper implementation of the regulations of the Structural Funds.
3.6.1: Need for consultation, public involvement and information to landowners and users, esp. farmers, when proposing NATURA 2000 sites.	Although not a requirement of the directives, the Commission can only encourage such early consultation which, however, cannot be used as an excuse for delays.
3.6.2: Allow for financial compensation to farmers to minimise opposition.	Art. 8 of the Habitats directive allows for Community financial support to implement NATURA 2000 but no estimates of the needs have been supplied by the Member States.

<p>3.7: Dialogue is suggested in order to solve conflicts when managing the sites.</p>	<p>The Commission encourages dialogue; management plans offer a good framework for that.</p>
<p>3.10: The Commission and Member States to provide more information. The ESC welcomes NATURA 2000 Newsletter and Article 6 interpretation document. Disseminate positive examples, especially from LIFE projects.</p>	<p>The Commission agrees, makes all possible effort to increase information and awareness raising (publications, conferences, web-page, in addition to those mentioned).</p>
<p>3.10: Need for financial aid to meet nature protection requirements. A LIFE IV is needed, for a much longer period and with a much bigger budget.</p>	<p>As stated above, article 8 allows for EU financing specific for NATURA 2000 but the Member States have not supplied their estimates as required. The Commission will elaborate, in cooperation with the Member States, a guide on article 6. The Commission has invited the Member States to take advantage of the new Structural Funds programmes to finance nature conservation. The Commission notes the request for a LIFE IV and will take it into consideration.</p>
<p>3.11: Cooperation between the various actors is necessary for NATURA 2000 areas.</p>	<p>The Commission also stresses this need in its various publications, and in LIFE-Nature projects.</p>
<p>4.5: Financial compensation should be paid for nature protection.</p>	<p>Article 16 of Council Regulation (EC)1257/1999 already provides for the possibility to compensate farmers in nature protection areas from restrictions coming from Community legislation. Also articles 22-24 provide for agri-environmental measures, where similar payments can be done for voluntary participation of farmers in specific schemes. Why such tools could be extended - and Member States should make full use of these instruments - one has to appreciate that they already exist.</p>

4.18: Implementing Regulation for 1259/1999.	The Implementing Regulation has been adopted in the meantime: (EC) 963/2001.
4.18: Report of the Commission on the application of Council Regulation 1259/1999.	The Council has invited the Commission to submit a synthesis report on application of Regulation 1259/1999 and an assessment of the efficiency of this work by 2003.

23. Science, society and the citizen

Own-initiative opinion - SEC (2000) 1973 final – ESC 724/2001 - May

Main Points of the ESC Opinion	Commission Position
<p>7.1 "Science, society and the citizen" is a topic of major importance for social policy. The ESC supports the Commission in its efforts to address this issue and to secure ongoing dialogue among all those concerned. The ESC would stress its intention to take part in this dialogue and its suitability for the task as a EU body.</p>	<p>“Science and Society” forms a significant component of the Commission’s proposals for Structuring the European Research Area. A directorate on this topic has been established in DG Research.</p> <p>Following the resolution of the Research Council in June 2001, the Commission is currently preparing an Action Plan on Science and Society.</p> <p>The Commission would welcome a dialogue with the ESC on these matters.</p>
<p>7.1.1: This own-initiative opinion contributes towards this dialogue. As a next step, the ESC urges that the EU institutions stage a joint hearing on the issue.</p>	<p>The Commission takes note of this idea, and is willing to explore the feasibility and possible merits with the other institutions. Any such event organised between the institutions must be conducted in such a way as to avoid a real or imagined sense of ‘remoteness’ from the citizen.</p>
<p>7.2.1 The ESC strongly recommends the adoption of measures to reduce this gulf in knowledge.</p>	<p>The fifth framework programme, and proposals for the next framework programme (2002-2006), include support to research actions linked to all of these issues.</p>
<p>7.3.1 These measures should include opening-up universities and research establishments even more to citizens and a stronger and firmer commitment on the part of the media to supply understandable and proper information.</p>	<p>These questions will be considered during the preparation of the Action Plan mentioned above.</p>
<p>7.3.2 Above all, schools should do much more than in the past to give citizens a sound</p>	<p>See above.</p>

<p>educational grounding in science and research - including the operating environment in which successful research can function. For this purpose, an appropriate Europe-wide educational blueprint should be developed, which also includes issues relating to the candidate countries.</p>	
<p>7.5 The ESC therefore also recommends that (continued) efforts be made to establish clear standards for the responsible use of ultra-powerful technologies (developed using scientific findings) and to monitor compliance. The ESC would stress its own role in this process</p>	<p>The Commission will pursue its regulatory responsibilities in the areas such as food safety and environmental protection.</p>
<p>7.6 The ESC recommends that support be given to all measures which lead to less polarisation and closer ties between the arts and natural sciences. This should also include mutual exchanges about, for example, methodology, the definition of terms and the assessment of results.</p>	<p>The Commission will consider this aspect when preparing the Action Plan on Science and Society.</p>
<p>7.7 The ESC points out the lack of "human capital" in science and research. "Human capital" is the basic element of successful research and development, thus also of innovation and economic competitiveness. The ESC recommends action to remedy this situation. Some key elements here include making research and development more attractive - including to women - and promoting science as a profession with a commensurate status.</p>	<p>The fifth framework programme includes a budget of €1280m devoted to "Improving human research potential and the socio-economic knowledge base". This topic is carried forward into the Commission's proposals for the next framework programme (2002-2006), with a proposed budget of €800m. Further activities deal with innovation and the role of women.</p>

<p>7.8 The ESC recommends making the operational environment required for successful and internationally competitive research and development a research topic in its own right, and bringing the findings to bear when discussing the issue of "governance" in research policy. The points of view and recommendations set out in this opinion should be taken into consideration in this context and defended vis-à-vis politicians and businessmen.</p>	<p>These questions are taken up in the Commissions proposals for the next framework programme, particularly under the heading '<i>Coherent development of research and innovation policies</i>'.</p>
<p>7.9.2 This uncertainty with regard to the basis of decision-making, does not however, absolve politicians of their duty to act. Politics means acting on behalf of society and inevitably also includes experimenting with society.</p>	<p>The Commission undertakes foresight activities and helps co-ordinate similar actions in the Member States and in the regions.</p>
<p>7.9.3 The prerequisites for the best possible knowledge base include, inter alia:</p> <ul style="list-style-type: none"> • an ongoing dialogue between the players representing science and society; • an economic, political and cultural environment in which science enjoys broad public support and where creativity and inventiveness can develop most effectively; • the best possible internal operating environment for science; • enough people who are ready and able to choose science as a profession. 	<p>The Commission fully endorses these observations. The Action Plan on Science and society will seek to create the favourable conditions.</p>

24. Proposal for a Directive of the European Parliament and of the Council concerning the processing of personal data and the protection of privacy in the electronic communications sector COM(2000) 385 final – January	
Main points of the ESC Opinion	Commission position
2.1 Horizontal privacy legislation is more appropriate than sector specific measures.	For an economic sector based on cross-border networks it is essential to have a high degree of EU wide harmonisation of the applicable rules. This argument is at the root of the existing sector specific Directive and is still valid today.
2.2 Apparent contradiction between proposed directive and other Community law.	Proposal is fully compatible with other existing Community law. For instance the Electronic commerce Directive does not prescribe either an opt-in or an opt-out approach for commercial e-mail, it only creates some additional rules for cases where an opt-out exists. Opt-out systems may be maintained for business –to-business communications.
2.3 Definitions widen the scope of coverage. Any such widening should await the revision of the General Data Protection Directive.	Scope of existing Directive already covers telecommunications services provided over the Internet too. There is no widening of the overall coverage, just a clarification of the coverage of two articles, namely those on traffic data and on unsolicited communications where the language used was not technology neutral.
2.4 Transfer of location data to 112 emergency services is a major step and the principle should be discussed with end-users first.	Use of location data by emergency services is in the interest of the end-user. Under the general data protective Directive the consent requirement does not need to be fulfilled if the processing of data is necessary to save somebody's life.
2.5/2.6 Supports opt-in for unsolicited e-mail for direct marketing even though it may hinder development of e-commerce.	There is no evidence that the proposed opt-in will hinder e-commerce. A recent study would indicate rather the opposite.

25. Proposal for a Council Regulation amending Regulation (EC) No. 2549/2000 establishing additional technical measures for the recovery of the stock of cod in the Irish Sea (ICES Division VIIa) COM (2001) 165 final – May

Main points of the ESC Opinion	Commission Position
<p>2.1 It is not clear what positive aspects this measure possesses in relation to stock recovery. Any such measure introduced should be firstly put on trial in real practice and then, following appropriate evaluation, become of a permanent nature if needed.</p>	<p>The proposal is intended to allow fishing in the Irish Sea with double-twine codends of defined characteristics such that their selectivity of fish, including cod, will be similar to that of the single-twine codends already permitted. There already exists sufficient scientific information and agreement of industry that the characteristics defined are appropriate.</p>
<p>2.2 In general terms, adjustments in technical measures, in themselves, are unlikely to solve the problem of Irish Sea cod. Neither is it clear that the other measures involved in the recovery programme are adequate to address the fundamental problem of depletion of the stock.</p>	<p>The Commission agrees that the problems with cod in the Irish Sea will not be solved by technical measures alone. Nevertheless, enhanced technical measures are required to allow more young fish to survive to the age of maturity and thereby enhance the numbers of mature fish.</p>
<p>2.2.1, 2.3 The Committee believes that additional measures are required to deal with semi-pelagic operations in order to provide a reasonable chance for the stock to recover and to protect the economic and social importance of the industry for the adjacent coastal areas.</p>	<p>The question of semi-pelagic fishing is not relevant to this proposal which deals only with an amendment to the technical measures conditions. Conditions for semi-pelagic fishing will be further considered within future proposals from the Commission.</p>
<p>2.4 The Committee is ready to support the present Commission proposal.</p>	<p>The Commission is grateful for the Committee's support of this proposal.</p>

**26. Proposal for a Directive of the European Parliament and of the Council amending Council Directive 93/7/EEC on the return of cultural objects unlawfully removed from the territory of a Member State
COM (2000) 844 final – April**

Main points of the ESC Opinion

Commission Position

The ESC generally supports the proposed directive.

The Commission takes note of the ESC's favourable opinion.

<p>27. Proposal for a Directive of the European Parliament and of the Council on the coordination of procedures for the award of public supply contracts, public service contracts and public works contracts COM (2000) 275 final – April</p>	
<p>Main points of the ESC Opinion</p>	<p>Commission Position</p>
<p>Calls for the legal instrument of a regulation rather than a directive to be adopted in order to ensure uniform application.</p>	<p>Rejected, as the directive is the most suitable instrument for the purpose of coordinating national procedures for awarding contracts.</p>
<p>Calls for the regulation of public-private partnerships and of the so-called “in-house” phenomenon to be included in the proposed text.</p>	<p>Reservations, pending a more in-depth analysis on the basis of which the Commission will decide on possible measures to take.</p>
<p>Agrees with simplifying the existing legal framework, with electronic purchasing, with the technical specifications and with strengthening the provisions relating to award and selection criteria.</p>	<p>The Commission takes note of the ESC’s favourable opinion.</p>
<p>Agrees with competitive dialogue for complex contracts, provided that there is a better balance in the procedure in order to safeguard the principle of the confidentiality of economic operators’ data.</p>	<p>These suggestions will be taken into account in the context of subsequent negotiations with the other Institutions.</p>
<p>Agrees with the “thresholds” of the directives which appear to be satisfactory.</p>	<p>The Commission takes note of the ESC’s favourable opinion.</p>
<p>Taking account of environmental criteria in Article 53 and drawing up a Green Public Procurement Handbook.</p>	<p>These suggestions will be taken into account in the context of an interpretative communication and a guide.</p>
<p>Respect by tenderers of social laws.</p>	<p>These suggestions will be taken into account when drawing up an interpretative communication which will clarify the relevant provisions of social law.</p>

**28. Proposal for a directive of the European Parliament and of the Council coordinating the procurement procedures of entities operating in the water, energy and transport sectors
COM (2000) 275 final – April**

Main points of the ESC Opinion	Commission Position
Prefers a regulation to a directive in order to ensure uniform application.	Rejected, as the directive is the most suitable instrument for the purpose of coordinating national procedures for awarding contracts.
See the comments on public works contracts.	The Commission's responses relating to public works contracts are also valid for the water, energy and transport sectors.

**29. Proposal for a Directive of the European Parliament and of the Council amending Council Directive 73/239/EEC as regards the solvency margin requirements for non-life insurance undertakings
COM (2000) 634 final – April**

Main points of the ESC Opinion	Commission Position
<p>3.5.2-3.5.3 ESC would like to see maximum harmonisation instead of minimum as the latter could distort competition. Whilst accepting the present proposals, further work should try to go more in the maximum harmonisation direction.</p>	<p>Reserved pending the outcome of forthcoming negotiations with the other institutions. Directive makes current de facto position de jure. Minimum harmonisation is in line with banking and securities directives.</p>
<p>3.6.2 The early intervention powers given to insurance supervisors should be framed by a minimum of objectives rules.</p>	<p>Suggestions taken into account in the framework of further negotiations with the other institutions. The corresponding recital requires national supervisory authorities to exercise these powers in accordance with principles of sound administration and due process. Furthermore, the revised proposals likely to be adopted by EP and Council additionally require the financial position of the insurance undertaking to be deteriorating.</p>
<p>4.1.1.2 and 4.1.1.4. ESC is of the opinion that the proposed raised minimum guarantee amount could create problems as 1) it is not correlated to the solvency margin requirements, 2) creates problems for smaller mutuals, and 3) could create obstacles for new entrants. A scaling in model is proposed.</p>	<p>Rejected. The Commission considers it essential to increase the minimum guarantee fund in line with inflation and for real increases in risk levels. Furthermore, there are generous transitional arrangements. The position of the SMEs will be looked at in the Solvency II project.</p>
<p>4.1.2.2 and 4.1.2.4 There should be a possibility of an upwards adjustment of the 50% reduction factor for insurance. This should be optional and subject to authorisation from supervisory authorities. The assessments of a reinsurer's quality should be harmonised in Europe.</p>	<p>Reserved pending the outcome of forthcoming negotiations with the other institutions. The Commission agrees with the technical arguments, but there are practical difficulties of doing so at the present time. This issue can be re-examined subsequent to a currently ongoing project on the establishment of a possible reinsurance supervision.</p>

<p>4.1.3.3 ESC feels that the treatment of guarantee funds should be examined at European level.</p>	<p>Reserved pending the outcome of forthcoming negotiations with the other institutions. The Commission agrees, and intends to discuss this matter with Member States during the autumn of 2001.</p>
<p>4.1.4.1 ESC comments that the 50% reduction rule for reinsurance causes problems in the specific case of substitutions.</p>	<p>Reserved pending the outcome of forthcoming negotiations with the other institutions. This issue can be re-examined in a currently ongoing project on reinsurance supervision.</p>
<p>4.2.2 ESC agrees to the class enhancement idea, but argues that for some classes, the adjustment could also be downwards.</p>	<p>Rejected. More sophisticated risk adjustment methods will be examined in the Solvency II project.</p>
<p>4.2.3.2 ESC agrees to the changes of solvency requirements for companies in run-off.</p>	<p>Favourable opinion taken into account.</p>
<p>4.2.4.3 ESC requires that further harmonised guidance should be given for the cases when supervisors authorise or refuse the use of supplementary contributions for solvency purposes.</p>	<p>Reserved pending the outcome of forthcoming negotiations with the other institutions. The revised proposals likely to be adopted by the EP and the Council require national authorities to establish specific guidelines. This will improve transparency.</p>

**30. Proposal for a Directive of the European Parliament and of the Council amending Council Directive 79/267/EEC as regards the solvency margin requirements for life assurance undertakings
COM (2000) 617 final - April**

Main points of the ESC Opinion	Commission Position
Same remarks that those for point 29.	Same responses.
4.2.1.3 and 4.2.1.4 ESC would recommend a more forward-looking approach to future profits. Such an approach is hampered by the proposed mechanism of setting an upper limit on future profits using the average profits over the last five years. The limit could instead be defined as a percentage of the solvency margin.	Rejected. The Commission understands the ESC reasoning, but argues that such a change would probably need careful considerations that go beyond the objectives of the present exercise. These and related issues will however be looked at in the Solvency II project.
4.2.2.2 ESC advocates clarification of the meaning of the term “life assurance provisions”.	The Commission, the Parliament and the Council have agreed to adapt the language. In the compromise proposals use will be made of “mathematical provisions” and “technical provisions” as appropriate.

<p>31. Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions : “Working together to maintain momentum” - 2001 Review of the Internal Market Strategy COM (2001) 198 final – May</p>	
<p>Main points of the ESC Opinion</p>	<p>Commission Position</p>
<p>In respect of the Lisbon Strategy “too little headway has been made towards achieving this goal” to make the EU the most competitive and dynamic knowledge based economy in the world.</p>	<p>The Commission entirely agrees with this general assessment.</p>
<p>The speedy elimination of transposition deficits is a priority objective although the interim target laid down of 98.5% transposition by Spring 2002 “does not seem at all overly ambitious”.</p>	<p>The Commission had to be guided by the Stockholm European Council on the target but will be looking for the Member States to meet their commitment.</p>
<p>The European Union needs to have “the capability for tackling quickly and effectively the full range of problems encountered in the Single Market”.</p>	<p>The Commission agrees and, as set out in the Internal Market Strategy Review, will be introducing proposals to make better use of existing structures to set up an online, inter active problem solving network by June 2002.</p>
<p>While liberalisation in the telecommunications market and the establishment of a legal framework for e-commerce has been established, in contrast liberalisation in electricity and gas, and in postal services is making no progress.</p>	<p>The Commission too is concerned about the speed of progress in the liberalisation of the utility markets and will continue to press for faster progress in the Council and Parliament.</p>
<p>Calls on the Commission “to act soon” in bringing forward its regulatory and simplification initiative.</p>	<p>The Commission recognises the importance of keeping to its proposed timetable and will produce its proposals for the Laeken European Council.</p>
<p>“The pace of negotiations with certain third countries on arrangements for the taxation of income from savings should be quickened” and brought forward from December 2002.</p>	<p>The Commission understands the importance of moving quickly in this area but considers the target date of December 2002, as set by the Feira European Council, to be reasonable and realistic.</p>

Suggest the Commission investigates the costs of non-integration in certain target areas of the Internal Market Strategy where cross border trade is still seriously hampered.

The Commission will undertake studies on the benefits, (potential or realised), in certain sectors e.g. services, where the operational performance in the Internal Market needs to be improved so that better advantage can be taken of the opportunities.

**32. Proposal for a Directive of the European Parliament and of the Council on insurance mediation
COM (2000) 511 final – May**

Main points of the ESC Opinion	Commission Position
The ESC expressly endorses the Commission's proposal.	The Commission takes note of the ESC's favourable opinion.
4.1.2. To restrict the exclusions from the scope by limiting the annual premium to EUR 100 per contract.	This suggestion will be taken into account in the context of subsequent negotiations with the other Institutions (the Belgian Presidency made a suggestion along the same lines).
3.2. to 3.3.1, 4.4.1 to 4.4.1.1., 4.5.2. and 4.7.2 Requirement for a minimum of 300 hours' training, culminating in a state or state-recognised examination.	Rejected. The Commission considers it desirable to rely as much as possible on mutual recognition between Member States and not to seek to harmonise the level and content of knowledge in detail.
3.4 to 3.4.2, 4.3.1, and 4.4.3 to 4.4.3.4. Application of the professional requirements to intermediaries for whom this is not their principal professional activity.	Rejected. Including activities which are entirely casual and ancillary would be disproportionate and would put an end to these activities. The proposal provides for appropriate basic training and for supervision by the insurance undertaking or intermediary for whom they operate.
4.4.4. Inclusion of a transitional arrangement for intermediaries who have already been working independently in the insurance sector for a long time – " <i>grandfather clause</i> ".	This suggestion will be taken into account in the context of subsequent negotiations with the other Institutions.
4.5 to 4.5.1.3. Simplifying the notification procedure by using modern media (Internet).	Reservations, pending the outcome of negotiations with the other Institutions.
4.6.1 Rewording Article 10(1) in line with the English version " <i>prior to any initial contract</i> ".	This suggestion will be taken into account in the context of subsequent negotiations with the other Institutions.

3.5 and 4.6.3 Requirement for the insurance intermediary to record the customer's intention only if the client so requests.

Reservations, pending the outcome of negotiations with the other Institutions.

**33. Counterfeiting – Communication on the follow-up to be given to the Green Paper on combating counterfeiting and piracy in the single market
Additional opinion - COM (2000) 789 final – ESC 701/2001 – May**

Main points of the ESC Opinion	Commission Position
<p>2.1.1 The Committee supports the European Commission's intention to submit a proposal for a directive in the near future aimed at boosting the resources for ensuring that intellectual property rights are complied with and defining a general framework for exchanging information and for administrative cooperation.</p>	<p>The Commission welcomes the ESC's support for its intention to submit a proposal for a directive on respecting intellectual property rights.</p>
<p>2.1.1. The Committee outlined the principle whereby counterfeiting and piracy are crimes, with minimum penalties which have a sufficiently deterrent effect, including closure of production establishments, when large quantities of counterfeit goods are involved which have been acquired with full knowledge of the facts. It would like to see this principle included at this stage in the draft directive, though more precise provisions may be included in initiatives undertaken as part of the creation of a European judicial area.</p>	<p>The Commission will take account of the ESC's wish in the course of the work on the proposed directive and in the current discussions on the European judicial area.</p>
<p>2.1.2. The ESC stresses the need for right holders to be kept adequately informed so that they do actually contact the customs services with requests for action, all the more so since counterfeiting and piracy are otherwise difficult to detect.</p>	<p>The Commission agrees with this and is working to this end in the context of Council Regulation (EC) No 3295/94, which constitutes the legal basis for customs intervention at the external borders of the Union with regard to the fight against counterfeiting and piracy.</p>

<p>2.2. and 41. The Committee regrets the fact that the Commission's communication does not adopt a global approach to tackling counterfeiting and piracy – particularly the aspects of these activities which occur outside the EU - since a large quantity of pirated and counterfeited products circulating within the EU comes from third countries. The Committee underlines how urgent it is to adopt a coordinated global policy for combating counterfeiting and piracy.</p>	<p>The Commission shares the ESC's concern to understand the phenomenon of counterfeiting and piracy in a global and coordinated way. It reiterates that in terms of external aspects, the customs services are working effectively to combat counterfeiting and piracy in the context of the abovementioned Regulation No 3295/94.</p>
<p>2.2. The Committee recommends using Article 9 of the regulation on generalised preferences to exert pressure on those countries which turn a blind eye to practices of counterfeiting and piracy.</p>	<p>The Commission has reservations about the possible use of provisions of the regulation on generalised preferences. It considers that effective action can be taken against the countries concerned using other means.</p>
<p>2.4. The Committee advocates holding a "jumbo" Council, bringing together ministers responsible for justice and internal affairs, the single market, trade and foreign affairs. It considers it would be appropriate to use such an occasion to issue a formal Council Declaration highlighting the economic and social harm caused by such practices, the dangers for personal health and safety, and the link with large-scale organised crime.</p>	<p>The Commission takes note of the Committee's suggestion. However, it is not convinced of the usefulness of holding a "jumbo" council, nor of drawing up a formal Council Declaration on the consequences of counterfeiting and piracy.</p>
<p>3.1. The Committee suggests that specific instruments be put in place for providing information: a Europe-wide campaign involving posters in ports and airports, and the immediate creation of a website accessible in particular to business organisations, distributors and consumer organisations through which information about court decisions would be disseminated.</p>	<p>The Commission will take this into account in the context of the implementation of its Action Plan.</p>

<p>3.2. The Committee suggests that Member States and the Commission put forward proposals soon for (concrete) measures to be implemented in the framework of the European judicial area. To make the wheels of justice turn more quickly, the Committee would even suggest that when the draft European enforcement order is being prepared, the possibility be discussed of including the handling of counterfeiting and piracy cases.</p>	<p>The Commission will take account of the suggestion in the context of current discussions on issues relating to the European judicial area.</p>
<p>3.3. The Committee calls for awareness-raising campaigns funded by the Union to be mounted in conjunction with professional bodies.</p>	<p>The Commission will take this into account in the context of the implementation of its Action Plan.</p>
<p>3.4.2. The Committee suggests that a working seminar be held with all the major economic and social organisations, at which good practices for civil society operators would be presented and proposals worked out for these practices to be brought into widespread use.</p>	<p>The Commission will take this into account in the context of the implementation of its Action Plan.</p>

34. Second report on Economic and Social Cohesion Own-initiative opinion - COM (2001) 24 final – ESC 529/2001 – April	
Main points of the ESC Opinion	Commission Position
<p>1.4: This opinion constitutes the first part of the ESC's work; it considers the broad principles of Community Cohesion actions post-2006, and focuses on the questions which the Commission suggests need to be addressed in preparation for policy post-2006. This will provide the basis of the ESC contribution to the Cohesion Forum to be convened by the Commission on 21 and 22 May 2001.</p>	<p>The ESC's opinion attempts to respond to the "ten questions for discussion" in the conclusions and recommendations of the second report on cohesion. The Commission welcomes this and takes note of the suggestions and arguments presented by the ESC.</p> <p>The broad debate which the Commission launched with the adoption of the report on 31 January, and in particular, with the organisation of the second cohesion forum in Brussels on 21 and 22 May, enabled the other institutions, representatives of local and regional authorities and economic and social partners, to make their positions clear on the future cohesion policy in the context of an enlarged European Union.</p> <p>The Commission notes the ESC's intention to draw up a second additional opinion in which it will examine the information and analyses presented in the second report on cohesion.</p>
<p>3.4.4 and 4.3: Assistance to the Lagging Regions (Objective 1)</p> <p>The Committee considers that the emergence of a two-tier cohesion policy to be undesirable and is concerned that this would generate undesirable political and social tensions within the EU, and may suggest the emergence of two "classes" of Union membership.</p>	<p>By focusing its opinion on the questions raised in the report, the ESC develops in particular the four options on treatment for regions which are currently eligible for Objective 1 and which will not be eligible in an enlarged Union as a result of the decrease in the average per capita GDP. The ESC's position of favouring the third option has the advantage of being clear, but as the Commission indicates in the report, it will present the proposals on this question when the time comes.</p>

35. Proposal for a Council regulation amending Regulation (EC) No 1267/1999
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**establishing an Instrument for Structural Policies for Pre -Accession
COM (2001) 110 final – May**

Main points of the ESC Opinion	Commission Position
ESC approves the Commission's proposal.	The Commission takes note of the ESC's favourable opinion.
Extending eligibility for participation in ISPA to the other applicant countries of Cyprus, Malta and Turkey.	The Commission takes note of the ESC's suggestions. These suggestions could be taken into account in case of a possible review of the Financial Perspective.

36. 11th Annual Report on the Structural Funds (1999)
Own-initiative opinion - COM (2000) 698 final – ESC 714/2001 – May

Main points of the ESC Opinion	Commission Position
<p>3.1 and 5.4.1.: Consultation of the Committee on the annual report : as it has already stated in previous years, the Committee does not agree with the Commission's decision to simply "present" the report without formally requesting an opinion.</p>	<p>The Framework Regulation on the Structural Funds for the period 1994-1999 (No 2081/93) amending Regulation No 2052/88) stipulates that the Commission should <u>submit</u> the annual report to the other European institutions, including of course the Economic and Social Committee, which it does every year. Consultation of the institutions is not provided for. The General Regulation on the Funds for the period 2000-2006 (No 1260/1999) has the same conditions (Article 45.2).</p>

3.2. to 3.9., 5.2., 5.6. and 5.7.:

Scope of the annual report (comprehensive framework of results obtained, efficiency and effectiveness of the choices made, evaluations).

The annual report on the structural funds aims to draw up an overview of the implementation of the four Funds over the past year. It does not aim to provide a comprehensive analysis of the Commission's whole cohesion policy. For 1999, the last year of the 1994-1999 programming period, however, the report puts the implementation of the Funds in the perspective of the period by presenting an overview of the aggregate implementation since 1994. Furthermore, in addition to the regulatory requirements, the report describes in the first part the major events of the year and deals with a horizontal theme which was common to the four Funds in 1999: equality between women and men. As regards evaluations, the annual report includes each year a summary of the results of the evaluations undertaken (thematic and horizontal). The purpose of the annual report is not to be an exhaustive account of all of the evaluation studies, which represents a huge amount of information. In this respect, all the evaluation studies can be obtained in full on request from the Commission.

In addition, in 2001 the Commission is launching an ex-post evaluation of Objectives 1, 2 and 6 covering the period 1994-1999 and all the regions concerned. The results of these studies will be available at the end of 2001.

As for certain other information mentioned by the Committee (comprehensive framework of results and of the impact of the Funds), these are dealt with in the "second report on economic and social cohesion" which has this as its objective. This report, published at the beginning of 2001, was distributed to all the European Institutions and was the subject of broad debate.

<p>4.1.: 'Employment' chapter: there is no evaluation of the number of jobs created or maintained, of the most important areas of progress in the various sectors concerned by the objectives, or of the commonest and most serious difficulties encountered in the various countries.</p>	<p>In 2000, the Commission undertook the final evaluation of the ESF for the whole period 1994-1999. A summary of the main results of this study is presented in the annual report for 2000, which is being finalised.</p> <p>Furthermore, in 2001, several evaluation studies are being undertaken. They will deal with the impact of the Funds on employment: ex-post evaluations on Objectives 1, 2 and 6 are therefore being carried out, as well as an evaluation of the territorial employment pacts. The results of these studies will be available at the end of 2001.</p>
<p>4.10 and 5.9.: Additionality: the report provides no specific information on the verification of additionality, and merely refers to comments made in the Court of Auditors' special report published in early 2000. In this report, the Court highlights shortcomings in the application of the principle, primarily the absence of a penalty system, for which the Commission is certainly not to blame.</p>	<p>The Commission checked respect of the principle of additionality in the ex-ante evaluation exercise undertaken by all the Member States for the programming period 2000-2006. As regards the 1994-1999 period, the Commission will complete the final verification of additionality at the end of 2002.</p> <p>There are no specific penalties provided for in the Regulation on the Structural Funds in the event of non-compliance. The Member States were strongly opposed to this when the General Regulation on the Funds was being adopted. However, the Commission does have certain levers:</p> <ul style="list-style-type: none"> - pursuant to Article 11 of the General Regulation, the CSFs/SPDs are not approved by the Commission if the ex ante additionality is not verified ; - also pursuant to Article 11, the Commission intends to include a clause in the approval of CSFs/SPDs, according to which the mid-term reprogramming (including the performance reserve) is not approved by the Commission if the Member State has not provided, by the end of 2003, the relevant information for the mid-term verification of additionality. This clause has raised significant reservations among some Member States (Austria and Spain), but the Commission has kept it in all the CSFs/SPDs approved for the period 2000-2006.

	<p>Finally, if the information available shows that a Member State is effectively not complying with the principle of additionality (no longer a case of providing information, but of not maintaining the level of expenditure), the Commission has indicated its intention to propose to the Council a reduction in the financial contribution for this Member State. In addition to this, the Commission may initiate infringement proceedings against the Member State, as in all other cases of non-compliance with Community law.</p>
<p>4.11. Equality between men and women: the desired result has not been achieved because the approach taken is too general, and lacks detailed facts and figures.</p> <p>The Commission outlines some of the objectives of the said strategy in each Member State but does not provide a proper background or adequate quantitative data on the results. The objectives therefore represent no more than a declaration of intent as neither the results nor the effects are analysed.</p>	<p>Given that the principle of equality between men and women is mainstreamed in the Structural Funds programmes, it is not possible to quantify the sums which have been allocated to these measures.</p> <p>It should be noted that, as part of the ex-post evaluation of Objective 1, launched in 2001, the situation of equality between men and women will be analysed as a specific theme. The results of this study will therefore contain relevant information in this respect.</p> <p>In effect, the Commission intends to draft a communication on the integration of the principle of equality between men and women in the Structural Funds programmes, in accordance with the provisions of the European employment strategy.</p>

<p>4.12 and 5.3. Partnership: Partnership is another key element that is not given any special attention in the report although it is a critical factor in the success of the structural policies.</p>	<p>The new general Structural Funds Regulation (No (EC) 1260/1999) is designed to strengthen the partnership aspect of the Funds in the 2000-2006 period. It provides for the inclusion of new partners (e.g. local authorities, which are not always very strongly represented; economic and social partners; certain NGOs in the fields of environmental protection and gender equality, etc.). The activities carried out on a partnership basis are also extended in scope, to include the whole of the programming process from designing the plans to monitoring and evaluation. At the same time, the new Regulation clarifies the respective roles of each of the different parties. The Member States, for instance, retain sole responsibility for selecting the "representative" partners that make up the Monitoring Committee for each programme, and are also responsible for organising this partnership.</p> <p>Each programme has a different situation in terms of partnership. Moreover, at the end of the 1994-1999 period, the Structural Funds were being implemented through about a thousand programmes. It is therefore not practically possible to know all the different cases of partnership, especially since it is the Member State (or the regions according to the institutional structure) which alone determines the contents of its partnership.</p>
<p>5.10 Organisation of a forum on the management of the Structural Funds: The Committee proposes to assess the feasibility of a public initiative, in conjunction with the Commission, the Parliament and the Committee of the Regions, to involve all those concerned with the management of the Structural Funds, including representatives of the applicant countries.</p>	<p>In June 2000, the Commission organised a conference on "sharing responsibility for the decentralised management of the Structural Funds" in the Objective 1 regions. This conference brought together more than 500 leading political and economic figures (from national and regional civil services, monitoring committees responsible for programmes, and from the other EU institutions). The same type of conference was organised in January 2001 for the Objective 2 regions.</p>

37. The regions and the new economy : Guidelines for innovative actions under the ERDF in 2000-2006
Own-initiative opinion - ESC 715/2001 – May

Main points of the ESC Opinion	Commission Position
<p>5.1.1.- 5.1.2. : it is therefore especially important to define final quantitative and qualitative assessment criteria for all the programmes financed.</p>	<p>Accepted : § 43 : “An evaluation of programmes will be conducted in 2003. This may result in changes being made in the remaining period, particularly as regards the strategic themes to be supported ».</p>
<p>5.3. : In the area of sustainable development, reference to Agenda 21 would have been appropriate. Of course, sustainability is not just an environmental issue: "social sustainability" is another factor that has a major impact on development prospects. However, it is equally important always to reaffirm commitments and obligations to counter environmental decline.</p>	<p>Accepted : title of theme 3 : « Regional identity and sustainable development : promoting regional cohesion and competitiveness through an integrated approach to economic, environmental, cultural and <u>social</u> activities ».</p> <p>§ 31 : « The regions should rely on a greater extent on their assets for...improving the living and working environment of their inhabitants ».</p>
<p>5.4. : Training initiatives too can be innovative, not only in the area of the new economy but also in traditional production. The piloting of new training arrangements in micro-enterprises can provide a particular opportunity for organisational innovations.</p>	<p>Partially accepted : § 30 :</p> <p>« encouraging SMEs to include electronic commerce in their development strategies and to find suitable ways of meeting their employees' needs in computer skills ».</p>
<p>5.5.2. : The Commission is obviously well aware of these factors, but specific reference to teleworking as a potentially innovative element would have been a useful addition to the indicative selection criteria for which the regions are responsible, not least in the light of the procedural changes introduced (programmes as opposed to projects).</p>	<p>Partially accepted : The guidelines do not define the type of actions the regions should propose : it is up to the regions to define what is innovative for them. Teleworking is covered under the example in § 30 : « identifying and developing specific areas for experimenting with the innovative use of information technology ».</p>

5.6. : The Committee believes that interregional	Not accepted. The new regional programme are
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<p>networks for the dissemination of good practice are highly valuable, but it would also have liked to see the possibility for joint programmes spanning several regions, potentially generating synergy between regions at differing levels of development.</p>	<p>designed to address the particular needs of individual regions. Regions who do wish to cooperate in joint programmes beyond networking may seek support under Interreg III C (§ 49).</p>
<p>5.7. : In view of the different regional structures in the various Member States, a more precise definition of the authority responsible would have been useful. The Commission should publish and disseminate the precise list of authorities responsible in the various regions. In addition, as the emphasis on programmes means that the authority responsible has to assess and select individual projects, the initiative must be widely publicised, not only at institutional level but also among business, scientific and civil society associations.</p>	<p>Partially accepted. The Commission cannot define who are the competent authorities in the different regions but of course, as those responsible for the regional programmes, they must be acceptable to the Commission and they must have fulfilled the provisions regarding consultation with the wider regional partnership.</p> <p>The competent authority in the region must be designated in the application for a regional programme. The authority(ies) must have consulted all regional actors before submitting a programme application. In addition, the quality of the partnership in the region is one of the 10 criteria to be used in the appraisal of the programmes.</p> <p>The initiative has been widely publicised, for example at a special information meeting for regional representative offices in Brussels on 28 September 2000 and at an information day in Brussels for Member State officials on 19 February 2001.</p>
<p>5.8. : In the management of the innovative actions, the Committee recommends that the Commission keep a constant watch on their consistency with basic mainstreaming policies, especially as regards employment and equal opportunities, which must be integral elements in all EU initiatives.</p>	<p>Partially accepted. : the aim of the regional programmes of innovative action is to improve the quality of the «mainstream» Obj. 1 and Obj. 2 programmes. The Commission will continue to ensure that the maximum synergy between the innovative actions funded by the ERDF and the ESF is exploited. Indeed, one of the criteria for the appraisal of the ERDF applications is : « Synergy and compatibility with the other Community policies ... » (§ 39).</p>

<p>38. Proposal for a Council directive amending Directive 77/388/EEC with a view to simplifying, modernising and harmonising the conditions laid down for invoicing in respect of value added tax COM (2000) 650 final – April</p>	
<p>Main points of the ESC Opinion</p>	<p>Commission Position</p>
<p>The ESC supports the Commission's proposal to harmonise the conditions laid down for invoicing and to establish a common legal framework for electronic invoicing.</p>	<p>The Commission takes note of the ESC's support.</p>
<p>The ESC stresses that traders should be alert to the risks of electronic invoicing for the confidentiality of data.</p>	<p>The Commission agrees with the ESC but stresses that the respect for rules on confidentiality derives from specific national legislation on the issue (and the directive on the protection of personal data).</p>
<p>The ESC hopes that any derogations given to Member States in respect of electronic invoicing will be limited to the shortest possible time.</p>	<p>The Commission agrees with the ESC and will keep this comment in mind during the Council negotiations.</p>
<p>The ESC hopes that the specific number on invoices is replaced by a sequential number.</p>	<p>The Commission cannot accept this amendment at this stage as the obligation for numbering itself does not exist in all Member States and where it does exist, it is not always obligatorily sequential. The Commission's proposal on this point is therefore a compromise.</p>
<p>The ESC hopes that debit and credit notes are cross-referenced to the original invoice to which they refer.</p>	<p>The Commission will take account of this point in the Council negotiations.</p>
<p>The ESC is worried about the risks of fraud caused by storage in third countries.</p>	<p>The Commission will take account of these concerns in the Council negotiations.</p>
<p>The ESC hopes that the rule on electronic signatures is relaxed for invoicing by EDI.</p>	<p>The Commission will take account of this point in the Council negotiations.</p>

<p>The ESC hopes for greater cooperation between administrations.</p>	<p>The Commission has just adopted a proposal for a regulation aimed at greater cooperation (COM(2001) 294 final of 18 June 2001).</p>
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<p>39. Communication from the Commission to the Council and the European parliament - a strategy to improve the operation of the vat system within the context of the internal market COM (2000) 348 final - April</p>	
<p>Main points of the ESC Opinion</p>	<p>Commission Position</p>
<p>The ESC welcomes the Commission's communication.</p>	<p>The Commission takes note of the ESC's support.</p>
<p>It welcomes the Commission's continued dedication to a definitive system based on the principle of taxation in the country of origin as a long-term objective.</p>	<p>The Commission has clearly expressed the fact that this communication did not question the idea of a definitive system as a long-term objective of the Community.</p>
<p>The ESC recognises the difficulties of achieving a political consensus which would enable a definitive scheme to be established, and accepts the Commission's pragmatic approach based on improving the transitional system. The key elements of this improvement should be: simplification, modernisation, more uniform application of current rules and closer cooperation. It therefore broadly approves of the agenda set by the Commission for the year 2000 and its work programme for 2000/2001.</p>	<p>The Commission welcomes the ESC's support for its new strategy, the aim of which is to re-evaluate the programme presented in 1996 in order to improve the operation of the common VAT system in the short term.</p>

<p>The ESC agrees with the current trend which aims to make the “reverse charge” mechanism the general principle for taxation of services. It considers that removing the system of fractionated payments would do more than any other measure to reduce costs for business without providing any greater scope for fraud.</p>	<p>The Commission recognises this trend but considers that care is needed on this issue as the principle of fractionated payments aims to ensure the regular financing of treasuries at each stage in the economic chain and also to reduce the risk of fraud by not concentrating settlement and payment obligations in the final phase of consumption. On this subject, the Commission considers that the approval of proposal COM (98) 377 on the rules governing the right to deduct value added tax, particularly concerning the “cross-border deduction” aspect, could provide solutions for some current difficulties.</p>
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**40. Proposal for a Council regulation amending Regulation (EEC) No 3911/92 on the export of cultural goods
COM (2000) 845 final – April**

Main points of the ESC Opinion	Commission Position
The ESC welcomes the Commission's proposal.	The Commission takes note of the ESC's support.

41. Proposal for a Regulation of the European Parliament and of the Council laying down the health rules concerning animal by-products not intended for human consumption
COM(2000) 574 final - April

Main points of the ESC Opinion	Commission position
<p>Feed ban – ESC supports continuing current suspension on the feeding of meat and bone meal to all livestock, but would like this to be lifted for non-ruminants when health risks are eliminated.</p>	<p>Commission agrees – Council concluded on 24 April 2001 that the period of application of the Decision on feed suspension should be extended. A separate Commission Decision prolonging the suspension on meat and bone meal applied from 1 July. Its further amendments will depend on a decision on the classification of Member States as well as the efficacy of control measures put in place by individual Member State.</p>
<p>Intra-species recycling – ESC would like the ban on cannibalism, which at present only applies to ruminants, to be extended to non-ruminant animals.</p>	<p>Commission can support – a prohibition on intraspecies recycling (i.e. cannibalism) for ruminants is in force since 1994. Extending this ban to non-ruminants, as a precautionary principle, is in line with the recommendations of the SSC and other national scientific bodies, such as the UK’s advisory body on TSEs (SEAC). The development of the BSE epidemic has shown that cannibalism may increase the risk of recycling potential infectivity due to the absence of species barrier. This ban is a key amendment proposed by the European Parliament, and has been agreed by the Council.</p>
<p>Safe sources, dedicated processing – ESC would like tougher rules on traceability, dedicated means of handling and processing animal by-products to avoid cross-contamination, and on quick recall of contaminated feed.</p>	<p>Commission agrees – this is fully in line with the basic objectives of the Regulation, which only permits the use of material fit for human consumption in feed, and requires complete separation of material from different categories throughout the disposal and feed chain (collection, transport, processing and use).</p>

<p>Incineration – ESC would like incinerators that are excluded from the scope of Directive 200/76/EC on incineration to be covered by this Regulation. Also, ESC would like promotion at EU level of research on energy recycling disposal methods and environmental impact of incineration of animal carcasses, and the research results and decisions on rules applicable to incineration plants to be made public.</p>	<p>Commission can support – the text of Council document presented for a common position on 19 June sets public health requirements for incinerators that are not covered by Directive 200/76/EC. It contains legal possibility for reviewing the authorised methods of disposal in the light of new scientific advice. Commission will reflect on the need for promoting research in the area..</p>
<p>Financial arrangements – ESC would like an EU report, as soon as possible, on financial arrangements and support to ensure a level playing field in the disposal chain across the Community and to avoid impact on mutual competition.</p>	<p>Commission agrees – proposed Regulation already provides that Commission shall prepare a report on financial arrangements in Member States for the processing, collection and storage and disposal of animal by-products, accompanied by appropriate proposals. This is being considered.</p>
<p>Processing Standards</p> <p>–ESC is not in favour of pasteurising pressure-cooked category 2 material when used in biogas, and would like related sections in Chapter II of Annex IV to be deleted. ESC thinks that pressure-cooking is enough to eliminate any potential risks.</p> <p>-ESC thinks it unnecessary to impose specific treatment for category 3 material used in biogas plants as the material presents no risk to human or animals.</p> <p>-ESC would like pressure-cooking to apply to category 3-mammalian blood for consistency reasons.</p>	<p>Commission can support – the text of Council document presented for a common position on 19 June clarifies that a pasteurisation or hygienisation unit is not mandatory for biogas plants that transform <u>only</u> animal by-products that have undergone processing method 1.</p> <p>Commission can support – the text of Council document presented for a common position on 19 June clarifies that specific treatment may only be required where biogas plant is equipped with a pasteurisation unit.</p> <p>Commission can support – the text of Council document presented for a common position on 19 June requires pressure-cooking for mammalian blood, other than ruminant blood, destined to the production of bloodmeal.</p>

<p>Fertilisers – ESC recommends a ban on the use of ruminant protein as fertilisers.</p>	<p>Commission can not fully support – the proposed Regulation prohibits the spreading of any animal proteinaceous material on pastureland, but allows the use of ruminant proteins as fertilisers if SRM has been removed and following pressure-cooking to 133 C/20 minutes/3 bars. This is in line with the most recent SSC opinion on safety of fertilisers.</p>
<p>Catering waste – ESC would like catering waste to be covered by the Regulation, and to be classified as category 2 material as it may contain ruminant products</p>	<p>Commission can support – the introduction of catering waste in the scope of the Regulation to regulate its use for authorised purposes can only be accepted if it is clarified in the text that catering waste is covered only when destined for specific purpose, such as composting or biogas, to avoid duplication with environmental legislation. The text of Council document presented for a common position on 19 June classifies catering waste from means of transport operating internationally in the highest risk category and introduces a general prohibition of using catering waste in animal feed. Catering waste is classified as category 3 material, and it would seem disproportionate to classify typical catering waste such as household or kitchen waste as category 2 material.</p>
<p>ESC would like the Regulation to apply as soon as possible.</p>	<p>Commission can support – the text of Council document presented for a common position on 19 June establishes that the Regulation shall apply 6 months after the date of entry into force. This is reasonable to allow some section of the industry to adjust.</p>

**42. Proposal for a Directive of the European Parliament and of the Council amending Council Directive 90/425/EC and 92/118 as regards health requirements for animal by-products
COM (2000) 573 final – April**

Main points of the ESC Opinion	Commission position
The ESC approves the proposal of the Commission.	Taken into account of the favourable opinion.

43. Proposal for a Directive of the European Parliament and of the Council setting standards of quality and safety for the collection, testing, processing, storage, and distribution of human blood and blood components and amending Council Directive 89/381/EEC
COM (2000) 816 final - May

Main points of the ESC opinion	Commission Position
<p>The Committee welcomes this proposed directive which consolidates equality of rights for people throughout the Community and approves the text of this proposal in general, subject to the general and specific comments below regarding some of the provisions it contains.</p>	<p>The generally positive opinion of the ESC will help to find an agreement with Council and EP.</p>
<p>The ESC is generally critical of the fact that there are numerous detailed rules in the proposal, particularly in the annexes. It feels that the proposed directive should, in contrast, aim to lay down general principles and objectives. These rules should comprise only one annex with scientific and technical data which can be adjusted to reflect recognised scientific progress, proposed by scientists specialised in this area, meeting in an "ad hoc" committee. The updating procedure must not lead to formal changes being made to the directive.</p>	<p>In order to achieve the aims of the Directive, it is essential that binding technical standards regarding quality and safety be laid down with some level of detail. Especially for the selection of donors, and the tests to be performed, it is necessary to list the specific conditions and diseases leading to an exclusion of the donor.</p> <p>However, the Commission might be able to accept the proposal by the EP rapporteur to remove the technical annexes from the draft text now, and to adopt 'technical requirements' later by Comitology. Such a solution would offer the opportunity to re-discuss the details, while keeping the option of binding standards where necessary.</p>
<p>The Committee recommends that it should in some way be made explicit in the proposal that tasks which might involve direct contact with donors or recipients of blood or its components should come under the exclusive technical responsibility of properly qualified health service staff with the appropriate back-up.</p>	<p>This recommendation might be accepted.</p>
<p>Self-sufficiency in the blood sector is one EU objective, which has to be secured. In line with the draft Directive, the Committee stresses how vital it is not to allow a mercenary, profit-oriented approach to blood donations to develop on the part of the establishments which collect and process blood.</p>	<p>It is impossible to accept a general ban on any kind of reimbursement of donors, because this might have drastic consequences for blood and plasma supply. Voluntary, non-remunerated donations should instead be declared a general aim of the Community and Member States, as it was done in several related Community documents.</p>

44. Communication from the Commission to the Council and the European Parliament on the welfare of intensively kept pigs in particular taking into account the welfare of sows reared in varying degrees of confinement and in groups
Proposal for a Council Directive amending Directive 91/630/EEC laying down minimum standards for the protection of pigs
COM (2000)20 final - May

Main points of the ESC Opinion	Commission Position
<p>The ESC regrets that the proposal does not contain requirements concerning the space allowances for fattening pigs.</p>	<p>The Commission proposal highlights the necessity for further scientific and economic investigations before taking initiatives.</p> <p>It provides for a report to the Council on the effects of stocking densities in different farming systems taking into account the welfare including health of pigs.</p> <p>Taking into account the opinion of the ESC but also similar views expressed in the Council and Parliament, the Commission accepts to present – if necessary - a specific proposal to amend Directive 91/630/EEC on this subject before January 2004.</p>
<p>The ESC calls for a better analysis of the cost of the proposal and the inclusion of a cost analysis in the report of the Commission provided for in Article 6 of the proposal</p>	<p>The impacts of the proposed higher welfare standards on the competitiveness of the producers have already been assessed in the report of the Commission accompanying the proposal.</p> <p>The Commission has proposed in Article 6 to submit a report on different aspects of pig production. Following the request of the ESC, Council and Parliament the Commission accepts to include an economic analysis in it.</p>

<p>The ESC calls for addressing animal welfare issues at international level in the WTO to ensure consistency between production and import regulations.</p>	<p>The Commission is currently already actively considering such issues within the framework of the WTO and also the OIE (International Organisation for Animal Health). The Commission considers it a duty to press for recognition of these standards, not only for ethical reasons but also because of the higher costs involved for EU producers and consumers.</p>
<p>The ESC highlights the question of the level of control and implementation</p>	<p>The Commission reminds that the FVO is carrying out systematically inspections focussing the implementation of animal welfare legislation, including Directive 91/630/EEC.</p>

**45. Proposal for a Council Directive on minimum standards on procedures in Member States for granting and withdrawing refugee status
COM (2000) 578 final – April**

Main points of the ESC Opinion	Commission Position
<p>Amendment to Article 7 (b) : interpreters must be paid for out of public fund when called upon by the competent authorities <i>or by the applicant for asylum.</i></p>	<p>The proposal is meant to lay down minimum standards for procedures. Member States should at least pay for interpretation in interviews conducted for the purpose of examining the application and taking a decision. Under the terms of this Directive they should not be called upon to pay for interpretation in other situations solely because it is the wish of the applicant for asylum.</p>
<p>Amendment to Article 8(2) : every applicant for asylum must have access to the transcript of his personal interview and be able to make comments on it, <i>even in the admissibility and accelerated procedures.</i></p>	<p>Not every Member State seems ready to accept such a right of applicants for asylum. The Commission therefore proposed to introduce this standard only for the regular procedure and not for undeserving cases.</p>
<p>Amendment to Article 9(4): there should be free legal assistance at every stage of the procedure and not only in the event of an adverse decision.</p>	<p>In practice there is limited or no state funded legal aid in the first stage of the procedure a lot of Member States, while most of them leave NGO's to take care of legal assistance. At the appeal stage thirteen Member States have legal aid schemes in place, although several under certain conditions. Our proposal would codify the practice in a majority of Member States and make it the standard for all, omitting any conditions (other than making it subject to a means test).</p>
<p>The Committee wants the Commission to submit the report for the EP and the Council on the implementation of the directive in Member States, also to the ESC.</p>	<p>The Commission should be consistent in either submitting implementation reports on asylum measures to the ESC or none at all.</p>



**46. Communication from the Commission to the Council and the European Parliament on the prevention of crime in the European Union
Reflection on common guidelines and proposals for Community financial support
Proposal for a Council decision establishing a programme of incentives and exchanges, training and cooperation for the prevention of crime (Hippocrates)
COM (2000) 786 final – May**

Main points of the ESC Opinion	Commission Position
The ESC supports the Commission's initiative presented in its communication to establish the Hippocrates programme.	The Commission takes note of the ESC's favourable opinion.
The prevention policy must be comprehensive and must tackle the causes of crime.	The Commission shares this view. The Commission calls for a multidisciplinary approach to the prevention of crime.
The resources available for the fight against crime at European level – particularly those of Europol – are inadequate.	The Commission is neutral at this stage. It considers that it would be desirable to extend Europol's powers to all areas where cooperation between Member States should be systematised. Only at this stage should there be a discussion about Europol's resources.
Knowledge about crime in the European Union is inadequate.	The Commission agrees. The Commission supports approaches based on knowledge (see Sundsvall conference in February 2001).
The networking of those involved in crime prevention, which the Tampere European Council called for, is essential. The ESC approves of the creation of the EUCPN (European crime prevention network) and of the European Forum for the prevention of organised crime.	The Commission agrees. The EUCPN was created by Council decision of 28 May 2001; the European Forum for the prevention of organised crime held its first meeting on 17 and 18 May 2001.

Civil society must be involved in implementing the crime prevention strategy, which must be mainstreamed in all policies in such a way that it is visible to the public at large.

The Commission agrees with this position.

47. Re-invigorating the transatlantic partnership and dialogue
Own-initiative opinion - ESC 719/2001 – May

Main points of the ESC Opinion	Commission Position
<p>Increased involvement of civil society needed in EU-US partnership. Dialogues should be further encouraged. Civil Society Task Forces should be considered as potential tools for such endeavour. Annual budget frames for supporting civil society involvement are proposed.</p>	<p>EU and US are committed to support dialogues (Cf Dec 98 statement : ‘we look forward to dialogues providing recommendations on an on-going basis’) Civil Society work on the priority themes, be it through Civil Society Task Forces and/or through Dialogues, is very important to obtain the best possible results from our cooperation. Both sides recognised that importance at the recent EU-US Göteborg Summit. The Commission is determined to continue its support as well as to work to ensure continued US commitment, but it must be born in mind that in the end, dialogues and other civil society structures are by definition independent and thus responsible for their own organisation and functioning. The Commission’s US Unit devotes already today the largest part of its annual budget to promoting EU-US civil society and people to people links, and has the firm intention to continue its ever stronger commitment to this end.</p>
<p>Four priority themes are proposed :</p> <p>(I) Priority theme : Globalisation and multilateral trading system ;</p>	<p>The Commission is fully aware of the challenges of globalisation and trade.</p> <p>The ESC suggestion to stress this concern in our Transatlantic dialogue is fully in line with this approach. Concerning development-related aspects, the Commission has recently adopted its ‘everything but the arms’ strategy, since helping LDCs is a firm commitment of the EU. The same goes for the fight against poverty. It is indeed the EU’s view that this should be based on sustainable cooperation rather than punctual, urgent aid. In its 20 March Communication on Transatlantic Relations, the Commission included « Globalisation and the multilateral system » among its 8 proposed priority themes for the future.</p>

<p>(II) : Environment and climate change</p>	<p>Protecting Environment and fighting Climate Change remains a clear priority for the Commission. At the recent Göteborg Summit, both sides agreed that protecting the Environment and in particular promoting effective ways to address climate change would be a common priority for the years to come. Leaders agreed to establish a high level group of personal representatives to work together to narrow EU-US differences. However, the Commission and the Presidency reiterated their deep regret of the US decision not to ratify the Kyoto protocol, since this framework is the most appropriate means to fight the dramatic problem of climate change. The Commission remains committed - and has made that clear - to implement the protocol, and is currently working to prepare the important COP6 meeting in Bonn in July 2001 ; but US participation remains essential for success, and the Commission will continue to try to involve the US accordingly. Its objective remain the successful conclusion of the July conference in Bonn so that the EU and others can get on with ratification. It is a positive fact that the US is committed to participate in this conference.</p>
<p>(III) : Food safety and consumer protection.</p>	<p>Preserving food safety is another important concern of the Commission, explicitly raised among the priority themes in its March Communication. The Commission has repeatedly explained to the US side the importance she attach to this issue, and will continue to do so. It remains an essential objective to achieve the highest possible standards of consumer protection and food safety.</p>

<p>(IV): social cohesion and sustainable social systems in a demographic perspective.</p>	<p>Social cohesion is intimately linked to globalisation and trade, to the fight against poverty in developing countries, the digital economy, environment protection and energy policies. All those are priority themes identified by the Commission in its March Communication. Demography is one of the main factors behind society growth and migration. Respect for the individual right to seek asylum is also an essential democratic value of our societies. At the recent Göteborg Summit, both sides agreed to focus on a broad range of issues related to asylum, immigration and mass influx of refugees and displaced persons. An International Conference will be held by Mid-October, focused on social and demographic aspects.</p>
<p>ESC proposes creation of annual or 2-yearly Transatlantic Forums, and declares its willingness to organise the first such event in the spring of 2002.</p>	<p>That is a promising idea with the potential to help fostering better EU-US relations. The Commission looks forward to receiving the contributions of these Fora. More generally, she fully supports the ESC involvement in the follow-up of themes and issues in the transatlantic partnership. This is in fact a double bottom-up and top-down approach, which must be combined to obtain the optimal results. The involvement of civil society and its representatives is not only useful but essential. The Commission needs to ensure that the new US Administration is fully aware of the importance of such involvement. But this consciousness will of course depend to a large extent on the degree of US civil society willingness and determination to make the case for its participation and assume its burdens (in particular in terms of investment of human resources, commitment and time). In other words, Transatlantic Civil society dialogues require by their own nature involvement of the two sides; if one of them is less active, it will naturally slow the process. The Commission hopes that with the support of all EU players involved, including the ESC, she will ensure that the US side maintains and increases its commitment of involving civil society in the Transatlantic Agenda.</p>

<p>Calls to Göteborg Summit to take lead in forming a global strategy for sustainable development.</p>	<p>The Summit included reflection and agreement on some important aspects of the fight for environment protection and against poverty and disease in the LDCs. Indeed, among the agreed strategic themes for the years to come, it was decided to include both «Protecting the Environment: Promoting effective ways to address climate change» and «Fighting against poverty in the developing countries: Combating the communicable diseases HIV/Aids, Malaria and Tuberculosis». The Commission is currently working to ensure concrete follow-up actions within those subjects.</p>
<p>Calls on Gothenburg Summit to take decisive steps to reconcile differences at the forthcoming WTO Qatar negotiations.</p>	<p>The Summit adopted an unequivocal commitment to launch such negotiations with explicit emphasis on dispute resolution and reconciliation of differences. The Commission strongly believes that the final Statement addresses fully the concerns of the ESC in this respect. Leaders declared: « We are committed to launching an ambitious new round of multilateral trade negotiations at the WTO Ministerial Meeting in Doha ...The new round must equally address the needs and priorities of developing countries, demonstrate that the trading system can respond to the concerns of civil society, and promote sustainable development... Recalling that the dispute settlement mechanism of the WTO is a central element in providing security and predictability to the multilateral trading system, the EU and U.S. undertake to work constructively to improve that mechanism »</p>

**48. Proposal for a Regulation of the European Parliament and of the Council on rail transport statistics
COM (2000) 798 final – May**

Mains points of the ESC opinion	Commission position
Endorses the proposal and welcomes in particular the inclusion of statistics on rail safety.	Favourable opinion taken into account.
Suggests a Community financial contribution to Member States for the implementation of the Regulation.	<p>Rejected :</p> <p>(a) the cost of implementing the Regulation will be small and will be shared between rail operators, the national authorities responsible for statistics, and other competent bodies (e.g. rail infrastructure managers).</p> <p>(b) the administrative costs involved in such Community financial contributions are excessive, in relation to the small amounts of money which might be allocated.</p>
Suggests report to Council and Parliament after 5 years rather than 3 years.	<p>Taken into account in the framework of forthcoming negotiations with the other institutions.</p> <p>It is correct that the 5 year period is more realistic.</p>