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CEEP MESSAGES TO THE JUNE EU COUNCIL

Ahead of the June EU Council, CEEP President Hans-Joachim Reck and CEEP General Secretary Valeria Ronzitti expressed their positions in a letter sent to Mr Van Rompuy, President of the European Council, and to the Heads of State and Governments.

Considering the current political context, they stressed the importance of the announced Strategic Agenda for the Union: “The recent results of the European elections have shown the increasing demand to bring Europe closer to its citizens. Therefore, the upcoming European Council will be the occasion to pave the way towards a sustainable economic and social model that is able to answer the citizen’s expectations. The redefinition of these policies should come before the discussion on the right individuals to realize them”.

More specifically, they addressed two main priorities:

Hans-Joachim Reck, CEEP President, on **Climate and Energy**:

“Formulating a comprehensive Energy and Climate Framework is an important priority from the point of view of Public Service Providers in Europe. CEEP endorses the call for an ambitious approach to the future European energy policy.

In this context, CEEP supports the demand for a binding reduction target for green house gas emissions by at least 40 per cent until 2030. Moreover, CEEP embraces the proposal for a binding EU-wide expansion target for renewable energies. At the same time, it has to be ensured that all Member States firmly commit to contributing in a substantial manner to the goal achievement. With regard to energy efficiency, CEEP welcomes the approach to examine first to what extent the target for 2020 has already been reached.

For CEEP the design of the according governance process is decisive. The reliability of the national plans and a fair effort-sharing has to be guaranteed. Due to long-term investment cycles, it is vital for European energy undertakings to be given as early as possible a reliable European framework for 2030. Moreover, the urgent need to effectively face the external dimension of EU energy policies is well represented by the Ukrainian crisis.

Looking at the Ukrainian crisis the further expansion of interconnected networks between the EU Member States is of utmost importance. However, the concentration on the transmission level only will not be sufficient. When it comes to security of supply, competitiveness and sustainability, transmission and distribution networks must be considered as one and thus be harmonised and modified accordingly keeping in mind both grid levels. This is due to the fact

that the majority of renewable energy is fed into the distribution grid. CEEP further supports the goals of completing the internal energy market as soon as possible. But as long as the completion is still lagging behind, CEEP calls for the possibility that Member States be allowed to establish capacity mechanisms that conform to the EU internal market, and that enable the operation of both new and existing plants in order to provide cost-effective generation capacities with reliable availability”.

Valeria Ronzitti, CEEP General Secretary, on **Growth, Competitiveness and Jobs**:

“CEEP welcomes this year’s country specific recommendations which are moving in the right direction. Indeed, the rhetoric of the recommendations is this year less focused on fast pace fiscal consolidation and more on a differentiated approach which insists more on growth friendly expenditure. The recommendations put the right emphasis on structural reforms dedicated to a better organisation of the education system and public employment services, and properly link the first to the latter, for instance in addressing the essential issue of skill mismatch. At this level we also believe that long-term unemployment will imply the need for ambitious reforms and should, together with youth unemployment, be considered as a primary target of the actions on the labour market.

At a general level, our European economy is in dire need of a new policy-mix, one able to reconcile sound public finances with strong long-term investments. As such, CEEP deems essential the investment in education and network infrastructures which is the main support for tomorrow’s productivity gains. In this regard, the recent Commission communication on long-term investment is going in the right direction. However, on the ground, it is difficult to materialize the support of the EU budget into real long-term projects and Member States have, since the beginning of the crisis, tended to reduce public expenditure and public investment in an overall context of undifferentiated fiscal consolidation. Now is the right momentum to mix the accommodating monetary policy of the European Central Bank with an ambitious fiscal policy, directed towards the segments of the public budget which can foster a new sustainable growth.

Public services’ employers and providers are reorganising themselves in order to become the proper support for businesses competitiveness as well as the support for the European demand and are aiming for more efficiency in the delivery of their services. However this can only be done through a comprehensive approach fully taking stock of their importance in supporting the needs of European citizens by being the very backbone of the European economic and social model.”

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