

*Brussels, 28/01/2011*

*C/2011/427*

*Dear President,*

*I would like to thank the Chamber of Deputies of the Italian Parliament for sending its comments regarding the Commission Work Programme 2010 {COM (2010) 135}.*

*In line with the Commission's decision to encourage national Parliaments to react to its proposals to improve the process of policy formulation, we welcome this opportunity to respond to your comments. I enclose the Commission's response, and hope you will find this a valuable contribution to your own deliberations.*

*I look forward to continuing this fruitful exchange of information,*

*Yours sincerely,*

*/-/ Maroš Šefčovič*

*Mr Gianfranco FINI  
President of the Chamber of Deputies  
Italy*

**COMMENTS OF THE COMMISSION ON AN OPINION FROM THE ITALIAN CHAMBER OF DEPUTIES**

**COM (2010)135 FINAL – COMMISSION WORK PROGRAMME 2010**

The European Commission thanks the Chamber of Deputies for having examined the Commission Work Programme 2010{COM(2010) 135} and for having provided its opinion. The resolution constitutes a valuable contribution to the continuous dialogue between the Commission and the national parliaments on the political priorities of the European Union. The Commission's comments on specific points raised by the Chamber of Deputies are presented below.

The Commission fully supports multilingualism as the guiding principle for the use of the official languages of the European Union. It displays all its efforts to ensure full translation of all the legal and political important documents in all the official languages. The Commission takes note of the Chamber's observations related to the language rules of the EU.

The Commission Work Programme 2010 (CWP) reflects the Commission's determination to lead Europe out of the economic crisis and deliver policy that bring direct benefits to citizens.

The focus of the CWP 2010 is on delivering strategic initiatives, which are designed to shape Europe's future for the long-term benefit of its citizens, with a particular emphasis on relaunching the European economy. In taking them forward, the Commission has set a direction for the EU in the next decade, as highlighted by its Europe 2020 Strategy<sup>1</sup>. Europe's recovery and future are dependent on pursuing smart, sustainable and inclusive growth, with quantified goals and concrete actions at EU and national level. This has been widely welcomed and was endorsed by the European Council in June 2010.

The Commission welcomes comments by Chamber of Deputies concerning the importance of strengthening **economic governance** in the European Union. In September 2010, the Commission presented a package of proposals to strengthen fiscal sustainability and macro-financial stability, and prevent harmful macro-economic imbalances<sup>2</sup>. This included a new

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<sup>1</sup> COM(2010)2020. Europe 2020 – A strategy for smart, sustainable and inclusive growth

<sup>2</sup> COM(2010) 522 - 527 (29 September 2010) - The Commission puts forward a package of six regulatory legislative proposals for concrete legal instruments:

COM(2010) 522 final. Proposal for a Council Regulation amending Regulation (EC) No 1467/97 on speeding up and clarifying the implementation of the excessive deficit procedure

COM(2010) 526 final. Proposal for a Regulation amending Regulation (EC) No 1466/97 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies[

COM(2010)527 final. Proposal for a Regulation of the European Parliament and of the Council on the prevention and correction of macroeconomic imbalances

COM(2010) 523. Proposal for a Council Directive on requirements for budgetary frameworks of the Member States

COM(2010) 524 final. Proposal for a Regulation on the effective enforcement of budgetary surveillance in the euro area

COM(2010) 525 final. Proposal for a Regulation on enforcement measures to correct excessive macroeconomic imbalances in the euro area

structured mechanism for the surveillance of harmful macroeconomic imbalances and their correction in all Member States as well as concrete amendments to the preventive and corrective arms of the Stability and Growth Pact and formal proposals specifying the minimum requirements for the design of domestic fiscal frameworks and the procedural requirements to allow for verification of compliance.

The Commission has proposed two Regulations one on the speeding up and clarifying the implementation of the excessive deficit procedure and another one on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies. Two other Commission proposals for Regulations detail a set of gradual sanctions for non-compliant euro-area Member States: on the effective enforcement of budgetary surveillance in the euro area and on the enforcement measures to correct excessive macroeconomic imbalances in the euro area.

The Commission welcomes Italian Chamber of Deputies' proposal for the **monitoring of enforcement of the Europe 2020 Strategy**. The European Semester will be launched early in 2011 with the Annual Growth Survey. A central part of the macro-economic surveillance foreseen under the Europe 2020 Strategy will be the new structured mechanism for the surveillance of harmful macroeconomic imbalances and their correction in all Member States. A scoreboard establishing a set of indicators revealing external and internal imbalances combined with qualitative expert analyses will be the basis for an alert mechanism. Also other parts of the strategy, such as the thematic surveillance, will make rigorous use of indicators and targets.

The Commission welcomes the position of the Italian Chamber of Deputies concerning **sustainable, green growth**. The Commission agrees that EU energy policy merits an ambitious approach and needs binding commitments in some areas. A lot has been achieved in recent years. The inclusion of an energy chapter in the Lisbon Treaty points to a continued ambitious approach in the coming years. The strategic importance of energy system developments is underlined in the Europe 2020 Strategy. Two of the flagship initiatives under the Europe 2020 strategy - "Resource efficient Europe" and "Innovation Union" are of major significance for environmental policy. They address issues such as environmental degradation, biodiversity loss and eco-innovation and thus help deliver the vision of a Europe that has an economy that is competitive, low carbon, resource efficient and climate resilient by 2050. The CWP has announced major initiatives on **Europe's transition to a low-carbon, resource-efficient and climate resilient economy by 2050**, in particular for the decarbonisation of the energy and transport sectors and the promotion of next-generation **infrastructure** for clean and secure energy and transport. In the field of infrastructure, the Commission has also proposed measures aimed at boosting high-speed Internet across Europe. In this context, important proposals have been presented on broadband, with the intention of guiding future developments in the sector.

Forming a fully integral part of the Europe 2020 strategy, the Commission shares the view that **cohesion policy** should focus on fostering economic growth, thus reducing disparities between regions and between Member States. Cohesion policy must provide incentives to foster adjustment to smart, inclusive and sustainable growth in all European regions. It provides a framework for cross-sectoral and integrated policy approaches. The European Council of June 2010 has stressed the importance of promoting economic, social and territorial cohesion as well as developing infrastructure in order to contribute to the success of the new Europe 2020 strategy. The Commission will issue the 5<sup>th</sup> Report on economic, social

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and territorial cohesion which will contain an analysis of the effects and impact of European cohesion policy together with the Commission's ideas on the future cohesion policy post-2013. The Commission will then adopt the related legislative proposals in 2011.

The Commission underlines that the CWP should be seen in the broader context of the new multi-annual Action Plan implementing the Stockholm Programme (2010-2014) and would argue that the CWP demonstrates a long-term vision with regard to a common **immigration policy**. For example, the proposal to consolidate the existing legal instruments into a single "Immigration Code" will lead to greater coherence and transparency. The Communication on an EU agenda for integration will lead to the next, vital step, that of improving the integration of migrants into their host communities in the Member States. This is particularly important in the context of improving the employment rates of workers from third countries. And lastly, announced measures would finalize the legal framework with proposals on seasonal workers and intra-corporate trainees.

The Commission would also argue that there is a long-term-vision for the **Common European Asylum System**. Such a vision has been presented and confirmed in numerous policy documents (Policy Plan on Asylum<sup>3</sup>, Pact on Immigration and Asylum<sup>4</sup>, Stockholm Programme<sup>5</sup>) and has been implemented through the amendments to the existing legal instruments (including the Dublin regulation) and proposals for the creation of the European Asylum Support Office<sup>6</sup> (which will be operational in 2011) and a Joint EU Resettlement Scheme<sup>7</sup>.

The Commission fully recognises the growing risk of **counterfeit** products that threaten the European economy and the health and safety of European consumers. Counterfeiting is a worrying phenomenon which has potentially a very serious economic impact, involving organised crime and risking to seriously harming people. Differences in Member States' criminal measures are hampering cross-border co-operation between law enforcement agencies. The Stockholm Programme has underlined that counterfeiting is a serious danger for consumers and economies and that there is a need to respond to the criminal dimension of this phenomenon.

The Commission has presented a Communication which outlines the future internal market action to enforce **intellectual property rights**<sup>8</sup>, and in particular ways to strengthen the European Observatory on Counterfeiting and Piracy. The observatory brings together representatives from a private sector affected by counterfeiting and piracy and representatives from all Member States. Its main role is to develop coordinated and mutually effective strategies, in a wide range of areas including enforcement, data gathering, exchanges of information and of best practices, raising consumer awareness, trainings and research.

The Commission fully agrees with the importance to promote **private investment in R&D**,

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<sup>3</sup> COM(2008)360. Policy Plan on Asylum: An integrated approach to protection across the EU (17 June 2008)

<sup>4</sup> Conclusions of the Presidency of the Brussels European Council (15 and 16 October 2008)

<sup>5</sup> COM(2010) 171 - Action Plan Implementing the Stockholm Programme

<sup>6</sup> COM(2009)66. Establishing a European Asylum Support Office (18 February 2009)

<sup>7</sup> COM(2009)0447. Establishment of a Joint EU Resettlement Programme (2 September 2009)

<sup>8</sup> COM(2009)467. Enhancing the enforcement of intellectual property rights in the internal market (11 September 2009)

including through the use of structural funds and of financial instruments. The importance of the private sector in the domain of **research and innovation** is recognised in the attribution of the Structural Funds. Thus, funding is available to support firms, and notably SMEs, for the following spending categories: technology transfer and improvement of cooperation between the business and research sectors; access to R&D services in research centres; the promotion of environmentally-friendly products and production processes in SMEs; investment in firms directly linked to research and innovation and other measures to stimulate research and innovation in SMEs. The Europe 2020 flagship on an **Innovation Union**<sup>9</sup>, consisting of a coherent set of actions covering the innovation chain from research to market uptake, will be a critical component of the overall Europe 2020 strategy.

The European Commission aims to increase the use of all EU financial instruments and to support R&D, Innovation and particularly **innovative SMEs**. In the context of the Europe 2020 Strategy, a new set of financial instruments might be considered to address existing market gaps in finance including those for innovative smaller companies.

In order to increase the level of private investment in R&D and Innovation, EU budget resources could be combined with the lending capacity of the EIB Group in order to make more funding available. Such a combination of EU budget resources with the EIB Group's finance possibilities can take various forms including risk-sharing partnerships to leverage further private capital for R&D and Innovation investment.

The Commission takes note of the different elements underlined by the Italian Chamber of Deputies in its plenary resolution regarding the revision of the **European budget**. It considers that they constitute a valuable input to the reflexion, which the Commission has launched with the Budget Review in October 2010, leading to the formal proposals for the next Multiannual Financial Framework during the first semester of 2011.<sup>10</sup>

In October 2010, the Commission has launched a consultation document - "**Towards a Single Market Act**" - drawing on the report by Professor Mario Monti.<sup>11</sup> The consultation will result in a Communication during the first half of 2011 setting out a comprehensive package of measures to further develop the single market for citizens and businesses in partnership with all stakeholders, including national authorities and national parliaments. The objective is to deliver a highly competitive social market economy with sustainable economic growth and to restore confidence in the legitimacy of the single market project. Implementing the proposals of the Single Market Act in practice will require active support from Member States. The Commission welcomes in particular the support of the Italian Chamber of Deputies to the creation of an EU wide **common consolidated corporate tax base (CCCTB)**, which could dramatically reduce compliance costs and create a more transparent and simpler tax environment for companies operating cross-border. The Commission will table a legislative proposal in 2011.

As regards the **VAT system**, the Commission adopted a Green Paper in December 2010 launching a wide-scale debate among stakeholders on possible ways to simplify the VAT system and render it more business-friendly, more efficient and less vulnerable to fraud.<sup>12</sup> Following this debate, the Commission will analyse the outcome and set out the short and middle term priorities for the future VAT system in a Communication during the second half of 2011.

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<sup>9</sup> COM(2010)546. Innovation Union (6 October 2010)

<sup>10</sup> COM(2010)700 (19 October 2010). The EU Budget Review

<sup>11</sup> COM(2010)608 (27 October 2010)

<sup>12</sup> COM(2010)695 (1 December 2010)

The Commission is also preparing a review of the **Small Business Act**. The purpose of the review is to boost the implementation of the Small Business Act and to add a number of new policy fields, such as promoting entrepreneurship, integrating SMEs into the digital internal market and helping SMEs to benefit from green growth. The Small Business Act is seeking to facilitate SME access to public procurement tenders.

The Commission fully agrees with the need to **ensure transparency in labelling and the traceability of products**. Both the EU legislation for consumer products in general and the EU food legislation provide comprehensive frameworks to ensure traceability and information about the goods and foodstuffs consumers purchase and consume. For products in general, there are labelling and traceability requirements in the Directive on General Product Safety<sup>13</sup> and the more recent Regulation<sup>14</sup> on accreditation and market surveillance. The Commission is currently carrying out a consultation concerning the inclusion of these requirements in several pieces of legislation for specific products.

Regarding traceability of foodstuffs, the Regulation<sup>15</sup> commonly referred to as the “General Food Law”, requires food business operators to have in place systems and procedures enabling them to identify the immediate supplier(s) and immediate consumer(s) of their products. In addition, the Commission proposal for a Regulation on the provision of food information to consumers<sup>16</sup> revises the existing food labelling rules with a view to improve and enhance the provision of food information. The proposal provides for rules in order to ensure that voluntary origin indications do not mislead the consumer.

The Commission will continue to support the development of **sound statistical tools** for product monitoring on the basis of tests and analyses made of samples collected from the distribution network through the entire territory of the EU. The monitoring of markets to identify and analyse which sectors are not functioning well for consumers helps focusing policy on areas where it can deliver the highest benefits for consumers.

The Commission takes note of the **considerations and modifications proposed** by the Italian Chamber of Deputies regarding the European Agricultural Fund for Rural Development (EAFRD) and the European Fisheries Fund (EFF) in connection with the impact of the financial crisis. The Commission is available to discuss further with Italian authorities the need for such modifications.

The Commission would like to thank the Chamber of Deputies for its interest to be systematically informed in the area of **Smart Regulation**. The Commission has presented how it intends to proceed in this domain in its recent Communication on Smart Regulation<sup>17</sup>. The Commission has set out plans to further improve the quality and relevance of EU legislation. It will evaluate the impact of legislation during the whole policy cycle: when a policy is designed, when it is in place, and when it is revised.

The Commission has also decided to implement a more integrated approach to **simplification**. The Commission has announced in its Work Programme, for 2010, the pilot policy fields with which it will start reviewing the entire body of legislation affecting them. The Commission would like to reassure the Chamber of Deputies that Member States and national Parliaments will be kept informed, through the Commission Work Programme and other relevant

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<sup>13</sup> 2001/95/EC

<sup>14</sup> 765/2008/EC

<sup>15</sup> (EC) N° 178/2002 – Regulation on general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety

<sup>16</sup> COM(2008) 40 final

<sup>17</sup> COM(2010)543 (8 October 2010)

instruments, of the development of this initiative and its results as well as of any other selected policy fields in which the Commission will decide to undertake "fitness checks".

The Commission would like to thank the Chamber of Deputies for its support for the exercise of review and withdrawal of **pending proposals** that have become obsolete. As announced by the President, in his Political Guidelines, to the European Parliament<sup>18</sup>, a review of all pending proposals at the beginning of the new Commission's mandate was carried out for compatibility with policy priorities. The Commission will continue to review pending proposals and announce withdrawals on a regular basis.

The Commission takes note of and welcomes the Chamber of Deputies' support to the **Action Plan on Millennium Development Goals (MDG)**. The EU action plan in support of the 2015 Millennium Development Goals formed the basis for the June European Council's conclusions preparing a common EU position in view of the High Level United Nations Review meeting in September on the Millennium Development Goals, which aims at the adoption of a Global Action Plan for reaching the MDGs by 2015.

Likewise, the Commission also takes note of the comments of the Chamber of Deputies as regards the **enlargement process**. The Commission can assure the Chamber of Deputies that the commitments which the EU has given in relation to enlargement will continue to be respected. The Commission agrees that the pre-accession process plays an important role in reinforcing stability in the Western Balkans and provides considerable opportunities for economic development in the region. It also acts as a key incentive for reform. The EU has confirmed its commitment to the European perspective of the Western Balkans. It is a political process based on conditionality and own merits, in line with the 2006 renewed consensus on Enlargement.

The Commission also takes note of the Chamber of Deputies' interest for the creation of a **Euro-Mediterranean Investment Bank** within the framework of the Union for the Mediterranean.

The Commission hopes that these explanations satisfy the expectations of the Italian Chamber of Deputies as expressed in its opinion.

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<sup>18</sup> 3 September 2009