



EUROPEAN COMMISSION

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C(2012) 4655 final

*Dear President,*

*The Commission would like to thank the Italian Chamber of Deputies for having examined the Commission Work Programme 2011 {COM (2010) 623 final} and for having provided its detailed opinion, which constitutes a valuable contribution to the ongoing 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 in the annex. We apologise for the late submission of our reply.*

*I look forward to continuing our fruitful exchanges.*

*Yours faithfully,*

*Maroš Šefčovič  
Vice-President*

*Mr Gianfranco FINI  
President of the Chamber of Deputies,  
Chamber of Deputies  
Rome  
ITALY*

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

**COM (2010) 623 – COMMISSION WORK PROGRAMME 2011**

The Commission takes note of the Chamber of Deputies' comment regarding the implementation by the Commission of the clauses on human rights and democracy in cooperation agreements concluded with non-Member countries. Human rights are a guiding principle of **European Foreign Policy**. In this regard the Commission would like to draw the Chamber of Deputies' attention to the Communication on "Increasing the impact of EU Development Policy: an Agenda for Change"<sup>1</sup> which states that when managing development cooperation with third countries, the EU will be seeking greater reciprocal engagement of partner countries including regarding commitments on human rights and governance. The Future European Neighbourhood Instrument (ENI) will also reflect this principle.

The Commission takes note of the comments of the Chamber of Deputies as regards the **enlargement process**. The Commission shares the view that the pre-accession process has a positive effect on both the countries involved, and on the European Union. The Commission looks forward to welcoming Croatia as the 28<sup>th</sup> member of the Union.

The Commission notes the comments made by the Chamber of Deputies in relation to the importance of having a **strategic vision within the EU in order to offer a common response to events affecting areas close to our continent**. As the situation in Libya also showed, the need for a more integrated EU response that brings together humanitarian/disaster relief, development aid, diplomatic efforts and crisis management capacities is crucial.

The EU response to the historic events in the **Southern Mediterranean (the Arab Spring)** was outlined in the Joint Communications of the High Representative of the EU for Foreign Affairs and Security Policy and the European Commission<sup>2</sup> expressing the EU's support for the popular call for more democratic and open societies. They articulated an incentive-based approach in providing increased EU support to those partners that deliver on reforms toward "deep democracy" and inclusive and sustainable economic development. In 2012 the Commission will also address how to support sustainable change in transition societies.

While the Commission acknowledges the concerns of the Italian Chamber of Deputies in relation to the **Union for the Mediterranean (UfM)**, it believes that the changes in the Mediterranean region offer an opportunity to give a new dynamic to regional cooperation. The UfM should complement the bilateral relations between EU and partners and focus on delivering tangible and visible benefits to people in the entire region through an effective and result-oriented regional cooperation. Revitalising the UfM requires a switch to a more pragmatic and project-based approach, in line with the Lisbon Treaty.

With regard to the future **Financial instrument for the Southern and Eastern European Neighbourhood countries**, the Commission proposed in the Multiannual Financial

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<sup>1</sup> COM(2011) 637 final October 13<sup>th</sup> 2011

<sup>2</sup> COM (2011) 303, 25.05.2011 "A new response to a changing Neighbourhood" of 25 May 2011 - COM(2011) 200 final "A partnership for democracy and shared prosperity with the Southern Mediterranean" of 8 March 2011

Framework<sup>3</sup> that a total of €16,1 billion should be allocated for the future European Neighbourhood Instrument (ENI). The new instrument should be increasingly policy-driven and provide for increased differentiation, more flexibility, stricter conditionality and incentives for best performers, reflecting the ambition of each partnership. It will be based on the "more for more" principle presented in the European Neighbourhood Policy Communication<sup>4</sup>, according to which the countries that go further and faster with reforms will be able to count on greater support from the EU.

**Common security and defence policy** and the **EU's relationship with NATO** is not within the competence of the European Commission, but the Commission notes that the High Representative received a mandate from the European Council in 2010 to develop ideas on deepening EU-NATO cooperation in crisis management, and coordination has already been stepped up.

The Commission shares the view of the Italian Chamber of Deputies that **strengthening growth** is a key factor in shoring up the credibility of joint efforts to **overcome the crisis of confidence**. In its policy guidance, both the Annual Growth Survey and the country-specific recommendations to Member States<sup>5</sup>, in relation to their economic programmes and plans for sound public finances, the Commission has underlined the need to implement indispensable fiscal consolidation in as growth-friendly a manner as possible. To remain competitive in a globalised economy, Member States must urgently begin the deep structural reforms needed to enhance the excellence of research and capacity to innovate. We need to turn ideas into products and services that meet the demand of high-growth markets, taking advantage of the technological capabilities of our industry and helping SMEs to grow and internationalise.

While the mobilisation of financing is important, much will be gained from implementing key reforms of the Single Market that are already adopted and accelerating the adoption of pending legislation. Furthermore, each Member State is called on to implement fully the recommendations adopted in the context of the European Council.

With regard to the needs to address **the sovereign debt crisis** in the euro area through immediate action, as well as a clear plan for the medium-term evolution, President Barroso has laid out in October 2011 before the European Parliament the Commission's Roadmap for Stability and Growth<sup>6</sup> encapsulating his strategic vision for the euro area. The Roadmap outlines the comprehensive response that is needed to restore confidence in the Euro area and the European Union as a whole. This response is designed to break the vicious circle between doubts over the sustainability of sovereign debt, the stability of the banking system and the European Union's growth prospects. The Commission presented a package on 23 November on further deepening European Union and euro area economic governance, with initiatives based on Article 136 of the TFEU. In addition, the Commission presented a Green Paper on stability bonds. Euro Area Heads of State or Government on 9 December 2011 agreed to ensure the swift adoption of the new legislative proposals and rapidly to put in place an intergovernmental agreement on a fiscal compact. They also agreed on changes in the governance of the euro area, which can facilitate decision making.

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<sup>3</sup> COM(2011) 500 of 29 June 2011

<sup>4</sup> COM(2011) 303, 25 May 2011

<sup>5</sup> COM(2011) 400 final 7.6.2011

<sup>6</sup> COM (2011) 669 final – 12/10/2011

The Commission takes note of the Chamber of Deputies' opinion regarding the **single European patent**. As part of the Single Market Act<sup>7</sup>, the Commission has proposed a package of two legislative proposals<sup>8</sup>, under enhanced cooperation, that will reduce the cost of patents in Europe by up to 80%, and will allow companies or individuals to protect their inventions through a single European patent which is valid in 25 Member States. The proposed regulations lay down the terms and conditions for obtaining unitary patent protection, its legal effects and the applicable translation arrangements. The draft regulations will now pass to the Council and the European Parliament for consideration. As already expressed in its reply to the opinion for the Italian Chamber of Deputies concerning the two above mentioned proposals, sent to you on 21 November 2011<sup>9</sup>, the Commission hopes Italy and Spain, who are not yet among the participants, will join the enhanced cooperation.

The Commission shares the views of the Chamber of Deputies **to simplify the business environment of small and micro enterprises**. It is of crucial importance that the accounting systems applied by small enterprises meet their actual needs, providing necessary information yet avoiding unjustified administrative burden. The Small Business Act and its recent Review have presented a differentiated regulatory and policy approach to micro, small and medium-sized enterprises. The Commission is currently screening the *acquis* in view of identifying possibilities for exemptions or lighter regimes for micro companies and will report on this work before the end of the year.

The Commission welcomes the Chamber of Deputies support of the effective and systematic implementation of the "**SME Test**". The "SME Test" is now standard procedure for legislative proposals with significant impact on business, while taking into account differences in the size of enterprises, where relevant. The quality of the "SME Test" is constantly improving as shown by a report of the European Parliament<sup>10</sup>. Good examples of the application of the "SME Test" are for instance the impact assessment reports on the "Combating Late Payment in commercial transactions Directive"<sup>11</sup> and the "Standardisation package"<sup>12</sup>. In the Review of the Small Business Act<sup>13</sup>, the Commission has committed to further reinforce the application of the "SME test" in its impact assessment procedure to ensure that impacts on SMEs are thoroughly analysed and taken into account in all relevant legislative and policy proposals, with a clear indication of quantified effects on SMEs, whenever possible and proportionate.

The Commission shares the views of the Chamber of Deputies that it is important to enable SMEs to take part in public procurement tendering. A revision of the EU public procurement directives has been proposed on 20 December 2011<sup>14</sup>. One of the objectives of the revision is to improve **SMEs' access to public procurement**. Hence the Commission envisages the

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<sup>7</sup> COM (2011) 206, 13/04/2011

<sup>8</sup> COM(2011) 215 final 13.4.2011 (Regulation implementing enhanced cooperation in the area of the creation of unitary patent protection)

COM (2011) 216 final 13.4.2011 (Regulation implementing enhanced cooperation in the area of the creation of unitary patent protection with regard to the applicable translation arrangements).

<sup>9</sup> C(2011)8354

<sup>10</sup> IP/A/ITRE/ST/2010-08 July 2011 "Barriers and Best Practices in SME Test Implementation"  
<http://www.europarl.europa.eu/document/activities/cont/201108/20110831ATT25688/20110831ATT25688EN.pdf>

<sup>11</sup> COM(2009) 126 final 8.4.2009

<sup>12</sup> COM(2011) 311 final 1.6.2011 A strategic vision for European standards: Moving forward to enhance and accelerate the sustainable growth of the European economy by 2020

<sup>13</sup> 23.2.2011 COM(2011) 78 final

<sup>14</sup> COM(2011)895 final, COM(2011)896 final and COM(2011)897 final

possibility of codifying good practices from the "European Code of good practices facilitating SMEs' access to public procurement contracts"<sup>15</sup> in the new proposal.

The Commission considers that preventing and **combating counterfeiting** is essential for promoting innovation and creativity. Following the adoption in December 2010 of a report on the enforcement of intellectual property rights<sup>16</sup>, the Commission will propose in 2012 to revise the Directive in order to further strengthen it. The Commission is also willing to promote the use of technical tools to prevent and combat counterfeiting and piracy, including tracking and tracing systems. Enhancing the knowledge of such technical tools will be one of the tasks of the European Observatory on Counterfeiting and Piracy.

The Commission is fully aware of the significant role that **credit rating agencies (CRAs)** play in today's financial markets. They issue creditworthiness opinions that help overcome the information asymmetry between those issuing debt instruments and those investing in these instruments. CRAs have a major impact on the financial markets. It is essential, therefore, that they consistently provide high-quality, independent and objective credit ratings. At EU level, the Credit Rating Agencies Regulation<sup>17</sup> adopted in 2009 and amended in 2010 provides that credit rating agencies operating in EU territory must be registered, are supervised and must comply with a number of obligations intended to ensure the independence and integrity of the rating process and to enhance the quality of the ratings issued. The Commission has recently adopted a further proposal to amend the Regulation on CRAs with a view in particular of avoiding excessive reliance of market participants on credit ratings, strengthening substantially existing rules concerning sovereign debt ratings in order to improve transparency, monitoring and applicable methodologies and introducing a **European Rating Index**, alongside other measures to improve the comparability of ratings<sup>18</sup>.

The Commission is also considering the need to include rules on the civil liability of credit rating agencies towards investors that have suffered damage due to an infringement of applicable rules by the rating agency. The Commission, furthermore, intends to come forward with a proposal on **bank resolution measures** that should equip supervisors with an appropriate tool-kit and the necessary powers to more effectively manage crises in the future, and enable them to intervene quickly in order to avoid bank insolvency.

The Commission welcomes the Chamber of Deputies' support for the introduction of a **financial transaction tax**. Pragmatic coordination of tax policies in the euro area is a necessary element of stronger economic policy coordination to support fiscal consolidation and economic growth. Legislative work on the Commission proposals for a Common Consolidated Corporate Tax Base and for a Financial Transaction Tax is ongoing. In his State of the Union address 2011,<sup>19</sup> President Barroso requested G20 leaders to endorse a global financial transaction tax. As far as corporate tax is concerned, the Commission would like to make clear that it does not intend to come forward with a proposal on corporate tax rates.

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<sup>15</sup> Report - Evaluation of SMEs' access to public procurement markets in the EU - DG Enterprise and Industry September 2010

<sup>16</sup> Directive 2004/48/EC

<sup>17</sup> CRA Regulation, Regulation (EC) n° 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, OJ L 302, 17.11.2009)

<sup>18</sup> COM (2011)747 on 15/11/2011

<sup>19</sup> [http://ec.europa.eu/commission\\_2010-2014/president/state-union-2011/index\\_en.htm](http://ec.europa.eu/commission_2010-2014/president/state-union-2011/index_en.htm)

The Commission welcomes the support of the Italian Chamber of Deputies for its initiatives in **the field of legal migration**. The "**Employer Sanctions**" Directive<sup>20</sup>, which had to be transposed into national law by July 2011, is one of the key EU instruments aimed to control irregular immigration. Targeting the employment of migrants who are staying in the EU in an irregular way will reduce one of the major pull factors for irregular immigration. The Member States should put in place all the relevant measures which will prevent against abuse by unscrupulous employers. As a preventive measure, employers will be required before recruiting a third-country national to check that they have a residence permit or another authorisation for stay, and to notify the competent national authorities. Employers who can show that they had carried out those obligations will not be liable to sanctions. The Commission is examining what the Member States have done to transpose the Directive and, in accordance with the Treaty, will take action against those countries that have not yet transposed the Directive or have done so incorrectly.

In 2010 the Commission adopted two proposals for directives: on "**Seasonal Workers**"<sup>21</sup> and "**Intra-Corporate Transferees**" (ICTs)<sup>22</sup>. Concerning the Commission's proposal for the "Single permit" Directive<sup>23</sup>, the European Parliament and the Council have reached a political agreement on a compromise.

On 20 July 2011, the Commission adopted a European Agenda for the **Integration of third-country nationals**<sup>24</sup>, in which it addresses the need for effective integration policies to fully benefit from the potential of migration and proposes that European cooperation on integration be reinforced to support the design and implementation of such policies in the Member States. The European Fund for the Integration of third-country nationals is used to support financially projects focusing on better **integration of third-country nationals**. The Commission remains committed to pursue the integration objectives in the future multi-annual financial framework, as part of a joint Asylum and Migration Fund. The focus of future EU funding on integration should be on a local and more targeted approach, in support of strategies designed and implemented mainly by local authorities and civil society.

The Commission takes account of the Chamber of Deputies' call to strengthen the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (Frontex). Based on a series of thorough evaluations, the Commission tabled a proposal in February 2010<sup>25</sup> to review the legal framework of Frontex, in order to ensure a well defined and correct functioning of the Agency in the coming years.

The creation of **European Border Guard Teams** will further underline the EU character of action without questioning the ultimate responsibility of Member States to control their respective borders. The compulsory requirements on Member States to honour their promises regarding the human and technical resources they put at the disposal of the Agency will enable the Agency to better plan and conduct joint operations. As regards respect of fundamental rights, the amended Regulation contains a number of new or reinforced

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<sup>20</sup> Directive 2009/52 of 18/6/2009 - EC L 168/24

<sup>21</sup> COM(2010) 379 final 13.7.2010 (third-country nationals coming to an EU Member State for the purposes of employment)

<sup>22</sup> COM(2010) 378 13.7.2010 (third-country national skilled workers temporarily seconded from a company located in a third country to an entity located in the territory of the EU)

<sup>23</sup> COM (2011) 638, 23/10/2007

<sup>24</sup> COM(2011) 455 final 20.7.2011

<sup>25</sup> COM(2010) 61 final 24.2.2010

provisions. Fundamental rights are also included in the training curricula of Frontex personnel and border guards participating in Frontex operations.

The Commission has presented a Communication on "Intra-EU solidarity in the field of asylum"<sup>26</sup>, which will bring together existing and future solidarity measures in a comprehensive and consistent framework. The Commission is grateful for the support expressed by the Italian Chamber of Deputies **on the Asylum package**. As requested by the Stockholm Programme and reconfirmed by the European Council in June 2011, the Common European Asylum System shall be established by 2012.

The Commission takes note of the Chamber of Deputies' comments in relation to the allocation of the **EU budget and the current financial framework**. The Commission would like to highlight that detailed proposals to implement a Multiannual Financial Framework for the period 2014 to 2020 have been adopted. This new framework will make a break from the traditional allocation of funds, concentrating on added value, simplification, and delivering core political priorities such as Europe 2020<sup>27</sup>.

The Commission has adopted a draft legislative package which will frame **cohesion policy for 2014-2020**<sup>28</sup>. The new proposals are designed to reinforce the strategic dimension of the policy and to ensure that EU investment is targeted on Europe's long-term goals for growth and jobs (agreed targets on employment, education, poverty, innovation, research & development (R&D) and climate (renewable energy, energy-efficiency and greenhouse gas emissions). The new cohesion package proposes thematic concentration on the EU priorities for smart, sustainable and inclusive growth supporting the shift towards a low carbon economy and promoting sustainable transport. All operations, whether they are co-financed by the EU or not, must respect the EU environmental legislation.

The Commission is proposing to bring the European Regional Development Fund, the European Social Fund and the Cohesion Fund together under a **Common Strategic Framework**, which will also cover the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund. This will ensure greater coherence between the sources of funding and a much sharper focus on Europe 2020.

The Commission shares the Chamber of Deputies' views to support the **simplification** of procedures for the use of Structural Funds. Simplification of the policy is a guiding principle of EU policy making. For the first time the **Structural Funds** legislative package harmonises the rules for the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund, the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF), with the aim of simplification and ensuring that the funds strengthen their mutual impacts (introducing simplified reimbursement rules, the possibility to implement funds on the basis of joint action plans with payment on the basis of results, and harmonising eligibility rules and management and control systems between different EU funds, etc).

The Multiannual Financial Framework investment in **research and innovation** in the next seven years is foreseen to significantly increase. The common EU strategy "Horizon 2020" worth €80 billion will boost Europe's global competitiveness and help create the jobs and

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<sup>26</sup> COM(2011)835final 2/12/2011

<sup>27</sup> COM(2011) 500

<sup>28</sup> COM(2011) 615 final - 6.10.2011

ideas of tomorrow. It will gather all projects in this area to eliminate fragmentation and make sure EU-funded projects better complement and help coordinate national efforts.

The Commission notes the reservations expressed by the Chamber of Deputies regarding the introduction of a **performance reserve** at European level. The Commission would like to underline that the focus on fewer investment priorities in line with these objectives will be at the heart of the new Partnership Contracts, which Member States will agree with the European Commission. They will set clear targets and set aside a financial performance reserve to reward regions who do best in reaching their goals. To ensure that the impact on growth and jobs of EU investments is not undermined by unsound macro-economic policies or by weak administrative capacity Commission can ask to review programmes or suspend the funding if remedial action is not taken.

The Commission welcomes the Chamber of Deputies' support of initiatives that promote **energy and environmental sustainability of housing programmes**. The Commission has adopted a plan<sup>29</sup> for saving more energy through concrete measures. Energy efficiency is a key tool for strengthening Europe's competitiveness and reduces energy dependence, while decreasing the level of emissions. The set of measures proposed aims at creating substantial benefits for households, businesses and public authorities.

The Commission, in particular through the **cohesion and structural funds**, makes funding available for investments in energy efficiency in buildings, including in public buildings and housing.

In the framework of the 'European Territorial Cooperation' objective of Cohesion Policy, the **European Regional Development Fund (ERDF)** is co-financing several cross-border, transnational and interregional programmes and projects (Interreg)<sup>30</sup> in those areas aiming at exchanging and transferring good practices, knowledge and know-how. Within the Regions for Economic Change initiative<sup>31</sup>, further networking projects ("capitalisation projects")<sup>32</sup> are being co-financed for the dissemination of good practices in the areas of waste management and the rehabilitation of contaminated land.

The Commission takes note of the comments of the Chamber of Deputies with respect to the **climate change policy and to the emissions of greenhouse gases**. The Commission would like to refer the Italian Chamber of Deputies to the outcome of the UN Framework Convention on Climate Change (UNFCCC), in December in Durban, South Africa. The EU's goal in Durban was twofold. On the one hand, to agree on the operationalisation of the Cancun Agreement, and on the other hand to agree on a roadmap towards a legally binding global framework for climate action – to be adopted by 2015 and enter into force by 2020 at the latest – applying to all Parties to the UNFCCC, while standing open to a second commitment period under the Kyoto Protocol. This key strategic objective of agreeing on a roadmap was reached in Durban. The outcome can be considered as a major success for EU climate diplomacy. On the operationalisation of Cancun agreements, important decisions were adopted, including on detailed rules for monitoring, reporting and verification and on setting up the Adaptation Committee and Climate Technology Center Network as well as the Green

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<sup>29</sup>COM(2011), 109 final 8.3.2011

<sup>30</sup> An example of such projects is the 'Pre-waste' project dealing with waste prevention (<http://www.prewaste.eu/>)

<sup>31</sup> [http://ec.europa.eu/regional\\_policy/cooperate/regions\\_for\\_economic\\_change/index\\_en.cfm](http://ec.europa.eu/regional_policy/cooperate/regions_for_economic_change/index_en.cfm)

<sup>32</sup> As one example which can be highlighted is the 'Sufalnet' project on the sustainable use of former and abandoned landfills <http://www.sufalnet4.eu/>



Climate Fund and for the first time it is stated in the UNFCCC that for the future all parties will have to commit in an equally binding fora.

The Commission welcomes the Chamber of Deputies' support for initiatives supporting **the rehabilitation of polluted sites**. In the current programming period 2007-13, 3.5 billion euro has already been foreseen for rehabilitation of industrial sites and contaminated land and about 6.2 billion euro for the management of household and industrial waste.

The Commission proposal of a **Common Agriculture Policy (CAP)** reform for the period after 2013<sup>33</sup> aims at making a decisive contribution to Europe 2020 Strategy. The new CAP will fight against climate change, support employment and growth in the rural areas, promote innovation and enhance both the economic and ecological competitiveness of agriculture. To better develop the agricultural potential of the EU, the Commission is proposing to support farmers' income in a fairer, better targeted and simpler way. In order to move away from the different systems, a new "Basic Payment Scheme" subject to "Cross compliance", will apply after 2013. The aim is to significantly reduce the discrepancies between the levels of payments obtained after full implementation of the current legislation. A uniform payment per hectare at national or regional level by the start of 2019 aims at distributing the payments more equitably between farmers, regions and Member States.

The Commission takes note of the Chamber of Deputies' positions on the reform of the CAP and the **Common fisheries policy** after 2013. The automatic decommitment rule is a part of the **CAP post 2013 proposal** and will help speed up execution of programmes and contribute to sound financial management. Common rules on eligibility of VAT have been proposed for the next programming period for EAFRD and the other Funds participating in the Community Strategic Framework According to this rule, VAT amounts paid by a beneficiary other than non-taxable public bodies, shall be eligible where they are not recoverable under national VAT legislation, and provided that such VAT amounts are not incurred in relation to the provision of infrastructure. Efforts to improve consumer protection and food quality have always been part of the CAP and they are now a central part of agricultural and other policies. The proposals for the reform of the **Common Fisheries Policy**<sup>34</sup> adopted in July 2011 have as a general objective to ensure that fishing and aquaculture activities provide long-term sustainable environmental, economic and social conditions and contribute to the availability of food supplies. The reform aims to put in place the conditions for a better future for fish and fisheries alike, as well as the marine environment that supports them.

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<sup>33</sup> COM(2011) 625 final 12/10/2011

<sup>34</sup> COM(2011) 417, 425, 416; 418 of 13 July 2011