

### INCREASING ENERGY EFFICIENCY IS REASONABLE, BUT SHOULD NOT BECOME COUNTER-PRODUCTIVE



The EU directive on energy efficiency is supposed to increase the energy efficiency by 20% until 2020. However, only 7 member states fully implemented the directive so far; the Czech Republic is not one of them. The Communication from the European Commission issued at the end of July 2014 shows the expected reduction by 2020 should be around 18-19%. At the beginning of the year, the European Commission has prepared a draft of EU 2030 framework for climate and energy policies, of which the final form will be discussed at the European Council Summit on 23-24 October. Jan Michal, Head of European Commission Representation to the Czech Republic, stated at the debate co-organized by CEBRE in the European House in Prague on the 2<sup>nd</sup> October 2014 that the increase of energy efficiency is crucial for sustaining the competitiveness and energy security in the Czech Republic. "Even today it is possible to observe a positive trend in the EU, with the decoupling of GDP growth and energy consumption," said Claudia Canevari from the Directorate-General for Energy

of the European Commission. The positive impacts of energy efficiency include, according to her, higher security of supplies, GDP growth, higher employment and a there is a positive effect on health and environment as well. "The Czech Republic will make use of alternative measures, consisting mainly of financial instruments and subsidy schemes," Marcela Juračková from the Ministry of Industry and Trade explained, how the Czech Republic will increase its energy efficiency. Jakub Vít from the Confederation of Industry of the Czech Republic pointed out different approaches of each member state; in older and richer member states the price burden caused by implementation of energy efficiency measures lies on households, while in new member states it is mainly on industry – in the Czech Republic even up to 83%. Jan Rovenský of Greenpeace supports 3 binding goals for 2030, in the case of energy efficiency it is 40% target. According to him, energy security should be prioritized especially in today's geopolitically unstable situation on the east borders of the EU.

### MEPs CORNER



chemistry expended in the last 20 years essentially and produced the energy consumption by 60%. I can

"I do realise that households have 40% share on energy consumptions. The same share belongs to the transport sector. In this area it is more complicated to achieve the energy consumption reduction than in the productions sphere eg. the

confirm that Czech Republic is going in this direction. Better use of energy contributed to relative social stability of our country and export performance (the export have some 85% share on Czech GDP). On the other hand Europe wide impact of energy efficiency guideline was limited, especially in the southern part of Europe. I am convinced that only in cooperation with the municipalities and regions we can achieve better impact."

Miloslav Ransdorf,

Vice-Chair of Committee on Industry, Research and Energy of the European Parliament

CEBRE was founded in 2002 by the three most important Czech business organizations - Czech Chamber of Commerce, Confederation of Industry of the Czech Republic, Confederation of Employers' and Entrepreneurs' Associations of the Czech Republic with kind support of the Ministry of Industry and Trade via its Trade promotion agency CzechTrade.



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### News FLASH

#### >VĚRA JOUROVÁ GOT JUSTICE, CONSUMERS AND GENDER EQUALITY

Czech candidate for Commissioner Mrs. Věra Jourová aspired for Regional development or transport but would be heading the portfolio of Justice, Consumers and Gender Equality instead. Jourová, lawyer by training, is a regional development minister in the current Government.

#### >CZECH REPUBLIC CAN DRAW ON EU FUNDS MORE THAN €24 BILLION

According to the Partnership Agreement the Czech Republic can draw on €22 bn for the Cohesion policy, €2 bn for rural development and €31 million for the fisheries sector. Investment will be directed particularly to the area of innovation, entrepreneurship, training, education and energy efficiency.

#### >CHILDREN GROUPS

On 23 September, The Czech Chamber of Deputies overruled the Senate and adopted government's proposal for Law on children groups which should solve the problem of insufficient places in kindergartens. The European Commission highlighted the need for more developed infrastructure for childcare (under 3 years) in its recommendations.

## ASSOCIATION AGREEMENT WITH UKRAINE



The European Parliament gave its consent to the EU-Ukraine Association agreement on 16<sup>th</sup> September, ratified right after by the Ukraine's parliament. By 2016 the free trade part of the Agreement should come into force. The agreement brings better opportunities for Czech export since the Czech Republic is the 5<sup>th</sup> largest EU exporter to Ukraine. According to the European Affairs Department at the Czech Government's Office, Czech exporters could save about 450 million CZK a year by reducing the tariffs as established in the Agreement. Moreover the Czech exporters could earn 900 million CZK more by reducing the non-tariff barriers. The Agreement could also have a positive effect on employment since it would bring 1700 new jobs. Nevertheless, 127 MEPs voted in Strasbourg against the Agreement, including the Czech MEPs Petr Mach (EFDD) and Miloš Ransdorf (GUE/NGL) who claim that the Association Agreement between the EU and Ukraine is disadvantageous for Ukraine, because Ukraine is not ready to fulfil conditions that are settled in the Agreement. Moreover the European market is not

going to positively react to products from Ukraine since the market is full and based on quotas. According to the Czech MEP Jan Keller (S&D) who also voted against, "the Association Agreement should have been concluded after the Ukrainian parliament elections in October (2014), otherwise the democratizing effect of the Association Agreement is uncertain." Some of the eurodeputies believe though that the advantages of the Agreement overcome the disadvantages. Jiří Poche (S&D) is aware of the negative impact that the Association Agreement with Ukraine would have on the EU-Russia relations however he voted in favour of the Agreement since he believes it is necessary to send a signal to the Eastern Europe that we take Ukraine as our strategic partner and we are willing to support it. The Czech MEP Michaela Šojdrová (EPP), who also supported the Association Agreement, said „I am convinced that if a country as damaged as Ukraine was one day prospering, democratic and stable it would be the best, not just for people of Ukraine, but also for us as European citizens.“

## EESC CORNER: GOVERNANCE OF MACRO-REGIONAL STRATEGIES

The two macro-regional strategies; the Baltic and Danube strategy adopted to date, which have already been showing results, have been meeting expectations of added value "on the ground". Significant joint decisions have been taken, and previously unused resources have been deployed, for example in the fields of environmental protection, shipping, flood protection, and maintaining water quality. The Commission's analysis emphasises four areas relating to governance which are crucial for success: political leadership (strategic direction and governance structure); ownership, the importance of identifying with strategies, communication and accountability; coordination as a means of implementing strategies; management of the implementation process, action plans defining the day-to-day performance of tasks, cooperation, support for cooperation. According to the Commission's analysis, "governance" is an activity determining in general how results are achieved. However, in this connection, there is a major difference between political leadership and the bodies implementing a strategy, which means that the concept of "ownership" is linked to different types of operators. The EESC believes that the framing and implementation of macro-regional strategies requires a specific governance system based on

cooperation and coordination. Within this system, ownership of individual programmes, projects and measures can and should be linked with individual specific activities and those who carry them out. Such a system is a pre-requisite for the effectiveness and efficiency of individual activities and the basis for their measurability. The analysis confirms that macro-regional strategies provide a specific framework for cooperation between the European Union, the Member States, their regions and certain third countries within a given geographical area. The action plans are the tools for implementing strategies, enabling participation at economic and social levels. The EESC feels that the Commission's analysis is an accurate summary of the main areas where stronger governance is needed. Effective implementation of macro-regional strategies requires firmer political governance, as well as defining and adopting cross-cutting objectives, at national level these should be more closely translated into domestic activity by governments. The EESC believes that efforts should be made to achieve more intensive implementation of partnership at European level and between European institutions.



Marie Zvolská,  
EESC Member – Employers Group

## EU SANCTIONS AGAINST RUSSIA

In the context of European sanctions imposed on export to Russia, the Czech State helps businesses to look for alternative markets. Czech embassies together with the Government Trade Promotion Agency CzechTrade commit for better help and the President of the State and Members of the Czech government promise to engage in more frequent business trips. CzechTrade draw up a list of eight countries that could become alternative markets - Kazakhstan, Azerbaijan, Turkey, China, India, Indonesia, Brazil and Mexico. Moreover, these countries represent a gateway to other countries in the region. Entrepreneurs confirm their intention to look for alternative markets and appreciate business missions to new territories, support participation in foreign exhibitions and fairs and financial compensation from the EU. Entrepreneurs would welcome also a greater degree of openness in the process of issuing visas, which is perceived as crucial. The Czech Chamber of Commerce in accordance with the effort of the Czech government, decided to widen the portfolio of foreign business missions, namely to Iran, Turkey, Pakistan, Serbia, and Azerbaijan. The first Czech business mission ever to Iran took place in September. Czech firms in coping with the anti-Russians sanctions may even be inspired by their Polish neighbours, who export apples to Belarus, subsequently re-load them and export further like Belarus ones. In the words of Mr. Václav Štika, Director of the mechanical engineering sector, for the Czech Republic, this role of „middleman“ could be „played“ by Kazakhstan.

## CEBRE CALENDAR:

- B2B Networking Belgian and Czech businesses – **October 15 (Brussels)**
- Business Breakfast for Czech businesses – **October 16 (Brussels)**
- Meeting with Czech MEPs – **October 16 (Brussels)**
- CEBRE event on EU sanctions on Russia – **October 23 (Prague)**
- Meeting with Czech MEP assistants – **November 6 (Brussels)**
- EU Sector seminar on Energy – **November 27 (Brussels)**

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CEBRE – Czech Business Representation, protects the interests of the Czech business community in relation to EU institutions, informs Czech businesses about EU legislation affecting them, trains Czech entrepreneurs in Brussels and represents Czech business associations at European business federations. Contact: Czech House, 60 Rue du Trône, 1050 Brussels, Tel: +32 2 502 0766/+32 2 502 8091, e-mail: brussels@cebre.cz, www.cebre.cz