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NEW CLIMATE AND ENERGY TARGETS MUST BE FEASIBLE

By the end of the year, the European Commission is to submit a proposal for a 2030 framework for climate and energy policies. Before that, wide range of questions regarding the main aspects of further development after 2020 and specific actions and targets to be taken by 2030 needs to be answered. A Green Paper on a 2030 framework for climate and energy policies, adopted by the Commission on 27th March 2013, covers the set of related questions. With a few exceptions, the EU continues fulfilling its 2020 targets quite successfully. Now it is time to come up with new targets for post2020. In order to find out the opinion of Czech public and professionals in the field of energy and climate policy in the EU and thus contribute to the European debate, CEBRE organized a debate in the European House in Prague on 9th September. During the debate, Marten Westrup from DG Energy highlighted that the big challenge will be to define the 2030 framework in a way that a progress towards greater competitiveness, sustainable environment and also security of energy supplies in the EU will be ensured. According to Pavel Zámyslický, Director of Energy and Climate Protection Department of the Ministry of the Environment of the Czech Republic, the CR will meet the target of reducing greenhouse gases and increasing the share of renewable energy sources by 13% by 2020. He also pointed out that the renewable energy sources support costs Czech companies and households more than 40 billion CZK annually. Jan Rovenský from Greenpeace Czech Republic is in favour of setting more ambitious targets, namely to reduce greenhouse gases by at least 55% compared to 1990, to produce at least 45% of energy from renewable sources and to increase energy efficiency by 40% of the primary energy consumption in 2005. Josef Zbořil, Member of the European Economic and Social Committee and Member of Honour of the Confederation of Industry of the Czech Republic, believes that the 2030 targets have to be the "highest attainable". "The objectives must be consistent and reflect the social, economic and physical reality," added Zbořil. He also stressed the need for a sole specific target to preserve the efficiency and effectiveness of the system.

From left Josef Zbořil from European Economic and Social Committee, Pavel Zámyslický, Ministry of Environment CR, Marten Westrup, European Commission, Alena Vlačihová, Director of CEBRE

THE CZECH REPUBLIC COULD LOSE BILLIONS IN EU FUNDS

The Czech Republic seems to have a problem that might cost several billions of Euros in the European Union funding. At the end of September, the Regional Development Committee of the European Parliament stated its "no" to the proposal to add the Czech Republic to the list of countries that have more time to make use of the European money of the ending Multiannual Financial Framework 2007-2013. The issue deals with the so-called "n+2" and "n+3" rule, which defines the period of time in which Member States can use financial support from EU funds for a certain year. Between the years 2007 and 2010, the Czech Republic, as well as other new Member States, had the right to use the n+3 rule, while from 2010 to 2013, the rule changed to n+2, shortening the period by one year. This means that the end of 2013 is the deadline both for years 2010 and 2011. Currently, the Czech Republic finds itself in a situation in which it won't be able to make full use of large amount of European financial resources, meaning that they will be transferred back to the EU budget. The extended period and postponing of deadlines for drawing money from EU funds would significantly help to manage the situation; however, it seems very improbable that the Czechs could join Slovaks and Romanians who negotiated the prolongation of the n+2 rule. As the Ministry of regional development of the Czech Republic mentioned, the battle is not lost. There is still a possibility to transfer the money to more successful programmes.

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.

www.komora.cz

www.spcr.cz

www.kzps.cz

www.czechtrade.cz

News FLASH

>FIRST OFFICIAL EU VISIT OF PRESIDENT ZEMAN

During his two-day visit, Czech President Miloš Zeman met with President of the European Commission José Manuel Barroso, President of the European Parliament Martin Schulz, President of the European Council Herman Van Rompuy and other EU leaders. The main topics discussed were the use of EU funds, the tobacco products directive and the Czech Republic – Canada visa policy.

>THE CZECHS SUPPORT DIRECT ELECTION OF THE PRESIDENT OF THE EUROPEAN COMMISSION

According to the Eurobarometer survey regarding the 2014 European elections in May, the majority of Czechs is in favour of the President of the European Commission being elected directly. Furthermore, 50% of respondents in the Czech Republic confirmed their participation in the upcoming European elections.

>BUSINESS MISSION WITHIN EAST INVEST PROJECT

Czech companies, Members of the Czech Chamber of Commerce, participated in the European-Azerbaijani Investment Conference held in Baku in September. This European Business Forum was organized in the framework of East Invest project administered by EUROCHAMBRES.

IS UKRAINE HEADING EAST OR WEST?

It has been five years since the European Union started negotiating with Ukraine on Deep and Comprehensive Free Trade Area (DCFTA), which is part of a larger EU-Ukraine Association Agreement replacing Cooperation Agreement form late nineties. The final step, the official signing of the Agreement is planned for the EU-Eastern Partnership Summit, which will take place in Vilnius in November. The DCFTA should eliminate up to 99 per cent of customs duties on imports and exports of most products and for the rest, there will be a transition period for progressive elimination. For Ukraine, EU is the most important market when it comes to both exports and imports, accounting for almost 40% of all imports and 21.8% of exports. Ukraine is also very important partner for Czech businesses and therefore it is listed among 12 priority countries under the governmental Export strategy of the Czech Republic 2012-2020. Although it seems that signing of the Agreement is a done thing, the situation got a bit complicated in the last weeks. As the signature of the Association Agreement with the EU approaches, Russia made clear to Ukraine that it will have a very severe impact on economic relations between both countries. Russian authorities expressed themselves that if Ukraine signs the agreement, the door to the Eurasian counterweight to the European internal market, the Customs Union led by Russia, will get closed. Ukrainian President Viktor Yanukovych expressed his belief that even after signing the Agreement with the EU, Ukraine and Russia will be able to continue in current economic relationship; however, the Russian-side view of the situation is less optimistic. Russia announced, that it will pull back all the preferential clauses that Ukraine has been making use of, meaning that Ukrainian exports and imports to the Customs Union member states will become considerably more expensive. All of them together – Russia, Belarus and Kazakhstan, represent almost 30 per cent of Ukrainian imports and over 26 per cent of exports, which is a significant share. In addition, other regional players are negotiating the membership in the Customs Union and so the importance of (not) being part of the Customs Union might even increase in the years to come. It is clear that Ukraine will have to decide which way to go, either to the East or to the West. So far, it seems that the EU placed a better offer, but the Agreement hasn't been signed yet.

WILL THE PRIVATE SECTOR BECOME THE ENGINE OF THE DEVELOPMENT?

Everything indicates that the Millennium Development Goals set up to contribute considerably to the decrease of poverty in World by 2015, will be fulfilled. For this reason, both EU and UN look for new targets that should cover new rules for sustainable development and prevent weak points encountered in current goals. One of them was insufficient involvement of private sector in development aid which was rather the domain of public sector and NGOs. Private sector is the engine of growth, producing goods, providing services and creating jobs. The European Economic and Social Committee deals with the involvement of private sector in development aid in its opinion. It came up with recommendations to the European Commission which is preparing a Communication on role of private sector in development foreseen to be published next spring. According to the EESC, private sector must get involved in the negotiation on new goals to enable the limits for decreasing poverty and make better life conditions in developing countries to be real and sustainable. New concrete and measurable goals should involve areas of water, agriculture, security, foodstuff, energy, transport infrastructure, education, health sector, digital economy, gender and social equality. Companies should engage in the development aid as service and goods providers, as direct provider of development aid on philanthropic basis, in cooperation projects with public sector and NGOs or as investors. Development aid should focus on continuous improvement of business environment that would allow creating and developing business, decreasing administrative baurden, increasing transparency and limiting corruption. Friendly business environment is based on market tools including competitiveness, functioning financial markets, independent justice, enforceability of law and respecting international law and IPR. The main potential in development represent the micro, small and medium-sized companies who need better access to finance such as micro-financing or subsidised lending of European and international development financial organisations. In the long term, there is also a lack of technical education in developing countries. Donors' countries usually finance university studies but not the technical ones. There is a great potential for the cooperation of private sector with NGOs such as posting of expert voluntaries that will help within the development of a business or when exchanging information about situation and business opportunities in developing countries. Last but not least, development aid from European and national resources should support involvement of chambers of commerce, sectoral and employers union and social business in transfer of best practices from developed countries to developing ones especially in areas of marketing, supply chain, certification and logistics.

Ivan Voleš,
EESC Group I, Rapporteur
for opinion on private sector
involvement in development aid

CEBRE CALENDAR:

- CEBRE consultations with Czech companies – 7th - 9th October (Brno)
- Debate on "EU FTAs in North America and their impact" – 9th October 2013 (Brno)
- Debate on "Public procurements in development aid" – 9th October (Brno)
- Debate on "Regulated professions" – 22nd October 2013 (Prague)
- Debate on "Fast track to Innovation" – 12th November, 2013 (Brussels)