



February/March 2014 Newsletter

Hot Topics:

- UEPC secures lobbying goals in final Plenary vote on EIAD
- EC publishes report from the High Level Forum on follow-up actions on the Communication and Action Plan Construction 2020
- UEPC attends EHF meeting
- Parliament and Council reach agreement on measures to reduce the cost of deploying high-speed electronic communications networks
- Call for contribution - 2020 and 2030 energy efficiency targets: European Commission launches public consultation

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CONTENTS

List of abbreviations.....	3
Executive Summary.....	4
Hot Topics	7
UEPC secures lobbying goals in final Plenary vote on EIAD.....	7
EC publishes report from the High Level Forum on follow-up actions on the Communication and Action Plan Construction 2020	8
UEPC attends EHF meeting	9
Parliament and Council reach agreement on measures to reduce the cost of deploying high-speed electronic communications networks.....	10
Next UEPC meetings to take place on 29-30 May in Madrid.....	11
Political & Institutional news	12
EU leaders discuss industrial competitiveness and climate and energy policies	12
US President Obama visits EU capital	13
Construction & Housing.....	15
Euro area production in construction up by 1.5%. Up by 1.3% in EU 28.....	15
London’s housing market risks entering bubble territory according to Ernst and Young report.....	16
EC publishes 2013 EU industrial structure report.....	17
New EU rules on public procurement: better value for money, growth and sustainability?.....	18
Economic and financial news.....	19
EC publishes in-depth reviews (IDRs) carried out in 17 EU countries.....	19
EC publishes country-specific position papers regarding Cohesion policy 2014-2020.....	20
Energy and Environment.....	21
Financing the energy renovation of buildings with Cohesion Policy funding.....	21
EP calls for binding 2030 goals for CO2 emissions, renewables and energy efficiency.....	22
A thousand cities back 2030 energy efficiency target	22
Energy Efficiency in Europe: An overview of policies and good practices.....	23
Call for Contribution – 2020 and 2030 energy efficiency targets: European Commission launches public consultation.....	24
UEPC Events	25

List of abbreviations

ALDE	Alliance of Liberals and Democrats for Europe
CARRP	Credit Agreements Relating to Residential Property
CEPMC	Council of European Producers of Materials for Construction
DG REGIO	Directorate-General for Regional and Urban Policy
EAFRD	European Agricultural Fund for Rural Development
ECR	European Conservatives and Reformists Group
EIA	Environmental Impact Assessment
EIAD	Environmental Impact Assessment Directive
EMFF	European Maritime and Fisheries Fund
EMPL	European Parliament's Employment and Social Affairs Committee
ENVI	European Parliament's Environment, Public Health and Food Safety Committee
EPP	European People's Party (Christian Democrats)
ERDF	European Regional Development Fund
ESF	European Social Fund
GHG	Greenhouse Gas
GI	Green Infrastructure
GUE/NGL	Confederal Group of the European United Left/Nordic Green Left
IMCO	European Parliament's Internal Market and Consumer Protection Committee
ITRE	European Parliament's Industry, Research and Energy Committee
MCD	Mortgage Credit Directive
MEP	Member of the European Parliament
REGI	European Parliament's Regional Development Committee
UIPI	International Union of Property Owners

Executive Summary

UEPC secures lobbying goals in final Plenary vote on EIAD

On 12 March, the European Parliament backed the compromise agreement reached with the Council in December on the revision of the Environmental Impact Assessment Directive. The Council will vote on the file in the coming weeks. UEPC managed to secure important lobbying goals for European developers.

EC publishes report from the High Level Forum on follow-up actions on the Communication and Action Plan Construction 2020

On 27 February, the European Commission published the report from the High Level Tripartite Strategic Forum on follow-up actions on the Communication and Action Plan Construction 2020. The report presents the outcome of the discussions of the High Level Strategic Forum (HLF) during 2013.

UEPC attends EHF meeting

UEPC participated in the European Housing Forum meeting that took place in Brussels on 25 March 2014. The following points were discussed: follow up of the 19th informal housing ministers meeting; EHF members' policy initiatives and events/publications; Commission's In Depth Reviews; EHF website; and ERHIN Project.

Parliament and Council reach agreement on measures to reduce the cost of deploying high-speed electronic communications networks

On 28 February, the Council and the European Parliament reached a compromise agreement on a Directive which will make it easier and cheaper to roll out high-speed electronic communications networks. The Parliament is expected to endorse the compromise in April.

Next UEPC meetings to take place on 29-30 May in Madrid

APCE, the Spanish Federation, will host the next UEPC meetings in Madrid on 29 and 30 May 2014.

EU leaders discuss industrial competitiveness and climate and energy policies

On 20 and 21 March, EU heads of state and government met in Brussels to discuss industrial competitiveness and climate and energy policies, amongst other points.

US President Obama visits EU capital

For the first time since he took office in January 2009, US President Obama visited Brussels on 26 March. Mr Obama met with European Council's President Mr Van Rompuy and European Commission's President Mr Barroso at the EU-US Summit. The meeting mainly focused on Ukraine and transatlantic relations.

Euro area production in construction up by 1.5%. Up by 1.3% in EU 28

In January 2014, compared with December 2013, seasonally adjusted production in the construction sector grew by 1.5% in the euro area (EA18) and by 1.3% in the EU28, according to first estimates from Eurostat.

London's housing market risks entering bubble territory according to Ernst and Young report

NewEurope refers to a research report on the housing market in the UK issued by Ernst and Young Item Club (EY ITEM Club) on 3 February. While saying that the housing market in London is beginning to show signs of bubble-like conditions, the report asks the UK government to monitor the trend closely and to be prepared to intervene.

EC publishes 2013 EU industrial structure report

The European Commission published on 17 February the "EU industrial structure report 2013: Competing in Global Value Chains". The report indicates that there are signs of a tentative recovery although many sectors have still not regained their pre-crisis level of development.

New EU rules on public procurement: better value for money, growth and sustainability?

On 18 February, a debate was hosted in Brussels concerning the new EU rules on public procurement, with Ms Heide Rühle MEP (Greens/DE) and Mr Joaquim Nunes de Almeida, Director for Public Procurement in the European Commission (DG Internal Market and Services) acting as keynote speakers.

EC publishes in-depth reviews (IDRs) carried out in 17 EU countries

On 5 March, the European Commission published its in-depth reviews (IDRs) carried out in 17 Member States' economies. Country-specific IDRs follow the Alert Mechanism Report (AMR) on the prevention and correction of macroeconomic imbalances published by the Commission on 13 November 2013.

EC publishes country-specific position papers regarding Cohesion policy 2014-2020

Based on the lessons learnt during the 2007-2013 programming period and the Commission's legislative proposals for 2014-2020, the Commission prepared for each Member State a position paper on the development of Partnership Agreement and programmes for the period 2014-2020.

Financing the energy renovation of buildings with Cohesion Policy funding

The European Commission has issued technical guidance on 'Financing the energy renovation of buildings with Cohesion Policy funding' with the aim of helping managing authorities in planning and deploying sustainable energy investments in buildings within their Cohesion Policy operational programmes.

EP calls for binding 2030 goals for CO2 emissions, renewables and energy efficiency

In a non-binding resolution adopted on 5 February, the European Parliament called for a 40% cut in CO2 emissions from 1990 levels, a 30% target for renewable energy and a 40% target for energy efficiency by 2030, under the EU's new long-term climate-change policy.

A thousand cities back 2030 energy efficiency target

An alliance representing more than a thousand European cities wrote on 17 February to Herman Van Rompuy, the President of the European Council, calling for binding 2030 targets of 40% for energy efficiency, and 30% for renewable energy, in line with a European Parliament proposal.

Energy Efficiency in Europe: An overview of policies and good practices

The European Energy Network has issued the brochure Energy Efficiency in Europe: An overview of policies and good practices. The objective of the brochure is to present an overview of European actions undertaken in the field of energy efficiency.

Call for Contribution – 2020 and 2030 energy efficiency targets: European Commission launches public consultation

On 3 February, the European Commission launched an open consultation on the review towards the 2020 energy efficiency objective and a 2030 energy efficiency policy framework. The consultation closes on 28 April.

Hot Topics

UEPC secures lobbying goals in final Plenary vote on EIAD



On 12 March, the European Parliament backed the compromise agreement reached with the Council in December on the revision of the Environmental Impact Assessment Directive. The agreed text was approved by 528 votes to 135, with 15 abstentions. The Council of Ministers is due to vote on the file in the coming weeks.

UEPC has been lobbying MEPs and Member States throughout the legislative procedure and managed to secure important lobbying goals for European developers. The key points are as follows:

- **Achieving an appropriate time frame for the approval of projects:** The deadlines for decisions shall be left to Member States both at the stages of (1) screening to decide if an environmental impact assessment is needed and (2) granting development consent. In the case of screening, Member States shall ensure that the competent authority makes its determination as soon as possible and within a period of time not exceeding 90 days from the date on which the developer has submitted all the information required. In exceptional cases, the competent authority may extend that deadline to make its determination. In relation to granting development consent Member States shall ensure that the competent authority takes decisions within a reasonable period of time.
- **Ensuring the use of qualified experts:** Experts involved in the preparation of environmental impact assessment reports should be qualified and competent. These do not need to be accredited as this would have led to additional bureaucracy.
- **Limiting the amount of information provided and the presentation of alternatives to the project considered:** Where an environmental impact assessment is required, the developer shall prepare and submit an environmental impact assessment report including a non-technical summary information on the characteristics of the project; its potential impact on the environment and the measures envisaged in order to avoid and reduce significant effects; a description of reasonable alternatives which are relevant to the project and its specific characteristics and an indication of the main reasons for the option chosen, taking into account the effects of the project on the environment.

For further information:

<http://www.europarl.europa.eu/sides/getDoc.do?type=TA&language=EN&reference=P7-TA-2014-0225>

EC publishes report from the High Level Forum on follow-up actions on the Communication and Action Plan Construction 2020

On 27 February, the European Commission published the report from the High Level Tripartite Strategic Forum on follow-up actions on the Communication and Action Plan Construction 2020. This report presents the outcome of the discussions of the High Level Strategic Forum (HLF) during 2013. This Commission emphasised that this reflects the state of play and does not prejudge possible adjustments of the strategy and of the vision of the HLF in 2014 depending on the effective implementation of its recommendations and new policy developments.

The main recommendations from the 5 thematic groups are:

- On **Stimulating investment in building renovation, infrastructure and innovation**: In order to stimulate the demand for energy efficiency and infrastructure upgrading the HLF recommends to better align the existing EU instruments for sustainable building renovation and infrastructure maintenance. Moreover, in order to capitalise on research programmes, the HLF suggests to give priority to demonstration projects and market oriented activities fostering the take-up of new knowledge and innovative approaches in building renovation and infrastructure maintenance.
- On **Skills & Qualifications**: The HLF suggests strengthening the implementation of existing EU and MS instruments to ensure suitably qualified and sufficiently numerous human resources for energy-efficient building renovation and infrastructure maintenance. European quality assurance schemes should facilitate the mobility of workers and construction professionals and increase the attractiveness of the sector to young talents.
- On **Sustainable use of natural resources**: The HLF suggests to improve the comparability of the various existing methods for the assessment of the building environmental performances and to promote a single structure for the assessment of the environmental performance of construction products. Moreover, the factual information basis regarding C&D waste needs to be improved together with the promotion of assessment tools for material efficiency.
- On **Internal Market**: The HLF confirms that there is a need to assess the cumulative burden of EU legislation on construction products and service businesses. Further improved use of Eurocodes could also be beneficial for the Internal Market of construction services. Based upon the experiences gathered at MS level of market surveillance for construction products, the HLF puts emphasis on the need to guarantee enough resources by MS to ensure quality in the European construction industry. The HLF also suggests assessing how Member States have progressed with the integration of provisions related to sustainability in national building regulations and codes.
- On **International Competitiveness**: The HLF suggests to strengthen the promotion of EU construction industry know-how at international level and to maximize benefits of trade negotiations. Moreover, the HLF welcomes the current support measures and schemes for the internationalisation of EU construction SMEs and is keen to contribute to the development of possible new support measures and schemes.

In 2014, Construction 2020 and the HLF should aim to focus on 4 main priorities:

- Follow-up the suggested recommendations by the HLF (as set out above);

- Initiate Action Plan measures that have not yet been covered, such as: stimulating favourable investment conditions; improving the human capital basis; improving resource efficiency, environmental performance and business opportunities, strengthening the Internal Market for Construction and fostering the global competitive position of EU construction enterprises;
- Establish links with other EU-institutions, and platforms, think-tanks, forums at MS level that share the thematic spirit of the '*Construction 2020 Action Plan*';
- Prepare the criteria/indicators for assessment and impact of the Construction 2020 Action Plan.

Two other rounds of thematic groups' meetings are scheduled in April and September 2014. The third High Level Strategic Forum is scheduled for December 2014.

UEPC calls on its experts to participate in the 2014 round of thematic groups' meetings.

To read the full version of the report:

http://uepc.org/uploads/files/27022014HLF_Report.pdf

UEPC attends EHF meeting

UEPC participated in the European Housing Forum meeting that took place in Brussels on 25 March 2014. The European Housing Forum was created in 1997, following the adoption of a resolution on the social aspect of housing by the European Parliament. The European Housing Forum currently has 15 members, all of which are major international or European organisations working in the area of housing.



The following points were discussed at the meeting:

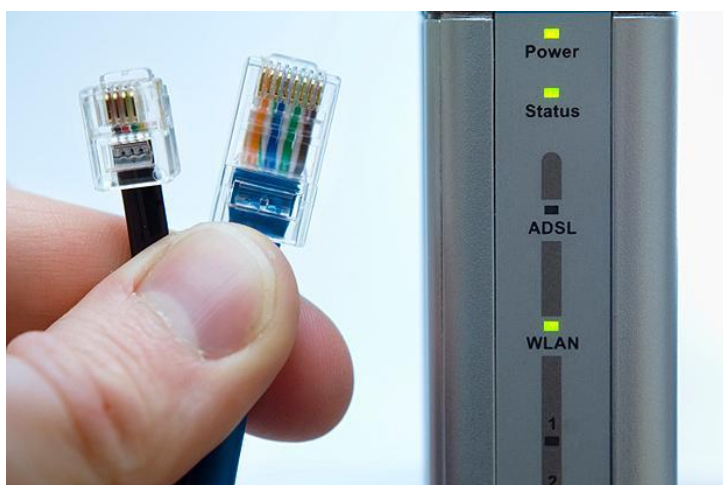
- **Follow up of the 19th informal housing ministers meeting:** The 19th informal housing meeting of EU ministers took place on 9 and 10 December 2013 in Brussels. UEPC together with EHF submitted a Contribution. CECODHAS (the federation of public, cooperative & social housing) representative commented on the final statement of the informal meeting and stressed the decision of the European Investment Bank to support a new lending facility of about €23 billion to finance energy efficiency in housing. Housing ministers confirmed the importance of regular meetings to discuss housing issues at EU level. France and Italy stressed their willingness to host such an informal meeting in the future;
- **Roundtable on policies initiatives:** members shared their initiatives for 2014, in particular, CECODHAS, ACE (Architects' Council of Europe) and FIEC (European Construction Industry Federation) will publish in the coming weeks their Manifestos to be sent to new Members of the European Parliament;
- **Roundtable on In Depth Reviews:** Feantsa (European Federation of National Organisations Working with the Homeless) expressed its organisation's interest in the European Commission's new economic surveillance mechanism, the so-called Macro-economic

Imbalances Procedure. In this regard, Feantsa is willing to publish a shadow analysis of the European housing market in the coming months;

- **ERHIN Project:** IUT (International Union of Tenants) representative introduced the European Responsible Housing Initiative (ERHIN), a project implemented by DELPHIS, CECODHAS Housing Europe and the International Union of Tenants and co-funded by the European Commission (DG Enterprise). It aims at leading the way towards better embedding CSR in the housing sector, as a powerful tool to support the transition the housing sector is living in Europe and help social, public and cooperative housing providers address those challenges together with stakeholders. Further information is available at www.responsiblehousing.eu

The next EHF meeting will be organised before July 2014.

Parliament and Council reach agreement on measures to reduce the cost of deploying high-speed electronic communications networks



On 28 February, the Council and the European Parliament reached a compromise agreement on a Directive which will make it easier and cheaper to roll out high-speed electronic communications networks, among other things by promoting the joint use of infrastructure, such as electricity, gas and sewage pipes. The ITRE Committee in charge of the file backed the new text on 18 March. The Parliament is expected to

endorse the compromise in April. It will then be followed by the Council's vote on the file.

The main points which are relevant for UEPC members are:

- **A Directive instead of a Regulation:** The Council and the Parliament agreed that the legal act would be a Directive, instead of a Regulation. As the Directive only sets minimum requirements to facilitate rollout and coordination, member states may adopt additional measures in this area.
- **New buildings:** All new buildings - and those undergoing major renovation - for which applications for building permission have been submitted after 31 December 2016 must be high-speed ready. Member States may provide for exemptions where this would lead to disproportionate costs and for specific types of building such as historic buildings and holiday homes.
- **UEPC lobbying goal:** UEPC lobbied the ITRE Committee for a transitional period of one year in order to allow developers to take account of new obligations in the planning of future

projects. It achieved its lobbying goal thanks to the fact that the initial proposal of a Regulation was turned into a Directive so as allowing Member states more time to implement the new EU piece of legislation.

The proposal as adopted by the European Commission on 26 March 2013 aimed at cutting the cost of rolling out high-speed internet by 30%. The Commission wanted in particular to 1) ensure that new or renovated buildings are high-speed-broadband-ready; 2) open access to high-speed-ready infrastructure on fair and reasonable terms and conditions; 3) ending insufficient coordination of civil works and 4) simplify complex and time-consuming permit granting.

Further information is available at:

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/trans/141234.pdf

Next UEPC meetings to take place on 29-30 May in Madrid



APCE, the Spanish Federation, will host the next UEPC meetings in Madrid on 29 and 30 May 2014.

On Thursday 29 May, UEPC will hold its Joint Committee meeting focusing on the following topics: Financing Housing and unfair competition; UEPC program of engagement at EU level, and EU economic governance

and housing. Members will also be invited to a guided tour of Valdebebas, a residential development area in Madrid.

On Friday 30 May, UEPC will hold the UEPC Board of Directors and General Assembly meetings.

Political & Institutional news

EU leaders discuss industrial competitiveness and climate and energy policies



On 20 and 21 March, EU heads of state and government met in Brussels to discuss industrial competitiveness and climate and energy policies, amongst other points.

According to the European Council, *'Europe needs a strong and competitive industrial base, in terms of both production and investment, as a key driver for economic growth and jobs. Competitiveness requires a stable, simple and predictable environment, including better regulation and in particular an ambitious REFIT programme. The overall framework at European and national levels must be made more conducive to investment and innovation and the reshoring of manufacturing jobs. The Commission communication "For a European Industrial Renaissance" provides important input in this respect; the Commission is invited to present a roadmap for taking work forward on this basis'*.

The European Council agreed to come back to industrial policy related issues in the context of the Europe 2020 Strategy review in March 2015.

According to EU leaders, *'a strong, resource-efficient and competitive European industrial base must be seen in relation to a coherent European climate and energy policy, including through addressing the issue of high energy costs, in particular for energy-intensive industries'*. For this reason, *'a coherent European energy and climate policy must ensure affordable energy prices, industrial competitiveness, security of supply and achievement of our climate and environmental objectives. Substantial progress has been made towards the attainment of the EU targets for greenhouse gas emission reduction, renewable energy and energy efficiency, which need to be fully met by 2020'*.

With a view to an early agreement on a new policy framework for energy and climate in the period 2020 to 2030, the European Council invited the Council and the Commission to continue work on the following elements:

- analyse the implications for individual Member States of the Commission's proposals for EU-wide targets for emission reductions and renewable energy;
- elaborate mechanisms which will result in an overall fair effort sharing and foster the modernisation of the energy sector;
- develop measures to prevent potential carbon leakage and call for long-term planning security for industrial investment in order to ensure the competitiveness of Europe's energy-intensive industries;
- review the Energy Efficiency Directive in a timely manner and develop an energy efficiency framework.

The European Council will take stock of progress made on these issues at its meeting in June with a view to taking a final decision on the new policy framework as quickly as possible and no later than October 2014.

Further information is available at:

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/141749.pdf

US President Obama visits EU capital



For the first time since he took office in January 2009, US President Obama visited Brussels on 26 March. Mr Obama met with European Council's President Mr Van Rompuy and European Commission's President Mr Barroso at the EU-US Summit. The meeting mainly focussed on Ukraine and transatlantic relations.

The US leader told press: *'We are more secure, we are more prosperous, the world is more just, when Europe and America stand as one'*. Mr Van Rompuy called Russia's annexation of Crimea *'a disgrace'*. He said *'in days like these'* the EU and US must forge closer ties *'to show our own public opinion and the wider world who we are ... economies based on rules, societies based on values, and proud of being so'*. Mr Barroso added: *'I'd like to say to the American people that you can count on us as your best friends and allies'*.

Mr Obama also warned Russia not to test his obligation to defend former Soviet and former Communist countries which joined Nato. Obama said EU and US blacklists and Russia's exclusion from the G8 are *'the most significant sanctions against Russia since the end of the Cold War'*. He added: *'If anyone in the Russian leadership thought the world wouldn't care about its actions in Ukraine, or that they could drive a wedge between the EU and US, they clearly miscalculated'*.

However, Obama and Van Rompuy struck a different tone on Russia relations despite the show of solidarity. The US leader said Russia deserves *isolation* on the world stage. But Van Rompuy said the blacklists are *'not a punishment - sanctions are an incentive to seek a diplomatic and peaceful solution'*.

Obama also urged EU countries to reduce their security dependence on the US and their energy dependence on Russia. He added that if the EU and US agree a free trade deal, he will increase exports of shale gas to Europe.

Further information is available at:

<http://euobserver.com/foreign/123634>

Construction & Housing



Euro area production in construction up by 1.5%. Up by 1.3% in EU 28

In January 2014, compared with December 2013, seasonally adjusted production in the construction sector grew by 1.5% in the euro area (EA18) and by 1.3% in the EU28, according to first estimates from Eurostat, the statistical office of the European Union. In December 2013, production in construction rose by 1.3% and 1.2% respectively. In January 2014 compared with January 2013, production in construction increased by 8.8% in the euro area and by 7.3% in the EU28.

Monthly comparison

The increase of 1.5% in production in construction in the euro area in January 2014, compared with December 2013, is due to building construction rising by 1.7%, while civil engineering fell by 1.2%. In the EU28, the increase of 1.3% is due to building construction increasing by 1.6%, while civil engineering dropped by 1.8%. The highest increases in production in construction were observed in Slovenia (+22.4%), Spain (+5.8%) and Germany (+4.4%), and the largest decreases in Romania (-4.3%), Slovakia (-3.9%) and France (-2.2%).

Annual comparison

The increase of 8.8% in production in construction in the euro area in January 2014, compared with January 2013, is due to building construction rising by 9.1% and civil engineering by 7.6%. In the EU28, the increase of 7.3% is due to building construction rising by 8.1% and civil engineering by 3.8%. The highest increases in production in construction were registered in Slovenia (+42.8%), Spain (+17.6%), Hungary (+15.9%) and Germany (+14.1%), and the largest decreases in Portugal (-14.0%), Romania (-9.2%) and Italy (-7.9%).

Find more information at:

http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/4-19032014-BP/EN/4-19032014-BP-EN.PDF

London's housing market risks entering bubble territory according to Ernst and Young report



NewEurope refers in one of its articles to a research report on Housing market in the UK issued by Ernst and Young Item Club (EY ITEM Club) on 3 February. While saying that the housing market in London is beginning to show signs of bubble-like conditions, the report asks the UK government to monitor the trend closely and be prepared to intervene.

The EY ITEM Club forecast showed the average house price in London is expected to reach nearly £600,000 by 2018, some 3.5 times the average price in Northern Ireland and more than 3.3 times the average in the North East.

It said the average house prices in Britain growing by 8.4% this year and 7.3% in 2015, before cooling to around 5.5% in 2016. House prices would show a regional divergence. Outside of London and the South East, the regions with the highest levels of house price growth are expected to be the South West and East of England, both set to grow by 6.2% from 2013-18.

In contrast, the North East is expected to have the lowest level of price growth at 4.2%, with Scotland at 4.5% and the West Midlands at 4.6%. The report said income multiples are now back to pre-financial crisis levels in London, with homeowners taking on ever larger mortgages. Caution on the part of borrowers and lenders should prevent a serious problem developing. The EY ITEM Club suggested a macro prudential intervention over higher interest rates, so the Bank of England's Financial Policy Committee (FPC) would need to play a central role. If it decides to intervene it should be to impose a formal limit on income multiples.

Andrew Goodwin, senior economic advisor to the EY ITEM Club comments: *'House prices across most of the country remain well below their pre-crisis peaks and there seems little danger of a bubble developing. But London, which is suffering from a combination of strong demand and a lack of supply, is increasingly giving us cause for concern'*.

For further information:

<http://www.neurope.eu/article/london-housing-market-under-price-bubbles-risk>

EC publishes 2013 EU industrial structure report



The European Commission published on 17 February the *'EU industrial structure report 2013: Competing in Global Value Chains'*. The report indicates that there are signs of a tentative recovery although many sectors have still not regained their pre-crisis level of development. Manufacturing sectors have been hit more severely by the crisis than services: manufacturing, as a proportion of economic output, has declined significantly.

However, there are significant differences between sectors. For example the pharmaceuticals sector has experienced sustained growth since the start of the financial crisis, while high-technology manufacturing industries have, in general, not been impacted to the same extent as other industries. Overall, services have been hit less badly than the construction, manufacturing and mining industries. In parallel, the interlinkages between manufacturing and services are growing, as products are becoming more sophisticated and incorporate higher services content.

All EU countries together account for a significant proportion of global FDI flows (around 22 % of inflows and 30 % of outflows), but both inflows and outflows have been badly hit by the crisis. The fact that intra-EU outflows fell more sharply than those to the rest of the world, indicates that EU enterprises are more positive about external opportunities than those available within the EU.

Furthermore, the EU is still the world leader in terms of global trade. The EU has a comparative advantage in two-thirds of its exports. An analysis of trade in services indicates that the EU has a comparative advantage in almost all sectors except construction and travel. The EU needs to build upon its strengths to help reverse the trend of a declining contribution of manufacturing to national income, thus confirming the need to facilitate the internationalisation and the integration of EU firms in global value chains.

The full report is accessible at:

http://ec.europa.eu/enterprise/policies/industrial-competitiveness/competitiveness-analysis/eu-industrial-structure/files/eu_ind_struct_report_2013_en.pdf

New EU rules on public procurement: better value for money, growth and sustainability?

On 18 February, a debate was hosted in Brussels concerning the new EU rules on public procurement recently approved by the European Parliament. Ms Heide Rühle MEP (Greens/DE) and Mr Joaquim Nunes de Almeida, Director for Public Procurement in the European Commission (DG Internal Market and Services) were the keynote speakers.

Mr de Almeida pointed out that the total amount of expenditure concerning the public procurement market consists of 2.3 trillion euros corresponding to 19% of the EU GDP, while the contracts covered by the directive amount up to 420 billion corresponding to 3.6% of the EU GDP. According to the EC official, public procurement reform is a set of multifaceted provisions which aimed at introducing greater flexibility, reducing bureaucracy, fostering innovation and reducing costs by broadening the flexibility of negotiations for contracting authorities. These objectives were pursued by extending the use of electronic communication, reducing the amount of documentation needed, suppressing the distinction between covered and non-covered services, taking into account the full life cycle costs of the bids and, last but not least, by enhancing the provisions on projects which favour environmental, social and innovative goals.

Ms Rühle underlined that many concerns which have stemmed from parliamentary hearings were related to the issue of legal certainty, and, as a result, the parliamentary work concentrated much effort in the clarification of both the definition and the scope of the notion of public procurement. She welcomed the current definition of the principle of the most economic advantageous tender, which allows the public purchaser to take full life cycle costs into account as, in her opinion, in times of financial crisis it is vital to foster innovation and sustainable development. Ms Rühle also emphasised the importance of use of labels, as well as of several measures which aimed at fostering innovation, such as preliminary market consultations, modification during the term of the contract and the introduction of some aspects of electronic procurement. She also welcomed the inter-institutional work in order to reach a compromise on the *'European Single procurement document'*, the issue on abnormally long-term contracts, the issues of subcontracting and service concessions, as well as on the problem of third party access.

Economic and financial news

EC publishes in-depth reviews (IDRs) carried out in 17 EU countries



On 5 March, the European Commission published its in-depth reviews (IDRs) carried out in 17 Member States' economies. Country-specific IDRs follow the Alert Mechanism Report (AMR) on the prevention and correction of macroeconomic imbalances published by the Commission on 13 November 2013. On the basis of this analysis the Commission will conclude whether it considers that an imbalance exists or not, and if so whether it is excessive or not, and

what type of follow-up it will recommend to the Council to address the concerned Member States.

This is a key step in the now well-established European Semester of economic policy coordination, the yearly economic governance cycle through which the Commission works with the Member States to create the conditions for sustainable growth and employment based on sound public finances, in line with the Europe 2020 growth strategy.

According to the Communication on the results of in-depth reviews on the prevention and correction of macroeconomic imbalances *'the economic recovery is gaining ground but challenges remain. Imbalances built up over more than a decade and it will require continued policy action to ensure that Europe returns to stronger but sustainable growth rates and steadily reduces unemployment. A number of imbalances are common to several Member States. Among the challenges are the large external liabilities in some economies, persistent large current account surpluses reflecting subdued domestic demand in a few countries, cost competitiveness for the countries which used to register the largest current account deficits and those experiencing large losses in export market shares. Improving competitiveness beyond cost-related factors is important for most Member States analysed, as is the impact of deleveraging on private consumption and investment. It will be essential to continue to address these imbalances in order to bring down the unacceptably high levels of unemployment in many parts of Europe.'*

As far as the housing market is concerned, the Communication states that *'the housing market adjustment appears to be bottoming out in a number of countries. Most EU housing markets have been in a phase of correction after a particularly long bull cycle. In some countries, notably Denmark, Ireland, Spain, and the Netherlands, the cumulated reduction in the real price of residential assets*

has been substantial. In Spain and Ireland, the adjustment in housing prices has gone in tandem with the downsizing of construction sectors, aggravating unemployment. It contributed to the increase in non-performing loans and the deterioration in banks' balance sheets, requiring increased provisions and the transfer of problematic assets to dedicated asset management firms. While further downward adjustments cannot be excluded for some countries under review, the available data suggest that, for most countries the cycle has bottomed out and there have been moderate increases, as in Luxembourg, Malta, Sweden and the United Kingdom'.

Read the full Communication at:

http://ec.europa.eu/economy_finance/economic_governance/documents/2014-03-05_in-depth_reviews_communication_en.pdf

Country-specific IDRs at:

http://ec.europa.eu/economy_finance/economic_governance/macroeconomic_imbalance_procedure/index_en.htm

EC publishes country-specific position papers regarding Cohesion policy 2014-2020

Based on the lessons learnt during the 2007-2013 programming period and the Commission's legislative proposals for 2014-2020, the Commission prepared for each Member State a position paper on the development of Partnership Agreement and programmes for the period 2014-2020.

The position papers inform the Member States of the Commission's

views on the main challenges and funding priorities. They also establish a framework for dialogue between the Commission and each Member State on the preparation of the partnership agreement and programmes which will form the basis for delivery of the EU Structural and Investment Funds.

The position papers were presented to the Member State authorities as the Commission's views based on the Commission's legislative proposals, without prejudice to the final outcome of the negotiations on the legislative package.

Country-specific position papers at:

http://ec.europa.eu/regional_policy/what/future/program/index_en.cfm



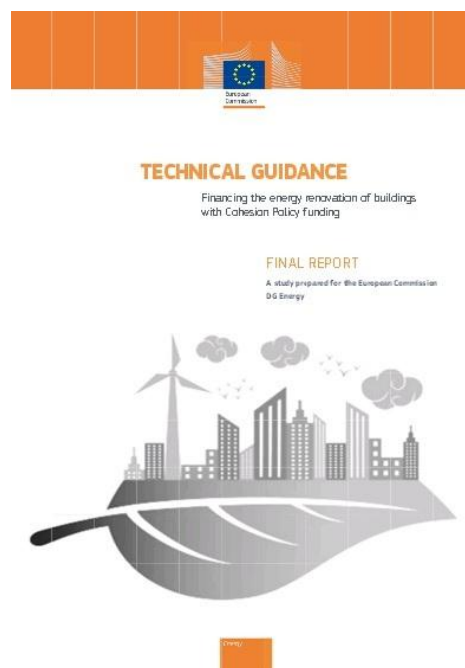
Energy and Environment



Financing the energy renovation of buildings with Cohesion Policy funding

The European Commission has issued technical guidance on 'Financing the energy renovation of buildings with Cohesion Policy funding' with the aim of helping managing authorities in planning and deploying sustainable energy investments in buildings within their Cohesion Policy operational programmes.

Tackling energy consumption in European buildings is vital. Nearly 40% of final energy consumption – as well as 36% of all greenhouse gas emissions – is attributable to housing, offices, shops and other buildings across the public and private sector. A major and sustained increase in public and private investment is needed for the European Union to meet its 2020 climate and energy targets. In the 2014-2020 period, Cohesion Policy funds will play a major role in the refurbishment of buildings with the allocation of a minimum of €23bn for investments in the shift towards to low-carbon economy, including energy efficiency and renewable energy use in buildings.



The guide informs managing authorities about the European requirements on buildings and energy efficiency, provides a list of good practice approaches and case studies, and explores the different financing mechanisms that managing authorities can use to support sustainable energy projects with the aim to launch large scale investments in the energy renovation of buildings and to attract greater levels of private-sector investments.

Full technical guidance at:

http://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/financing_energy_renovation.pdf

EP calls for binding 2030 goals for CO2 emissions, renewables and energy efficiency



In a non-binding resolution adopted on 5 February, the EP called for a 40% cut in CO2 emissions from 1990 levels, a 30% target for renewable energy and a 40% target for energy efficiency by 2030, under the EU's new long-term climate-change policy. These targets should be binding and implemented through individual national targets, taking account of each member state's situation and potential, MEPs say. They also criticise the European Commission's recent proposals, a 2030

framework for climate and energy policies, as *'short-sighted and unambitious'*.

The non-binding resolution follows up the Commission's March Green Paper which triggered a debate on a 2030 framework for climate and energy policies after the current policy framework runs out in 2020. The Commission tabled proposals on 22 January setting less ambitious targets, which were met with scepticism from MEPs, who express their deep concern about some of the proposals. For MEPs, the Commission Communication is short-sighted and unambitious on a number of levels, specifically as regards the lack of national targets for renewable energy and of any meaningful new action to incentivise energy efficiency, they say.

Further information:

<http://www.europarl.europa.eu/news/en/news-room/content/20140203IPR34510/html/MEPs-want-binding-2030-goals-for-CO2-emissions-renewables-and-energy-efficiency>

A thousand cities back 2030 energy efficiency target



energycities

WHERE ACTION & VISION MEET

An alliance representing more than a thousand European cities wrote on 17 February to Herman Van Rompuy, the president of the European Council, calling for binding 2030 targets of 40% for energy efficiency, and 30% for renewable energy, in line with a European Parliament proposal.

The president of the Energy Cities group, which authored the written protest, said that making efficiency a 'key priority' could create jobs, send a signal to investors and more. 'I personally sense a great deal of disillusionment among my citizens towards European politics', Eckart Würzner said. 'An ambitious EU climate and energy policy that tackled economic growth, fuel poverty and quality of life issues would ultimately contribute to restoring trust in European institutions.'

The Energy Cities letter backs the Commission's proposed 40% cut in greenhouse gas emissions but chides the overall package for only suggesting a non-binding 27% target for renewables, and offering no energy savings measures at all. This 'lacks the necessary ambition to meet Europe's climate and energy commitments for 2050 [and] fails to seize the opportunity to shift to a new energy paradigm based on decentralised low-carbon production and lower energy use', the letter says. The Commission's proposed new energy framework 'omits to fully embark local stakeholders that are committed, under the direction of their political leaders, to the Covenant of Mayors', the letter adds.

Energy Cities bills itself as 'the European association of local authorities in energy transition'.

The text of the letter is available at:

<http://energy-cities.eu/IMG/pdf/20140218123136716.pdf>

Energy Efficiency in Europe: An overview of policies and good practices

The European Energy Network has issued the brochure 'Energy Efficiency in Europe: An overview of policies and good practices'.

The objective of the brochure is to present an overview of European actions undertaken in the field of energy efficiency. The introduction presents the main EC policies implemented and the past energy efficiency trends. The document then details an outline of the most illustrative measures implemented by end-use sector. Findings are described in 11 thematic chapters, each divided into three sections.



The review of energy efficiency measures does not include all actions taken. In order to illustrate each chapter, specific thoughts are made on around thirty particularly interesting measures that have been chosen according to various criteria, such as their impact, the consistency of their implementation or their evaluation (see summary table at the end of the document).

Full brochure at:

http://www.enr-network.org/assets/files/news_and_events/EnR-EEE-Broch-PaP-web.pdf

Call for Contribution – 2020 and 2030 energy efficiency targets: European Commission launches public consultation

On 3 February, the European Commission launched an open consultation on the review towards the 2020 energy efficiency objective and a 2030 energy efficiency policy framework. The aim is to provide an important input to the review of progress towards the 2020 energy efficiency target under the Energy Efficiency Directive 2012/27/EU as well as to give a contribution to the follow-up of the Communication *'A policy framework for climate and energy in the period from 2020 to 2030'*. Energy efficiency in buildings is addressed in question 2. Open questions 9 and 10 will allow stakeholders to provide suggestions on the open points. The consultation closes on 28 April.



The Consultation is accessible at:

http://ec.europa.eu/energy/efficiency/consultations/20140428_eed_2020_2030_en.htm

UEPC Events

1 April 2014 Thematic Group 1 (Construction 2020)

3 April 2014 Thematic Group 2 (Construction 2020)

8 April 2014 Thematic Group 3 (Construction 2020)

9 April 2014 Thematic Group 4 (Construction 2020)

29-30 May 2014 UEPC meetings in Madrid