

The European Commission issued its latest reports on steps taken by Bulgaria and Romania to meet their commitments on judicial reform and the fight against corruption, and in the case of Bulgaria organised crime, in the context of the Cooperation and Verification Mechanism (CVM).

Vice-President Šefčovič on the Future of the European Internal Energy Market

Speech by Vice-President Šefčovič, in charge of Energy Union, at the Euractiv conference on the future of the European Internal Energy Market, in Berlin

Ladies and Gentlemen,

I am always delighted to speak about EU policies outside of the Brussels bubble, connecting it with other European capitals and cities who have an equal stake at our discussions. Therefore, I would like to thank our Commission Representation here in Berlin and Euractiv for putting this event together and to you – sitting here – for your continued interest.

The fundamental question of today's event is the future of Europe's internal energy market. This was indeed one of the five pillars of the Energy Union when we presented it back in 2015. There are many ways of addressing this question, from our work on infrastructure, reforms in regulation, the role of ACER, etc. But in the short time we have I'd like to touch upon one of the most complex and profound transformational legislations we presented during this mandate: the Clean Energy Package. This package reshapes our entire electricity market from a system of nationally centralised, fossil-based energy into one decentralised across borders and sectors, and based on renewables. Of course this can only be done if we ensure a well-functioning, fully integrated electricity market.

We have definitely seen progress in the integration of the national energy markets over the last years. Cooperation between transmission system operators has improved and the technical requirements for connecting electricity networks across borders have been put on a common basis.

Nevertheless, much less than 50% of the interconnector capacity in the EU is currently made available to the market. I think you will all agree there is considerable room for improvement.

That is why our actions were aimed at maximising the possibilities to trade electricity across borders. Any restriction to trade of electricity across borders should be exceptional and needs to be justified with good reasons. Otherwise it will not be possible to reap the benefits of an integrated electricity market.

This saves resources and offers possibilities for consumers. It also contributes to security of supply: sharing reserves, increasing interconnections, and efficiently using available capacities enables everyone in Europe to be supplied at affordable costs even in crisis situations. This is especially important for Germany, with its central geographical location and its high share of renewable electricity production. Key for this, are efficient price signals that show where investments should be taking place.

Another key element of the new market design is the focus on consumers. The new rules will allow anyone to generate, consume, store and sell self-generated electricity and thereby contribute actively to the energy transition. But even the name prosumers is not enough to describe the scope of consumer empowerment of our package because it also addresses consumers' protection and rights like never before; ensuring greater transparency, ease to change suppliers, etc.

As you can see, the system is changing in terms of the sources of energy, the way in which it is traded, and also the traditional roles of the players. The most obvious ones are the empowered consumers.

- But think also about market aggregators will now be able to trade aggregated loads from consumers in the different markets and hence establish the link between the retail and the wholesale markets.
- Energy communities / cooperatives will enable tenants to actively participate in the energy transition and benefit from renewable energy production. We believe that this new framework should provide a solid legal basis for more consumers to invest in renewables generation and to increase acceptance (→ from NIMBY to PIMBY).
- It goes without saying that the electricity system of the future will be more sustainable, but also more complex than in the past. Transmission and Distribution System Operators will have a key role as neutral facilitators and enablers in a system with an increasing number of decentralised two way market participants.

While the negotiations on some parts of this package are not easy, I am optimistic that we will conclude the trilogues by the end of this year. Meanwhile, I am very reassured by the political agreement to increase the energy efficiency and renewable targets (to 32.5% and 32% respectively). As for GHG emissions, we are still highly committed by our 40% target by 2030 as we presented as we presented ahead of the Paris Agreement.

Now the good news is that with the Clean Energy Package we are expecting to overachieve and reduce our emissions by up to 45%. The bad news is while Europe is aiming very high, we now know that the aggregated national commitments (NDC) of the Parties to the Paris Agreement are still not enough for limiting global warming to 1.5 degrees. I'm sure you've all seen the IPCC Report from last month which indicated that in order to reach the Paris Agreement objective we may need to reach a global carbon neutrality by 2050 and greenhouse gas neutrality soon after. The global industry might therefore need to drop its GHG emissions by up to 90% compared to 2010 levels.

This a huge challenge which requires us in Europe to think further ahead,

well beyond 2030. Of course, the further ahead we look into the future, the more difficult the challenge becomes. It requires more analysis, more research, more consultation, and more vision.

I know that there is great expectations by governments and stakeholders to see the Commission's long-term Strategy for a mid-century greenhouse gas reduction, which we will present later this month. Meanwhile, I can assure you that this will be a far-sighted vision into modernising Europe's entire economy, across all sectors. This will also serve our message to the world in COP24 in Katowice: we, Europeans, do not need to be the first emitters in order to become the first economic power. We have already decoupled economic growth from CO2 emissions over the past few decades. We will now make the next step of building a resilient, modern, innovative, and competitive economy but this time it will be entirely carbon neutral! We will manage to do this together, united as Europe, using EU and other policies to ensure this is economically and socially feasible.

I have no illusion that this can be done from Brussels alone. The EU will continue to steer, stimulate, incentivise, regulate, and facilitate. But in the end, we are talking about an extensive, systemic, profound change across our entire economy and society. This will require all of us, across sectors, to embrace the change. Whether we call it energiewende, energy transition, transition énergétique, or any other term, this will be our generation's major challenge and legacy. And this will be this Commission's legacy for the next one to follow up on.

Thank you very much.

2018 Reitox week focuses on 'futures'

Representatives of candidate, potential candidate and neighbouring countries of the EU and countries of Central Asia are joining members of the EMCDDA's [Reitox network](#) ⁽¹⁾ in Lisbon from 12–16 November for the agency's seventh Reitox week. The purpose of this annual event is to broaden the scope of the regular Heads of national focal point (NFP) meetings, underline the usefulness of the EU drug monitoring model; add impetus to the agency's technical cooperation with countries outside the EU and learn from each other's experience.

The 2018 Reitox week unites some 50 nations, including: 30 NFPs (28 EU, Turkey and Norway); six countries of the Western Balkans (beneficiaries of the [European Instrument for Pre-Accession Assistance/IPA](#)); eight [European Neighbourhood Policy \(ENP\)](#) countries; and four partner countries of the [Central Asia Drug Action Programme \(CADAP\)](#). The week encompasses three events: a coordination meeting with partner countries of the Eastern and Southern Neighbourhood (12 November); an 'extended meeting' of the Reitox network (13 November) and the regular Heads of focal point meeting (14–16

November).

This year, the theme chosen for the extended meeting is 'Changes in patterns of drug supply and use and their implications for monitoring', due to its relevance for the EMCDDA's foresight exercise (2017–20). Outlined in the [EMCDDA Strategy 2025](#), this exercise will help the agency maintain a state-of-the-art understanding of the extent of drug use, patterns, trends and its impact on public health and identify future reporting needs.

The extended meeting includes presentations from representatives of the: [EMCDDA Scientific Committee](#); [European Commission Joint Research Centre \(JRC\)](#); [EU Satellite Centre](#); [UNODC](#), [Norwegian Institute for Water Research](#) and [Pardee Center for International Futures](#).

Presentations during this session cover a wide range of topics including: mega trends; a model for global forecasting; global trends and changes in drug use and drug markets; web-driven data sources (open source information monitoring) and new advanced technology driven data, including wastewater and mobile technology and satellite data.

The Reitox network was set up in 1993 and is composed of 30 NFPs in the 28 EU Member States, Turkey and Norway, as well as a focal point at the European Commission. The NFPs – from which the agency draws the bulk of its data – collect and analyse national information on drugs, drawing on various sectors including health, justice and law enforcement. Reitox weeks have been held annually since 2012.

Programme

- . [Coordination meeting with partner countries of the Eastern and Southern Neighbourhood](#)
- . [7th extended Reitox week](#)

[EIOPA outlines the principles and guidance for the pension benefit statement](#)

The European Insurance and Occupational Pensions Authority (EIOPA) published today its Report on the "Implementation of IORP II in relation to the Pension Benefit Statement: Guidance and Principles based on Current Practices".

The Report is part of EIOPA's work to facilitate the national implementation of IORP II and focusses on the new requirement for Institutions for Occupational Retirement Provision (IORPs) to draw-up a pension benefit statement (PBS). This statement should be concise and made available to each

member at least annually.

This Report addresses policymakers and regulators responsible for the implementation of IORP II requirements on information disclosure. The guidance and principles set out in the Report are intended also as an inspiration for pension funds or insurers responsible for issuing Pension Benefit Statements.

The Pension Benefit Statement is an important pillar in the provision of pension information. Its main goal is to provide important information such as the current situation of the pension scheme member regarding the accrual of his/her pension benefits, projecting future retirement benefits, to enable retirement planning and help the member to take informed decisions.

EIOPA identified the following principles for the design and content of a Pension Benefit Statement:

- The design of the Pension Benefit Statement should be based on a **behavioural approach to facilitate a member's decisions** about his/her retirement **savings**
- **The design** of the Pension Benefit Statement should be **effective, attractive, easy- to read** and the information should be **layered to help the member find key information at a glance** and **navigate easily** through the content to find **answers to his/her questions**
- The Pension Benefit Statement should **present pension projections in real terms** and **in relation to the current income** of the Member in order to better understand her/his purchasing power after retirement
- The Pension Benefit Statement should enable the member to **understand the impact of costs** on his/her pension entitlements and **to compare pension scheme cost levels**
- The Pension Benefit Statement should **integrate and complement** the **communication tools already in place within the Member State** (e.g. on-line pension dashboard, pension calculator) to enable insight into the full retirement situation
- **Information contained in a PBS should be comparable to other PBSs** at national level, to allow for financial planning

This Report builds on EIOPA's Report on "[Good Practices on Information Provision for DC Schemes](#)", better known as "Max Report". Furthermore, EIOPA has duly considered different possible options as well as the potential cost and benefits for relevant stakeholders, including IORPs, members and national competent authorities. It also consulted its Occupational Pensions Stakeholder Group and the feedback received provided valuable input.

EIOPA will continue to promote consistent practices at national level, including the development of examples of standardised designs of the Pension Benefit Statement.

The [Report](#) can be obtained via EIOPA's Website.

Note to the Editors

The IORP II (Directive (EU) 2016/2341) on the activities and supervision of Institutions for Occupational Retirement Provision (IORPs) provides an updated European Union legislative framework for workplace pensions. The Directive will improve the governance of pension funds, make it easier for pension funds to conduct cross-border business and provide clearer information to pension scheme members and beneficiaries. Member States of the European Union must transpose these new rules into their national law by 13 January 2019.

ESMA publishes MiFID II Supervisory Briefing on Suitability

This supervisory briefing covers the following topics:

- determining situations where the suitability assessment is required;
- information to clients about the purpose of the suitability assessment;
- obtaining information from clients;
- arrangements necessary to understand investment products;
- arrangements necessary to understand the suitability of an investment;
- suitability report;
- qualifications of firm staff; and
- record keeping.

Background

This supervisory briefing is aimed at competent authorities as defined in MiFID II. It is also meant to give market participants indications of compliant implementation of the MiFID II suitability provisions. The purpose of this supervisory briefing is to promote common supervisory approaches and practices in the application of the MiFID II suitability rules.