



Council of the
European Union

Brussels, 19 February 2016
(OR. en)

**Interinstitutional File:
2016/0050 (COD)**

**6285/16
ADD 2**

**TRANS 51
MAR 54
CODEC 179
EDUC 35
SOC 85
ETS 4
MI 94**

PROPOSAL

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	18 February 2016
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union

No. Cion doc.:	SWD(2016) 36 final
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Subject:	COMMISSION STAFF WORKING DOCUMENT EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT Accompanying the document Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the recognition of professional qualifications in inland navigation and repealing Council Directive 91/672/EEC and Council Directive 96/50/EC
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Delegations will find attached document SWD(2016) 36 final.

Encl.: SWD(2016) 36 final

Brussels, 18.2.2016
SWD(2016) 36 final

COMMISSION STAFF WORKING DOCUMENT
EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT

Accompanying the document

Proposal for a
DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
on the recognition of professional qualifications in inland navigation and repealing
Council Directive 91/672/EEC and Council Directive 96/50/EC

{COM(2016) 82 final}
{SWD(2016) 35 final}

A. Need for action
Why? What is the problem?
<p>Inland waterway transport (IWT) is a cost-saving and energy-efficient transport mode that has a lot of spare capacity to support EU energy efficiency, growth and industrial development goals. The future contribution of the IWT sector to these EU policy goals is however hampered by difficulties in terms of labour mobility, manpower shortages and skills mismatches. Despite attempts by the sector to tackle the problems at bilateral and multilateral level, these difficulties prevent inland navigation from fully contributing to improving the efficiency of multimodal logistics on which European industries depend for their competitiveness and further growth. Two problem drivers are identified: 1) Workers face difficulties with mutual recognition of professional qualifications; 2) Knowledge of specific situations (KSS) requirements may create unnecessary labour mobility barriers. It is expected that the problems and their drivers will continue to be present in the period from 2030 to 2050.</p>
What is this initiative expected to achieve?
<p>The general objective is to help build up the internal IWT labour market so that the IWT sector can fully contribute to EU policy objectives for fuel savings as expressed in the Energy Union package and restore industry's weight in the EU's GDP to 20 % by strengthening the EU's industrial base. The related specific objective is to facilitate labour mobility in the IWT sector by ensuring that the recognition of qualifications of skilled workers is based on the competencies needed on board vessels. This leads to the following operational objectives: 1) Ensure mutual recognition of professional qualifications of workers; 2) Ensure that KSS requirements are proportionate to their safety goal and do not unnecessarily hamper labour mobility.</p>
What is the added value of action at EU level?
<p>Despite decade-long efforts by Member States and River Commissions to tackle difficulties in the EU labour market at bilateral and multilateral level, barriers to workers' mobility persist. The current organisational and legal frameworks governing the sector have proved to be a significant obstacle to solving these problems. A new EU regulatory framework relying upon the recently created CESNI¹ will extend the scope of the EU legal framework to include the Rhine river, representing 67 % of total IWT transport, and will establish fair, safe and competence-based access to the profession. This enhancement of the EU internal market for IWT is essential for improving the energy efficiency of transport, for developing the EU's industrial base and for efficient functioning of the TEN-T Network.</p>
B. Solutions
What legislative and non-legislative policy options have been considered? Is there a preferred option?
<p>The following policy options are considered: A) Baseline scenario B) Initiatives taken by the sector with EU support C) Recognition of professional qualifications based on minimum competence requirements for boatmen and boatmasters, differentiated in two suboptions: C1 <i>including</i> examination standards for training and education institutes and C2 <i>excluding</i> examination standards for training and education institutes. Taking into account effectiveness, efficiency and coherence, option C is to be preferred over options A and B. Under option C, suboption C1 is judged to be slightly more effective and efficient than suboption C2. The Impact Assessment Report leaves it up to the political decision-makers in the College of Commissioners to decide on the preferred policy suboption under option C.</p>
Who supports which option?
<p>The preferred option and its two suboptions are in line with stakeholders' opinions expressed both in the online public consultation and in the Common Expert Group (CEG). Stakeholders indicated a high level of support for regulatory measures in relation to the harmonisation of professional requirements, qualifications and examinations, whereas the introduction of voluntary measures received much less support. There was no support for leaving the initiative to the sector or for continuation of the status quo.</p>
C. Impacts of the preferred option
What are the main benefits of the preferred option?
<p>Option C improves <u>labour mobility</u> in particular through the recognition of qualifications on the Rhine for boatmasters and operational workers. Around 15 % of the holders of EU boatmasters' certificates who are currently excluded from navigating the Rhine would have their EU certificate automatically recognised on the Rhine. Furthermore, boatmasters that already navigate the Rhine under the CCNR bilateral arrangements would enjoy benefits as the limitations inherent in these arrangements¹ will disappear. The establishment of EU relevance criteria for knowledge of specific situations (KSS) and the possibility for boatmasters to take KSS exams in their own country will further promote mobility. The positive impact for <u>operational workers</u>, who are twice as numerous as boatmasters, is even more significant. They will no longer be downgraded due to non-recognition of their qualifications.</p>

¹ For instance, boatmasters from all Member States except Germany (10 000 boatmasters in total) have to meet additional conditions for the recognition of their boatmaster certificate.

<p>The new inflow of skilled crew members will improve <u>safety</u> (with benefits estimated at € 190 million by 2050). Finally, <u>job quality/attractiveness</u> will improve because of safety and due to improved work autonomy and career development prospects (with wage benefits for workers estimated at € 50 million by 2050). The benefits of suboption C1 are slightly higher than for C2. The recognition of diplomas and training certificates giving automatic access to the profession without having additional examinations imposed by an administrative authority will increase attractiveness and reduce administrative burden. The indirect effects of enhancing the internal market for IWT labour are significant. By addressing one of the barriers to development of the IWT sector, the efficiency of multimodal logistics — an important competitiveness factor for the EU's industries — would increase, thereby underpinning the development of the EU's industrial base.</p>
<p>What are the main costs of the preferred option?</p> <p>Option C will require one-off investment costs estimated at €8 million for suboption C1 (borne exclusively by the public sector) and € 5.6 million for suboption C2 (borne by the public sector and by IWT training institutes). The main costs come from the introduction of the practical exam at boatmaster level where this does not yet exist and, under suboption C1, from the adjustments that training institutes have to make. The recurrent benefits in terms of administrative savings (€ 13.2 million by 2050 due to the new medical check-up frequency) would by themselves already outweigh the recurrent administrative costs (€ 6 million for suboption C1 and € 8 million for suboption C2). These costs mainly relate to the mandatory examination to test competencies at boatman and boatmaster levels where it does not yet exist and, in the case of suboption C1 only, to the recognition/accreditation system for exam programmes in training institutes. Suboption C1 would be less costly than C2 overall, but more costly for the public sector and less costly for the private sector (due to the exemption from taking administrative exams for workers with recognised training).</p>
<p>How will businesses, SMEs and micro-enterprises be affected?</p> <p>The private IWT sector is almost exclusively composed of SMEs and micro-enterprises. Therefore all <u>direct private sector impacts</u> described in this report are for SMEs and micro-enterprises only. Increased labour mobility will help SMEs to recruit staff from across the EU, thereby reducing labour shortages. Competence-based qualifications will increase safety and reduce accident costs. Increased attractiveness of the profession will help SMEs to expand their business. SMEs would only bear a small proportion of the overall costs (in particular for participation of crew in administrative exams), which are largely borne by the public sector. The costs for SMEs would be widely offset by the benefits described above. Reduction of administrative burden for SMEs under suboption C1 would be substantially lower than for C2, due to the exemption from taking administrative exams for already qualified personnel. <u>Indirect private sector impacts</u> are significant and relate to the advantages of a developing IWT sector for EU industries including SMEs, by improving the efficiency of multimodal logistic chains, an important competitiveness factor for export-oriented SMEs.</p>
<p>Will there be significant impacts on national budgets and administrations?</p> <p>The costs of the preferred option will mainly be borne by national administrations and training institutes. All Member States will not be affected in the same way. Costs and benefits will depend on the region, the pre-existing situation and decisions on the uptake of optional measures. Overall, the benefits will outweigh the costs by a wide margin.</p>
<p>Will there be other significant impacts?</p> <p>The preferred option will have a positive impact on employment. By stimulating job mobility across European regions, it will reduce the supply-demand gap and help to fill existing vacancies. As a result, a more attractive energy-efficient IWT sector will help to improve the overall fuel efficiency of EU transport. Furthermore, it is to be noted that several measures in the various policy options will affect different European regions in a distinctive way as described in section 6.2.5 of the Impact Assessment Report.</p>
<p>D. Follow-up</p>
<p>When will the policy be reviewed?</p> <p>The Commission services will monitor the implementation and effectiveness of this initiative through a set of core progress indicators. It is expected that the Commission services will carry out an evaluation seven years from the date following the end of the period for transposition of the proposed legislation.</p>

ⁱ Comité Européen pour l'élaboration des standards pour la navigation intérieure