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Committee of the Regions

88th plenary session held on 27 and 28 January 2011

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I

(Resolutions, recommendations and opinions)

OPINIONS

COMMITTEE OF THE REGIONS

88TH PLENARY SESSION HELD ON 27 AND 28 JANUARY 2011**Opinion of the Committee of the Regions on 'Local food systems' (outlook opinion)**

(2011/C 104/01)

THE COMMITTEE OF THE REGIONS considers that:

- local food systems support the local and regional economy. These systems are of the utmost importance in less-favoured regions; they stimulate the exploitation of local potential and help to improve the image of unappreciated and often neglected regions;
- short distribution channels lead to greater interaction between consumers and producers. They create relationships based on trust and make products easily traceable by consumers. They also provide a basic level of food sovereignty;
- local food systems bring environmental benefits through more sustainable production systems;
- the European Commission should therefore:
 1. suggest that Member States should consider targets for developing local food systems in their Rural Development Strategy, to be executed by LRAs with support from the EU and national authorities;
 2. adopt definitions of 'Local Food Products' and 'Local Food Systems', and introduce a new logo and identify a common symbol and scheme identity for local products, to be added to the Agriculture Product Quality Policy regulation;
 3. introduce a direct marketing scheme for registered local products, to be operated by Member States at LRA level;
 4. explore whether Article 26 of Directive 2004/18/EC on the coordination of procedures for the award of public contracts could be amended such that 'locally produced' can be a standard selection criterion in tenders for the supply of food to, for instance, schools, nursing homes and public facilities.

Rapporteur: Ms Lenie Dwarshuis-Van De Beek (NL/ALDE), Member of the Executive Council of the Province of South Holland

THE COMMITTEE OF THE REGIONS

I. CHALLENGES AND OBJECTIVES

considering that the topic of the report 'Local Food Systems' should be seen in a broader context, stresses that:

Food and agriculture related to the EU 2020 Strategy

1. the world is currently facing a diverse and significant set of challenges: rapid population growth, growth of expenditure capacity and climate change;

2. these challenges are accompanied by the threat of scarcity of food, feed, fossil energies, commodities, fibres and fresh water, by increasing soil degradation and biodiversity loss and by an increasing risk of financial market failure, of political imbalance and of armed conflicts;

3. food security is furthermore influenced by global population shifts away from rural areas towards metropolitan areas, by improvement of the output of existing food production sites worldwide, by changing nature areas into new production areas, by development of new types of production and by the loss of food production areas to biofuel production and urban sprawl;

4. globally, an estimated 80 % of food is currently produced and marketed at local level. In the European Union, this figure is about 20 %;

European agriculture model

5. there is no single European model in agriculture – the model is multifaceted and its diversity is a major asset;

6. to get the best out of a plural model, the links between farming and consumers' expectations must be strengthened, as must the links between farm production and local, regional and international markets;

7. in the plural model, the local food system is a key issue that has so far not been sufficiently addressed and that should be supported in a professional, structural, innovative way;

European objectives on agriculture

8. the primary purpose of European farming is to produce and provide food for people in the Member States, taking account of the need for fair competition and environmental protection, and of the need to ensure that it also meets the other required standards of food safety, quality and affordability;

9. future agriculture and food supply must be more sparing in the use of water and fossil fuels, use less fertiliser and phytosanitary products, be more diversified and be smarter in making the most of synergies between arable farming, livestock farming, organic waste management, residual currents and renewable energy production;

10. producers should be able to make a proper living from their produce, but the current system does not provide the balance of powers in the food supply chain and the food prices and margins required;

11. the Common Agricultural Policy after 2013 must rebalance its support in favour of employment and of maintaining an agricultural presence in all of Europe's arable areas, whilst paying special attention to vulnerable areas, including peri-urban territories. The emphasis placed by the Commission on the territories in its proposed priorities for the CAP towards 2020 should therefore be welcomed;

12. the development of local food systems is particularly relevant for local and regional authorities (LRAs). These LRAs play an important role defining, encouraging and supporting a sustainable development of the rural economy, including creating favourable conditions for local food systems.

II. BENEFITS OF LOCAL FOOD SYSTEMS

points out that:

Economic benefits of local food systems

13. the topic of 'Local Food Systems' is of great significance and concerns much more than the positioning of a new range of European local products, in addition to products placed under already widely-known quality schemes;

14. local food systems support the local and regional economy by providing employment in agriculture and food production, including processing, distribution, marketing and sales activities and services. These systems are of the utmost importance in remote rural areas, peri-urban areas, mountainous areas, vulnerable areas and underprivileged areas; they stimulate the exploitation of local potential and help to improve the image of unappreciated and often neglected regions;

15. when income is spent locally on locally produced food, it stays within the region and has a strong multiplier effect of the order of three on the regional income of the community compared with ordinary trade patterns;

16. investing in local food systems would lead to economic recovery in underprivileged areas, better incomes for local producers, stronger cooperation between stakeholders, revived entrepreneurship, better openings to local markets, more employment, lower costs and maintenance of the local level of services and provisions;

Social benefits of local food systems

17. short distribution channels lead to greater interaction and mutual knowledge and understanding between consumers and producers. Through personal knowledge of producers they create relationships based on trust and make products easily traceable by consumers. They also provide a basic level of food sovereignty;

18. offering local products with authentic, traditional, original, sustainable, seasonal or other locally appreciated features supports social cohesion and community spirit and encourages the community to display environmental friendly behaviour. Sales outlets for local products such as direct sales stalls and open-air markets often contribute to the process of social and professional inclusion for consumers, producers and sellers;

19. as the Slow Food movement expresses in its philosophy on Sustainable Food Communities, consumers have a basic right to locally-produced, tasty, healthy food. The movement also believes that these communities should be connected in a global network. Quick access to fresh produce through the sale of local products helps to improve public health by diversifying diets and preserving the organic qualities of food (which are diminished by long-term preservation systems);

20. global food security is supported by the maintenance of local food production capacity in industrialised countries. In

growing metropolitan areas, the ability to meet food demand would require the expansion of local and even urban food production;

Environmental benefits of Local Food Systems

21. local food systems bring environmental benefits through more sustainable production systems, reduced transport externalities (food miles) and opportunities to create circular systems based on organic waste, residues and renewable energy;

22. every foodstuff has a 'food miles' count, leading to carbon emissions and resulting from transportation movements made between the local production area and the consumer. This goes for both fresh food and (the ingredients of) processed food. Local food systems contribute to lowering the amount of food miles generated by a community;

23. a local food product should preferably have a lower carbon footprint than an imported similar product. This footprint can be calculated by performing a Life Cycle Analysis on the product;

24. producers are more likely to link unique selling points to consumers' expectations when they are operating in a local food system. These USPs may concern sustainable production circumstances, organic production or accompanying environmental services;

25. the creation of local outlets for food products produced in very small quantities or with specific taste characteristics can help maintain biodiversity and promote the development of fruit and vegetable varieties and animal species in danger of disappearing;

26. local food systems can nowadays be linked to circular economy systems and other regional challenges, such as organic waste management, water management, reuse of production residues – such as heat – and renewable energy;

Flaws in the food supply chain

27. local food systems can help to secure a fair income for farmers and restore the balance of powers in the food supply chain. As globalisation and increased concentration of food distribution have led to a gap between rises in production costs (3,6 % a year since 1996), in consumer prices (3,3 % a year) and in prices for farmers (2,1 % a year), systems that improve the negotiation powers of farmers, such as short distribution circuits, are welcomed;

Current policy of relevance to local products

28. the Agriculture Product Quality Policy of the European Union involves criteria for quality schemes that enable producers to register a Protected Designation of Origin (PDO), Protected Geographical Indication (PGI), Traditional Speciality Guaranteed (TSI) or Organic Farming Guaranteed. For these product categories, labels have been issued. The labels can only be used for the registered products, in order to support marketing targets and help to protect brands. The products are usually distributed in substantial volumes, through a number of channels, to a number of markets;

29. regions that are currently looking into their traditional, gastronomic and agricultural values, are counting dozens or even hundreds of local products that could be included in a professional local food system but would not suit nor need a PDO, PGI, TRG or OF registration – although some would have the potential to evolve towards that. An additional framework to support local products would be welcomed.

III. POLICY RECOMMENDATIONS

notes that:

Previous advice on local food products

30. recommendations on local food products were previously made in the Opinion of the Committee of the Regions of 18 September 1996 on Promoting and protecting local products – a trump-card for the regions⁽¹⁾, and most of these recommendations are still relevant;

31. it deeply regrets the fact that the European Commission's current legislative proposals on agricultural product quality policy fall short of the initial draft on two key issues for the Committee of the Regions relating to the promotion of local products: the labelling of hill farming products and direct sales by small producers on local markets;

Definitions

32. a common definition of a 'Local Food Product' is needed. Since all food is produced or processed locally, differentiating characteristics and features must be defined. These must be clear and simple, in order to avoid complex registration and control procedures;

33. a Local Food Product:

- 1) is produced locally/regionally,
- 2) contributes to the local/regional rural development strategy,

- 3) is sold to the consumer through the shortest chain that is possible, reasonable and efficient: involving no more links than a) the producer or the locally-established producer organisation, b) the party or cooperative of parties responsible for matching supply and demand, and c) the consumer,
- 4) can be sold at the local retail store or open-air market based on a local contract, but can not be sold – under the Local Food label – to a retail central buying department,
- 5) is targeted at consumers with one or more specific selling points such as taste, freshness, high quality, cultural motivation, local tradition, local speciality, animal welfare, environmental value, health aspects or sustainable production circumstances,
- 6) is sold as close as possible, reasonable and efficient: the distance variables may differ according to product, region and circumstances but come down to one crucial question: is the point of sale the closest one the consumer has access to (this may vary from 1 to over 30 miles),

7) is connected to a local food system;

34. the short chain as referred to above can be categorised as follows:

- producers as consumers, where consumers grow their own products,
- producer-consumer partnerships, where consumers share the risks and rewards of production with the producer(s) and a written agreement regulates the direct sale of the product,
- producers' direct sale to consumers without preliminary agreements between the two categories, as is the case for sales at farmers' markets, regular or occasional local open-air markets or at on-farm shops,
- producers' sales through local outlets or collective marketing mechanisms, including sales through new media such as online sales portals on the internet, allowing more direct or easier delivery of the produce to the final consumers than via traditional channels;

35. a Local Food System:

- 1) is a Business to Consumer system,
- 2) comprises products that are locally produced in the home region or in a region that participates in a cooperative of home regions,

⁽¹⁾ CdR 54/96 fin.

3) is an intertwined set of processes, linking producers to a) consumers and b) society, i.e. the environment and the regional economy,

4) consists of several components on several levels, ranging from farm level to interregional level, including production and processing of foods, marketing and promotion, branding and labelling, consumer and society involvement, delivery of accompanying public goods, distribution and transportation, health and food safety measures, management of waste and energy aspects and training and education;

Introduction and development of Local Food Scheme and Local Food Systems

36. in future strategic guidelines for rural development, the European Commission could suggest that Member States should consider targets for developing local food systems in their Rural Development Strategy, to be executed by LRAs with support from the EU and national authorities;

37. a local food system is best served by a partnership approach, so the establishment of partnerships should be supported, also for consumers;

38. a local food system can only be developed successfully when considered in a more comprehensive and integrated manner, as part of broader local or regional development processes, and when it forms an integral part of proactive LRA policy, including spatial planning policy. To support LRAs in this, a model strategy and a model roadmap would be welcomed. This system could include a land-use planning strategy in areas particularly subject to urban pressure in order to encourage new producers to set up there;

39. LRAs could also be made responsible for approving the registration of local food products, allowing registered products to use the 'Local Product' logo and performing monitoring activities. They could do so in close cooperation with regional stakeholders, for instance with a LEADER group, a farmer organisation or a chamber of commerce. Results could be communicated, monitored and updated by the European Rural Development Network;

40. an independent monitoring system should include the following principles:

- the evaluation against the requirements for accessing the Local Product Quality Scheme should involve both the product and the farming enterprise concerned and preferably be carried out by a regional commission,

- technical assistance and information for producers on commercial opportunities and the technical conditions for joining systems,

- audits by survey should be conducted over the years, such that all products, enterprises and supply chain partners would be subject to regular inspection, also with the support of consumer organisations,

- inspections could lead to the expulsion of a product from the scheme,

- deliberately misleading the consumer should be regarded as an offence;

41. the protection of the intellectual property of recognised products should be ensured in the internal market, with Member States being required to intervene, when needed;

42. in the event of a commercial development or misappropriation of the product's reputation, Local Food Products should be allowed to evolve towards a higher level of protection, as provided by the PGI, PDO, TSE or OF recognition;

Measurements and tools needed at EU level

43. from an administrative, financial and economic point of view, there is a strong interest in proposing a new European instrument tailored to identifying and supporting Local Food Products;

44. measures to be taken should, from the viewpoint of typology, refer to:

- creating an enabling environment, for which tools are legislative framing, institutional framing, policy framing, research, training and education,

- intervening in the supply chain, using tools such as certification, marketing, promotion, public-private partnerships and public procurement,

- piloting and/or upscaling, by supporting trials and demonstration initiatives and the dissemination and replication of these,

- funding, with European, national, regional or local financing;

therefore:

45. the EU should adopt definitions of 'Local Food Products' and 'Local Food Systems';

46. the EU should introduce a new logo and identify a common symbol and scheme identity for local products, to be added to the Agriculture Product Quality Policy regulation. Use of the EU logo would be on a voluntary basis, with existing quality marks in the Member States and regions remaining valid and useable. Each Member State must also retain the right to introduce its own quality marks within its regions/provinces in future;

47. the EU could ask the European Rural Development Network to establish an online database for registered products;

48. the EU could ask the European Rural Development Network to establish an online database for existing local food systems, thus enabling interested parties to record best practices;

49. the EU could introduce a direct marketing scheme for registered local products, to be operated by Member States at LRA level. This scheme should include support for the promotion of local food products and could be placed under axis 1 of the second pillar of the CAP, the Rural Development Policy;

50. the EU could develop a measure to help LRAs, producer associations or producer association collectives to start up a local food system, involving support for the activities mentioned under the definitions proposed, including related investments. This measure could be placed under axis 1 and/or 3 or the LEADER programmes of the Rural Development Policy;

51. the EU could also include opportunities for local food systems in other funds, such as the European Regional Development Fund, INTERREG, the European Social Fund and the Research Framework Programmes;

52. all production and distribution should be performed according to food legislation and obligatory hygiene regulations, in order to guarantee health and food safety. However, since

local food products are often not made in industrial contexts or with industrial methods, public support could also involve alternative solutions;

Potential of public procurement

53. public procurement involves up to 16 % of the gross domestic product of the EU. Article 6 of the Treaty establishing the European Community (1997) requires the integration of all environmental and social objectives into all EU policies. Public procurement can simultaneously be sustainable procurement, when used to support wider social, economic and environmental objectives in ways that offer long-term benefits. From this point of view, governments' huge spending power could be used as a lever for the development of local food systems;

54. Directive 2004/18/EC of the European Parliament and the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts states that the principle of freedom of movement of goods must be respected at all times, which means that local suppliers cannot be favoured;

55. however, the regulation allows specific conditions and criteria to be incorporated in the call for tenders concerning public supply contracts, which may include particular aspects and features such as freshness or production circumstances;

56. this possibility allows local suppliers to be selected. Nonetheless, the European Commission is asked to explore whether Article 26 of the Regulation could be amended such that 'locally produced' can be a standard selection criterion in tenders for the supply of food to, for instance, schools, nursing homes and public facilities;

57. the Commission is asked to give wide publicity to existing opportunities;

58. the Commission is asked to take the opportunity offered by the new Single Market Act to clarify existing provisions and to simplify them to make things easier for local authorities and their local suppliers.

Brussels, 27 January 2011.

*The President
of the Committee of the Regions*
Mercedes BRESSO

Opinion of the Committee of the Regions on 'New perspectives for the revision of the EGTC Regulation' (own-initiative opinion)

(2011/C 104/02)

THE COMMITTEE OF THE REGIONS

- emphasises that economic, social and territorial cohesion helps the Union, all its Member States and its territorial units to be better prepared to face the challenges posed by globalisation for Europe and prevent a potential loss of influence;
- concludes that the EGTC can be the Community legal response to the institutionalisation of territorial cooperation within the Union, which still allows European territorial bodies to freely choose other forms or formulas, with or without legal personality, although these would not be genuinely Community entities, but international ones;
- considers that the EGTCs also provide useful prospects as 'laboratories' for multi-level governance, also advocates the introduction of a specific programme with Community funding, allocated from the ERDF, which would contribute to the creation of new EGTCs or the conversion of prospective cooperation projects managed using conventional formats;
- considers it necessary to remind the authorities managing the programmes and clearly specify in the future revised Regulation (EC) No 1082/2006 that there can never be grounds for discriminating against EGTCs when taking part on a competitive basis in such Community initiatives, calls for tender or programmes, all the more so since the very existence of the EGTC bears witness to the reality of a permanent European grouping and fulfils the usual requirements of transnationality;
- welcomes the decision taken by the CoR Bureau on 26 January 2011 to set up an EGTC platform of the Committee of the Regions to provide on-going evaluation of the implementation of Regulation (EC) No 1082/2006 and the practical progress of the EGTCs.

Rapporteur: Alberto Núñez Feijóo (ES/EPP), President of the Regional Government of Galicia

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

General comments

1. notes that the European Grouping of Territorial Cooperation (EGTC) is a new form of legal person created by Community law through Regulation (EC) No 1082/2006 ⁽¹⁾. According to Article 18 of the regulation, it was to enter into force on 1 August 2006 and to apply by 1 August 2007, with the exception of Article 16, which would apply from 1 August 2006, regarding the adoption by the Member States of such provisions as were appropriate to ensure the effective application of the regulation;

2. recalls that, under the terms of Article 17 of the Treaty on European Union, it is a competence and responsibility of the European Commission to ensure the application of the Treaties and of measures adopted by the institutions pursuant to them, and to oversee the application of Union law under the control of the Court of Justice of the European Union;

3. points out that under the terms of Article 17 of Regulation (EC) No 1082/2006, 'by 1 August 2011, the Commission shall forward to the European Parliament and the Council a report on the application of this Regulation and proposals for amendments, where appropriate';

4. is of the view that, following the analyses by European legal writers and a comparison between such analyses and the actual application of the regulation, the present own-initiative opinion of the Committee of the Regions comes at a highly opportune time with a view to carrying out an exhaustive examination of the EGTC institution and how it operates in practice. This will facilitate any amendments that may be required to Regulation (EC) No 1082/2006 in order to bring it into line with the needs identified in the course of the prior consultations carried out by the Committee of the Regions of the European Union and of drafting the present opinion;

5. points out that the Treaty on the Functioning of the European Union henceforth places territorial cohesion on the same footing as economic and social cohesion and the EGTC regulation can be an important political and judicial vector allowing implementation of this principle;

6. notes that with the new provision concerning 'Economic, social and territorial cohesion', the third paragraph of

Article 174 of the Treaty on the Functioning of the European Union adds that 'among the regions concerned, particular attention shall be paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density and island, cross-border and mountain regions';

7. points out that Article 349 of the Treaty on the Functioning of the European Union refers to the specific case of the outermost regions and the need to adopt measures geared to their particular situation;

8. draws attention to the fact that EGTCs have so far been set up mostly in frontier regions and, to a lesser extent, in island regions;

9. recalls that the recitals of Regulation (EC) No 1082/2006 make very clear the reasons behind the European legislator's decision to take a step of such importance as that of creating a new legal institution of this kind and incorporating it into the Union's legal system; firstly, to increase the cohesion of the Union by facilitating territorial cooperation; secondly, to reduce the difficulties that this cooperation was intended to avoid; thirdly, to reinforce cooperation as a result of expanding Community borders following Union enlargement; and fourthly, to remedy the unsuitability of the previous legal structures, such as the European economic interest grouping (EEIG), for organising cooperation under 'European territorial cooperation' objective (previously known as the INTERREG initiative);

10. notes that, in addition to the legal reasons, it also emerges from Regulation (EC) No 1080/2006 that it may be financially and economically appropriate to channel, on a non-compulsory basis, territorial cooperation programmes or projects that are co-financed by the Union through the EGTCs, as one of several instruments for territorial cooperation. In all cases, the basic criterion for obtaining co-financing must be the quality of each proposal submitted;

11. wishes to emphasise that in this regard, Article 18 of Regulation (EC) No 1080/2006 ⁽²⁾ included a specific provision allowing the management of operational programmes under the territorial cooperation objective to be delegated to EGTCs, whereby the Member States could confer on them the responsibilities of the managing authority and of the joint technical secretariat. These responsibilities should also include financial liability vis-à-vis the European Commission;

⁽¹⁾ Regulation (EC) No 1082/2006 of the European Parliament and of the Council of 5 July 2006 on a European grouping of territorial cooperation (EGTC) (OJ L 210, 31.7.2006).

⁽²⁾ Regulation (EC) No 1080/2006 of the European Parliament and of the Council of 5 July 2006 on the European Regional Development Fund and repealing Regulation (EC) No 1783/1999 (OJ L 210, 31.7.2006).

12. points out that, for its part, Article (3)(2)(c) of Regulation (EC) No 1083/2006⁽³⁾ specifies that 'the European territorial cooperation objective [...] shall be aimed at strengthening cross-border cooperation through joint local and regional initiatives, strengthening transnational cooperation by means of actions conducive to integrated territorial development linked to the Community priorities, and strengthening inter-regional cooperation and exchange of experience at the appropriate territorial level';

13. highlights the fact that Articles 7, 38 and other corresponding articles of Regulation (EC) No 1083/2006, together with Chapter III and supplementary provisions of Regulation (EC) No 1080/2006, suggest that the aim is to ensure cohesion through more and better territorial cohesion within the Union, and that this can achieve maximum excellence and efficiency by being put on an institutional footing;

14. emphasises that economic, social and territorial cohesion helps the Union, all its Member States and its territorial units to be better prepared to face the challenges posed by globalisation for Europe and prevent a potential loss of influence;

15. concludes that the EGTC can be the Community legal response to the institutionalisation of territorial cooperation within the Union, which still allows European territorial bodies to freely choose other forms or formulas, with or without legal personality, although these would not be genuinely Community entities, but international ones;

16. considers that the EGTCs also provide useful prospects as 'laboratories' for multi-level governance, as called for in the Committee of the Regions' white paper. In view of the contribution that the EGTC can make to achieving the Europe 2020 objectives, believes that EGTCs of an appropriate size, such as those involved in macro-regional activities, could serve to support the conclusion of development and investment partnership contracts, as proposed by the Commission in its Communication on the EU Budget Review of 19 October 2010, which are tools for implementing the Europe 2020 strategy but unfortunately confined to Commission-Member State relations;

The practical application of Regulation (EC) No 1082/2006

17. notes, however, that although the EGTC is an institution under Community law created for the express purpose of facilitating territorial cooperation within the Union, and it would appear *a priori* that the regulations governing the Community funds favour their use under the objective of European territorial cooperation, the actual facts are quite different to the

logical and desirable expectations that prompted the Community legislator to take a step of such legal significance;

18. confirms, following the wide-reaching prior consultations carried out with representatives of the European Parliament, the Council and the Commission, and in meetings open not only to Committee members, but also to the different European regional organisations and specialists in the field, that only a small number of existing EGTCs manage territorial cooperation programmes or projects that are co-financed by Community funds;

19. avers that most of the existing EGTCs carry out other specific territorial cooperation actions without a financial contribution from the Union, in keeping with the second paragraph of Article 7(3) of Regulation (EC) No 1082/2006;

20. considers that in the light of this situation, it would be useful to carry out a rigorous analysis of the reasons for this discrepancy between expectations and real achievements, and propose specific measures to remedy shortcomings, on the basis that the thinking and objectives that prompted the Community legislator to create the EGTC are, if anything, even more valid now that the Treaty on the Functioning of the European Union has put territorial cohesion on the same footing as economic and social cohesion;

21. is also of the view that the Committee's contribution in this regard can be especially useful for the Commission in drawing up the report on the application of Regulation (EC) No 1082/2006 it must forward to the European Parliament and the Council, together with proposals for any amendments that may be appropriate;

22. holds that the opinion drawn up by Ms Bresso (CdR 308/2007 fin) and adopted at the plenary session of the Committee on 18 June 2008 is an excellent starting-point for a rigorous analysis of the circumstances that have prevented the EGTC becoming the ideal Community legal instrument for institutionalising and consolidating territorial cooperation in the Union;

23. must point out that the above-mentioned opinion already stressed that 'one measure to be implemented at the Community level would be to encourage the use of the EGTC as the preferred instrument for cooperation' (point 25), emphasising that 'that the implementation of the regulation should be properly coordinated, so that the various legal acts drawn up by the Member States in order to apply Regulation (EC) 1082/2006 can be brought together without creating any incompatibility or obstacles' (point 32);

⁽³⁾ Regulation (EC) No 1083/2006 of the Council of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999 (OJ L 210, 31.7.2006).

24. the above opinion also advocates the introduction of 'a specific programme with Community funding, allocated from the ERDF, which would contribute to the creation of new EGTCs or the conversion of prospective cooperation projects managed using conventional formats' (point 48, opinion CdR 308/2007), and 'calls for tender launched by the Commission to award a comparative advantage in the evaluation of projects to those projects including the setting-up of an EGTC and a forecast of sustainability when the project itself is concluded. This would help to promote an institutional short- and medium-term culture of cooperation which would seek new sources of funding in addition to the Community budget' (point 49);

25. warns that since 1 August 2007 that only a very small number of EGTCs have been set up in Union territory compared to the number of European territorial bodies that were already cooperating between each other and to the expectations raised; similarly, very few EGTCs seem to be in the process of being set up, in spite of the implementation of numerous European territorial cooperation projects, in particular those that are co-financed by Community funds;

26. notes that the EGTCs are coming up against national legislation on recruitment, secondment and personnel management in general, despite the fact that they are territorial cooperation bodies which should be able to benefit from a little flexibility in this area; since, moreover, the fact of working physically in a country for a body whose headquarters is in another raises major legal difficulties for retirement, social security and tax arrangements, would propose that the regulation stipulate that the law governing personnel be that of the place where the employee is working, instead of the place where the body has its headquarters;

27. underlines the voluntary nature of the EGTC as an instrument for organising territorial cooperation, and therefore local and regional authorities must continue to have responsibility for determining the procedures best suited for territorial cooperation;

Improving implementation of the institution

28. concludes, on the basis of the information gathered, that the difficulties in launching the EGTC as a Community legal institution may correspond to three types of cause – legal-substantial, legal-procedural and economic-financial;

29. considers that, in the light of published studies and reports on the EGTC, emanating from both the Committee of the Regions and the scientific literature, it may be deduced that there is a slight probability that the problems stem from the unclear legal status of the institution, such as the absence of a single classification as a public, or alternatively, private law entity;

30. notes that the bulk of the evidence suggests that the legal obstacles lie overwhelmingly in the procedural field, since the implementation of Regulation (EC) No 1082/2006 is not coordinated, either independently between the Member States, or through a Community authority;

31. considers that in the light of this situation, it is essential that a Community authority should outline in advance how Regulation (EC) No 1082/2006 is to be applied in national legislation, even if such an outline would not be of a binding character;

32. urges the European Commission, in its proposed revision of the regulation, to put forward practical procedural measures that would help to reduce the current lengthy processing times that cannot always be countered by considering silence from the administration as indicating implicit acceptance, especially insofar as the number of Member States whose territorial bodies belong to EGTCs is on the increase: third party operators, such as credit institutions, contractors and workers demand greater legal certainty;

33. is convinced that such procedural measures need to include the creation of a joint forum bringing all the territorial bodies promoting EGTCs together with all the national authorities with powers of authorisation, in order to avoid the endless round of draft conventions and statutes, subject to constant change by disjointed and unrelated factors;

34. furthermore, is in favour of some examples of EGTC best practice being developed and established in close cooperation with the European Commission and using the CoR's EGTC monitoring platform. These should take special account of the goals of cohesion policy and the Europe 2020 Strategy as well as macro-regional strategies;

35. therefore highlights that it is important for all the relevant national authorisations to be proposed together in a single act, following a very closely coordinated, joint and simultaneous direct dialogue with all the promoters, without in any way infringing upon the proper discretion of the national authorities, regardless of the subsequent formalities that may be required by each national authorisation;

36. takes this opportunity to emphasise that, as well as drastically curtailing the circulation of documents and the length of the procedure, such a joint forum of all promoters and national authorities could open the door to imaginative solutions to the problems repeatedly raised by existing EGTCs regarding the status of their personnel and tax arrangements: the system of the sources of law set out in Article 2(1) of Regulation (EC) No 1082/2006 enables certain changes to be made to the convention and statutes of each EGTC;

37. highlights the potential importance of voluntary requests for a prior technical and legal opinion concerning the strict compliance of the draft convention and statutes of each proposed EGTC with Regulation (EC) No 1082/2006. Such an opinion would be non-binding, would be in line with Community law and would be drawn up by a group of legal experts appointed by the Committee of the Regions; instead of a prior technical and legal opinion, the advocates of an EGTC could, also on a voluntary basis, ask the same legal experts to accompany the abovementioned closely conducted joint dialogue and the procedure for drawing up the legal and technical framework for an EGTC;

38. recommends a simplified procedure for any changes to the statutes and the convention as regards partnership, budget, entry of an associate partner, a former associate partner becoming a full member (cf. operation), the key for the distribution of members or the distribution of seats. This simplified procedure could take the form of a unanimous decision by the EGTC which could be challenged only by the relevant national authorities;

39. proposes to encourage or even permit, with the necessary safeguards, private (or semiprivate) bodies to participate in the EGTCs or cooperate with them. On account of the tasks they carry out, these bodies would contribute to the development of activities and implementation of the purpose of the EGTC, be it companies carrying out services of general economic interest under a public service concession or as part of public-private partnerships; the private (or semiprivate) bodies should in any case satisfy the principles of transparency, equal opportunities and non-discrimination, especially as regards procurement and employment;

40. underlines the need to improve the public profile at European level of EGTC conventions and statutes. They should be published in full in series C of the *Official Journal of the European Union*, which would increase legal certainty for third party operators throughout the Union and help to make the new institution more widely known;

41. at the same time, recommends that the European Commission additionally address the legislative implementation of its own regulation (EC) in order to clarify undefined legal concepts, fill loopholes and, more generally, establish a clearer link between basic regional and/or local cohesion, and the possible introduction of EGTCs, while underlining the voluntary nature of these groupings;

42. considers it necessary to remind the authorities managing the programmes and clearly specify in the future revised Regulation (EC) No 1082/2006 that there can never

be grounds for discriminating against EGTCs when taking part on a competitive basis in such Community initiatives, calls for tender or programmes, all the more so since the very existence of the EGTC bears witness to the reality of a permanent European grouping and fulfils the usual requirements of transnationality;

43. expresses regret at the predominant imposition of obsolete models, such as the signature of atypical conventions and an approach based on a project leaders/participants structure, under the guise of a *de facto* group which must often undertake intricate legal engineering in order to organise payment of advances, settlement of debts and the production of the necessary grounds, even though this incurs administrative and management costs for projects;

44. strongly urges that the recommendations contained in the above-mentioned opinion by Ms Bresso be taken into consideration, including those set out in points 48 and 49 of the opinion, requiring, where appropriate, that EGTC promoters guarantee the formation of independent focal points for European cooperation when Community co-financing comes to an end, in order to secure maximum administrative efficiency in management, economic efficiency and territorially-based European cohesion and integration without prompting an increase in overall EU public expenditure;

45. calls for the removal of the distance criterion (150 km) used in the classification of islands and outermost regions as border regions which may be eligible for financing from cross-border cooperation programmes in the context of the territorial cooperation objective of cohesion policy or of the European Neighbourhood Policy and in the context of the Wider Neighbourhood Action Plan;

46. calls for a review of the provisions of Regulation (EC) No 1082/2006 on the participation of territorial entities from third countries. Proposes amongst other things to envisage the possibility of setting up bilateral EGTCs between one entity from a Member State and another from a non-Member State either in the pre-accession phase, as part of the European Economic Area, or under the European Union neighbourhood or wider neighbourhood policies; also calls for new European provisions based on international law, which are essential for territorial entities from third countries to be full members of EGTCs, including those that have special links with the Union;

47. recalls that a helpful means of making it easier for third country territorial entities to join EGTCs might be to conclude international agreements between the Union and the relevant countries, under the provisions of Title V of Part Five of the Treaty on the Functioning of the European Union;

48. considers that with these measures the Union will also increase its internal coherence and strength with a view to addressing the approaching external challenges, through growing competitiveness on the international markets for goods and services, where the emerging nations still enjoy lower structural costs and greater competitive advantages, since they are not confronted with such an acute and rapid process of overall ageing and contraction of the population of working age;

Added value of the Committee of the Regions in implementing the EGTCs

49. considers that the Committee of the Regions plays an important part in facilitating, assessing and promoting EGTCs. It

must therefore be ensured that the Committee can continue to work on the EGTC as an institution, with measures such as fostering a European network made up of technical specialists and political representatives, together with an international forum;

50. welcomes the decision taken by the CoR Bureau on 26 January 2011 to set up an EGTC platform of the Committee of the Regions to provide on-going evaluation of the implementation of Regulation (EC) No 1082/2006 and the practical progress of the EGTCs, as part of its preparatory work with a view to the new circumstances that will prevail from 1 January 2014.

Brussels, 27 January 2011

*The President
of the Committee of the Regions*
Mercedes BRESSO

Opinion of the Committee of the Regions on 'Europe, the world's No 1 tourist destination: a new political framework for tourism in Europe'

(2011/C 104/03)

THE COMMITTEE OF THE REGIONS

- welcomes the Commission's desire to deal with the tourism policy in a coordinated and integrated fashion, linking it to other policies such as transport, agriculture and environmental protection policies, information and communication technologies, social policy, culture, etc;
- stresses the important role played by local and regional authorities in relation to the sustainable management of tourist destinations. Their initiatives, and those of the European regional networks, are pioneering in terms of the development of sustainable tourism models and it is crucial to make the best possible use of their experience and knowledge, by promoting local and regional cooperation throughout the EU. In this regard, the Commission's approach of integrating tourism into the different European policies is to be welcomed;
- welcomes the Commission's desire to promote an active policy to promote competitiveness and sustainable development; The challenges faced by the European tourism sector demonstrate the importance of anticipating changes and responding sufficiently quickly to increasing competition in a constantly-evolving sector;
- notes the introduction of a European heritage label and a European 'Qualité Tourisme' brand, since they are intended to encourage destinations to employ sustainable practices, and enhance Europe's image as a high-quality tourist destination. However, the added value of this mark needs to be more closely analysed and illustrated, and its award should be subject to strict criteria in order to maintain its prestige;
- notes with concern the potential impact of structural problems such as climate change and the shortage of water and energy resources in European tourist destinations, particularly in the islands and outermost regions. These problems can be overcome only if sustainability is much more intensively promoted within the tourism strategy of the regions in question. The effects of climate change should be prevented through the protection and recovery of natural areas, and by incorporating tourism into Integrated Coastal Zone Management.

Rapporteur:	Mr Ramón Luis VALCÁRCEL SISO (ES/EPP), President of the Autonomous Community of Murcia
Reference document:	Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions - Europe, the world's No 1 tourist destination - a new political framework for tourism in Europe COM(2010) 352 final

I. GENERAL COMMENTS

1. The growing importance of the tourism sector to the European economy is illustrated by its contribution to gross domestic product and its capacity to generate more employment than other economic sectors. As the European Commission points out in its Communication ⁽¹⁾, the European tourism industry directly employs more than 5 % of the EU's workforce and generates around 5 % of its GDP ⁽²⁾, particularly in certain European regions. However, although Europe is still the world's No 1 tourist destination, receiving some 40 % of its arrivals ⁽³⁾, the sector shrank by 5.6 % during 2009 ⁽⁴⁾.

2. European tourism is facing many challenges: the world economic crisis, greater competition from other destinations, the impact of climate change and seasonal variations. Other challenges, such as demographic change in Europe, the diversification of tourism products, and the growing impact of information and communication technologies, offer opportunities which should be explored in cooperation with regional and local authorities.

3. Furthermore, the habits of tourists are changing (more and more people are travelling independently, the Internet is being used more, and more people are travelling 'low cost' but also increased demand for sustainable tourism etc.) and factors which until a few years ago were not so decisive, are now crucial: high quality, sustainability, permanent innovation, training etc.

4. In this context, emphasis must be placed on the enormous growth potential of the European tourism sector and the close connection with regional administrative, socio-economic and logistical structures, particularly in relation to the development of the transport sector, and above all improved connectivity of tourist destinations, the development of regional airports and the promotion of maritime links, which would encourage greater multimodality and ensure sustainable transport. It is particularly important to bear in mind the specific situation of the islands and peripheral outermost regions, which are totally dependent on air and sea transport and where the

services sector, built around tourism, provides the main source of wealth and economic activity for many of these regions. Europe has many competitive advantages: not just the wealth of its landscape, but also the enormous opportunities for tourism growth based on its heritage (cultural, gastronomic, religious, sporting, etc.). Growth potential also exists in the important events, congress and business sectors of tourism.

Europe's worth in terms of heritage is a strategic factor in its development and it is particularly rich in this regard, since there are many European regions which either have immense tourism potential, although they are still at an early stage in their development as tourist destinations or have developed significant tourist activity. Particularly worthy of consideration are those areas that have specialised in tourism and, as mature destinations, need restructuring and rehabilitation in order to compete, in terms of quality and innovation, with the increasing global presence of emerging countries. In order to take into account the senior and disabled travel markets, destinations will need to adjust and to remove barriers.

5. The entry into force of the Lisbon Treaty provides an opportunity to enhance the competitiveness of the European tourism sector, thereby contributing to the new Europe 2020 Strategy for smart, sustainable and inclusive growth, particularly its flagship initiative 'An industrial policy for the globalisation era'.

6. Tourism is therefore a vital source of income and employment. It is crucial to many regions of Europe, and for some of them it is absolutely essential, since it offers them a key means of achieving greater competitiveness. Actions resulting from European tourism policies will therefore have a significant impact on the development of many regions, given that the tourist industry drives and interacts with other economic sectors in the region. A European industrial policy on tourism should therefore be implemented together with an EU investment policy aimed at the development of Europe and its socio-economic structure, in order to ensure that the regions concerned have every opportunity to implement a sustainable competitiveness strategy.

⁽¹⁾ COM(2010) 352

⁽²⁾ Study on the Competitiveness of the EU's Tourism Industry, September 2009

⁽³⁾ WTO World Tourism Barometer, Volume 8, January 2010.

⁽⁴⁾ idem.

7. The Lisbon Treaty includes, amongst the Union's objectives together with economic and social cohesion, a new territorial dimension and foresees that particular attention shall be paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density and island, cross border and mountain regions. Article 349 also considers the particular situation of the outermost regions. The specific characteristics of these areas should therefore be taken into account when drawing up a European framework for the tourism sector.

8. The new Article 195 of the Treaty on the Functioning of the European Union provides for the implementation of actions aimed at promoting the competitiveness of the sector's companies, promoting cooperation and the exchange of good practice, and developing an integrated approach to tourism. The Commission's Communication proposes various actions aimed at increasing the competitiveness of the EU's tourism industry. In order to achieve effective results, EU action should support the initiatives of the Member States or the European regions. Also important is the Commission's desire to prevent any measures adopted from imposing additional administrative burdens on national, local and regional authorities. In this regard, the Communication respects the principles of subsidiarity and proportionality.

THE COMMITTEE OF THE REGIONS

II. A NEW EU ACTION FRAMEWORK FOR EUROPEAN TOURISM

9. welcomes the Commission's desire to deal with the tourism policy in a coordinated and integrated fashion, linking it to other policies such as transport, agriculture and environmental protection policies, information and communication technologies, social policy, culture, etc. Tourism should be understood as the network of relations engendered by persons travelling to and staying in places away from their usual place of residence temporarily and on a non-habitual basis for at least one night;

10. supports the general objective of coordinating efforts and initiatives relating to tourism in order to create a competitive, modern, sustainable and responsible tourism sector;

11. calls for all proposals for measures at EU level to be examined and justified in the light of EU powers and the subsidiarity and proportionality principles, before the comprehensive action plan to promote tourism is submitted, so that the impetus and advantages of EU measures, as opposed to national, regional or local measures, can be clearly identified;

12. agrees in particular with the belief that tourism should be developed on the basis of competitiveness and sustainability, which can be divided into three key categories:

- a. economic sustainability, ensuring fair and efficient economic development, enabling future generations of Europeans to develop;
- b. socio-cultural sustainability, which is compatible with the culture, values and identity of the European regions;
- c. environmental sustainability, ensuring that development is compatible with maintaining essential processes, biological diversity and biological resources. Tourism must be developed on the basis of sustainability, ensuring that there is no wastage of natural resources and no harm to the environment ⁽⁵⁾;

13. stresses the important role played by local and regional authorities in relation to the sustainable management of tourist destinations. Their initiatives, and those of the European regional networks, are pioneering in terms of the development of sustainable tourism models and it is crucial to make the best possible use of their experience and knowledge, by promoting local and regional cooperation throughout the EU. In this regard, the Commission's approach of integrating tourism into the different European policies is to be welcomed;

14. welcomes the conclusions of the Competitiveness Council of 12 October 2010 inviting Member States to participate actively and in a spirit of partnership, and acting at European, national, regional and local level, in actions aimed at increasing the competitiveness of the European tourism industry ⁽⁶⁾;

15. welcomes the Commission's desire to promote an active policy to promote competitiveness and sustainable development; The challenges faced by the European tourism sector demonstrate the importance of anticipating changes and responding sufficiently quickly to increasing competition in a constantly-evolving sector;

16. agrees that, given that companies in the tourism sector are primarily SMEs, although there are also many micro enterprises, it would be advisable to promote their development by means of clustering. Equally, aid aimed at boosting productivity, competitiveness, training and quality can play a very important role;

⁽⁵⁾ CdR 83/2009 fin

⁽⁶⁾ Conclusions on a new political framework for tourism in Europe. Competitiveness Council, 12 October 2010

17. recommends the development of instruments to support tourism SMEs, particularly with regard to the training of their staff. It is important to bear in mind the key role played by the tourism sector in job creation, and that a large proportion of the jobs created are aimed at young people. These jobs enable them to employ certain skills which are very useful to their professional development, and also enable them to improve their knowledge of foreign languages. A high-quality tourism industry focused on new markets and sectors of demand (such as disabled or senior travellers) needs a highly qualified workforce trained to deal with the new requirements and the new technologies applied to tourism. Furthermore, much of the knowledge acquired in the tourism sector should be directly transferrable to other economic activities;

18. notes with concern the potential impact of structural problems such as climate change and the shortage of water and energy resources in European tourist destinations, particularly in the islands and outermost regions. These problems can be overcome only if sustainability is much more intensively promoted within the tourism strategy of the regions in question. The effects of climate change should be prevented through the protection and recovery of natural areas, and by incorporating tourism into Integrated Coastal Zone Management;

19. rejects the plans for a publicly financed tourism exchange mechanism aimed at ensuring a more even distribution of holiday travel over the year. In tabling this proposal, the Commission has revealed its ignorance of the workings of the market, which itself already ensure a distribution over time of holiday travel, particularly by cutting prices in the low season. The peaks that occur during the summer season are not due to any 'failure' of the market but are caused by the school holidays, which are fixed on the basis of official decisions, and the weather conditions prevailing at holiday destinations. A tourism exchange mechanism would not have an impact on any of these factors. The young and the elderly, who are not constrained by school holidays, can already travel during the low season. If they do not, it is clearly because they have no wish to do so. Furthermore, the proposal to coordinate school holidays in the Member States goes beyond the competences of the European Union;

III. FOUR PRIORITIES FOR ACTION

Stimulating competitiveness in the European tourism sector

20. believes that stimulating competitiveness in the tourism sector is crucial, since tourism, being a horizontal activity, requires a raft of actions which deal with different areas and policies; in this regard, agrees with the opinion of European ministers, expressed in the Declaration of Madrid, concerning the need for a strategy based on excellence in tourism, aided by the creation of networks of experts and destinations to allow

the creation, sharing and dissemination of knowledge, innovation, research and technological development, with a view to maintaining competitiveness in the tourism sector (7);

21. supports in particular the Commission's proposals regarding the diversification of tourism products, making the most of Europe's heritage, and the launch of the 'ICT and tourism' platform and, in the medium term, the idea of a 'virtual tourism observatory', the task of which would be both to study supply, and to improve knowledge of demand, market trends and short- and medium-term forecasts. The regional authorities have enormous experience and it is crucial that this experience be exploited through regional cooperation within the EU in order to make the most of these policies;

22. believes that the exchange of good practices must be encouraged amongst the European regions and that their contributions in relation to the EU initiatives proposed should be taken into account. In this context, the European Grouping of Territorial Cooperation (EGTC), the Interreg programmes and/or macro-regional strategies could be employed as a framework for developing coordinated tourism strategies;

23. considers that, with a view to tackling the problem of seasonality, efforts should be made to promote more varied and high-quality stays, which will require greater diversification of tourist services with an emphasis on cultural, historical/religious, sporting, gastronomic and other forms of tourism with enormous growth potential; stresses that diversifying holiday periods and regional spreading are done according to national competences;

24. highlights the potential of social tourism ('Tourism for all') which promotes social inclusion with the possibility of mobility by ensuring cross-cultural exchanges for all social groups, including young people, families, senior citizens and people with reduced mobility; regrets that the Commission Communication does not sufficiently address this potential;

Promoting the development of sustainable, responsible and high-quality tourism

25. strongly supports the development of a system of indicators for the sustainable management of destinations and believes that, in this field, the experience of regional authorities, such as that provided by the Network of European Regions for a sustainable and competitive European tourism (NECSTouR), is invaluable;

(7) Declaration of Madrid within the scope of the informal meeting of tourism ministers under the Spanish Presidency held in Madrid in April 2010, under the motto 'Towards a socially responsible tourism model'.

26. notes the introduction of a European heritage label and a European 'Qualité Tourisme' brand, since they are intended to encourage destinations to employ sustainable practices, and enhance Europe's image as a high-quality tourist destination. However, the added value of this mark needs to be more closely analysed and illustrated, and its award should be subject to strict criteria in order to maintain its prestige;

27. considers that local and regional authorities, and NECSTouR in particular, should be involved in the development of these criteria, in order to safeguard the credibility of the initiatives. As the EU's assembly of regional and local representatives, the Committee of the Regions should be represented within the body responsible for awarding quality labels;

28. stresses that the quality of all services should be increased in order to give European tourist destinations a clear competitive advantage and to help enhance Europe's image as a place of high-quality destinations. One group to be taken into account in particular are older tourists (by 2020, over 20 % of Europe's population is expected to be over 65 years old) as well as people with disabilities⁽⁸⁾;

29. calls upon the European Commission to strengthen consumer protection systems when drawing up this new political framework for European tourism;

30. highlights the need to enhance cooperation between the European Union and the major existing and potential markets (USA, China, Russia, India and Brazil) and with neighbouring countries, in particular the Mediterranean nations, in order to promote sustainable tourism models and a culture of environmental preservation, since a positive impact can only be achieved by acting jointly and with the same commitment and sense of responsibility;

Consolidating the image and profile of Europe

31. agrees with the Commission that Europe's image and profile must be strengthened for the sake of tourism's competi-

tiveness and supports the objective of improving Europe's reputation through sustainability and high quality and measures including the creation of a true 'Europe brand', alongside the Member States' national brands, to complement promotional efforts at national and regional levels;

32. calls upon the European Commission to set up specific measures concerning the external promotion of the 'Europe brand' which however shall in no way lead to distortion of competition between intra-European destinations;

33. supports the promotion of the visiteurope.com website and, in particular, joint participation in international events and tourism fairs, etc., involving all relevant regional and local actors;

Maximising the potential of EU policies and instruments for developing tourism

34. agrees with the Commission on the need to maximise the potential of the EU's funding instruments in the field of tourism. In the case of rural areas, consideration should be given to the possibilities provided by the European Agricultural Fund for Rural Development (EAFRD), since tourism offers a genuine opportunity to create new jobs and revenue for the regions in question. It is also important to make use of the European Social Fund (ESF) for the training of the staff involved;

35. also believes that this consideration should be taken up in the debates on the future regional policy and its possible application should take account of each regions' specialisation in the development of thematic tourism products, including social, natural, rural, business, health and cultural tourism, amongst others. The latter, cultural tourism, may best characterise the European Union as a whole, where architectural, ethnographical and industrial heritage are part of each region's economic fabric. It is essential to ensure the coordination and effectiveness of the various sources of funding in order to prevent overlapping and contradictions.

Brussels, 27 January 2011.

*The President
of the Committee of the Regions*
Mercedes BRESSO

⁽⁸⁾ EUROPE 2020 - A strategy for smart, sustainable and inclusive growth – March 2010.

Opinion of the Committee of the Regions on 'Local and regional government in Azerbaijan and the development of cooperation between Azerbaijan and the EU'

(2011/C 104/04)

THE COMMITTEE OF THE REGIONS

- notes that the country lags behind in the reforms to meet the ENP Action Plan in the areas of rule of law, democracy, fight against corruption and human rights. The lack of independence of the judiciary and the media, is an additional impediment to achieving greater democracy. However progress has been made in the fields of taxation and economic stability. At the same time, encourages the government of Azerbaijan to continue implementing recommendations of the EU, the Council of Europe and the Venice Commission;
- welcomes a good track record in using the EU Twinning Programme and encourages the government of Azerbaijan to continue doing so in the future;
- is concerned with the very limited number of responsibilities allocated to municipalities by the law. In practice their responsibilities are even more limited and at best are related to the maintenance of municipal roads, cemeteries, parks and some aspects of the delivery of social care that are not covered by the central government. Municipalities in most cases do not have adequate capacity, training or knowledge to carry out those limited responsibilities prescribed by law;
- calls on the Government of Azerbaijan, together with the expert help from the EU and the Council of Europe, to design a comprehensive strategy for improvement of local governance and local democracy with realistic targets and time-frames for delivery.

Rapporteur: Cllr Gordon Keymer (UK/NI), Member of Tandridge District Council

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

Background - Azerbaijan and Europe

1. acknowledges Azerbaijan's historic heritage including its experience as a secular parliamentary republic;

2. recalls that relations between Azerbaijan and the EU formally started in 1996 with the signing of the Partnership and Cooperation Agreement that entered into force in 1999 thus providing a legal basis for EU-Azerbaijan political relations, currently managed under the European Neighbourhood Policy (ENP);

3. notes that the country lags behind in the reforms to meet the ENP Action Plan in the areas of rule of law, democracy, fight against corruption and human rights. The lack of independence of the judiciary and the media, is an additional impediment to achieving greater democracy. However progress has been made in the fields of taxation and economic stability. At the same time, encourages the government of Azerbaijan to continue implementing recommendations of the EU, the Council of Europe and the Venice Commission;

4. welcomes a good track record in using the EU Twinning Programme and encourages the government of Azerbaijan to continue doing so in the future;

5. calls on the government of Azerbaijan to support municipalities in applying for the various EU programmes available to them and to encourage the municipalities to cooperate further with the EU Commission;

Local governance

6. notices two parallel systems of governance at the local level in Azerbaijan. One consists of municipalities elected and accountable to the citizens (public) and the national parliament (Milli Mejlis) with very limited powers to deliver services to the citizens. The second, Local Executive Authorities which are a part of the state governing structure directly appointed by the President;

7. is concerned with the very limited number of responsibilities allocated to municipalities by the law. In practice their responsibilities are even more limited and at best are related to the maintenance of municipal roads, cemeteries, parks and some aspects of the delivery of social care that are not

covered by the central government. Municipalities in most cases do not have adequate capacity, training or knowledge to carry out those limited responsibilities prescribed by law;

Strong local authorities

8. believes that strong, democratic local government with devolved powers is important for encouraging citizens' involvement in their areas and increasing turnout at local elections;

9. calls on the European Commission to support the design and implementation of educational programmes for citizens on roles and responsibilities of local authorities, and their rights and ways to take part in decision making processes at the local level in the country;

10. calls on the government of Azerbaijan and the European Commission to continue building capacities of local authorities, sufficient at least to deliver adequately the current limited services prescribed by law whilst putting emphasis on the issues of accountability, transparency and increased citizens' participation and at the same time also establishing the conditions required for the emergence of an independent, self-governing administration;

11. calls on the Government of Azerbaijan, together with the expert help from the EU and the Council of Europe, to design a comprehensive strategy for improvement of local governance and local democracy with realistic targets and time-frames for delivery;

12. suggests setting up an independent institution that will deal exclusively with improvement and development of local authorities in Azerbaijan. The work of such an organisation should be overseen jointly by the three national associations of local authorities;

13. understands that the number of national local government associations is to be reduced from three to one and believes that before doing so, careful thought should be given to ensuring a national association structure that provides the widest possible member involvement and the equal representation of all types of municipalities;

14. underlines its commitment to support cooperation between the local authorities in Azerbaijan and local or regional authorities in the European Union, in order to promote strong and democratic sub-national governance;

15. calls on the European Commission and the Government of Azerbaijan to support programmes of exchange of best practices in service delivery between Azerbaijani and EU local authorities, as well as domestically, by enabling transfer of the 'know how' from local executive authorities to municipalities; in order to boost the capacity of local authorities in real terms, recommends taking into account the results of the exchange of experiences garnered from meetings between representatives of local and regional authorities from the EU and Azerbaijan;

16. regrets that, while the number of municipalities in Azerbaijan has been reduced, a similar reduction in the number of local executive authorities has not followed;

17. encourages the transfer of powers from the Local Executive Authorities to the locally elected councils to increase and strengthen local democracy in Azerbaijan;

Local finances

18. is concerned with the worsening of the financial situation of municipalities in Azerbaijan following the significant decline in total budget revenue and the major contraction of *per capita* revenues of municipalities;

19. believes that a strong and healthy local government needs a reliable, adequate and equitable local funding stream, including a robust local tax base, to provide high quality local services that strengthen local councils' powers and involvement with their community. Government grants should be paid in such a way that local councils are able to plan their own finances over a reasonably long time frame;

20. welcomes the Government of Azerbaijan's efforts to increase business investment and believes that those businesses should make some transparent financial contribution to their local authorities in order to promote a good working relationship between businesses and their local municipality and develop local communities;

21. believes that municipalities should have ownership over their buildings to allow greater opportunities for forward planning;

Local democracy

22. notes that, despite some improvements in technical aspects, every single local election in the country has failed to meet international standards and urges the Government of Azerbaijan to simplify the nomination procedures for candidates, secure fairer distribution of resources for pre-election campaigns to all political parties and/or candidates, enable independent observation of elections and particularly of the counting process by allowing candidates or their authorised representatives to be present during the ballot count and also to act on the other findings of the joint CoR/Congress observation mission;

23. encourages a broader media to increase turnout in the election as well as the number of opposition candidates and calls on Azerbaijani authorities to respect fully its commitments regarding the freedom of the media;

24. welcomes conscious efforts by both ruling and opposition parties to increase the number of female candidates in the last municipal elections which resulted in a sharp increase in the number of seats won by women;

25. welcomes the introduction of the Council of State Support for NGOs under the President of Azerbaijan and allocation of financial support, but it is concerned with the noticeable deficiencies in practices related to the registration of the NGOs;

26. suggests that once there is a resolution of the conflict, local government in Nagorno-Karabakh and seven surrounding regions will need to be substantially supported;

Local transport and environment

27. encourages investment in the regional transport system for improved local economic development;

28. notes that regional air-transport is particularly important in Azerbaijan due to its geography. It also has important benefits for increasing employment and social cohesion;

29. notes that local authorities play a key role in dealing with environmental issues and encourages the Government of Azerbaijan to include municipalities in the planning and delivery of regional development programmes.

Brussels, 27 January 2011.

*The President
of the Committee of the Regions*
Mercedes BRESSO

Opinion of the Committee of the Regions on 'Simplifying the implementation of the research framework programmes'

(2011/C 104/05)

THE COMMITTEE OF THE REGIONS

- welcomes the intention to facilitate the interinstitutional debate on the administrative and financial simplification of the programme rules;
- notes that complexity is itself a major source of error or anomaly;
- acknowledges the importance of distinguishing between error and fraud, and of fostering a culture of integrity and trust;
- supports the approach suggested by the European Parliament for a 'science and technology' or 'science and innovation' based approach, rooted in sound scientific/technical quality criteria; relying on realistic management practices; acknowledging the commonalities and differences between science, technology development and market diffusion;
- stresses that effectiveness should be judged not just on the achievement of excellence in research activities, but also on the building of research capacities and absorption potential across all territories of the EU in line with the principle of territorial cohesion;
- appreciates the Research Potential of Convergence Regions programme in the Capacities Programme;
- suggests that the next Framework Programme further expands such programmes and incorporates a scheme for mainstreaming the participation of competent partners from research-lagging regions in projects and programmes led by their better known, excellent peers, through mentoring schemes or other means; notes, in this regard, the potential of local and regional actors to nurture 'hubs of competence' linked to 'poles of excellence'.

Rapporteur:	Fiona O'Loughlin (IE/ALDE), Kildare County Council and Mid-East Regional Authority
Reference document:	Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Simplifying the implementation of the research framework programmes COM(2010) 187 final

1. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

1. welcomes the intention, expressed by the European Commission in the communication on 'simplifying the implementation of the research framework programmes', to facilitate the interinstitutional debate on the administrative and financial simplification of the programme rules;

2. acknowledges that a number of simplifications have already been introduced that have resulted in improvements to the Seventh Framework Programme (FP7) and accepts that some of these measures need time to have a real impact but nonetheless highlights that FP7 is still a complex programme whose management is characterised by excessive bureaucracy, low risk tolerance, poor efficiency and undue delays;

3. highlights the direct link between the rules and procedures that apply to the FP7, its attractiveness to prospective participants and the quality of the research performed. In this regard, stresses that simplification must be achieved with the end-user/beneficiary in mind and must outweigh the costs of its implementation;

4. considers that the timing and sequencing of changes/simplifications is important, as project promoters require certainty and stability in the rules and their application. Also, believes that continuity is essential to a seamless transition from FP7 to FP8 and ensuring that Framework Programmes' goals are attained;

5. understands that the FP7 and its associated instruments is seen by many as disjointed; recognises at the same time, a need to address the myriad of R&D policy structures at EU, national and sub-national levels through a more holistic governance approach;

6. considers that the role of the National Contact Points (NCPs) needs to be assessed, to deliver a more effective service for potential participants and achieve better coordination with regional facilitators to the Framework Programme; furthermore considers that despite improvements some negative perceptions remain which the NCPs could help dispel;

7. recognises that in tandem with the simplification of the FP7 a number of other related measures are also under consideration, or need to be, such as the triennial revision of the Financial Regulation;

Management of the FP7 and simplification within existing rules

Guidance and Support

8. notes that complexity is itself a major source of error or anomaly; calls for simplification in the documentation and amount of information required to participate in projects, and also reduction in the number and size of official documents, provided the content and quality of the projects do not suffer as a result; also calls for supervision and monitoring processes to be improved, restricting the number of audits, carrying them out according to uniform criteria and avoiding requests for documents already provided by the organisation;

9. considers that the relatively low participation rate of SMEs is a result of the complexity of the Programme and strongly feels that changes in the rules must, as we move from FP7 to FP8, be designed to encourage greater participation of SMEs;

10. calls for a narrowing or harmonisation of the 'constellation' of intervention rules and streamlining of grant conditions, to be sought with uniform guidance and on-line supports available;

11. emphasises the importance of consistent and unambiguous interpretation and communication of the meaning of rules, regulations and definitions for all stakeholders;

12. stresses the need for uniform application of rules and coordination of controls and audits from the different services;

13. is concerned about: the length of time in receiving clarification and guidance; the discretionary interpretation of the mandate of project officers to negotiate; the retrospective application of new 'rules' or interpretations;

14. suggests the introduction of new mechanisms for the efficient provision of constructive feedback to unsuccessful applicants, the dissemination of the results of FP7-funded projects and facilitation of the transfer and adoption of results by SMEs;

15. proposes research effectiveness be enhanced by introducing new development mechanisms based on granting additional funding to projects for the publication of their results and their application in new areas, in turn: (a) encouraging the protection of intellectual property rights of projects; and (b) maximising the leverage effect of public resources by strengthening the link between research, innovation and business;

Structure and Timing of Calls for Proposals

16. supports the introduction of a two stage assessment process for collaborative projects to avoid the enormous wasted effort and cost incurred in preparing detailed proposals which are subsequently not approved. This is a high but hidden cost of the current appraisal system;

17. suggests introducing fixed deadlines (e.g. 60 days) for evaluation of applications and also a fixed deadline for completion of contract negotiations (another 60 days); notes that this could help to lower participation barriers for smaller local and regional actors;

18. supports the proposal to allow smaller consortia, which could significantly help secure greater flexibility, attract partners from target groups such as SMEs and, thanks to simpler management, lead to greater efficiency;

19. welcomes efforts to simplify the combinations of funding rates, organisation types and activity types but cautions against the introduction of a single reimbursement rate for all categories of organisation;

20. is concerned, that in an effort to shorten 'time-to-grant' periods, the proposal to dispense with the input of Member State experts in project selection would have the effect of losing valuable understanding of the research context prevailing in the Member States and regions from the process. Therefore, suggests that instead a more efficient mechanism for channelling such input into the selection process should be considered;

Better Usage of ICT

21. welcomes the intention of the European Commission to provide more unique IT tools for the EU research, education and innovation programmes; calls for wider application of E-

administration – on-line system for proposals, negotiation and reporting – and; better harmonisation within DG RTD and between DGs;

22. calls for the Research Participant Portal to be the one-stop shop for all IT related systems such as reporting provide an open, transparent system for making guidance, interpretations and such information available to all (beneficiaries and Commission staff). This would help in terms of consistency in the application of the rules and ensure management efficiencies;

Extended Usage of Prizes

23. cautions against possible side-effects of prizes in terms of concentrating funds on a select few bigger entities; notes that prizes should not substitute structured funding but could instead be used to encourage the discovery of new talent and promising ideas;

Adopting a trust-based approach

24. considers that the current system and practice of FP7 management are excessively control-oriented and endorses moves to a high-trust and risk tolerant approach to funding research and for that reason welcomes a number of the proposals set out in the communication, in this regard;

25. underlines that financial management and control takes-up a disproportionate amount of project promoters/researchers' time and diverts resources away from the effective implementation of the project and the research effort;

26. welcomes the Commission Communication of 26 May 2010 entitled 'More or less controls? Striking the right balance between the administrative costs of control and the risk of error' ⁽¹⁾ which proposes specific tolerable rates of error (TRE) for research funding;

27. supports the adoption of a higher TRE for research, ensuring a proper balance between sound financial management and appropriate controls;

28. calls for a broader acceptance of usual accounting rules and practices (as compliant with national accounting and auditing standards), especially for average personnel cost methodologies;

29. recommends that the Commission analyse the cost-benefit ratio of audits and to present more precise, consistent and transparent rules for audit procedures; cautions that targeted risk-based audits could give rise to higher detected error rates than random samples of expenditure;

⁽¹⁾ COM(2010) 261.

30. acknowledges the importance of distinguishing between error and fraud, and of fostering a culture of integrity and trust;

31. suggests that in addressing the risk adverse approach to the FP7 that the EU Staff Regulations needs to be re-considered on the issue of personal liability. Furthermore, suggests a programme of continuous training (especially on contract management) for European Commission project officers and auditors; also recommends the provision of common guidance for all staff on the implementation of the Framework Programme (FP), with a view to improve consistency;

A shift to a results-based approach

32. acknowledges that a proposed move to a results-based funding mechanism is well intended but suggests that it could have a number of unintended consequences, such as leading to a risk-adverse (at least less-risky) approach to research, less likely to push the boundaries and thus undermining the emphasis on excellence but also placing increased burden on the potential beneficiary in the proposal stage and lead to longer 'time-to-grant' periods;

33. has therefore yet to be convinced by a move to results-based research but welcomes the proposed pilot action to test this approach, as the CoR considers that a combination of directed and non-directed research may be more appropriate in addressing future research challenges;

34. calls for the creation of new mechanisms through which funding can be granted to local and regional authorities so that they can purchase the outcomes of successful research projects in order to meet the competence requirements of innovative regional development; also highlights the importance of boosting and incentivising the transfer and implementation of project results to European SMEs;

35. supports the approach suggested by the European Parliament for a 'science and technology' or 'science and innovation' based approach⁽²⁾, rooted in sound scientific/technical quality criteria; relying on realistic management practices; acknowledging the commonalities and differences between science, technology development and market diffusion;

Achieving a better balance between excellence and cohesion

36. stresses that effectiveness should be judged not just on the achievement of excellence in research activities, but also on the building of research capacities and absorption potential across all territories of the EU in line with the principle of territorial cohesion. European research should not only be

about global flagships or consolidation of research leadership of a small number of regions or securing the competitiveness of European industries in key enabling technologies; it should also be about achieving balanced participation without compromising excellence;

37. appreciates the Research Potential of Convergence Regions programme in the Capacities Programme, as an important step in developing regional capacities and facilitating participation by these regions in R&D activity; and considers that the Regions of Knowledge measure has had some success as a stimulus for regional and local authorities to work with universities and research centres in developing projects as well as local and regional R&D strategies;

38. suggests that the next Framework Programme further expands such programmes and incorporates a scheme for mainstreaming the participation of competent partners from research-lagging regions in projects and programmes led by their better known, excellent peers, through mentoring schemes or other means; notes, in this regard, the potential of local and regional actors to nurture 'hubs of competence' linked to 'poles of excellence';

39. suggests more frequent calls under such programmes than the current one per year;

40. supports on-going efforts at coordination between Structural Funds (SF) and Framework Programmes (FP)⁽³⁾; but notes, in this regard, the need to better develop consistent rules, procedures and practices, and to coordinate calls for proposals; this should also include the option of using the Structural Funds resources to cofinance projects supported with funds from the research framework programme;

41. emphasises, however, that EU Regional Policy must be used for the purpose as defined in the Treaty, which is to support cohesion and stresses the need to avoid creating the perception that second-class projects, that do not make the cut under the research programme, can find a route to financing through the Structural Funds;

42. appreciates the potential to create pathways between the FP and other EU programmes, whereby Structural Funding could be used to support projects that have met all excellence criteria in the FP evaluations and suggests that these pathways could be two-way, with projects developed under the Territorial Co-operation programme, for example, having easier access to FP programmes;

⁽²⁾ 2010/2079(INI), adapted from paragraph 26.

⁽³⁾ (2009/2243(INI)).

43. suggests that in the coordination of research programmes, the ERA-NET initiative needs to be simplified and extended, and the involvement of regional bodies should be promoted, as regions have found it to be too restrictive; believes that regions need to be enabled to develop similar initiatives to those offered to central governments in the framework of Joint Programming.

Brussels, 27 January 2011.

*The President
of the Committee of the Regions*
Mercedes BRESSO

Opinion of the Committee of the Regions on 'Youth on the Move'

(2011/C 104/06)

THE COMMITTEE OF THE REGIONS

- welcomes the European Commission's flagship initiative 'Youth on the Move', an ambitious strategic initiative which aims to improve young Europeans' mobility, education and integration into the world of work. For the first time, the European Commission has devised a youth policy framework which encompasses both education and employment;
- notes that education must be at the heart of youth mobility;
- would highlight the close link between poor attainment at school and socio-economic disadvantage which are key determinants to the number of young people neither employed nor in education or training. Breaking this cycle is a challenge for local and regional authorities across Europe and must be seen as a priority within this initiative;
- endorses Member States' and local and regional authorities' flexible use of the European Social Fund to assist young people. This is particularly relevant to the attainment of the Europe 2020 objectives;
- in the assessment of all the educational mobility programmes, which will give rise to legislative proposals in 2011 and a new financial framework in the post-2013 period, it is vital – as noted in the Committee of the Regions' opinion on the Green Paper on 'Promoting the learning mobility of young people' – that the key contribution of local and regional authorities to promoting young people's mobility for educational purposes be taken into account.

Rapporteur:	Marc Schaefer (LU/PES), Member of Vianden Municipal Council
Reference document:	Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Youth on the Move (An initiative to unleash the potential of young people to achieve smart, sustainable and inclusive growth in the European Union)
	COM(2010) 477 final

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

General comments

1. welcomes the European Commission's flagship initiative 'Youth on the Move', an ambitious strategic initiative which aims to improve young Europeans' mobility, education and integration into the world of work. For the first time, the European Commission has devised a youth policy framework which encompasses both education and employment;

2. fully supports the objective of improving young people's knowledge, skills and experience to facilitate their entry into the labour market and exploit their potential to the full, thereby enabling the objectives of the Europe 2020 Strategy to be attained; nonetheless points out that education is about more than simply improving employability, and should have the broader goal of developing the person as a whole;

3. regrets that in drafting and implementing measures to facilitate mobility, the European Commission has failed to take sufficient account of the role played by local and regional authorities who, given their close involvement in this sphere, would seem best placed to help facilitate access to mobility; the same is true of the design and development of programmes for young people, since these authorities have the best understanding of the realities and situations facing young people, because they are the closest to them;

4. notes that as many young people as possible, whatever their background, economic situation or the geographical location of their region, should have access to the measures launched under this initiative; because some young people, such as those from the outermost regions or islands, do not have the same opportunities for mobility as young people from mainland Europe; the Committee stresses, however, that this approach aims to create opportunities for mobility, leaving the choice of whether the opportunity is taken up or not to young people themselves;

5. notes that young people's educational and training must help them to obtain, develop and update key professional skills and such knowledge as will encourage them to become active in society; points out at the same time that it is one of the central roles of all educational institutions to foster young people's

creative and innovative potential and to give them an environment to develop intellectually and socially. All of these areas are key factors for young people becoming independent adults and integrated into society, requiring measures which enable them to combine education, studies or work with family;

6. notes that, in the current economic climate especially, it is sensible to encourage more young people to complete their education or to follow additional training which will enable them to attain such skills as improve their prospects on the labour market;

7. stresses the importance of young people's acquisition of life-skills in the non-formal education provided under the current 'Youth in Action' programme and calls for this to continue beyond 2013, since these skills complement academic education and are key to boosting the mobility and employability of young people on the labour market;

8. notes its commitment to mobility, be it educational or professional, since – aside from its important contribution to personal and professional development – mobility helps strengthen European identity, thereby enhancing economic, social and territorial cohesion within the European Union;

9. urges that educational programmes which promote mobility be extended beyond 2013 and requests that the Commission, Council and European Parliament earmark more funds for establishing future framework programmes;

10. stresses that the objectives of the 'Youth on the Move' initiative will only be achieved in partnership with local and regional authorities and other youth organisations and associations;

Mobility initiatives

11. notes that education must be at the heart of youth mobility. The European Commission must, therefore, outline support measures, respecting the division of competences in the Treaties, which ensure proper access to information on mobility opportunities, improve the quality of education and protect everyone's right of access to education; it should also boost mobility-related issues such as exchange visits for secondary school pupils and the networking of bodies working in the field of mobility for students and young people;

12. notes that there are more barriers to youth mobility for those not in university education or who come from disadvantaged backgrounds, including those who do not have equal access to mobility because of the geographical location of their home region; wishes to point out that the EU should ensure that these mobility programmes are accessible under equal conditions to all young people, and thus recommends offering support to regions with specific geographical features, such as the outermost regions and islands, whose mobility policies are seriously hampered by their distance and geographical isolation from mainland Europe. In order that these groups may also derive full benefit from European mobility programmes, specific voluntary measures must be taken. These would cover not only communication measures aimed at different sections of the public, but also specially tailored financial support mechanisms which seek to reduce financial obstacles to mobility;

13. as noted in the Committee of the Regions' Opinion on the Green Paper entitled 'Promoting the learning mobility of young people' ⁽¹⁾, regional and local authorities make an important contribution to encouraging mobility for the purposes of learning. This is particularly true for information, advice and awareness-raising, as well as for most instances of quality-assurance and funding measures;

14. points out that it is often small-scale mobility projects which have a decisive impact and which contribute to consolidating a European way of thinking, thereby encouraging people to play an active role in European society and promoting democracy;

15. supports the European Commission's ambition to provide young Europeans with better information about simplified procedures for social security coordination, which must take the new mobility into account;

16. underlines the need for the new generation of structural funds to take account of student accommodation;

17. stresses the connection between the discussion engendered by the European Commission's Green Paper on pension systems ⁽²⁾ and the mobility of young Europeans with a view to ensuring that retirement arrangements and pensions are more sustainable and better suited to needs. Viewed from this perspective, it is crucial that young workers be able to access jobs and working time which provide pension rights;

Educational and university policies

18. supports the Europe 2020 Strategy target that at least 40 % of young people should have completed tertiary or

equivalent education, but stresses that this is contingent upon university entrance becoming more accessible and available to the highest possible number of students; in addition, both at EU level and in the Member States, measures to ensure a better match between skills and jobs should be continued and expanded, focusing in particular on working together when implementing the two flag-ship initiatives 'Youth on the move' and 'An agenda for new skills and jobs';

19. notes therefore that, in diversifying their sources of revenue, universities must not rely solely on possible tuition fee increases which could put this increased accessibility at risk;

20. takes note of the European Commission's proposal to create, in partnership with the European Investment Bank, a European student loan facility designed to complement existing systems in the Member States and stresses that these loans should not result in access to mobility becoming a commercial commodity;

21. welcomes the European Commission's initiative to establish a global university ranking system. Relevant criteria should include quality of teaching, innovation, regional and local involvement, internationalisation, student diversity, students' background from a social and geographical point of view and from the point of view of gender balance, and their level of satisfaction;

22. supports the European Commission's intention to propose attractive employment conditions for young researchers. This will require synergies between regional and European funding which allow those young people wishing to finance their theses to do so;

23. accepts that student employability must be an objective of tertiary education, but stresses that the latter must not only stimulate students' creative and innovative potential but also seek to foster their intellectual and social development;

Integration of young people into the labour market

24. would highlight the close link between poor attainment at school and socio-economic disadvantage which are key determinants to the number of young people neither employed nor in education or training. Breaking this cycle is a challenge for local and regional authorities across Europe and must be seen as a priority within this initiative;

25. supports the European Commission's desire to ensure that all young people have adequate social security cover. No young person, whatever their professional circumstances, should be without such cover;

⁽¹⁾ Opinion of the Committee of the Regions on the Green Paper on Promoting the learning mobility of young people (CdR 246/2009).

⁽²⁾ Green Paper entitled 'Towards adequate, sustainable and safe European pension systems' COM(2010) 365 final.

26. recommends that the European Commission set up an online portal for the exchange of best practice examples at local and regional level on integrating young people into the labour market;

27. believes that the European Union, in partnership with regional and local authorities, who are best placed to monitor the situation of young people experiencing difficulties and implement corresponding measures, should design a systematic follow-up mechanism for young people who are neither employed nor in education or training;

28. supports the European Commission proposal encouraging Member States to establish a 'Youth Guarantee' which stipulates that every young person, within four months of leaving school, should receive an offer of a job, vocational training or a place at college or university, tailored to their academic and professional career path;

29. supports the European Commission in drawing up a quality framework for traineeships, which are often an important route into the labour market for young people. Every possible effort should be made to eschew unpaid or underpaid traineeships. This European framework should make provision for remuneration and social security cover, so that young people on traineeships are able to properly integrate into society; it should also regulate the rights and duties of young people on traineeships and of the companies in which they undertake them;

30. notes that the 2011 European Year of Volunteering will provide an opportunity to: (a) demonstrate, among other positive aspects, the value to young people of voluntary activity as a means of helping to develop their professional career paths; and (b) to address the obstacles to volunteering and the need for appropriate legal frameworks to protect volunteers' rights and entitlements;

31. remains doubtful as to the effectiveness of the European Commission's proposal to establish single, open-ended contracts, and requests clarification on both the length of probation periods and minimum income levels specified for young people. The benefits offered by this type of contract in terms of facilitating young people's entry into the labour market remain rather unclear and it could even jeopardise their chances of obtaining employment and create a two-tier labour market;

32. supports the European Commission's 'Your first EURES job' initiative as a pilot project which helps young people to find a job in one of the 27 Member States. This initiative should bring associations which help young people get jobs together with local and regional authorities;

33. welcomes the creation of a High Level Expert Group on Literacy as a priority action. This group should bring together local and regional experts who will be able to share first-hand experience in this domain. As the Committee of the Regions

noted in its own-initiative opinion on illiteracy⁽³⁾, exchange of best practice at European level is key, particularly for the regional and local authorities who have come up with strategies to combat this problem;

Deployment of European funds

34. endorses Member States' and local and regional authorities' flexible use of the European Social Fund to assist young people. This is particularly relevant to the attainment of the Europe 2020 objectives. The fund should be deployed to its fullest extent and steps taken to raise awareness about the opportunities it offers; in order to achieve the targets set in the initiative, other European support programmes that do not focus (primarily) on employability (e.g. the lifelong learning programme) should also be retained in their current form, because education is about more than just improving employability;

35. notes that many programmes to promote youth mobility already exist (the Lifelong Learning Programme, Erasmus Mundus, Youth in Action, 'Europe for Citizens'). These programmes could also be directed at teachers, youth workers and social workers who are often the first to inspire the young people in their charge to grasp mobility opportunities;

36. In the assessment of all the educational mobility programmes, which will give rise to legislative proposals in 2011 and a new financial framework in the post-2013 period, it is vital – as noted in the Committee of the Regions' opinion on the Green Paper on 'Promoting the learning mobility of young people' – that the key contribution of local and regional authorities to promoting young people's mobility for educational purposes be taken into account. Local and regional authorities frequently function as information relays, offering advice and raising awareness of mobility opportunities. They also provide substantial funding. The red tape associated with these programmes must also be cut back;

Symbolic initiatives under this action programme and communication on the programme

37. welcomes the creation of a 'Youth on the Move' card. This type of symbolic action could contribute to raising the profile of the whole initiative and help people identify more with the European Union. Genuine benefits, however, need to accrue from this card, which must not compete with existing cards, such as the International Student Identity Card or the European Youth Card provided by the European Youth Card Association (EYCA), which could indeed serve as a support. Significant reductions on youth travel and accommodation within the European Union could be mooted as one way of promoting youth mobility;

⁽³⁾ Opinion of the Committee of the Regions on Combating functional illiteracy - an ambitious European strategy for preventing exclusion and promoting personal fulfilment CdR 193/2009.

38. underlines the need to incorporate the panoply of existing initiatives such as the Europass (cv in European format) into the future 'European skills passport'. Fragmenting initiatives would undermine the aim of promoting mobility via Member States' mutual recognition of skills.

Brussels, 27 January 2011.

*The President
of the Committee of the Regions*
Mercedes BRESSO

Opinion of the Committee of the Regions on 'European cinema in the digital era'

(2011/C 104/07)

THE COMMITTEE OF THE REGIONS

- recognises that the cultural industries strongly contribute to local and regional development by making European regions more attractive, developing sustainable tourism and creating new employment opportunities;
- considers that a number of small cinemas are at risk of disappearing as they face tough financial burdens and calls for collaboration to ensure the preservation of European cultural heritage and the protection the cinema industry;
- emphasises the need to consider both the economic and the cultural role of cinema. The cinema sector is an industry that is of major importance for development, competitiveness and employment. It also plays a crucial role in safeguarding and promoting local and regional cultural identity and diversity. The nature of the sector also makes it a key factor in the development of Europe social values and the functioning of democratic societies, since audiovisual works can play an important role in forming a European identity;
- stresses that the transition to digital offers new opportunities to connect different regions in Europe as they exchange audiovisual works and explore new ways of creating links and exchanging content. This transition may provide an opportunity to attract new audiences, take advantage of alternative content, provide new services and give more visibility to content from various regions.

Rapporteur:	Malcolm Mifsud (MT/EPP), Mayor of Pietá
Reference document:	Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on Opportunities and Challenges for European Cinema in the Digital Era
	COM(2010) 487 final

THE COMMITTEE OF THE REGIONS

1. welcomes the European Commission's emphasis on the **important role of the local and regional authorities** in the process of digitisation of the European cinema. Firstly cinemas play an important social and cultural role in municipalities and rural areas since they are often the only venues providing access to culture for the community. And secondly, there are a substantial amount of European cinemas (in particular single-screen cinemas) owned by municipalities;

2. recognises that local and regional authorities play a key role in promoting and emphasising culture, especially within the framework of the protection of **cultural heritage** and promotion of artistic innovation;

3. recognises that the **cultural industries** strongly contribute to local and regional development by making European regions more attractive, developing sustainable tourism and creating new employment opportunities;

4. considers that a number of small cinemas are at risk of disappearing as they face tough financial burdens and calls for collaboration to ensure the **preservation of European cultural heritage** and **the protection the cinema industry**;

5. stresses that without **public intervention** at EU, national and LRA level, the competitiveness and circulation of European works would be jeopardised and the pluralism and linguistic and cultural diversity of the peoples of Europe could be reduced;

6. encourages the idea of the European Commission to design a **new MEDIA programme** scheme to support the digital transition of European cinemas, which screen a majority of European films;

I. POLICY RECOMMENDATIONS

General remarks

7. recognises that the actions proposed in the Communication, as they stand, do not appear to raise any issue regarding their compliance with both the principles of subsidiarity and proportionality. However, regional and local

authorities must become leading players in the conception, implementation and governance of the measures designed to help small local cinemas benefit from the digital revolution;

8. considers that there is an important EU dimension in the digital transition of cinemas and would therefore like to see a coherent policy approach, the areas identified as listed in the Communication:

— Standardisation

— Collection and preservation of film in digital format

— Regional support to digitisation

— Compatibility with Treaty rules

— Support to exhibitors of European films designed to encourage a close relationship with regional and local authorities in promoting culture and the arts

— Access to finance;

9. recalls that the cultural dimension has been reinforced in the treaties through the introduction of the respect of 'rich cultural and linguistic diversity' as well as the guarantee 'that Europe's cultural heritage is safeguarded and enhanced' among the EU objectives ⁽¹⁾;

10. emphasises that implementing the Digital Agenda for Europe ⁽²⁾ requires a major Europe-wide change in mentality and the need to create direct channels of communications for the dissemination and implementation of project results at local level;

European Cinema as Cultural Heritage

11. highlights cinema's important cultural role in that it captures the cultural heritage of a country and presents it as a form of entertainment ⁽³⁾. It is vital in showcasing the history, art, culture, and lifestyles of many generations and nations. European cinemas basically represent the culture and civilisation unique to its people, varying from country to country and generation to generation;

⁽¹⁾ See article 3 TEU.

⁽²⁾ Communication COM(2010) 245, 19.5.2010, at http://ec.europa.eu/information_society/digital-agenda/index_en.htm, in particular p. 31-32.

⁽³⁾ European Commission, DG Research, 'Preserving our heritage, Improving our Environment', Vol 1, available at: http://ec.europa.eu/culture/key-documents/doc/20years_cultural_heritage_vol1_en.pdf.

12. stresses that every person has the right to participate in the cultural life of the community and to enjoy the arts. Moreover, cinema as a medium of art can build bridges between the artist and his/her viewers. Cinema art helps people to acknowledge one another, sharing the same human experience, building upon the European identity;

13. underlines cinema's role in building the European identity and integrating regions. By its artistic and cultural nature, cinema is an integrating force. It reaches out to people all over Europe and brings them closer by enabling them to share common experiences. Cinemas in remote and/or small villages/cities/regions are sometimes the only venues providing access to culture for the community. Therefore the CoR believes that preserving European cinema can significantly contribute towards the European integration in the remote areas of Europe;

14. recognises that cinemas play an important role in cities as well as in remote regions as they provide the opportunity for audiences to view European audiovisual content;

European Cinema as Cultural Industry

15. notes that cultural industries are very dynamic in terms of economic activity and job creation within the EU and as such can play an important role to meet economic and social objectives at local and regional level in Europe;

16. recalls that cinema falls into the definition ⁽⁴⁾ of cultural industry as defined in the Green Paper on 'Unlocking the potential of cultural and creative industries' - 'industries producing and distributing goods or services which at the same time they are developed are considered to have a specific attribute, use or purpose which embodies or conveys cultural expressions, irrespective of the commercial value they may have. Besides the traditional arts sectors (performing arts, visual arts, cultural heritage – including the public sector), they include film, DVD and video, television and radio, video games, new media, music, books and press. This concept is defined in relation to cultural expressions in the context of the 2005 UNESCO Convention on the protection and promotion of the diversity of cultural expressions';

17. emphasises that a healthy cultural industry can develop creative partnerships between the cultural sector and other sectors (ICTs, research, tourism, social partners, etc) to reinforce the social and economic impact of investments in culture and creativity, in particular with regards to the

promotion of growth and jobs and the development and attractiveness of regions and cities;

18. asks for ongoing collaboration between stakeholders in view of the challenges brought by the digital revolution and the ongoing financial crisis in order to get support in cases when the market fails;

Preserving the European Cultural Heritage through the Cinema Industry

19. draws attention to the fact that, the impact of the digital revolution and the financial crisis on European cinema could result in permanent changes for the industry on local and regional levels. It could even lead to the disappearance of single-screen cinema theatres from the market ⁽⁵⁾. The CoR calls for resources to be pooled beyond national and regional boundaries to combat cultural threats;

20. encourages a collective effort by local, regional, national and EU authorities and calls for an urgent collaboration among cultural heritage managers, regional planners and policy makers;

Protecting the Cinema Industry

21. emphasises the need to consider both the economic and the cultural role of cinema. The cinema sector is an industry that is of major importance for development, competitiveness and employment. It also plays a crucial role in safeguarding and promoting local and regional cultural identity and diversity. The nature of the sector also makes it a key factor in the development of Europe social values and the functioning of democratic societies, since audiovisual works can play an important role in forming a European identity ⁽⁶⁾;

22. cautions against the disappearance of small, independent, art house or ruraly located cinemas in remote regions. These cinemas face tougher challenges in this transition and their existence is threatened by digital cinema;

23. thereof encourages, a solution involving both urban and rural areas to protect cultural diversity in Europe;

24. stresses the need for effective public intervention which acknowledges that the cultural and creative industries provide the content for ICTs and in this way contribute to their further development ⁽⁷⁾;

⁽⁴⁾ European Commission, Green Paper, 'Unlocking the potential of cultural and creative industries', available at: http://ec.europa.eu/culture/our-policy-development/doc/GreenPaper_creative_industries_en.pdf.

⁽⁵⁾ See Communication COM(2010) 245, 19.5.2010.

⁽⁶⁾ CdR 27/2009.

⁽⁷⁾ CdR 104/2010.

Financing and Implementing the Digital Cinema Transition

25. calls for a dynamic, integrated and accessible communication strategy to communicate information about available public support, active partnerships and possible distribution, and stresses the need to keep local and regional authorities regularly updated about EU developments, given the vital role that they play in promotion and dissemination in their individual areas;

26. highlights the fact that it is essential to develop the active and creative use, especially through project-based practical implementation, of the necessary technical and manual skills, actions and knowledge. The focus should be on audiovisual communication and on creating, presenting and broadcasting audiovisual content by means of digital technology ⁽⁸⁾;

27. recognises that the currently, the virtual print fee (VPF), is generally inappropriate for smaller, independent and art house cinemas – many of these being in rural or remote areas or in smaller territories. Therefore the CoR calls for appropriate measures that specifically address the more vulnerable cinemas;

28. encourages the EU Commission to encourage opportunities offered by standardisation to reach a number of goals including 1. a faster digital transition faster, 2. lower production and distribution costs; 3. preserve and enhance the diversity of European programming in digitised cinemas; 4. invest in research, equipment and professional training to better preserve Europe's film heritage;

29. stresses that the transition to digital offers new opportunities to connect different regions in Europe as they exchange audiovisual works and explore new ways of creating links and exchanging content. This transition may provide an opportunity to attract new audiences, take advantage of alternative content, provide new services and give more visibility to content from various regions;

30. notes that the investment in new cinema technology and the transition to digital should improve accessibility to disabled

people by introducing audio description and captioning technology;

European Union Structural Funds

31. welcomes the possibility to mobilise the European Union Structural Funds for co-financing digitisation projects and training initiatives while recognising that this may not be an option in all countries since priority areas for funding have been identified and committed;

32. considers that that modernising the European cinema industry will strongly contribute to local and regional development by making European regions, especially in remote areas, more attractive, developing sustainable tourism and creating new employment opportunities;

33. welcomes the initiative of the European Commission to design a new MEDIA scheme. In particular it encourages a scheme with more flexibility which encourages cinemas to modernise and to reduce the digital divide between Member States;

34. notes that there have been success stories and with effective support interventions, regions are gearing up to exploit the new digital challenge. Examples of art-house cinemas that have already received ERDF support to go digital include the German Land of Niedersachsen, the Polish region of Malopolska, and the North, Centre and Alentejo regions of Portugal;

35. encourages exchange of best practises, collaboration and networking between regions as well as stakeholders. These include the European Commission, national and local governments, film commissions and agencies, exhibitors groups, distributors, producers and sales agents;

36. pledges its support to furthering the recommendations set out in this Opinion in partnership with the European Parliament and the European Commission, where relevant.

Brussels, 27 January 2011.

*The President
of the Committee of the Regions*
Mercedes BRESSO

⁽⁸⁾ CdR 133/2009.

Opinion of the Committee of the Regions on 'Biomass sustainability'

(2011/C 104/08)

THE COMMITTEE OF THE REGIONS

- believes that producers and operators must be supported at all levels of governance by administrative and fiscal policies that are progressive and consistent, enabling the sector to plan strategically and with confidence;
- suggests that protocols on biomass sustainability should be integral to the provisions of relevant international trade agreements and believes that international agreement on improved and standardised land use, land use change and forestry (LULUCF) accounting must be a priority;
- encourages more authorities to sign up to the Covenant of Mayors (or similar national or regional collaborations) and otherwise would recommend all authorities to adopt formal policies and practices that champion sustainable energies, including where appropriate, incentivising the local production and use of biomass;
- considers that the Commission Report on biomass sustainability due in 2011 should be accompanied by proposals for binding minimum sustainability criteria for the use of solid and gaseous biomass sources in electricity, heating and cooling, including a greenhouse gas saving requirement taking into account indirect land use change impacts where applicable, and an assessment of the impact of biomass production on food production, on forestry and wood industries and on other effects of land use change.

Rapporteur:	Mr Brian Meaney (IE/EA), Clare County Council and Mid-West Regional Authority
Reference document:	Report from the Commission to the Council and the European Parliament on sustainability requirements for the use of solid and gaseous biomass sources in electricity, heating and cooling COM(2010) 11 final

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

Introduction

1. believes that the sustainable production and use of biomass can reduce greenhouse gas emissions, increase the security of energy supply, promote technology development, increase employment opportunities and contribute to local and regional enterprise and development;

2. acknowledges that the targets set for renewable energies in general and for biomass in particular, at about 10 % of total energy use by 2020, under the Renewable Energy Road Map, will put pressure on both EU-producers and importers of biomass to reach these targets; will increase pressure on food and forestry production, on alternative uses for land and materials and impact on biodiversity;

3. underlines the importance of sustainability in the production and use of biomass and notes the Commission initiative to introduce non-binding criteria for the use of biomass in electricity, heating and cooling supplementing binding sustainability criteria for biofuels; however, given that the biomass sector is at the point of potentially rapid growth, considers that the approach proposed needs to be kept under close review;

4. welcomes the Commission Report, in proposing non-binding criteria, as a first step, but considers it necessary to work as quickly as possible towards the development of both EU-wide and hopefully wider binding international sustainability criteria, for the production and use of biomass;

5. agrees that the principles that underpin any sustainability scheme must be effective, cost-efficient and consistent with existing policy, and take account of biodiversity and agricultural production of food for human consumption;

6. considers that the European Commission initiative is appropriate in terms of the application of the subsidiarity and proportionality principles;

7. is concerned that as many elements of biomass production and utilisation are innovative, capital-intensive and require relatively long lead-in times; and particularly given the

current economic challenges, believes that producers and operators must be supported at all levels of governance by administrative and fiscal policies that are progressive and consistent, enabling the sector to plan strategically and with confidence;

Sustainability issues for solid and gaseous biomass in electricity, heating and cooling

8. although biomass is a rapidly developing sector, is nevertheless concerned at the absence of up-to-date information on the production and use of biomass. Particularly, given the increasing levels of biomass imports, the Committee believes that it is problematic to establish policies without reliable, comprehensive and up-to-date supporting data alongside appropriate safeguards for biodiversity, local communities and indigenous peoples rights and consideration of full climate impact, including displacement effects;

9. believes that sustainability must be intrinsic to the development of the biomass sector and EU policy should focus particularly on promoting the local and regional production and use of biomass. National and sub-national policies to promote sustainable biomass production and use must recognise and reflect the particular characteristics and features of their localities and regions;

10. considers that account should be taken of the positive impact of the use of forest biomass in the prevention of forest fires in the context of sustainable forest management, including in protected areas and areas of great biodiversity;

11. recalls that cascading use, i.e. when biomass is used for material products first and the energy content is safely recovered from the end-of-life products, tends to provide a higher environmental benefit than primary use as fuel;

12. is concerned that if the demand for non-food biomass, especially fuel crops and its derivatives, continues to grow, this will inevitably lead to an expansion of global arable land at the expense of natural ecosystems such as savannas and tropical rain forests, and therefore the current aspirations to increase the use of non-food biomass are intended to counteract climate change and environmental degradation, they are at high risk of problem shifting and leading to a global deterioration of the environment;

13. underlines that while unnecessary red tape must not inhibit the emergence of a potentially very significant industry, in order to give confidence to consumers, sustainability criteria must be verifiable and capable of independent certification; this is particularly relevant for those internationally-traded biomass materials;

14. considers that the same or equivalent sustainability criteria must apply to EU-produced biomass and to biomass material imported into the EU so as to help establish international standards and international markets for sustainably-produced material;

15. suggests that protocols on biomass sustainability should be integral to the provisions of relevant international trade agreements and believes that international agreement on improved and standardised land use, land use change and forestry (LULUCF) accounting must be a priority;

16. concurs with the proposed extension of the LCA (Life Cycle Assessment) method in the Renewable Energy Directive so that the sustainable and certified conversion of biomass fuel to electricity, heating and cooling is included in the calculation of GHG emissions of biomass;

17. supports the principle of a common energy efficiency policy approach for both fossil and biomass fuels, to avoid a possible switching to fossil fuels should the same efficiency standards not apply;

18. maintains that policies for energy efficiency must not discriminate against the safe energy use of biomass waste streams that have no other use (such as sewage sludge);

Recommendations for appropriate actions to address sustainability issues

19. believes, as a general principle, that there should be consistency in the application of EU legislation to biomass production and use, whether for use in biofuels or for use in electricity, heating and cooling. This would minimise uncertainty and reduce the risk of advantage being taken of legislative discrepancies;

20. where national and regional biomass sustainability criteria may already be in operation or in the process of development, would welcome movement towards a harmonisation of criteria, while respecting local factors;

21. broadly defends the proposal to differentiate support for electricity, heating and cooling installations based on their energy conversion efficiencies; however urges that existing installations being adapted to convert 'new' types of biomass must not be discriminated against in light of their overall energy savings;

22. encourages the development of industrial and on-farm anaerobic digestion and where scale is an issue, would advocate support for cooperative activities; furthermore considers that relevant fertiliser and waste legislation should encourage anaerobic digestion in their categorisation of digestate;

23. considers that given the developing international trade in wood pellets, a priority should be the early obligatory sustainability and quality criteria for this material;

24. considers the pursuance of a sustainable forestry policy as a necessary corollary to achieving biomass sustainability; harnessing biomass for energy purposes has to correspond to cultivating a proportional amount of energy wood;

25. stresses that National Energy Action Plans should include or append data relating to biomass: types and scale of installations, types of biomass, sources of biomass (domestic, imported), Life Cycle Assessments and so on;

26. given the competences and multiple roles of local and regional authorities in energy policy generally and in promotion of sustainable energies in particular; emphasises that sub-national authorities must be intimately involved in the formulation and implementation of such national plans;

27. would encourage more authorities to sign up to the Covenant of Mayors (or similar national or regional collaborations) and otherwise would recommend all authorities to adopt formal policies and practices that champion sustainable energies, including where appropriate, incentivising the local production and use of biomass;

28. in light of the proposed sustainability criteria being limited to larger energy producers of 1MW and above, recommends that the effects of defining this threshold will have to be monitored in the establishment of new industrial plant;

29. believes that consideration should be given to a requirement that large-scale suppliers of biomass to smaller electricity, heating and cooling stations be encompassed by sustainability criteria;

30. considers that the Commission Report on biomass sustainability due in 2011 should:

— seek to present the most recent data on biomass, with imports broken down by biomass type, country of production and whether the material is from a certified sustainable source

— summarise the impacts of current sustainability schemes for biomass being developed in the regions and Member States

- be accompanied by proposals for binding minimum sustainability criteria for the use of solid and gaseous biomass sources in electricity, heating and cooling, including a greenhouse gas saving requirement taking into account indirect land use change impacts where applicable
- rather than focus on barriers to trade, it should include an assessment of the impact of biomass production on food production, on forestry and wood industries and on other effects of land use change
- assess the implications on any report recommendations for local and regional authorities who ultimately may have to implement such recommendations
- incorporate recommendations on broader best practices in the production and conversion of biomass.

Brussels, 27 January 2011.

*The President
of the Committee of the Regions*
Mercedes BRESSO

Opinion of the Committee of the Regions on 'Towards adequate, sustainable and safe European pension systems'

(2011/C 104/09)

THE COMMITTEE OF THE REGIONS

- reminds that local and regional authorities represent the majority of the public sector employment in Europe and that they for this reason often are responsible for the provision of both public and occupational pension schemes (2nd pillar) to their staff after retirement;
- stresses that public pensions will continue to have a fundamental role in ensuring pension systems that provide every pensioner with an adequate income;
- stresses that budgetary consolidation should take into account the continued responsibility of Member States to assure, to a reasonable degree, the living standard of their citizens after retirement, as guaranteed in the European Union's Charter of Fundamental Rights;
- requests the Commission to ensure that the next steps to be undertaken by the European Commission in this area are accompanied by proper impact assessments, covering notably the impact on local and regional authorities;
- invites the Commission and the Member States to consider EU Pension coordination, particularly within the framework of the Open Method of Coordination, as a central element in the implementation of the EU2020 Strategy towards smart, green and inclusive growth;
- invites the Commission and the Member States to add a social dimension and a local and regional dimension to the macro economic surveillance. The effects on pensions and the social impact on pensioners due to budgetary measures and reforms need to be taken into account, as does the capacity of local and regional authorities to compensate, through welfare benefits and social services, for the fall in the incomes of retired people and those approaching retirement caused by these measures and reforms;
- considers that the EU should develop codes of good practice for the design and management of defined contribution schemes.

Rapporteur:	Ms Mia De Vits (BE/PES), Member of the Flemish Parliament
Reference document:	Green Paper towards adequate, sustainable and safe European pension systems COM(2010) 365 final

I. INTRODUCTION

THE COMMITTEE OF THE REGIONS

1. welcomes the Commission's initiative of publishing a Green Paper and launching a broad consultation on the important subject of the adequate, sustainable and safe European pension systems;

2. recalls Article 9 of the Treaty on the Functioning of the European Union (TFEU), which states that 'in defining and implementing its policies and activities the EU shall take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection and the fight against social exclusion, and a high level of education, training and protection of human health';

3. notes that the Green Paper meets the objective of both Article 9 TFEU and the more specific Article 153 TFEU and does not appear to raise by its consultation essence any issue regarding its compliance with the principles of subsidiarity and proportionality;

4. acknowledges that each policy level, including the level of regional and local authorities, shall take up the responsibilities that are implied by its competencies in full respect of the principle of subsidiarity, in order to promote the well-being of elderly people in all aspects of their living;

5. highlights that adequate and sustainable pension systems, enabling individuals to maintain, to a reasonable degree, their living standard after retirement, are crucial for citizens and for social cohesion;

6. emphasises that pension systems have an important role as automatic stabilisers;

7. acknowledges that Member States face a number of similar changes with regard to their pension systems, notably considering demographic ageing and the impact of the recent financial and economic crisis;

8. acknowledges the three common objectives for providing adequate and sustainable pensions of the new framework for the social protection and social inclusion process, as adopted by the European Council in March 2006 and consisting of ensuring:

— adequate retirement incomes and pensions,

— financial sustainability of public and private pension schemes,

— transparent information about pension systems;

9. acknowledges the three-pronged strategy for dealing with the impact on public budgets agreed by the 2001 Stockholm European Council and consisting of:

— reducing debt rapidly,

— raising employment rates and productivity,

— reforming pension, health care and long-term care systems;

10. underlines that some aspects of EU pension policies and the EU2020 Strategy are mutually reinforcing. Achieving EU2020's higher employment rates contributes to higher pension benefits for individual pensioners, while contributing to the overall sustainability of social protection and pension systems. In turn, adequate pension benefits are a chief prerequisite in the achievement of the EU2020's ambition to reduce poverty, given that elderly Europeans remain a vulnerable socio-economic group;

11. emphasises that the pension debate is linked to other policy domains, such as employment, health-care, long-term care, education, housing, public services, infrastructures, social assistance and welfare, that are to an important extent the shared responsibility of central government and regional and local authorities;

12. supports a move from largely single-pension systems to multiple-pension (or multiple-pillar) systems;

13. reminds that local and regional authorities represent the majority of the public sector employment in Europe and that they for this reason often are responsible for the provision of both public and occupational pension schemes (2nd pillar) to their staff after retirement;

14. stresses that adequate pensions systems are essential in order to avoid that local and regional authorities that provide residual safety net provisions such as social assistance and long-term care, are over-burdened;

15. reminds that some regional authorities promote and incentivise the registration to supplementary pension schemes, subsidising some regional pension funds, or even creating their own pension fund at regional level;

16. stresses that public pensions will continue to have a fundamental role in ensuring pension systems that provide every pensioner with an adequate income, in accordance with Convention 102 of the International Labour Organisation. Public pensions constitute the solidarity-principle between workers and pensioners;

17. acknowledges that occupational pensions can be an important instrument to complement public pensions, particularly when the necessary lessons are drawn from the experience of the recent economic and financial crisis. The EU should make strenuous efforts to promote and disseminate best practice and models. We also invite the Social Protection Committee to review the role, design and performance of private pensions pillars, for instance by exchanging best practices on how to improve the safety and efficiency of benefit accruals through better risk mitigation, enhanced capacity for shock absorption, clearer information about the risks and returns of different investment options and more efficient administration;

18. stresses that the large-scale adoption of occupational pension schemes represents an important challenge in many Member States, as occupational pension provisions are less frequently provided to low-skilled and atypical workers, and are less common in SME's and weaker economic sectors;

19. stresses that occupational pension schemes should have an appropriate safety framework reflecting the fact that they are long-term instruments, and providing specific safety and rebalancing mechanisms;

20. acknowledges that adequacy gaps, within public as well as occupational pension schemes, remain a problem in many Member States, which among others may be addressed through support to the build up of rights, increase in financial support for poorer pensioners, efforts to broaden coverage including easier access to pensions during periods of maternity and parental leave, as well as for various other categories of carers and for vulnerable groups such as low-skilled, and atypical workers;

21. acknowledges that the adequacy and fiscal sustainability of pensions can notably be improved by promoting and facilitating, on a national as well as on a regional and local level, the participation and employment of all persons of working age with particular attention to the underemployment of women as well as young, older and migrant workers, where relevant;

22. encourages Member States to look into decreasing incentives which encourage early retirement and increase incentives which raise the effective retirement age in order to ensure adequate and sustainable pension systems;

23. stresses that budgetary consolidation should take into account the continued responsibility of Member States to assure, to a reasonable degree, the living standard of their citizens after retirement, as guaranteed in the European Union's Charter of Fundamental Rights;

24. stresses that budgetary consolidation should not hamper the promotion of growth and cohesion, for instance through the implementation of stimulus packages, as the financial sustainability of retirement pensions would also benefit from an improved tax revenue base;

25. emphasises that further measures should be developed and implemented by public authorities and the social partners to promote and encourage the continued employment of older workers, so as to narrow and close the gap between the age of actual labour market exit and the legal retirement age;

26. stresses that the issue of legal pension age is linked to other labour market issues, such as the shortening of labour market careers due to late entry as well as early exit, the need to develop career policies facilitating continued employment and training, the issue of flexible and gradual retirement, the promotion of inclusive labour markets, and the need to address the issue of 'penibility' denoting the need to differentiate between various categories of workers when discussing the subject of early withdrawal and retirement from the labour market;

27. considers that future pensioners should be provided with adequate information, thus allowing them to be fully and correctly informed about their future pension entitlements, in line with objective 11 of the open method of coordination; supports further initiatives in the field of financial education and literacy;

28. welcomes the joint analysis on pension systems in the European Union and their current challenges by the Economic Policy Committee and the Social Protection Committee of the Council of the European Union;

29. stresses the importance of a balanced approach, which gives equal attention to economic, financial and social objectives of pensions systems;

30. considers the pension debate to be part of the Europe 2020 Strategy and stresses that the sustainability and adequacy of our pension systems may be achieved through an integrated socio-economic approach, including economic, social and financial policy measures;

31. supports the integrated approach proposed by the European Commission and notes that local and regional authorities stand ready to continue participating in reform plans within the framework provided by the Open Method of Coordination;

32. considers the Open Method of Coordination to be a key instrument for supporting social development in the EU and the Member States and an essential complement to legislation and financial instruments in relation to the strengthening of social cohesion in the EU within the context of the Europe 2020 Strategy;

33. acknowledges the important role of the social partners in the debate on adequate, sustainable and safe European pension systems, and stresses their responsibility in promoting equitable solutions through a social dialogue on a European, national, regional, local and sectoral level.

II. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

34. welcomes the European Commission's commitment to a follow up of the Green Paper '*towards adequate, sustainable and safe European pension systems*' in the form of a White Paper in 2011;

35. requests the Commission to ensure that the next steps to be undertaken by the European Commission in this area are accompanied by proper impact assessments, covering notably the impact on local and regional authorities;

36. invites the Commission and the Member States to consider EU Pension coordination, particularly within the framework of the Open Method of Coordination, as a central element in the implementation of the EU2020 Strategy towards smart, green and inclusive growth;

37. invites the Commission and the Member States to collaborate, within existing EU level policy coordination frameworks, on the development of methodologies allowing Member States to assess jointly and consistently the implications of pension policies on sustainability and adequacy;

38. invites the Commission and the Member States to add a social dimension and a local and regional dimension to the macro economic surveillance. The effects on pensions and the social impact on pensioners due to budgetary measures and reforms need to be taken into account, as does the capacity of local and regional authorities to compensate, through welfare benefits and social services, for the fall in the incomes of retired people and those approaching retirement caused by these measures and reforms;

39. requests the Commission and the Member States to take into consideration the gender dimension when dealing with the adequacy of pensions, taking into account that women are likely to live for more years than men after the legal retirement age, that women represent the largest group of pensioners, that they are over-represented among the group of older pensioners, that they often are over-represented among those with discontinuous careers and atypical employment, and that they are often over-represented among personal carers; this situation is being aggravated by the current expansion of defined contribution schemes;

40. invites the Commission and the Member States to further develop definitions of the various pension concepts, in order to clarify the debate, particularly with regard to the unclear boundaries between: social security schemes and private schemes; occupational and individual schemes; and voluntary and mandatory schemes;

41. invites the Commission and the Member States to exchange information with regard to the concept of 'adequate' income in retirement as applied within the various national pension systems, both with respect of the prevention of poverty as the insurance of purchasing power after retirement;

42. invites the Commission and the Member States to monitor the quality of both public and occupational pension systems for the provision of adequate, accessible, safe and sustainable pensions, including their social outcomes, and to consider the possibility of introducing benchmarks, for instance within the framework of the Open Method of Coordination, for the improvement of the quality of pension systems;

43. considers that the EU should develop codes of good practice for the design and management of defined contribution schemes;

44. invites the Commission and the Member States to develop and improve their statistical apparatus and analytical tools and thus improve their capacity to assess the implications of pension policies on the adequacy and sustainability of retirement income provision;

45. invites the Commission to develop a methodological framework for assessing the effective implications of pension policies for the balance between sustainability and adequacy. This implies that the SPC-EPC collaborate on developing a combination of the current macro-economic approaches for assessing future pension expenditure and micro-economic approaches drawing on micro-simulations of adequacy outcomes;

46. requests the Commission to evaluate the necessity of reinforced open coordination in this area, to promote both the free movement of people and the sustainability of pension systems.

Brussels, 28 January 2011.

*The President
of the Committee of the Regions*
Mercedes BRESSO

III

(Preparatory acts)

COMMITTEE OF THE REGIONS

88TH PLENARY SESSION HELD ON 27 AND 28 JANUARY 2011

Opinion of the Committee of the Regions on the ‘Amended proposal for a Regulation of the European Parliament and of the Council amending Council Regulations (EC) No 1290/2005 and (EC) No 1234/2007 as regards distribution of food products to the most deprived persons in the Union’

(2011/C 104/10)

THE COMMITTEE OF THE REGIONS

- deplores the fact that the new programme for the distribution of food products to the most deprived persons could not be initiated earlier;
- believes that the uncertain economic situation and deterioration in employment in many Member States caused by the economic crisis, especially in the regions most badly affected by structural change, call for swift decisions by the EU institutions to bring the legal basis regulating food distribution and its resources up to a level that corresponds to current needs;
- feels that food aid to the most deprived should continue to be included under the umbrella of the Common Agricultural Policy and contribute to fulfilling the CAP's objectives with regard to guaranteeing people's food security;
- believes that it is important that the Community financial contribution to the funding of food aid should remain significant given that this a Community policy for evening out social and regional differences which is aimed directly at EU citizens;
- highlights the important role of local and regional authorities and third sector organisations in ensuring that people in need of aid are brought within the scope of aid, in organising the practical arrangements for the distribution of aid and in providing information about it.

Rapporteur:	Mr Ossi Martikainen (FI/ADLE), Chairman of Lapinlahti municipal council
Reference document:	Amended proposal for a Regulation of the European Parliament and of the Council amending Council Regulations (EC) No 1290/2005 and (EC) No 1234/2007 as regards distribution of food products to the most deprived persons in the Union COM(2010) 486 final

I. POLITICAL RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

1. deplores the fact that the new programme for the distribution of food products to the most deprived persons could not be initiated earlier;
2. wishes to draw the EU institutions' attention to the conclusions drawn by the CoR in its previous opinions on the future of the CAP after 2013 (CdR 127/2010), social exclusion and poverty (CdR 57/2008), and health inequalities in the EU (CdR 47/2010);
3. believes that access to food and an adequate, varied diet are basic rights which must be guaranteed to all people regardless of their social situation;
4. notes that, for example, unemployment, social exclusion, a low income level or exclusion due to health problems may give rise to a situation where people do not have a sufficiently varied and healthy diet. This, together with Article 168 of the Lisbon Treaty (health protection in all EU activities), must be given serious consideration when planning future EU food aid and it must also be ensured that aid distributed under this programme is of high quality;
5. notes that more than 13 million people benefited from the food distribution programme in 2008 and believes that the programme will continue to be one of the key elements of basic protection for the most deprived in the future;
6. believes that the uncertain economic situation and deterioration in employment in many Member States caused by the economic crisis, especially in the regions most badly affected by structural change, call for swift decisions by the EU institutions to bring the legal basis regulating food distribution and its resources up to a level that corresponds to current needs;
7. takes the view that the measures, in the wake of the economic crisis, to balance public finances in Member States and in their local and regional economies are essential. However, in some cases these measures could lead to increased social uncertainty among the most deprived and hence also to an increased need for food aid. Therefore this tool for social cohesion should be developed further and efforts made to improve its effectiveness and make it better known and more acceptable;
8. feels that food aid to the most deprived should continue to be included under the umbrella of the Common Agricultural Policy and contribute to fulfilling the CAP's objectives with regard to guaranteeing people's food security;
9. takes the view that the distribution of food aid is growing in importance in several Member States as a result of the rise in consumer food prices caused by disturbances in agricultural markets, higher production costs and concentration in distribution channels. Trade and distribution now play a greater role in the formation of food prices, which is reflected alarmingly in both a fall in farmers' income and higher prices paid by consumers;
10. believes that a consistent and long-term approach should be applied in reviewing the Common Agricultural Policy so that policy changes do not lead to excessively rapid structural change, in particular to a situation where small farm holdings are driven to bankruptcy and farm holders move from being food producers to potential recipients of food aid;
11. thinks that food aid can also help to mitigate disturbances in markets for agricultural products and even out price fluctuations. Food aid must be seen as a component of a whole comprising the Common Agricultural Policy and market policy. It must not, however, simply be seen as an instrument associated with the intervention system. The need for aid for the most deprived is independent of the future of the intervention system. The CoR welcomes the plans set out in the amended Regulation to source food increasingly from the market, in addition to from intervention stocks, and to no longer limit market purchases to situations of temporary unavailability of intervention stocks;
12. believes that ensuring the diversity of food provided under the food aid programme is a challenge for the years ahead: the range of food provided should cover all the categories of basic foodstuffs produced in the EU;
13. also highlights the importance, for climatic and environmental reasons, of local food chains in the provision of food aid. The chain from production to distribution should be as short as possible and efficiently organised;

14. believes that taking local and regional food cultures into account in selecting the food products provided as food aid would also help to make receiving aid more meaningful and acceptable;

15. feels that closer cooperation in the future between local and regional administrations, regional producers and aid organisations in organising food aid could help to increase the effectiveness of this tool, make it more acceptable and better achieve the goal of proper allocation of aid;

16. welcomes the fact that the choice of food products to be distributed under the aid programme would continue to be the task of Member States and that the third sector would continue to play an important role in the distribution of aid;

17. urges that unnecessary red tape be avoided in the local organisation of aid and that administrative costs be kept to a minimum;

18. urges local and regional administrations to reconcile national social policy instruments falling within their remit with the EU food aid programme so that aid is allocated to those in need in a fair way and as a logical component of the overall livelihoods of the most deprived.

On the basis of the principles of proximity and subsidiarity the Committee of the Regions

19. believes that it is important that the Community financial contribution to the funding of food aid should remain significant given that this is a Community policy for evening out social and regional differences which is aimed directly at EU citizens;

20. takes the view that there is a need to strengthen the powers delegated to the Commission in the area of food aid, for example with regard to the procedures for invitations to tender and, generally, with regard to allocation of resources,

implementation, monitoring and control mechanisms, even though there will be a shift from funding activities exclusively from the EU budget to co-financing. The aim of simplifying competences must be transparency, effectiveness and improved efficiency;

21. accepts that the Community financial contribution to the cost of food aid can be higher in regions covered by the Cohesion Fund than in other regions, but the difference in funding sources between regions should not be allowed to become too large as this is a Community initiative aimed directly at citizens, the legitimacy and acceptability of which are assessed by citizens. Social differences may also be large in prosperous regions;

22. urges the Commission to continually assess whether the annual financial ceiling of EUR 500 million set for the programming period is sufficient given that the economic crisis may increase pressure to cut public expenditure and that economic uncertainty leads to higher unemployment in many countries;

23. urges the Commission and all the parties involved to monitor how the limits set in the amended Regulation for the EU's financial contribution to the programme affect the willingness to use aid and the potential consequences of this for the well-being of the most deprived;

24. believes that participation in the reception and distribution of EU food aid must continue to be based on the voluntary discretion of Member States and their willingness to participate in the programme;

25. highlights the important role of local and regional authorities and third sector organisations in ensuring that people in need of aid are brought within the scope of aid, in organising the practical arrangements for the distribution of aid and in providing information about it.

Brussels, 27 January 2011.

*The President
of the Committee of the Regions*
Mercedes BRESSO

Opinion of the Committee of the Regions on 'The development of an Integrated Maritime Policy and Marine Knowledge 2020'

(2011/C 104/11)

THE COMMITTEE OF THE REGIONS

- strongly insists that sufficient funding be allocated to the further development of the EU's Integrated Maritime Policy (IMP) until the end of the present Financial Perspective in 2013. Is also of the view that specific and adequate funding needs to be allocated for the development and further strengthening of IMP in the next budgetary period commencing 2014, and calls upon all parties involved in the drawing up of the EU budget to devote adequate attention to this need. This is vital in order to achieve the goals that have been set and not to allow all the progress and investments already made to be in vain;
- insists that greater emphasis be placed on the 'sustainable economic growth, employment and innovation' priority. As Europe is still struggling to overcome the most severe economic crisis in living memory, actions to this end surely deserve more attention, not to mention the fact that they could significantly contribute to the achievement of the goals of the Europe 2020 programme;
- points to the need to keep earmarking EU funding for the integrated maritime policy after 2014 so as to sustain the policy and make it effective, subject to discussion of the multiannual financial framework post-2013. The coastal fund discussed by the Committee of the Regions and the European Parliament could be an example here;
- demands that local and regional authorities be consulted when developing and implementing actions aimed at achieving the objective of improving the quality of public decision-making at all levels. The CoR has already called for governance in this field to be carried out in the spirit of multilevel governance and in compliance with subsidiarity, and also calls for greater involvement and cooperation with non-EU countries on matters of marine knowledge. The importance of improving coordination with these partners on other aspects of maritime policy has already been widely acknowledged and the benefits of more common actions in this field are quite obvious.

Rapporteur:	Mr Noel FORMOSA (MT/EPP), Mayor of San Lawrenz, Gozo (Sindku, San Lawrenz, Gozo)
Reference documents:	Proposal for a Regulation of the European Parliament and of the Council establishing a Programme to support the further development of an Integrated Maritime Policy COM(2010) 494 final Communication from the Commission to the European Parliament and the Council - Marine Knowledge 2020 - Marine data and observation for smart and sustainable growth COM(2010) 461 final

I. GENERAL COMMENTS

THE COMMITTEE OF REGIONS

1. strongly insists that sufficient funding be allocated to the further development of the EU's Integrated Maritime Policy (IMP) until the end of the present Financial Perspective in 2013. Is also of the view that specific and adequate funding needs to be allocated for the development and further strengthening of IMP in the next budgetary period commencing 2014, and calls upon all parties involved in the drawing up of the EU budget to devote adequate attention to this need. This is vital in order to achieve the goals that have been set and not to allow all the progress and investments already made to be in vain;

2. underlines the great importance of guaranteeing the success of the IMP, as the alternative would be disastrous both from the environmental point of view and from the economic and social one. Far too many of Europe's regions are dependent on the sea for their prosperity for the former to be neglected;

3. welcomes the European Commission's intention to earmark EUR 50 million for further development and implementation of Europe's integrated maritime policy during the period 2011-2013, so as to support further progress with EU maritime policy, in particular 'blue growth', or the sustainable use of our seas, oceans and coasts, protection of the marine environment and promotion of employment in the maritime sectors;

4. insists that greater emphasis be placed on the 'sustainable economic growth, employment and innovation' priority. As Europe is still struggling to overcome the most severe economic crisis in living memory, actions to this end surely deserve more attention, not to mention the fact that they could significantly contribute to the achievement of the goals of the Europe 2020 programme;

5. welcomes the European Commission's intention to contribute through the support programme to implementing the strategies for individual sea areas. Regional maritime strategies can be used to find specific solutions for regional challenges through targeted allocation of funding;

6. points out that the Communication on Marine Knowledge 2020 states that it is largely concerned with data collection and assembly – both fields in which many local and regional authorities (LRAs) play an important role as financing authorities. Therefore, better coordination of efforts to avoid overlapping must be pursued;

7. points out that maritime spatial planning is an important instrument of the EU's integrated maritime policy and should be deployed wherever appropriate;

8. welcomes the prominent place the Commission has given to cooperation with non-EU countries. It is a well established position of this Committee that the EU alone cannot tackle successfully the wide range of challenges faced by our seas and therefore it is imperative to involve as closely as possible our international partners. Initiatives such as the Euro-Mediterranean Regional and Local Assembly (ARLEM) which is right now in its initial phase, will eventually become an effective tool for pursuing common interests in cooperation at a regional level;

9. sees a need to promote specific key projects for developing and demonstrating EU maritime know-how, e.g. developing a 'European Clean Harbour' or 'European Clean Ship'. Such key projects could serve to identify technical approaches - in line with overarching policy goals - that could be used to raise legal standards in the medium term and enshrine them at European and international level, producing a competitive edge for Europe's maritime sectors (e.g. in energy efficiency, emissions reduction, alternative vessel propulsion or vessel safety). Such key projects can only be carried out in the long term if a secure financial framework can be put in place for the future;

II. POLICY RECOMMENDATIONS

10. welcomes the initiative to create a more integrated network for European maritime knowledge. Given the stage reached by ICT and the ever greater cooperation between the scientific communities of different states, the present fragmented structure seems both anachronistic and extremely cost-ineffective;

11. points to the need to keep earmarking EU funding for the integrated maritime policy after 2014 so as to sustain the policy and make it effective, subject to discussion of the multi-annual financial framework post-2013. The coastal fund discussed by the Committee of the Regions and the European Parliament could be an example here;

12. expresses regret that greater attention is not given to local and regional authorities, even though the Communication deals to a great extent with issues that fall within their competences and for which they are very often the financing and/or implementing authorities. Data collection may be the responsibility of Member States but in reality it is very often carried out at the local and regional level;

13. demands that LRAs be consulted when developing and implementing actions aimed at achieving the objective of improving the quality of public decision-making at all levels. The CoR has already called for governance in this field to be carried out in the spirit of multilevel governance and in compliance with subsidiarity, and also calls for greater involvement and cooperation with non-EU countries on matters of marine knowledge. The importance of improving coordination with these partners on other aspects of maritime policy has already been widely acknowledged and the benefits of more common actions in this field are quite obvious;

14. recommends that when considering the consequent measures for the promotion of coastal information systems in the follow-up to the Integrated Coastal Zone Management (ICZM) Recommendation, the Commission look for best practices among Europe's regions. Some of them, like Brittany, Schleswig-Holstein, and Zuid-Holland, among others, are at the forefront in this field and many of their practices can be adapted to other regions as well;

15. welcomes the idea to adopt a sea-basin level approach when it comes to marine observation systems and identification of important gaps. Indeed, the option to give Regional Sea Conventions and Regional Advisory Councils for fisheries more responsibilities, including potentially coordinating powers, is worth exploring. In all cases, however, the interoperability of data and the observation of high quality standards must be ensured;

16. proposes that the Commission support the development of regional data indicators, which could serve to better shape the priorities of the regional maritime strategies, as regions are among the main data collectors and users;

17. notes that better results are likely to be achieved through adopting a more holistic approach amongst others by giving greater emphasis to the potential role of private entities in the development of an IMP. Without losing sight of the European Union's social dimension, it is also important that all relevant stakeholders be involved at every step of the process. Furthermore, all relevant stakeholders must not only be invited to share the cost of data gathering and safeguarding

but also to contribute ideas and good practices with a view of benefiting there from, thereby further stimulating economic growth and job creation within the European area;

18. acknowledges the improvement of marine knowledge is crucial not only in order to understand better the processes that take place inside our seas but also to strengthen the other two tools of the IMP, better spatial planning and integrated maritime surveillance;

19. notes that the present Communication concentrates on data collection and assembly, which form the two initial steps in the process of forming knowledge. At the same time, these are stages in which local and regional authorities are extremely active;

20. shares the view that the initiative in question is based on the requirements of several Directives which essentially aim at the creation of more coordinated monitoring programmes of marine waters, simplification of the exchange of information between public authorities, the release of public data, as well as at the establishment of certain common standards;

21. emphasises that the Communication makes specific mention of the importance of coastal data and the fact that a lot of regional authorities have developed coastal information systems. What appears obvious is that to maximise the benefit of these actions, a certain degree of interoperability needs to be achieved. For that purpose, the Commission should look into ways of improving cooperation and coordination at the regional level;

22. also acknowledges the importance of the concept that data should be maintained as close to the source as possible. While the proposal is certainly sensible, it must be ensured that it does not place additional burden on local and regional authorities. In this respect, the Commission's view that all relevant stakeholders should also contribute adequately for the safeguarding of data even after its social and commercial interest has expired, deserves greater attention;

23. notes that the Communication pursues three main objectives:

— to reduce operational costs and delays for the users of marine data;

— to increase competition and innovation amongst users and re-users of marine data;

— to reduce uncertainty in knowledge of the seas.

Achieving these goals and changing over from the current highly fragmented approach to an integrated network could also entail savings amounting to EUR 300 million per annum, most of which might benefit local and regional administrations;

24. recommends that the above-mentioned objectives are attained by further developing and improving existing EU instruments, such as the Global Monitoring for Environment and Security Initiative (GMES) and the 'ur-EMODnet' (European Marine Observation and Data Network). Furthermore, strongly advocates that the Commission is to look at ways of making data from EU-supported regional development and marine research programmes more available for re-use, and in particular guaranteeing that access rules to fisheries data are fully implemented by Member States, and ensuring that gathered data meets common standards and gives possibilities for multi-purpose use;

25. agrees with the Commission's intention to continue forward towards the completion of what it calls an operational

Marine Data Architecture. For this to be achieved, it is believed that the Commission should involve all stakeholders and encourage communication between national data centres, as well as set up a secretariat to manage ur-EMODnet;

26. suggests that the maritime community should encourage the European Institute of Innovation and Technology to set up a Knowledge and Innovation Community (KIC) in the near future on protection and sustainable use of marine resources. Such a KIC could cover a broad spectrum of scientific, technological, economic and educational activities in the spheres of biological and mineral resources, as well as energy, while taking account of environmental protection issues.

III. RECOMMENDATIONS FOR AMENDMENTS

Amendment 1

Article 4

Text proposed by the Commission	CoR amendment
The Programme may provide financial assistance for actions in accordance with the objectives set out in Article 2 and 3, such as:	The Programme may shall provide financial assistance for actions in accordance with the objectives set out in Article 2 and 3, such as <u>but not limited to</u> :
(a) studies and cooperative programmes;	(a) studies and cooperative programmes;
(b) public information and best practice sharing, awareness raising and associated communication and dissemination activities, including publicity campaigns, and events and the development and maintenance of websites;	(b) public information and best practice sharing, awareness raising and associated communication and dissemination activities, including publicity campaigns, and events and the development and maintenance of websites;
(c) conferences, seminars, workshops, and stakeholders fora;	(c) conferences, seminars, workshops, and stakeholders fora;
(d) pooling, monitoring, visualisation of and ensuring public access to a significant amount of data, best practices and of database on Union funded regional projects, including where appropriate through a secretariat established for one or a number of these purposes;	(d) pooling, monitoring, visualisation of and ensuring public access to a significant amount of data, best practices and of database on Union funded regional projects, including where appropriate through a secretariat established for one or a number of these purposes;
(e) actions relating to cross-cutting tools, including test projects.	(e) actions relating to cross-cutting tools, including test projects.

Reason

To achieve the goals set out by the proposal funds are to be made available, the use of 'shall' instead of 'may' makes its obligatory for funds to be allocated. The inclusion of 'but not limited to' will allow for other actions to be funded which are not included in the text.

Amendment 2

Article 6

Text proposed by the Commission	CoR amendment
The Programme may benefit third countries, stakeholders in third countries, and international organisations or bodies which pursue one or more of the general and specific objectives set out in Article 2 and 3.	The Programme may <u>shall</u> benefit third countries, stakeholders in third countries, and international organisations or bodies which pursue one or more of the general and specific objectives set out in Article 2 and 3.

Reason

The CoR believes that it is imperative to involve international partners.

*Amendment 3***Article 7**

Text proposed by the Commission	CoR amendment
The Commission shall implement the Programme in accordance the Financial Regulation.	The Commission shall implement the Programme in accordance <u>to</u> the Financial Regulation.

Reason

Missing word.

*Amendment 4***Article 10**

Text proposed by the Commission	CoR amendment
The beneficiary of financial assistance shall submit to the Commission technical and financial reports on the progress of work financed by the Programme. A final report shall also be submitted within three months of the completion of each project.	The beneficiary of financial assistance shall submit to the Commission technical and financial reports on the progress of work financed by the Programme. A final report shall also be submitted within three six months of the completion of each project.

Reason

More time should be allocated for the completion of the report.

*Amendment 5***Article 11**

Text proposed by the Commission	CoR amendment
The Commission shall ensure that, when actions financed under this Programme are implemented, the financial interests of the Union are protected by:	The Commission shall ensure that, when actions financed under this Programme are implemented, the financial interests of the Union are protected by:
(a) the application of preventive measures against fraud, corruption and any other illegal activities,	(a) the application of preventive measures against fraud, corruption and any other illegal activities,
(b) effective checks,	(b) effective checks,
(c) the recovery of the amounts unduly paid and,	(c) the recovery of the amounts unduly paid and,
(d) the application of effective, proportional and dissuasive penalties, if irregularities are detected.	(d) the application of effective, proportional and dissuasive penalties, if irregularities are detected.
2. For the purposes of paragraph 1, the Commission shall act in accordance with Regulation (EC, Euratom) No 2988/95, Regulation (Euratom, EC) No 2185/96 and Regulation (EC) No 1073/1999.	2. For the purposes of paragraph 1, the Commission shall act in accordance with Regulation (EC, Euratom) No 2988/95, Regulation (Euratom, EC) No 2185/96 and Regulation (EC) No 1073/1999.

Text proposed by the Commission	CoR amendment
<p>3. The Commission shall reduce, suspend or recover the amount of financial assistance granted for an action if it finds irregularities, including non-compliance with the provisions of this Regulation or the individual decision or the contract or agreement granting the financial assistance in question, or if it transpires that, without Commission approval having being sought, the action has been subjected to a change which conflicts with its nature or implementing conditions.</p> <p>4. If time limits have not been observed or if only part of the allocated financial assistance is justified by the progress made with implementing an action, the Commission shall request the beneficiary to submit observations within a specified period. If the beneficiary does not give a satisfactory answer, the Commission may cancel the remaining financial assistance and demand repayment of sums already paid.</p> <p>5. Any undue payment shall be repaid to the Commission. Interests shall be added to any sums not repaid in good time under the conditions laid down by the Financial Regulation.</p> <p>6. For the purposes of this Article, 'irregularity', shall mean any infringement of a provision of Union law, or any breach of a contractual obligation resulting from an act or omission by an economic operator which has, or would have, the effect of prejudicing the general budget of the Union or budgets managed by the Union by an unjustified item of expenditure.</p>	<p>3. <u>For the purposes of this Article, 'irregularity', shall mean any infringement of a provision of Union law, or any breach of a contractual obligation resulting from an act or omission by an economic operator which has, or would have, the effect of prejudicing the general budget of the Union or budgets managed by the Union by an unjustified item of expenditure.</u></p> <p>34. The Commission shall reduce, suspend or recover the amount of financial assistance granted for an action if it finds irregularities, including non-compliance with the provisions of this Regulation or the individual decision or the contract or agreement granting the financial assistance in question, or if it transpires that, without Commission approval having being sought, the action has been subjected to a change which conflicts with its nature or implementing conditions.</p> <p>45. If time limits have not been observed or if only part of the allocated financial assistance is justified by the progress made with implementing an action, the Commission shall request the beneficiary to submit observations within a specified period. If the beneficiary does not give a satisfactory answer, the Commission may cancel the remaining financial assistance and demand repayment of sums already paid.</p> <p>56. Any undue payment shall be repaid to the Commission. Interests shall be added to any sums amounts not repaid in good time under the conditions laid down by the Financial Regulation.</p> <p>6. <u>For the purposes of this Article, 'irregularity', shall mean any infringement of a provision of Union law, or any breach of a contractual obligation resulting from an act or omission by an economic operator which has, or would have, the effect of prejudicing the general budget of the Union or budgets managed by the Union by an unjustified item of expenditure.</u></p>

Reason

Definition of 'irregularity' should be at the beginning of the Article.

Brussels, 27 January 2011.

*The President
of the Committee of the Regions*
Mercedes BRESSO

Opinion of the Committee of the Regions on 'A single European railway area'

(2011/C 104/12)

THE COMMITTEE OF THE REGIONS

- supports the European Commission's approach to opening up railway markets, while stressing that the objective is not unbridled competition but competition designed to improve the railway sector's productivity and service to customers. Competition is nevertheless a means and not an end, and should be carried out under conditions that ensure an absolutely level playing field for all railway operators;
- supports the development of specialised networks (high-speed, freight), but stresses the European cohesion objectives and the need to avoid creating a multi-speed Europe;
- considers that the future proposal for a common financial framework should be clarified, especially with respect to how it differs from a 'single fund', which the Committee of the Regions rejects. A midway solution would be to include in the new Structural Funds regulations an earmarking mechanism for funds allocated to sustainable transport which would give preference to the financing of sections of priority TEN-T projects as well as to urban mobility action plans;
- in principle, welcomes the link that the Commission has established between noise-differentiated charges for railways and adoption of the 'Eurovignette' levy on the internalisation of the external costs for lorry transport;
- with regard to financing infrastructure, regrets that it is not mandatory for Member States to consult local and regional authorities when developing national rail infrastructure strategies;
- regrets that the Commission does not make any binding legislative commitments regarding the total separation of infrastructure managers and railway undertakings.

Rapporteur:	Mr Michel Delebarre (FR/PES), Mayor of Dunkirk
Reference document:	Communication from the Commission concerning the development of a Single European Railway Area COM(2010) 474 final Proposal for a Directive of the European Parliament and of the Council establishing a single European railway area COM(2010) 475 final

1. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

Communication concerning the development of a single European railway area

1. supports the European Commission's approach to opening up railway markets, while stressing that the objective is not unbridled competition but competition designed to improve the railway sector's productivity and service to customers. Competition is nevertheless a means and not an end, and should be carried out under conditions that ensure an absolutely level playing field for all railway operators;

2. reaffirms its support for improving the interoperability and safety of EU railway systems, and for removing any legal and/or infrastructure-related obstacles hindering rail transport between Member States. These should be the priority focus of Community rail transport policies, in order to develop transnational transport between the Member States and help achieve a real single market. The European Railway Agency's role should be geared to implementing these priorities; furthermore, the European Railway Agency should have the power to mediate and, if need be, to substitute the Member States' national safety authorities in certification disputes;

3. is in favour of applying the Polluter Pays Principle and external cost internalisation to all modes of transport in order to create a genuinely level playing field;

4. supports the development of specialised networks (high-speed, freight), but stresses the European cohesion objectives and the need to avoid creating a multi-speed Europe. The Community institutions must therefore ensure that freight corridors in regions that are peripheral in comparison with core European areas are not marginalised and are strengthened, thereby providing a level playing field, and real and effective single market cohesion;

5. supports the idea of harnessing appropriate resources for developing the rail infrastructure;

6. considers that the future proposal for a common financial framework should be clarified, especially with respect to how it differs from a 'single fund', which the Committee of the Regions rejects. Indeed, the Committee is opposed to the establishment

of a single fund which, relying mainly on resources allocated under the Cohesion Fund, would group together all the EU financial instruments used to fund transport infrastructure. Not only could the 'transfer' of funds result in a net loss of resources allocated to transport policy, but it could also call into question the integration of transport projects in regionalised development strategies; a midway solution would be to include in the new Structural Funds regulations an earmarking mechanism for funds allocated to sustainable transport which would give preference to the financing of sections of priority TEN-T projects as well as to urban mobility action plans;

Proposal to recast the first railway package – regional challenges

7. with regard to exclusions from the scope of application of the law (Article 2), points out that the Commission has retained the exclusion of railway undertakings which only operate urban, suburban or regional services (Article 2) and that this exclusion is consistent with the regulation on public service obligations for rail passenger transport as it currently stands;

8. recognises that regional railways make a substantial contribution to local and regional development, enhancing the attractiveness of Europe's regions, strengthening sustainable freight transport, promoting more environment-friendly tourism and creating new employment opportunities;

9. with regard to railway services (Article 13, Annex III), welcomes the fact that the use of electrical supply equipment for traction current and refuelling facilities have been included as part of a minimum access package in order to ensure non-discriminatory access to these essential services. It is important in managing infrastructure to ensure that electrical supply is adequate for expected volumes of traffic and to encourage the use of traction energy sources with a low environmental impact;

10. welcomes the mandatory separation between the operator holding the dominant position and the operator of service facilities for the services listed in Annex III. This separation will facilitate the development of local and even international railway markets;

11. welcomes the inclusion of port facilities linked to rail activities among the service facilities for which more transparent and open access is required;

12. would like a more precise definition of the viable alternatives that would allow an operator of service facilities to deny access if a similar service existed 'on the same route under economically acceptable conditions';

13. believes that the regulatory body should be in a position to determine the allocation of capacity for railway services;

14. calls for an addition to Article 47(5) giving seaport hinterland traffic the same basic status as international freight services;

15. believes that service facilities should be subject to a 'use it or lose it' policy (obligation to publish a call for tenders to find a new operator) as soon as there is any intention to close operations. Likewise, maintenance and technical facilities introduced for specific rolling stock should not be reserved for a particular user for five years;

16. with regard to freight train noise (Article 31(5) and Annex VIII), notes that noise is the environmental Achilles heel of rail transport. It is a source of numerous complaints from people living along railway lines;

17. confirms that equipping wagons with 'silent' brake blocks is the most effective way to fight rail noise. Funding and technical specifications for this equipment nevertheless present a problem;

18. welcomes in principle the link that the Commission has established between noise-differentiated charges for railways and adoption of the 'Eurovignette' levy on the internalisation of the external costs for lorry transport, but points out that, under the current proposal, charging for external noise costs is compulsory for rail and optional for road, which could lead to distortions of competition;

19. welcomes the Commission's proposal to make it an obligation to apply charges as incentives to reduce rail noise but regrets that this obligation is not made contingent upon a similar obligation for road freight transport; furthermore considers it necessary to ensure that low-noise rolling stock is not permanently subject to a heavy administrative procedure. Once the noise reduction target has been reached and there is no significant further public benefit to continuing the procedure, any system of noise-differentiated infrastructure charges should be adapted to a given situation, or done away with altogether;

20. with regard to financing infrastructure (Article 8, Article 30, Annex VII), regrets that it is not mandatory for Member States to consult local and regional authorities when

developing national rail infrastructure strategies. These authorities could also devise local rail infrastructure strategies covering a minimum five-year period;

21. is in favour of adopting mandatory multi-annual contracts between states and infrastructure managers to fund the maintenance and renewal of railway tracks. It must, however, be insured that the relevant Member State remains responsible for decisions on the public interest relating to the infrastructure and its required characteristics;

22. regrets, however, that local and regional authorities are not explicitly involved in negotiating these agreements, which will have a strong impact on their rail networks;

23. with regard to authorised applicants (Article 3(12), Article 44), welcomes the fact that the concept of authorised applicants has been broadened. Entities that are not licensed railway undertakings, such as shippers or ports, will find it easier to reserve train paths. This should also allow the development of short rail freight operators;

Proposal to recast the first railway package – other policy challenges

24. with regard to opening up markets and regulation, is generally in favour of measures to strengthen the regulatory body's role in order to enable it to improve its monitoring of non-discriminatory access to railway markets and provide incentives for infrastructure managers to deliver services efficiently. This also means retaining the option for Member States to introduce such incentives through regulatory measures. Bearing in mind the increasingly multinational nature of the challenges facing the railway sector, the establishment of a European regulatory body should be considered, fully respecting the subsidiarity principle and the remits of national regulators, for matters that concern several Member States; the Commission could initially set up a European committee of railway regulators that would settle national network regulation disputes at the appeal stage, and which would have access to legal procedures to enforce the implementation of its decisions by Member States; also believes that the Commission should take more active steps to introduce a common management terminology, common working rules and a common traffic management system in order to improve traffic efficiency;

25. regrets that the Commission does not make any binding legislative commitments regarding the total separation of infrastructure managers and railway undertakings. Indeed, such separation gives better assurances of non-discriminatory access to infrastructure by avoiding conflicts of interest between the manager of a natural monopoly and one of its users. There is also a need for clear guidelines on who is responsible for access to the network, and to platforms, terminals and other infrastructure;

26. emphasises that the total separation of infrastructure managers and railway undertakings must under no circumstances call into question the principle set out in Article 345 of the Treaty on the Functioning of the European Union, according to which '[t]he Treaties shall in no way prejudice the rules in Member States governing the system of property ownership';

27. with regard to transparency and pricing, welcomes the greater separation of accounts for freight and passenger services and for infrastructure management and transport services (Article 6);

28. notes that the performance schemes and performance improvement systems (nevertheless already compulsory) for ascertaining responsibility for train delays are still not properly in place in the European Union;

29. is nevertheless uncertain about the appropriate level of detail regarding the causes for delays listed in Annex VIII; suggests beginning by setting up compulsory performance improvement schemes geared to the needs and resources of each infrastructure manager;

30. welcomes the additions to the network statements, especially with regard to rail-related services (Article 27, Article 56(2));

31. with regard to delegated acts, notes that the European Commission has suggested that it be granted significant powers, considering that most of the annexes to its proposal may be amended by delegated acts (Article 60). These annexes nevertheless contain 'fundamental' aspects of the railway regulatory framework.

II. RECOMMENDATIONS FOR AMENDMENTS

Amendment 1

Article 6(3)

Text proposed by the Commission	CoR amendment
CoR amendment Member States shall ensure that separate profit and loss accounts and balance sheets are kept and published, on the one hand, for business relating to the provision of rail freight transport services and, on the other, for activities relating to the provision of passenger transport services. Public funds paid for activities relating to the provision of transport services as public-service remits must be shown separately for each public service contract in the relevant accounts and shall not be transferred to activities relating to the provision of other transport services or any other business.	CoR amendment Member States shall ensure that separate profit and loss accounts and balance sheets are kept and published, on the one hand, for business relating to the provision of rail freight transport services and, on the other, for activities relating to the provision of passenger transport services. Public funds paid for activities relating to the provision of transport services as public-service remits must be shown separately for each public service contract in the relevant <u>published</u> accounts and shall not be transferred to activities relating to the provision of other transport services or any other business.

Reason

In cases where several public service contracts are managed by the same undertaking without the latter being divided into local subsidiaries specialised in operating a contract, there is currently no obligation to publish separate accounts. This situation could allow the undertaking to operate a not entirely 'water-tight' system for managing the various public service contracts it has been awarded, which would undermine the effective monitoring of public funds.

Amendment 2

Article 8(1)

Text proposed by the Commission	CoR amendment
Member States shall develop their national railway infrastructure by taking into account, where necessary, the general needs of the Union. For this purpose, they shall publish at the latest two years after the entry into force of this Directive a rail infrastructure development strategy with a view to meeting future mobility needs based on sound and sustainable financing of the railway system. The strategy shall cover a period of at least five years and be renewable.	Member States shall develop their national railway infrastructure by taking into account, where necessary, the general needs of the Union, <u>guaranteeing safety, interoperability and the removal of any type of obstacle to rail transport between the regions of different Member States, thereby creating a genuine and effective single market.</u> For this purpose, they shall publish at the latest two years after the entry into force of this Directive, <u>and following consultation with the local and regional authorities affected,</u> a rail infrastructure development strategy with a view to meeting future mobility needs based on sound and sustainable financing of the railway system. The strategy shall cover a period of at least five years and be renewable. <u>The local and regional authorities concerned may also submit their own long-term rail infrastructure development strategies to their national administration.</u>

Reason

It should be mandatory for Member States to consult their local authorities about national rail infrastructure development strategies. These authorities could also draw up local rail infrastructure strategies covering a minimum five-year period.

*Amendment 3***Article 30(3)**

Text proposed by the Commission	CoR amendment
CoR amendment Member States shall consult interested parties at least one month before the agreement is signed and publish it within one month of concluding it.	Member States shall consult interested parties, <u>and local and regional authorities in particular</u> , at least one month before the agreement is signed and publish it within one month of concluding it.

Reason

Local authorities should be explicitly involved in negotiating these multi-annual funding agreements, which will have a strong impact on their rail networks.

*Amendment 4***Article 31(5)**

Text proposed by the Commission	CoR amendment
When charging for the cost of noise effects is allowed by Union legislation for road freight transport, the infrastructure charges shall be modified to take account of the cost of noise effects caused by the operation of the train in accordance with Annex VIII, point 2.	When charging for the cost of noise effects is allowed by Union legislation for road freight transport, the infrastructure charges shall be modified to take account of the cost of noise effects caused by the operation of the train in accordance with Annex VIII, point 2. <u>Infrastructure charges for rail freight transport must, while ensuring a level playing field for all transport modes, take into account the cost of noise effects caused by the operation of the train and the additional costs of fitting freight wagons with quieter equipment pursuant to Annex VIII point 2. The procedure may be adjusted or abolished if it is no longer making a significant contribution to reducing noise. Locomotives should be included when progress with the studies still required in this regard allows.</u>

Reason

An addition should be made to the text of Article 31 to include the requirement that a noise-differentiated infrastructure charging system should take account not just of the external costs of noise effects, but also of the costs of retrofitting freight wagons and locomotives, which are particularly relevant to the incentive effect.

*Amendment 5***Article 47(5)**

Text proposed by the Commission	CoR amendment
5. The importance of freight services and in particular international freight services shall be given adequate consideration in determining priority criteria.	5. The importance of freight services and in particular international freight services, <u>as well as seaport hinterland services</u> , shall be given adequate consideration in determining priority criteria.

Reason

Transport of freight from seaports to their hinterland, and vice versa, place abnormal stress on certain sections of track. This could be addressed by considering them when determining priority criteria, with the aim of improving connections between seaports and their hinterland.

*Amendment 6***Annex I**

Text proposed by the Commission	CoR amendment
<p>List of railways infrastructure items</p> <p>Railway infrastructure consists of the following items, provided they form part of the permanent way, including sidings, but excluding lines situated within railway repair workshops, depots or locomotive sheds, and private branches or sidings:</p> <ul style="list-style-type: none"> — Ground area; — Track and track bed, in particular embankments, cuttings, drainage channels and trenches, masonry trenches, culverts, lining walls, planting for protecting side slopes etc.; passenger and goods platforms; four-foot way and walkways; enclosure walls, hedges, fencing; fire protection strips; apparatus for heating points; crossing, etc.; snow protection screens; — Engineering structures: bridges, culverts and other overpasses, tunnels, covered cuttings and other underpasses; retaining walls, and structures for protection against avalanches, falling stones, etc.; — Level crossings, including appliances to ensure the safety of road traffic; — Superstructure, in particular: rails, grooved rails and check rails; sleepers and longitudinal ties, small fittings for the permanent way, ballast including stone chippings and sand; points, crossing, etc.; turntables and traversers (except those reserved exclusively for locomotives); — Access way for passengers and goods, including access by road; — Safety, signalling and telecommunications installations on the open track, in stations and in marshalling yards, including plant for generating, transforming and distributing electric current for signalling and telecommunications; buildings for such installations or plant; track brakes; — Lighting installations for traffic and safety purposes; — Plant for transforming and carrying electric power for train haulage: sub-stations, supply cables between sub-stations and contact wires, catenaries and supports; third rail with supports; — Buildings used by the infrastructure department. 	<p>List of railways infrastructure items</p> <p>Railway infrastructure consists of the following items, provided they form part of the permanent way, including sidings, but excluding lines situated within railway repair workshops, depots or locomotive sheds, and private branches or sidings:</p> <ul style="list-style-type: none"> — Ground area; — Track and track bed, in particular embankments, cuttings, drainage channels and trenches, masonry trenches, culverts, lining walls, planting for protecting side slopes etc.; passenger and goods platforms; four-foot way and walkways; enclosure walls, hedges, fencing; fire protection strips; apparatus for heating points; crossing, etc.; snow protection screens; — Engineering structures: bridges, culverts and other overpasses, tunnels, covered cuttings and other underpasses; retaining walls, and structures for protection against avalanches, falling stones, etc.; — Level crossings, including appliances to ensure the safety of road traffic; — Superstructure, in particular: rails, grooved rails and check rails; sleepers and longitudinal ties, small fittings for the permanent way, ballast including stone chippings and sand; points, crossing, etc.; turntables and traversers (except those reserved exclusively for locomotives); — Access way for passengers and goods, including access by road; — Safety, signalling and telecommunications installations on the open track, in stations and in marshalling yards, including plant for generating, transforming and distributing electric current for signalling and telecommunications; buildings for such installations or plant; track brakes; — Lighting installations for traffic and safety purposes; — Plant for transforming and carrying electric power for train haulage: sub-stations, supply cables between sub-stations and contact wires, catenaries and supports; third rail with supports; — Buildings used by the infrastructure department.; — <u>Station buildings and their components, including ancillary facilities such as waiting rooms, retail outlets catering for travel needs, station toilets, ticket offices and machines, tourist offices or travel information points.</u>

Reason

Parts of station buildings that are relevant to transport should be included in Annex I.

*Amendment 7***Annex III**

Text proposed by the Commission	CoR amendment
Services to be supplied to the railway undertakings (referred to in Article 13)	Services to be supplied to the railway undertakings (referred to in Article 13)
1. The minimum access package shall comprise:	1. The minimum access package shall comprise:
a) handling of requests for railway infrastructure capacity;	a) handling of requests for railway infrastructure capacity;
b) the right to utilise capacity which is granted;	b) the right to utilise capacity which is granted;
c) use of running track points and junctions;	c) use of running track points and junctions;
d) train control including signalling, regulation, dispatching and the communication and provision of information on train movement;	d) train control including signalling, regulation, dispatching and the communication and provision of information on train movement;
e) use of electrical supply equipment for traction current, where available;	e) use of electrical supply equipment for traction current, where available;
f) refuelling facilities, where available;	f) refuelling facilities, where available;
g) all other information required to implement or operate the service for which capacity has been granted.	g) all other information required to implement or operate the service for which capacity has been granted.;
	<u>h) information enabling passengers to find their way around and to access services in passenger stations and their buildings.</u>
2. Access shall also be given to service facilities and the supply of services in the following services shall comprise :	2. Access shall also be given to service facilities and the supply of services in the following services shall comprise :
a) use of electrical supply equipment for traction current, where available;	a) use of electrical supply equipment for traction current, where available;
b) refuelling facilities;	b) refuelling facilities;
a) passenger stations, their buildings and other facilities, including ticketing and travel information;	a) passenger stations, their buildings and other facilities; including ticketing and travel information;
b) freight terminals;	b) freight terminals;
c) marshalling yards;	c) marshalling yards;
d) train formation facilities;	d) train formation facilities;
e) storage sidings;	e) storage sidings;
f) maintenance and other technical facilities;	f) maintenance and other technical facilities;
g) port facilities which are linked to rail activities;	g) port facilities which are linked to rail activities;
h) relief facilities, including towing.	h) relief facilities, including towing.;
	<u>i) the ticket distribution system.</u>

Text proposed by the Commission	CoR amendment
<p>3. Additional services may comprise:</p> <ul style="list-style-type: none"> a) traction current, charges for which shall be shown on the invoices separately from charges for using the electrical supply equipment; b) pre-heating of passenger trains; c) supply of fuel, charges for which shall be shown on the invoices separately from charges for using refuelling facilities shunting, and all other services provided at the access services facilities mentioned above; d) tailor-made contracts for: <ul style="list-style-type: none"> — control of transport of dangerous goods, — assistance in running abnormal trains. <p>4. Ancillary services may comprise:</p> <ul style="list-style-type: none"> a) access to telecommunication networks; b) provision of supplementary information; c) technical inspection of rolling stock. 	<p>3. Additional services may comprise:</p> <ul style="list-style-type: none"> a) traction current, charges for which shall be shown on the invoices separately from charges for using the electrical supply equipment; b) pre-heating of passenger trains; c) supply of fuel, charges for which shall be shown on the invoices separately from charges for using refuelling facilities shunting, and all other services provided at the access services facilities mentioned above; d) tailor-made contracts for: <ul style="list-style-type: none"> — control of transport of dangerous goods, — assistance in running abnormal trains. <p>4. Ancillary services may comprise:</p> <ul style="list-style-type: none"> a) access to telecommunication networks; b) provision of supplementary information; c) technical inspection of rolling stock.

Reason

The information enabling travellers to find their way around and to access services in the station cannot be different for each carrier, as that would make the information less coherent and legible. By maintaining standardised and shared information systems, carriers can ensure that their services are visible without any problems of separate general reception areas and displays.

Amendment 8

Annex VIII

Text proposed by the Commission	CoR amendment
<p>2. Noise-differentiated infrastructure charges referred to in Article 31(5) shall meet the following requirements:</p> <ul style="list-style-type: none"> a) (a) The charge shall be differentiated to reflect the composition of a train of vehicles respecting limit values for noise set by Commission Decisions 2006/66/EC (TSI Noise). b) Priority shall be given to freight wagons. c) Differentiation according to the noise emission levels of freight wagons shall allow the payback of investments within a reasonable period for retrofitting wagons with the most economically viable low-noise braking technology available. 	<p>2. Noise-differentiated infrastructure charges referred to in Article 31(5) shall meet the following requirements:</p> <ul style="list-style-type: none"> a) (a) The charge shall be differentiated to reflect the composition of a train of vehicles respecting limit values for noise set by Commission Decisions 2006/66/EC (TSI Noise). b) Priority shall be given to <u>Noise-differentiated infrastructure charges are allowed only for</u> freight wagons. c) Differentiation according to the noise emission levels of freight wagons shall allow the payback of investments within a reasonable period for retrofitting wagons with the most economically viable low-noise braking technology available.

Text proposed by the Commission	CoR amendment
d) Further elements to differentiate charges may be considered such as:	d) Further elements to differentiate charges may be considered such as:
(i) time of day, in particular night-time for noise emissions;	(i) time of day, in particular night-time for noise emissions;
(ii) train composition with an impact on the level of noise emissions;	(ii) train composition with an impact on the level of noise emissions;
iii) sensitivity of the area affected by local emissions;	iii) sensitivity of the area affected by local emissions;
(iv) further classes for noise emissions significantly lower than the one referred to under point (a).	(iv) further classes for noise emissions significantly lower than the one referred to under point (a).

Reason

The intention of the proposal for a directive is to allow charging for external noise costs only where charging is also possible for road transport. This is the only way to ensure a level playing field between rail and road.

However, this objective is not achieved because the definition of train operation whose noise effects may be classified as an external cost and subject to infrastructure charges under this rule is misleading. Article 31(5) refers to point 2 of Annex VIII, which itself refers - in (2)(a) - to Commission Decision 2006/66/EC (TSI Noise) (OJ L 37, 8.2.2006, p. 1), as defining the emissions level that can be considered when setting infrastructure charges. That decision specifies noise emissions levels in its annex, but it includes passenger wagons in addition to freight wagons.

This means that the external costs of noise emissions may also be charged for passenger rail transport. However, in the sphere of road transport, noise emission charging is possible only for freight, not for passenger transport.

The amendment is intended to restore a level playing field.

Brussels, 28 January 2011.

*The President
of the Committee of the Regions*
Mercedes BRESSO

Opinion of the Committee of the Regions on 'Freedom for Member States to decide on the cultivation of genetically modified crops in their territory'

(2011/C 104/13)

THE COMMITTEE OF THE REGIONS

- welcomes the Commission proposal which aims to amend the existing legislation with a view to granting Member States greater freedom with regard to the possibility of restricting or prohibiting on their territory the cultivation of genetically modified organisms authorised at EU level;
- also welcomes the openness of this new approach whereby other reasons (social, sustainability-related, ethical, etc.) can be taken into account to prohibit the cultivation of GMOs on a given territory;
- calls on the Commission to identify the requirements and criteria relating to the implementation of new restrictive measures which may be taken and emphasises that local and regional authorities must imperatively be involved in decisions pertaining to the regions which concern them;
- considers that account must be taken urgently of the decisions and measures prohibiting GMOs adopted by the Member States or regions, as these decisions and measures, in the context of a transparent market for consumers, must not be exposed to a legal vacuum;
- highlights the following issues which need to be dealt with before amending Directive 2001/18/EC as regards the possibility for the Member States to restrict or prohibit the cultivation of GMOs in their territory:
 - inadequacy of the existing rules on labelling of GM-derived products;
 - inadequacy of the risk assessment procedure and monitoring;
 - the adverse impact of GM crops on conventional or organic crops and on rural development policies;
- considers that closer collaboration on the cultivation of GMOs is needed between the EFSA and the relevant national and regional authorities, and asks the Commission to pursue the course it has already embarked upon in this matter.

Rapporteur:	Mr Santarella (IT/EPP), Mayor of Candela
Reference documents:	<p>Proposal for a regulation of the European Parliament and of the Council amending Directive 2001/18/EC as regards the possibility for the Member States to restrict or prohibit the cultivation of GMOs in their territory</p> <p>COM(2010) 375 final</p> <p>Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions on the freedom for Member States to decide on the cultivation of genetically modified crops</p> <p>COM(2010) 380 final</p>

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

1. welcomes the Commission proposal which aims to amend the existing legislation with a view to granting Member States greater freedom with regard to the possibility of restricting or prohibiting on their territory the cultivation of genetically modified organisms authorised at EU level; furthermore, notes that the proposal does not call into question the system for authorisation and placing on the market already in place at EU level;
2. points out that the present European framework acknowledges the possibility for Member States to take the necessary steps at national level to ensure coexistence and avoid the accidental presence of GMOs in conventional or organic crops;
3. furthermore, underlines that the European Commission and the Council have acknowledged the need to improve existing provisions, particularly as regards the cultivation of GMOs, and considers that account must be taken urgently of the decisions and measures prohibiting GMOs adopted by the Member States or regions, as these decisions and measures, in the context of a transparent market for consumers, must not be exposed to a legal vacuum;
4. considers that many regional and local authorities have opposed genetically modified (GM) crops in their territories, declaring themselves to be 'GM-free areas' and forming networks;
5. points out that the Commission's proposal to introduce a new article (26b) into the currently applicable Directive 2001/18/EC aims to allow Member States to adopt measures restricting or prohibiting the cultivation of all or particular GMOs authorised at EU level in all or part of their territory, provided that those measures are based on grounds other than those related to the assessment of the adverse effect on health and environment which might arise from deliberate release or the placing on the market of these GMOs;
6. furthermore points out that the measures must be restricted to the cultivation of GMOs, that they must not hinder the placing on the market or importing of genetically modified products or seeds and that they must be compatible with the EU's international obligations, particularly those pertaining to the World Trade Organization;
7. notes the positive approach taken by the European Commission which has reviewed the existing legislation on the cultivation of GMOs in light of experience and the application of the subsidiarity principle; however, deems that the proposals fail to address fully all the problems which GMOs pose for agriculture and regional development; calls on the Commission to identify the requirements and criteria relating to the implementation of new restrictive measures which may be taken and emphasises that local and regional authorities must imperatively be involved in decisions pertaining to the regions which concern them;
8. emphasises that agricultural and rural development policies will be affected by these decisions, insofar as opting for genetically modified farming implies choices other than those regarding the cultivation of conventional plants. For example, genetically modified crops tend to prefer models which place the emphasis on single crop farming and pose problems connected to the separation of distribution chains and, more generally, the coexistence of conventional, organic and GM crops;
9. highlights the following issues which need to be dealt with before amending Directive 2001/18/EC as regards the possibility for the Member States to restrict or prohibit the cultivation of GMOs in their territory:
 - inadequacy of the existing rules on labelling of GM-derived products;
 - inadequacy of the risk assessment procedure and monitoring;
 - the adverse impact of GM crops on conventional or organic crops and on rural development policies;

Inadequacy of the rules on labelling of GM-derived products

10. deems the present system for labelling of products produced from the use of GMOs to be inadequate, especially as regards products derived from farm animals. In particular, the bulk of products from current GM crops are destined for use by farm animals, and only indirectly become foodstuffs for human consumption (for example meat, food or eggs) and therefore, under the current rules, they are not subject to labelling requirements. This situation restricts the end user's freedom of choice; even if opposed to such products, he or she will consume the GMOs unwittingly by purchasing and/or consuming products produced indirectly from GMOs;

11. calls for European legislation to be amended in order to make the distinction and labelling of food products originating from animals fed on GM feed compulsory; believes that clear identification of these derived products would result in the establishment of two markets, with potential economic advantages for producers who do not use GMOs, while guaranteeing information and freedom of choice for consumers;

12. emphasises that if derived products are not labelled, animals will probably be fed mostly on GM feed, moreover resulting in economic distortions and disproportionate financial constraints for producers and businesses wishing to establish GM-free supply and production chains. In particular, the production costs of products from farm animals (such as meat, milk and eggs) will probably be lower for countries which opt for GMOs, undoubtedly making these products more competitive, to the detriment of non-GM products;

Inadequacy of the risk assessment procedure and monitoring

13. underscores the criticisms often levelled at the scientific analyses conducted by the European Food Safety Authority (EFSA), regarding its internal procedures and opaque, incomprehensible decisions;

14. emphasises that greater coordination is needed between the EFSA and the competent authorities within each Member State in the GMO assessment procedure, while calling for the EFSA to act more vigorously and effectively, taking account of the scientific analyses carried out by the Member States;

15. stresses that, as homogeneous administrative areas, local and regional authorities are the most appropriate level for assessing the impact of the introduction of GM crops in each territorial context, for devising coexistence measures compatible with the principle of sustainable development and for recon-

ciling local interests and managing the most appropriate solutions;

16. judges that in accordance with the subsidiarity principle, it is necessary to demonstrate the importance of coexistence between GM and GM-free crops for local and regional authorities. In particular, the problem of coexistence, primarily for GM plants whose nuclear genome has been genetically modified and cultivated plants with parent plants growing wild, is highly complex;

The adverse impact of GM crops on conventional or organic crops and on rural development policies

17. points out that genetically modified crops can prove to be incompatible with maintaining high quality conventional crops or organic crops and deprive some regions of the means to prepare and implement rural development strategies geared to their particular situation and their potential;

General comments on the proposal for a regulation

18. stresses the importance of the possibility for the Member States to restrict or prohibit the cultivation of GMOs in their territory. Considering that the proposed rules offer the Member States additional freedom and that the key component of the proposal is to give more rights to the Member States rather than to expand harmonisation at EU level, the proposed measures may be deemed to comply with the principles of subsidiarity and proportionality. This possibility should be extended to the competent local and regional authorities, without any restrictions;

19. argues that the possibility for the Member States to restrict or prohibit the cultivation of GMOs in their territory can help to preserve the diversity of types and methods of farming and thus freedom of choice for farmers and consumers, to the benefit of rural development;

20. regrets that the welcome possibility for the Member States to restrict or prohibit the cultivation of GMOs in their territory is to be curtailed by not allowing Member States or regions to invoke reasons pertaining to either human/animal health or environmental protection;

21. emphasises the need to provide stakeholders and the general public with complete and impartial scientific information on the use of GMOs for food purposes, whether for humans or animals;

22. emphasises that experience of cultivating GM plants in the Member States is still very limited and marginal and that publicity work on this matter has to be stepped up;

Financial and/or administrative implications

23. emphasises that the draft regulation does not contain a comprehensive description of the expected financial and administrative burdens, merely stating that the resulting burdens are difficult to predict. The increase in the administrative costs incurred by the Member States occasioned by the measures to implement the restriction on the cultivation of GMOs would seem to be unlikely, given that enacting the proposal would not substantially change the scale of the administrative burden and monitoring required by the current rules on the safety of genetic engineering in the agri-food industry;

24. points out that with regard to the financial impact on businesses, an even more rigorous restriction on the cultivation of GMOs would provide further support for the many organic businesses as well as the seed producers who make being GM-free a selling point for their products, knowing that this can help boost sales. The financial impact for these businesses would therefore be entirely positive;

Monitoring and evaluation

25. believes that a territorial impact evaluation should be carried out: this would make it possible to examine the political and socio-economic dimension of measures prohibiting or permitting GM crops at national or regional and local level;

26. believes that in order to put into practice the best choices regarding GMOs a system needs to be set up for proper scientific evaluation, which is not solely based on a posteriori empirical experience and which, to offer a truly in-depth and independent assessment of risks involved in cultivating a particular GMO, must also be conducted at local and regional level through specific studies. In particular, one highly important issue is whether there are wild parent plants in a given area which could lead to the uncontrolled spread of the GMO inserted into the cultivated GM plants. In the same way, it should be emphasised that regional and local authorities should be able to have recourse to the safeguard clause, insofar as the problem of seed purity has not yet been resolved;

Recommendations

27. calls for priority to be given to introducing measures to correct the problems mentioned at the beginning of this opinion. In particular, the inadequacy of rules on the labelling of GM derived products, risk assessment, the logic and rules of international trade and issues arising from the impact of GM crops on conventional crops must be addressed before the case for introducing the proposal can be evaluated properly. It hopes that until these corrective measures are introduced, the current ban on cultivating certain GMOs imposed by the Member States will remain in force under the precautionary principle;

28. upholds the need for rules on the labelling of food products produced from the use of GMOs (such as meat, milk, eggs);

29. considers that closer collaboration on the cultivation of GMOs is needed between the EFSA and the relevant national and regional authorities, and asks the Commission to pursue the course it has already embarked upon in this matter;

30. however, welcomes the openness of this new approach whereby other reasons (social, sustainability-related, ethical, etc.) can be taken into account to prohibit the cultivation of GMOs on a given territory;

31. feels that consistent implementation of the subsidiarity principle also means taking into account particular national or regional circumstances with regard to human/animal health or environmental protection as justification for prohibiting or restricting GMO crops;

32. reiterates and stresses the need for regional and local authorities to play an active and responsible part in the consultation process on the cultivation of GMOs;

33. in particular, asks that before GMOs are introduced into a Member State, specific studies and impact assessments are carried out involving timely consultation of the local and regional authorities concerned;

34. also calls for local and regional authorities to be provided with the means to call on the state with a view to prohibiting, on particular grounds, the cultivation of certain GMOs in their area;

35. calls on the Commission and the Member States to describe the resources and programmes needed to provide optimum technical and financial support for scientific research, including at local and regional level;

36. underlines the need for national and regional legislation on GMOs to refer explicitly to the precautionary principle;

37. agrees with the choice to establish a new simplified notification procedure under Directive 98/34/EC which is currently in force;

38. calls on the Member States and the regions to ensure cross-border cooperation with outlying areas, in order to safeguard Member States' choices with regard to GMOs;

39. in this context, recommends that the Commission set up a website containing links to the existing national location registers;

40. emphasises that it is not certain that the proposal will be able to meet the objectives it has set itself in view of international obligations (particularly in respect of the WTO);

41. draws attention to the success of the European initiative adopted on GMOs (over a million signatures collected) and wishes to know how this initiative will be integrated into the current debate.

Brussels, 28 January 2011.

*The President
of the Committee of the Regions*
Mercedes BRESSO

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