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I

(Resolutions, recommendations and opinions)

RESOLUTIONS

COMMITTEE OF THE REGIONS

125TH PLENARY SESSION, 9-11 OCTOBER 2017

Resolution of the European Committee of the Regions — 2017 European Semester and in view of the 2018 Annual Growth Survey

(2018/C 054/01)

Submitted by the EPP, PES ALDE, EA and ECR political groups

THE EUROPEAN COMMITTEE OF THE REGIONS (CoR),

- having regard to the documents of the 2017 European Semester, namely the Annual Growth Survey, the Country Reports, the National Reform Programmes and the Country-specific Recommendations;
- having regard to its Resolution on the European Commission's Annual Growth Survey 2017 (RESOL-VI/019) adopted on 8 February 2017;
- having regard to the European Parliament's report on the 2017 Annual Growth Survey (2016/2306(INI));

Relaunching investments

1. stresses that 55 % of all Country-specific Recommendations issued in 2017 address obstacles to investment which the local and regional authorities can help to remove⁽¹⁾; recalls the need to address the mismatch between functions and financial resources of local and regional governments;
2. insists that cohesion policy should remain the EU's main investment tool. Considers however that its governance and its interactions with the European Semester should be improved to further increase the multiplier effect of cohesion spending and its contribution to sustainable and inclusive growth;
3. while welcoming the introduction in January 2015 of flexibility margins within the Stability and Growth Pact, the CoR calls for further measures to boost public investment, notably in infrastructure and social inclusion, by excluding national, regional or local co-financing in the context of the European Structural and Investment Funds from the accountancy mechanism of the Stability and Growth Pact likewise co-financing to the European Fund for Strategic Investments, setting out an EU-level typology for quality of public investment in the accounts of public expenditure according to its long-term effects, reviewing the methodology for calculating the 'structural deficit' in order to take account

⁽¹⁾ CoR, 2016 European Semester, Territorial analysis of the Country-specific Recommendations, Report of the Steering Committee of the Europe 2020 Monitoring Platform.

of the intrinsic characteristics of national economies and of the structural differences of public expenditure and proposing that an indicator relating to the investment rate be included to the macroeconomic scoreboard;

4. notes that LRAs are involved in about 25 % of projects of the European Fund for Strategic Investment (EFSI) financed by the EIB, but that, as shown by a recent study commissioned by the CoR, significant challenges to their involvement remain, due to administrative capacity, intrinsic complexity of, and low awareness about, the EFSI among cities and regions⁽²⁾; underlines that more awareness-raising, technical support, advice and synergies with other sources of EU funding are necessary to strengthen the involvement of LRAs in EFSI implementation and ensure a better geographical balance of EFSI projects;

5. shares the Commission's assessment that EFSI is 'far from reaching its full potential in boosting human capital development. Additional efforts have to be deployed to design instruments adapted to this sector and to ensure that social and financial actors cooperate more closely'⁽³⁾;

6. underlines the importance of continued structural reforms at all levels of government and the removal of red-tape accompanying ongoing investments so as to help improve our business environments and our economies' investment appeal;

7. points out that access to finance is still a major challenge for SMEs, start-ups and scale-ups in Europe; welcomes measures such as the European Venture Capital Fund of Funds; calls on the Commission, in cooperation with local, regional and national authorities, to take further measures to leverage private investment and promote differentiation of funding sources;

Pursuing structural reforms and responsible fiscal policies

8. reiterates its call for stronger coordination of all EU capacity-building measures and simplification of EU Funds; stresses that 53 % of the 2017 CSRs address issues of administrative capacity, in particular at the subnational level;

9. believes that the EU budget should support Member States' efforts to implement structural reforms and to remove red-tape accompanying ongoing investments and approves therefore the establishment decided in May 2017 of the EUR 142,8 million Structural Reform Support Programme (2017-2020) which will contribute to institutional, administrative and structural reforms aimed at financing actions of European added value to enhance competitiveness, productivity, growth, jobs, cohesion and investment;

10. reiterates its call on the Commission to consider proposing a fiscal capacity for the Eurozone which could help stabilise the Eurozone if and when needed;

11. calls on the Commission to assess the difficulties that regional and local authorities may face when applying the Public Procurement Directives and underlines the need at local and regional, level for instruments, such as knowledge centres, as a means to help enhance administrative capacity at all levels of government in respect of public procurement and state aid by providing technical assistance and guidance;

12. stresses the need for inclusive growth and improvement of the EU's social dimension through the implementation of a European Pillar of Social Rights⁽⁴⁾ by a strong European social agenda, in which competitiveness and social justice complement each other, and which would foresee inter alia an increased role for social indicators in the European Semester and real wage convergence in line with productivity;

⁽²⁾ http://cor.europa.eu/en/documentation/studies/Documents/Implementation-EFSI/implementation_EFSI_pdf.pdf

⁽³⁾ See Communication from the Commission on '2017 European Semester: Assessment of progress on structural reforms, prevention and correction of macroeconomic imbalances, and results of in-depth reviews under Regulation (EU) No 1176/2011' COM/2017/0090.

⁽⁴⁾ CoR opinion on 'The European Pillar of Social Rights and Reflection paper on the social dimension of Europe', rapporteur: Mauro D'Attis (EPP/IT), adopted by the CoR on 11 October 2017 (SEDEC-VI/027).

13. underlines against the background of the Commission's reflection paper on 'Harnessing globalisation' ⁽⁵⁾ the need to help achieve a wider pool of beneficiaries of the benefits of globalisation, to develop further the concept of territorial resilience and stop promoting 'structural reforms not seeing that their territorial impact is uneven due to regional disparities' and — to build the EU's effort to harness globalisation around three main axes: a *pro-active strategy* on improving skills, knowledge, infrastructure, a *mitigation strategy* including the European Globalisation Adjustment Fund (EGAF) and other policy instruments, and a *participative strategy* to better involve citizens in the EU policy-making process; also calls for an upgrade of the EGAF by increasing its budget; — integrating it into the MFF; — lowering significantly the criteria for triggering the EGA; — ensuring synergies with the European Structural and Investment Funds;

14. insists that current global pressures require a comprehensive and place-based EU industrial strategy ⁽⁶⁾, encompassing the strategic coordination between the relevant EU policies and instruments;

On the 2017 European Semester and towards the 2018 Annual Growth Survey

15. stresses that 76 % of all 2017 Country-specific Recommendations are territory-related, because they address challenges concerning some regions or cities more than others, and their implementation relies on subnational levels of government; notes that 62 % of such recommendations are directly addressed to the local and regional authorities, which highlights the role of the local and regional authorities in undertaking structural reforms;

16. stresses that two thirds of the 2017 National Reform Programmes acknowledge the existence of regional disparities, all of them mention the involvement of the local and regional authorities in the implementation of the NRPs and 70 % of them mention their involvement in the preparation of the NRPs, though still mainly through mere consultation;

17. underlines that the involvement of the local and regional authorities at an early stage as partners in co-designing the NRPs, and the systematic adoption of a multilevel governance approach, would significantly increase the rate of implementation of the recommendations, help to address regional disparities and favour increased ownership on the ground and strengthen trust within and between Member States;

18. invites the EU institutions to implement the CoR proposal of a Code of Conduct for the involvement of the local and regional authorities in the European Semester ⁽⁷⁾ and welcomes the European Parliament's endorsement of it ⁽⁸⁾;

19. recommends that the 2018 Annual Growth Survey includes a specific chapter on the state of the regions and addresses the role of the local and regional authorities, and asks that Member States do the same in their National Reform Programmes; welcomes the support for the call to inject a territorial dimension in the Country-specific recommendations; invites the European Commission to meet representatives of the local and regional authorities when visiting countries at the beginning of the Semester. In the context of support for the incorporation of a territorial dimension into the European Semester, highlights the opportunity to include demographic changes among the elements incorporated, thus linking them to the European Semester, as stated in the CoR opinion on the EU response to the demographic challenge;

20. considering the current mismatch between the annual process of issuing Country-specific recommendations and the medium and long-term programming approach required by the ESIFs, reiterates ⁽⁹⁾ its belief that the inclusion of cohesion policy in national reform programmes must be redesigned in such a way that maintains the territorial dimension and the partnership-based, decentralised approach;

⁽⁵⁾ CoR opinion on the Commission's reflection paper on 'Harnessing globalisation', rapporteur: Micaela Fanelli (PES/IT), adopted by the CoR on 10 October 2017 (ECON-VI/024).

⁽⁶⁾ A CoR own-initiative opinion on 'a European strategy for industry: the role and perspective of regional and local authorities' is currently drafted by Heinz Lehmann (EPP/DE).

⁽⁷⁾ CoR opinion on 'improving the governance of the European Semester: a Code of Conduct for the involvement of local and regional authorities', rapporteur Rob Jonkman (ECR/NL), adopted on 11 May 2017.

⁽⁸⁾ See EP Resolution on the 2016 European Semester adopted on 26 October 2016.

⁽⁹⁾ CoR opinion on 'The future of Cohesion Policy beyond 2020 — For a strong and effective European cohesion policy beyond 2020', rapporteur Michael Schneider (EPP/DE), adopted on 11 May 2017.

21. notes that many Country-specific recommendations are reiterated for several years because complex reforms take time to be implemented; is pleased to see that the European Commission shares the suggestion, made by the CoR, that progress in the implementation of such recommendations should be measured on a multiannual, rather than annual, basis; notes that the Commission has found that, on this basis, 'around two thirds of CSRs issued until 2016 have been implemented with at least some progress' ⁽¹⁰⁾ (compared to 43 % for all CSRs issued in 2016); requests the Commission to transparently publish all elements of such assessment;
22. stresses that the European Semester needs a long-term policy framework; acknowledges in this context the Commission's efforts to link the UN 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs) with the Europe 2020 Strategy and thereby with the European Structural and Investment Funds. However, given the complexity and the multitude of different reference frameworks, underlines the need for policy coherence, mainstreaming and a consistent governance framework and expects the Commission to rapidly come up with relevant proposals in this regard;
23. stresses that Europe's refugee and migrant crisis, which began in 2015, is still a major problem for many regions and local authorities. It therefore requires a robust and practical response at European level, including in terms of new funds;
24. points, with concern, to the high level of long-term unemployment, particularly among young people, affecting the economies of various EU Member States; calls, therefore, on the Commission and the Member States to expedite all necessary measures to support the labour market;
25. instructs the President to forward this resolution to the Commission, the European Parliament, the Council, the President of the European Council and the Estonian Presidency of the Council of the EU.

Brussels, 11 October 2017.

*The President
of the European Committee of the Regions*
Karl-Heinz LAMBERTZ

⁽¹⁰⁾ EC Communication accompanying the Country-specific Recommendations for 2017, COM(2017) 500 final (https://ec.europa.eu/info/files/2017-european-semester-communication-country-specific-recommendations_en).

Resolution of the European Committee of the Regions on recommendations to the heads of state or government gathering in Brussels on 24 November 2017 for the fifth Eastern Partnership summit

(2018/C 054/02)

THE EUROPEAN COMMITTEE OF THE REGIONS (CoR)

- having regard to the shared commitment to international law and fundamental values, including democracy, the rule of law, respect for human rights, fundamental freedoms and gender equality, as well as to the market economy, sustainable development and good governance, on which the Eastern Partnership is based;
- having regard to the fact that armed conflicts and destabilisation in many countries and regions in the EU neighbourhood are hindering the development of lasting partnerships ⁽¹⁾;
- having regard to the rights-based approach, implemented by the EU since 2016, encompassing all human rights, whether economic, political, civil, cultural and social, as one of the guiding principles of ENI financial assistance, and the important role that LRAs play in defending key rights at local and regional level, inter alia the protection of minorities;
- having regard to the fundamental principles of local autonomy, which represent a European value codified in the framework of the European Charter of Local Self-Government;
- having regard to the importance of engaging civil society organisations, young people and local authorities, particularly in the implementation of new country-specific frameworks for bilateral cooperation, in the form of updated Association Agendas and Partnership Priorities, in a way that contributes to the democratic and economic transformation of the partner countries ⁽²⁾ and strengthens their relations with the EU;
- having regard to the role of local and regional authorities in strengthening resilience, defined as a broad concept encompassing the whole of society, featuring democracy, trust in institutions and sustainable development, and the capacity to reform ⁽³⁾;
- having regard to the role of the Conference of the Regional and Local Authorities for the Eastern Partnership (CORLEAP), as acknowledged in the *Report on the Implementation of the European Neighbourhood Policy Review* and the Joint Staff Working Document on EaP milestones towards 2020;
- having regard to CORLEAP's commitment to pursuing the objectives of the EaP in accordance with the reviewed European Neighbourhood Policy and the EU Global Strategy on Foreign and Security Policy, promoting and implementing, at local level, the universal values upon which the EU is founded, deepening cooperation among local and regional authorities, their associations and civil society organisations, for the benefit of all citizens;
- having regard to the CORLEAP report on Developing civic participation as a way to strengthen local democracy in the Eastern Partnership countries and the recommendations therein;
- having regard to the CORLEAP report on *Energy efficiency: The role of local and regional authorities* and the recommendations therein;
- having regard to the launch of new initiatives in the field of sustainable municipal development, such as Mayors for Economic Growth and the second phase of the Covenant of Mayors East, which are bottom-up governance models capable of stimulating local authorities' engagement with citizens and local and international institutions;

⁽¹⁾ CoR opinion on the *Review of the European Neighbourhood Policy*, October 2016.

⁽²⁾ Council conclusions on the Eastern Partnership, November 2016.

⁽³⁾ Joint Communication on *A Strategic approach to resilience in the EU's external action*.

- having regard to the mid-term review of ENI assistance 2014-2017;
- having regard to further strengthened cooperation with the permanent observers⁽⁴⁾ of CORLEAP and other institutional partners;

Strategic environment

1. underlines that local and regional authorities continue to develop as players and policy shapers within the Eastern Partnership architecture, whereas many of the key EaP deliverables are based on achievements and sustained efforts at sub-national level, and further support is needed to enable them to grow into their role;
2. welcomes local and regional authorities' reinforced role in the implementation of Eastern Partnership policies, strategies and flagship initiatives, including their increased involvement in the work of the multilateral platforms and their panels;
3. welcomes in particular the debates dedicated to strengthening local and regional democracy within the Eastern Partnership's Platform 1 on Democracy, good governance and stability;
4. recommends that a structured engagement with local and regional authorities and their associations is pursued as a cross-cutting element of all four Eastern Partnership priority areas, pointing out that people-to-people contacts are just as important as economic and energy connections;
5. emphasises that the engagement of LRAs is key in the context of a more efficient and effective EaP multilateral structure and calls for a further enhanced correlation with the work carried out by CORLEAP;
6. insists on the participation of EaP LRAs in drafting policy recommendations and legislation, as well as their active involvement in negotiations with the central authorities on projects and decisions of interest for the local and regional levels;
7. welcomes the Commission proposal '20 Deliverables for 2020' as an important step in bringing concrete results to the citizens of the EaP countries and commits to actively contributing to the implementation of these Deliverables;
8. calls for adequate political, financial and technical support for all EaP countries within the framework of targeted and more effective partnerships with the EU, in order to better steward their reform process, and with a view to consolidating local democracy and territorial development;

Local democracy and good governance

9. reaffirms that the overall objectives of local democracy and public administration reform, including through a process of decentralisation, remain at the core of CORLEAP's contribution to the implementation of the European Neighbourhood Policy at local and regional level, irrespective of the chosen degree of partnership with the EU within the framework of a reviewed policy;
10. states that the effectiveness of the EU's involvement with the Eastern Partnership countries requires the highest degree of participation of local communities, which are becoming increasingly active;
11. emphasises that local elections are essential in terms of engaging citizens and should be accompanied by a process of reflection on how to work more effectively for the public;
12. considers that local and regional authorities are well placed to support the development of a strong civil society and to help ensure the democratisation and modernisation of local communities;
13. calls for existing EU funding schemes, in particular TAIEX and Twinning, to be further adapted so as to target the needs of local and regional stakeholders;
14. encourages a multi-stakeholder approach to local and regional development in the EaP countries based on close cooperation between LRAs, civil society organisations and citizens, in relation to various activities such as support for sport, associations for young people and the elderly, and citizen centres;

⁽⁴⁾ Civil Society Forum, the Euronest Parliamentary Assembly and the Congress of Local and Regional Authorities of the Council of Europe.

15. calls for efficient decentralisation reforms to be accompanied by effective anti-corruption measures at all levels of government, in order to ensure that stronger governance impacts positively on citizens' daily lives;
16. calls for a greater role and appropriate resources for the associations of local and regional authorities to assist LRAs in participating in the drafting and implementation of national/sectoral/regional strategies and policies affecting them, and in providing services;
17. highlights the need for open dialogue in inclusive public administration and local government reforms, including as part of territorial reforms, and in promoting a partnership culture between local and central authorities;
18. calls for a dynamic approach with regard to transparency, anti-corruption and integrity at all levels of governance, including the local level, thereby helping to build citizens' trust in public authorities and improving the environment for economic development;
19. promotes a tailor-made and multi-country approach, in order to address the real needs in each and every country, in the best interests of local communities and stronger resilience at local level;
20. advocates a sustainable and transparent regulatory framework to enable local and regional authorities to enhance their organisational and institutional capacities;
21. reiterates the call for simplified access to European funds for local and regional authorities and civil society organisations in cooperation with subnational governments;
22. calls for capacity-building strategies, programmes and curricula, both for local elected representatives and for local administrations, in order to enable local and regional authorities to take full responsibility for the management of the services they provide;
23. calls for gender issues to be taken into account in all ongoing local and regional reforms so as to prevent any gender discrimination;
24. calls on Eastern Partnership countries to respect the right of national minorities to education in their languages in line with the Framework Convention on Protection of National Minorities.
25. reiterates the request that the individual annual reports of the EU on the EaP countries should contain assessments of the advances in regional economic development, the decentralisation process, local self-government and territorial cooperation, in order to further adapt and target EU support;
26. draws attention to the Division of Powers website⁽⁵⁾, hosted and developed by the European Committee of the Regions, which provides an overview of levels of institutional and fiscal decentralisation in EU and neighbouring countries, and can support such regular analysis;
27. draws attention to the positive role played by the CoR through the U-LEAD programme and Ukraine Task Force, which help to share expertise and knowledge between local and regional authorities from the EU and Ukraine;

Energy efficiency and local economic development

28. welcomes the fact that one of the main EaP priorities is to provide assistance to partner countries for policies focusing on energy efficiency;
29. calls on national governments to increase their financial support and the competences attributed to communities, which are required for developing local energy strategies;
30. supports the European Commission's specific programmes for EaP LRAs;
31. calls on the Commission to work together with the EU delegations to substantially increase the visibility of cooperation programmes at regional and local level, and to strengthen capacity-building at subnational level;

⁽⁵⁾ www.cor.europa.eu/divisionofpowers

32. recommends promoting and strengthening regional and local initiatives aimed at improving investment conditions in EaP countries, such as political and economic partnerships between the European and the EaP regions and cities, entrepreneurial associations and networks;
33. recommends agreeing on sectoral pilot projects within the deliverables for 2020, whose implementation would be the responsibility of local and regional authorities, so that experience can be gained with decentralisation processes;
34. believes it essential to make more resources available for cross-border cooperation, with a particular focus on people-to-people contacts, partnerships between local authorities, and scientific, cultural and youth exchanges; the extension of the Small Project Fund to neighbourhood countries could boost cooperation at grassroots level;
35. calls on national governments to facilitate project registration and, where relevant, the involvement of European Groupings of Territorial Cooperation (EGTCs) and their respective regions or cities in cross-border cooperation programmes, with the aim of implementing projects based on territorial needs;
36. insists on local and regional authorities being involved in the programming exercise relating to the new bilateral assistance programmes under the ENI for 2017-2020.

Brussels, 11 October 2017.

*The President
of the European Committee of the Regions*
Karl-Heinz LAMBERTZ

OPINIONS

COMMITTEE OF THE REGIONS

125TH PLENARY SESSION, 9-11 OCTOBER 2017

Opinion of the European Committee of the Regions — Climate finance: an essential tool for the implementation of the Paris Agreement

(2018/C 054/03)

Rapporteur: Marco Dus (IT/PES), Member of Vittorio Veneto Municipal Council, Treviso**Reference document:** Own-initiative opinion**POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS

1. observes that there is incontrovertible scientific evidence indicating that global warming is occurring and that this change will have significant and growing effects on the economy and on society as a whole. In particular, climate change has a major impact on the areas run by local and regional authorities. In many cases local and regional authorities find themselves in the front line in mitigating damage caused by increasingly extreme natural phenomena and investing in adaptation measures;
2. voices its concern over the effects of climate change beyond the EU's borders as well, where there is often limited capacity to deal with extreme environmental events and to adapt territories to the changes under way. Notes that this can also have a direct impact on migration;
3. believes that local and regional authorities in the EU have ample scope to improve their investment capacity (and to attract outside investment) in the area of climate change despite difficulties relating to budgetary constraints, long-term planning capacity and the management of complex projects. This commitment is essential in order to further improve the good overall performance of the EU, which is currently responsible for 9,6 % of global CO₂ emissions;
4. stresses that enormous investment is necessary to deal with the challenges of climate change and that this cannot be covered by local and regional resources, or even with public resources alone. That is why the Committee welcomes international, European and national initiatives aimed at mobilising private investment;

International action

5. highlights once again the fact that climate change is a global problem, but that in order to address it in the most effective way possible a multi-level, multi-stakeholder governance approach is needed. In light of this, the Committee calls on the European Commission to recommend, including under the United Nations Framework Convention on Climate Change (UNFCCC), that the role of local and regional governments be recognised and enhanced with a view to achieving the objectives of the Paris Agreement more effectively;

6. holds the view that despite the relatively impressive ambition and commitment shown by some developing countries, the slow pace at which some countries are implementing the Paris Agreement is no longer acceptable and the intention of the United States of America to withdraw from its commitments cannot be endorsed. The CoR strongly reiterates that upholding the aims of the Agreement is not an option but a necessity. That is why the Committee encourages the Commission and Member States to take all measures necessary to ensure that the EU can become the true international leader in the fight against climate change, exploiting to the full opportunities for innovation and development arising from the gradual transition towards a new economic and financial model;

7. believes that the next COP23 in Bonn should be more than a meeting between experts, leading instead to substantial progress towards fully implementing the Paris Agreement, in particular with regard to aspects related to climate financing (need to boost long-term climate financing, review of the Financial Mechanism, etc.);

8. proposes that, in the run-up to the future COP24 in Katowice, an international discussion be launched in the UNFCCC on which indicators might be used alongside the concept of greenhouse gas emissions in order to propose more effective climate change measures;

9. given the scant ambition already displayed by some States in this international context, considers the role of local and regional bodies to be essential both in involving the general public and raising awareness of climate change issues, in attracting investments and in implementing specific projects. However, in order to achieve this, local and regional authorities require awareness, readiness to act and financial management capacity. In this regard, the Committee highlights the excellent results that the Covenant of Mayors is obtaining and its recent expansion beyond the EU's borders. The Committee therefore calls on the Commission to strengthen this initiative and to promote the Global Covenant of Mayors as much as possible, providing financial and technical assistance, especially in countries where national ambition is clearly lacking;

10. recognises that part of the solution lies in operating the global financial markets more efficiently. For this reason, the Committee considers it a priority to raise investor awareness of the risks and opportunities linked to climate change — so that they are able to move towards more sustainable investments — and welcomes the final recommendations by the Financial Stability Board's Task Force on Climate-related Financial Disclosures. However, the CoR calls on the Commission to assess the impact of disclosing climate risks, with a view to being able to put a cost mitigation tool in place for local and regional authorities if, for instance, insurance costs were to increase rapidly;

11. welcomes the initiative by the OECD to set up a Centre on Green Finance and Investment, with the aim of supporting the transition to a green, low-carbon, climate resilient economy and calls for coordination between international and European initiatives;

European action

12. recognises that the EU has launched various laudable initiatives in the area of climate finance, such as the European Commission's High-Level Expert Group on Sustainable finance, the European Energy Efficiency Fund, the European Investment Bank's Climate Awareness Bond (CAB), the European Local ENergy Assistance programme (ELENA) that provides technical assistance, the LIFE financial instruments and many others. In particular, the Committee welcomes the references to the issue of environmental sustainability in the Commission's action plan on the Capital Markets Union (CMU). While welcoming all these very positive initiatives, the CoR recommends avoiding any overlaps and paying full attention to coordination between all policies and initiatives at European level;

13. particularly recommends that, in order to better coordinate the initiatives in progress and ensure greater consistency between European policies, the Commission assess the possible synergies between the High Level Expert Group on Sustainable Finance and the new Support to Circular Economy Financing Expert Group;

14. proposes, with regard to the discussions on the new post 2020 EU Multiannual Financial Framework (MFF), that climate change and sustainability issues become a dominant cross-cutting trend across all funding programmes, and that minimum allocation targets for climate be included both for the MFF as a whole and for the main funding programmes

(starting with the Structural Funds and the new framework programme for research and innovation), and calls for these priorities to be consistent with the objectives of economic, social and territorial cohesion in the EU;

15. suggests that *ex ante* impact assessments of EU legislative proposals be accompanied as a matter of course by a climate impact assessment and an assessment of how they will contribute to the Paris Agreement objectives. This exercise should pave the way for developing a long-term uniform, sustainable climate strategy allowing greater investment in climate adaptation, as recently recommended by the European Court of Auditors ⁽¹⁾;

16. calls on the Commission to authorise the European Banking Authority to prepare — as soon as possible, but following appropriate consultation with the relevant stakeholders and duly involving the private sector — a precise classification of sustainable assets that includes clear and binding definitions of ‘climate finance’, ‘green finance’, ‘sustainable finance’ and ‘circular finance’, building on existing initiatives (such as, for example, the European Investment Bank’s CABs). Moreover, a common European taxonomy should be flanked by guidelines for investors and a specific labelling system based on appropriate performance indicators, providing a simple and concise assessment of the quality of the assets;

17. calls on the Commission and the Member States, in cooperation with local and regional authorities, to create a predictable and stable regulatory system for climate change related investments. This is of utmost importance to foster private sector involvement in climate finance;

18. urges the European Parliament and the Council, when reviewing the banking prudential regulation, to give serious consideration to the possibility of including a ‘green supporting factor’ — based on the model of the infrastructure supporting factor proposed by the European Commission during the ongoing revision of the Capital Requirements Regulation (CRR) — in order to free up resources for private investments, with a reduction in capital requirements for institutions that grant loans for sustainable investment and climate-related purposes;

19. recognises that an efficient greenhouse gas emissions permits market, regulated by the European Emissions Trading System (ETS), could offer a partial solution to the problem of climate change, if implemented together with an ambitious energy efficiency and renewable energy policy. Regrets, therefore, that the proposal for amending the ETS presented by the European Commission in 2015 is still awaiting final approval, while the prices for emissions permits are still too low. The Committee reiterates that a minimum percentage of ETS auction revenues should be managed directly by local and regional authorities to invest in improving local resilience. The Committee also calls on the Commission to assess special measures, such as setting a minimum carbon price or re-assessing the idea of a European carbon tax;

20. calls on the European Commission to tackle uncertainty surrounding investment in biofuels which arises due to the fact that the Commission has only granted temporary derogations for biofuels from the rules on state aid for energy and carbon taxes, and — equally important — to reduce the administrative burden on renewable energies so that it is not greater than that on fossil fuels;

21. calls on the Commission to improve the share of the budget earmarked for climate and environmental sustainability measures under its development aid programmes for third countries, in line with the European Parliament’s recently approved regulation establishing the European Fund for Sustainable Development (EFSD), which set a climate investment target of 28 % of the total budget. Calls, moreover, for projects to involve local and regional authorities in the EU to a greater extent, with a view to sharing their successful experiences with their counterparts in third countries, thereby developing their skills. The principles of ‘climate justice’ should be at the centre of the international engagements to ensure that investments are human-rights based and assist communities most vulnerable to climate change, not least by creating a climate of cooperation between public and private actors, in keeping with Goal 17 of the United Nations’ Sustainable Development Goals ⁽²⁾;

⁽¹⁾ Landscape review: EU action on energy and climate change 2017. Available at: <http://www.eca.europa.eu/en/Pages/DocItem.aspx?did=41824>

⁽²⁾ Goal 17: Revitalize the global partnership for sustainable development: <http://www.un.org/sustainabledevelopment/globalpartnerships/>

22. stresses that sometimes the rules on state aid and/or European accounting rules for public bodies, which are often strict, can make environment and climate investments more difficult; therefore asks the Commission to check whether there is room for manoeuvre to make these investments more appealing in accounting terms;

23. is of the view that it would be helpful to establish an ad hoc instrument to improve the capacity of local and regional authorities to navigate between the various existing initiatives, access climate financing and obtain appropriate technical support. For this reason, the CoR offers its support to the Commission in drawing up an operating manual that will offer a simple and comprehensive map of funding opportunities at European and international level specifically for local and regional authorities. Suggests, moreover, that a concise version of this map could be made available to all stakeholders via a web portal. This would offer a single source of information providing an overview of all the funds available to finance climate action;

National and local action

24. calls on Member States to involve local and regional authorities to a greater extent in drawing up national energy and climate plans in order to encourage coordination between national plans and local and regional ones, in line with Article 4 of the Paris Agreement governing national contributions to greenhouse gas emissions reductions;

25. refers once again to its proposal to increase the involvement of local and regional authorities, set out in its opinion on the communication from the European Commission on Delivering the benefits of EU environmental policies through a regular Environmental Implementation Review COM(2016) 316 ⁽³⁾. In this opinion, the Committee calls on the European Commission to work closely with the relevant national, regional and local authorities, the CoR itself, the EU Covenant of Mayors, the Global Covenant of Mayors for Climate and Energy and the International Council for Local Environmental Initiatives (ICLEI) on developing the concept of and methodologies for introducing Local and Regionally Determined Contributions. Pathfinding local and regional authorities would initially be involved on a voluntary 'proof of concept' basis;

26. suggests that the national plans on climate and energy include medium-term climate investment plans covering the main measures planned, listed according to the relevant level (national or sub-national) and the type of support needed to fill any funding gaps, and also assessing for this purpose the use of innovative financial instruments;

27. bearing in mind the importance of the sustainable energy action plans as a means of achieving national and EU contributions on reducing greenhouse gas emissions, suggests endeavouring to involve local and regional authorities effectively by simplifying the implementation, reporting processes and monitoring systems of these plans. Alignment between national strategies and local authority Sustainable Energy and Climate Action Plans (SECAP) should be given consideration in this respect. Resources for SECAPs, in line with Covenant of Mayors methodology, should be further promoted by the Commission and supported by national governments;

28. recognises that local and regional authorities should be helped to gain a clear understanding of climate risks in their own area, in order to be able to take the best possible decisions. Improving socio-economic assessment, reporting and communication would help articulate the impact of climate action on society, informing local decision-making and resource allocation. The map of environmental risks available on the European Climate Adaptation Platform (Climate-ADAPT) ⁽⁴⁾ is a positive and useful initiative, even although it is still little-known and made up of fragmented information with regard to regional and local data. There is an overall need to raise awareness of EU action and tools for climate adaptation at local level. For this reason, the Committee would ask the Commission to increase its support for the platform with a view to completing the data collection process and disseminating the results with more attention given to the regional and local level as first responders in crises;

⁽³⁾ Draft opinion ENVE-VI/021 Environmental Implementation Review (EIR), which will be voted on at the October 2017 plenary session.

⁽⁴⁾ <http://climate-adapt.eea.europa.eu/>

29. emphasises, furthermore, that creating new instruments such as green bonds and collective guarantees is important to facilitate financing. They can be developed by local and regional authorities, in cooperation with/supported by national and European institutions. There are many good current examples of this;

30. calls on Member States to reward climate financing measures taken by local bodies via specific programmes (e.g. as provided for by the Luxembourg Climate Pact ⁽⁵⁾), which guarantees additional resources for local bodies that commit to implementing certain energy efficiency measures) by removing potential internal constraints on public finances or by providing other forms of support;

31. urges all policy-makers and national governments in particular to put forward and implement bold measures, which do not focus primarily on short-term electoral returns but on the consequences of action (or inaction) on future generations, both as regards health and environmental quality and economically. The CoR therefore suggests that subsidies to economic activities with a high environmental impact (therefore characterised by high emissions), bearing in mind the risk of carbon leakage, be gradually phased out until they disappear completely, within a reasonably short time-scale and in any event by 2035;

32. calls for the development of common and integrated general packages on making old and new buildings more energy efficient and reducing their carbon footprint, implementing minimum energy efficiency and performance requirements for new buildings, and allocating more resources to making existing buildings more energy efficient.

Brussels, 10 October 2017.

*The President
of the European Committee of the Regions*

Karl-Heinz LAMBERTZ

⁽⁵⁾ <http://www.pacteclimat.lu/fr>

Opinion of the European Committee of the Regions — Future of CEF Transport

(2018/C 054/04)

Rapporteur: Ximo PUIG I FERRER (ES/PES), President of the Regional Government of Valencia

POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

A Connecting Europe Facility (CEF) with a regional perspective

1. recalls that the European Union integration process has been characterised from the outset by a constant increase in economic, political and social relations and partnerships between its constituent territories. Transport is a major contributor to economic and social prosperity in the EU by generating trade, fostering economic growth and providing millions of jobs. A modern European transport infrastructure policy supports the achievement of major European Union objectives as defined in the Europe 2020 Strategy, 'the White Paper on Transport 2011' and, the 10 priorities of the Juncker Commission, such as the smooth functioning of the internal market and the strengthening of economic, social and territorial cohesion;

2. recognises that the CEF, which was adopted in 2013 as a common legal framework and a funding instrument for the transport sector, is a cornerstone in the development of the Trans-European Transport Network (TEN-T) and, therefore, in the overall progress made towards a establishing a firmer EU vision. The CEF is designed as an essential co-financing instrument for setting up and completing TEN-T infrastructure and services. It must therefore be coupled with social well-being, cohesion, job creation⁽¹⁾, economic growth and environmental sustainability⁽²⁾, which is why the costs incurred by a Europe without the TEN-T and the CEF would be greater than the funding that is currently allocated to them⁽³⁾;

3. welcomes the efforts made during the current mid-term evaluation, in terms of openness, participation and gathering stakeholder proposals, as well as consulting with the Committee of the Regions (CoR)⁽⁴⁾;

4. believes that, as part of the mid-term evaluation of the CEF, the maintenance and development of its foundations and its importance in terms competitiveness should be promoted. Europe's social capital and European territorial cohesion should also be improved, as well as the idea of shared European citizenship with the free movement of people and goods, which is the essence of the European project. This development requires a review of budgetary allocations for procedures, criteria and project selection procedures, and the management, monitoring and evaluation of these;

⁽¹⁾ TEN-T Corridors: *Forerunners of a forward-looking European Transport System* (2016), by P. Balázs, P. Cox, C. Trautmann, P. Wojciechowski, L. Brinkhorst, M. Grosch, and K. Peijs: <http://www.europarl.europa.eu/cmsdata/116220/tent-issues-papers.pdf>

⁽²⁾ *TEN- Corridors: Forerunners of a forward-looking European Transport System*, 2016.

⁽³⁾ *The cost of non-completion of the TEN-T* (2016), Fraunhofer Institut für System und Innovationsforschung (ISI): <https://ec.europa.eu/transport/sites/transport/files/2015-06-fraunhofer-cost-of-non-completion-of-the-ten-t.pdf>

⁽⁴⁾ *Mid-term evaluation of the Connecting Europe Facility (MCE)*: <https://ec.europa.eu/energy/en/consultations/mid-term-evaluation-connecting-europe-facility-cef>

5. also warns that since their adoption in 2013, some of the considerations raised by the CoR are still valid ⁽⁵⁾. Some of the areas for improvement relate to insufficient budgetary allocation, doubts over the coordination of the CEF and other funds, the procedural complexity of the instrument, the inadequate role granted to local and regional authorities and the lack of subsidiarity at the various bodies for planning and implementing co-financing projects ⁽⁶⁾;

6. points out that the European Union, in its guidelines for developing the trans-European transport network, recalls that integrated policies are important, pointing out the need to ensure ‘the accessibility and connectivity of all regions in the Union, including the remote, insular and outermost regions’; hence the CoR calls for these regions, regrettably excluded from the main network, to become eligible for motorways of the sea measures;

7. points out to the European Commission that the world is witnessing radical changes in the relationship between economic development and the region, as well the emergence of a new type of urban and macro-regional system operating at global and local level at the same time ⁽⁷⁾. That is why any reform of the CEF should take into account the debates on how European strategic infrastructure and transport can contribute to reshoring industrial activity to Europe ⁽⁸⁾; how global geopolitical risk affects the shortening of value chains; the importance of quality regional government management bodies; the process of technological integration and the growth of interstate regional inequalities (the regions have recently seen divergence in GDP per capita and interstate cohesion, coupled with the process of convergence between Member States ⁽⁹⁾). At the same time, in terms of negative dynamics, it should be noted that the budgetary adjustment processes have forced the regions to cut investment, particularly in sectors linked to transport infrastructure ⁽¹⁰⁾. Moreover, while in 2014 public investment recovered slightly at central government level — through use of the public deficit — the decline continued at subnational level ⁽¹¹⁾ which has increased regional disparities and reinforced centralisation. The future revision of the CEF must consider this new context as well as measures that exploit the potential of the strategic European transport infrastructure to reduce the risks identified in the industrial and geopolitical domains, compensate for the increase in regional disparities and reverse the negative trends in public investment;

Funding

8. recognises the Commission’s willingness to allocate funding to the TEN-T through the CEF. The initial budget allocated of EUR 33,2 billion was a significant financial commitment; moreover, the fact that the mechanism intends to rely on capital and the private initiative is an important aspect in terms of co-financing ⁽¹²⁾;

⁽⁵⁾ Opinion of the Committee of the Regions on the *Connecting Europe Facility* (CoR 648/2012), adopted at the 96th plenary session on 18 and 19 July 2012.

⁽⁶⁾ *Results of the OECD-CoR consultation of subnational governments. Infrastructure planning and investment across levels of government: current challenges and possible solutions* (2016): <http://cor.europa.eu/en/documentation/brochures/Documents/Results%20of%20the%20OECD-CoR%20consultation%20of%20subnational%20governments/2794-brochureLR.pdf>

⁽⁷⁾ *Macro-regional strategies in changing times* (2016) and *The State of European Cities 2016: Cities leading the way to a better future* (2016).

⁽⁸⁾ Eurofound. *ERM annual report 2016: Globalisation slowdown? Recent evidence of offshoring and reshoring in Europe* (2017), J. Hurley, D. Storrie and E. Perruffo: <https://www.eurofound.europa.eu/publications/annual-report/2017/erm-annual-report-2016-globalisation-slowdown-recent-evidence-of-offshoring-and-reshoring-in-europe>

⁽⁹⁾ ‘OECD Regional Outlook 2016. Productive regions for inclusive societies’ (2016): <http://www.oecd.org/publications/oecd-regional-outlook-2016-9789264260245-en.htm>

⁽¹⁰⁾ ‘OECD Regions at a Glance 2016’ (2016) (http://www.oecd-ilibrary.org/governance/oecd-regions-at-a-glance-2016_reg_glance-2016-en)

⁽¹¹⁾ Chapter 2 ‘Using the fiscal levers to escape the low-growth traps’: <https://www.oecd.org/eco/public-finance/Using-the-fiscal-levers-to-escape-the-low-growth-trap.pdf>

⁽¹²⁾ *Assessment of Connecting Europe Facility: in-depth analysis* (2016), by J. Papi, M. Sanz and Blomeyer, R. (2016): [http://www.europarl.europa.eu/RegData/etudes/IDAN/2016/572677/IPOL_IDA\(2016\)572677_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/IDAN/2016/572677/IPOL_IDA(2016)572677_EN.pdf)

9. regrets, however, the budget restrictions suffered as a result of the adjustment policies implemented throughout the last decade. The reductions made during the early years of its implementation could put the objectives set for the 2020 period, 2030 (core network) or 2050 (global network) out of reach;

10. points out, in this regard, and as part of the review of the multiannual programme, that the objectives set out by Regulations (EU) No 1345/2013 and (EU) No 1216/2013 are binding community objectives;

11. calls, therefore, for a full exploration of opportunities to increase the current allocation — with particular awareness of local needs as articulated by local, metropolitan and regional stakeholders — to improve the coordination of the various funds (EFSI, CEF, Cohesion Fund) or other instruments proposed by the EIB — ensuring that the CEF is not reduced in favour of the EFSI once again — and for clarification of the timetable for specific calls — and for this to be done in compliance with the subsidiarity principle (bottom-up approach). These calls could be published at the beginning of the financial perspectives period and will enable better planning, thereby allowing stakeholders to anticipate their publication;

12. stresses that funding from the CEF and other related facilities should not compete with the EFSI or with its market-based approach, which aims to attract new funds and to mobilise inactive capital. Consequently considers the EFSI and the CEF to have different objectives and believes therefore that they should not be considered as interchangeable. However, in cases where there may be synergies between the two funds, an optimal mix of these resources should be sought in order to stimulate investment in the EU;

13. also recommends, when applying Article 50 of the Treaty on the European Union (Brexit), that the Commission implement the legislative and political instruments needed to ensure a sufficient budgetary allocation to the TEN-T transport policy, with provisional and flexible appropriations which can be topped up if necessary;

14. points out that any delay in implementing the elements of the TEN-T network will lead to reduced growth opportunities for the regions participating in the project and will limit the impact of interregional network cooperation;

15. considers that, given the need to increase the activity of the cohesion countries, and in order to maintain complementarity between the CEF and the Cohesion Fund, the budget allocation for the cohesion countries should be maintained;

Selection, project management and governance

16. calls on the Commission to make a determined effort to improve the selection, project management, governance and monitoring of the activities linked to the CEF, through measures such as:

- making the calls for proposals more predictable;
- amending the non-binding nature, under Article 17(3) of Regulation (EU) No 1315/2013, of the implementation of the priority projects set out in the aforementioned Part I of Annex I;
- further developing the concept of ‘European added value’ as a criterion for awarding projects, taking into account the particular situation of the outermost regions;
- simplifying application procedures, as well as providing specialised technical assistance for setting up and managing projects;
- developing two- or three-step mechanisms that allow the submission of simplified proposals during the first phase, with more detailed proposals only being required during the second or third phase, when there is greater financial security;
- designing a clear and transparent methodology, through the use of public criteria for the selection and signing of projects;
- including shared project management criteria, as well as consulting with the regions, at the project evaluation phase;
- clarifying the processes and criteria for monitoring and supervising co-financed projects;

- developing information policy principles for all stages of project selection, approval and implementation;
- strengthening the role of European forums of trans-European corridors in order to improve their decision-making capacity on the development of strategic infrastructure, which is essential to the proper functioning and the movement of flows through corridors such as cross-border sections, bottlenecks, urban-port nodes⁽¹³⁾ and missing links⁽¹⁴⁾, among others;
- keeping the calls for proposals open for longer;

17. considers that financing the TEN-T by means of an instrument shared with energy and telecommunications is artificial. Transport policy has been laid out clearly, and so the CoR recommends that it have its own instruments;

18. warns that Member States, especially those receiving money from the Cohesion Fund, must make more use of the technical help that is available for operational programmes in order to improve the capacities of local and regional bodies and other participants for absorbing EU funds. In the framework of the CEF instrument it is especially important that the less developed Member States also prepare quality projects with the help of technical assistance resources and can thus be equal candidates in relation to other Member States when applying for the calls for proposals for EU co-financing;

19. considers that while CEF financing of transport projects must primarily be based on subsidies, loans, guarantees or own funds could also be suitable;

The role of the regions and cities

20. highlights the high level of responsibility that the regional and local authorities have in implementing and monitoring public investments in general. In 2014, the subnational governments of the OECD were responsible for 40 % of public spending, 50 % of public procurement, 59 % of public investment and 63 % of staff expenditure⁽¹⁵⁾;

21. in this regard, it should be highlighted that the European Union shows varying degrees of trust in the institutions depending on the level of local or regional government (usually greater the closer the institution is to the people)⁽¹⁶⁾. Today, the public place greater trust in subnational governments than in higher-level public authorities⁽¹⁷⁾. Moreover, the regions and local governments are best placed to identify needs and resources, public-private cooperation is easier to integrate at this level, and management is more likely to be held accountable and transparent. Therefore, the next review of the CEF should be approached with a view to the 'co-production' of the TEN-T by multilevel administrations⁽¹⁸⁾;

22. in this context, the Commission should ensure that the Member States' infrastructure plans include the TEN-T objectives, giving priority to projects by Member States that are in line with the TEN-T;

23. calls, therefore on the Commission to decentralise project selection, management, monitoring and supervision procedures, by involving the regions to a greater extent in the CEF, with the following measures:

⁽¹³⁾ Opinion of the Committee of the Regions on the Regeneration of Port Cities and Port Areas, adopted at the 121st plenary session, 8 and 9 February 2017.

⁽¹⁴⁾ Opinion of the Committee of the Regions on the Missing transport links in border regions (CdR 4294/2016), adopted at the 121st plenary session, 8 and 9 February 2017.

⁽¹⁵⁾ See footnote 10.

⁽¹⁶⁾ 'Political trust and multilevel government', J. Muñoz, in *Handbook on Political Trust* (2017) edited by S. Zmerli & T. W. G. van der Meer: <http://doi.org/10.4337/9781782545118>

⁽¹⁷⁾ Question QA8a Standard Eurobarometer 86 (November, 2016): <http://ec.europa.eu/COMMFrontOffice/publicopinion/index.cfm/Survey/getSurveyDetail/instruments/STANDARD/surveyKy/2137>

⁽¹⁸⁾ 'Europe as a multilevel federation' (2017), M. Keating, in *Journal of European Public Policy*, 24 (4), *El poder de lo próximo: las virtudes del municipalismo* (2016) J. Subirats; *Las ciudades ante el cambio de era: la nueva gobernanza urbana: actores e instrumentos* (2016) J.M. Pascual and J. Subirats.

- abolishing the need for the state's final approval when signing projects (in favour of a criterion that is based more on subsidiarity), thus enabling the regions to sign the projects;
- as a result, including local and regional authorities among the parties authorised under Article 9 of Regulation (EU) No 1316/2013, authorising them to present and agree on the submission of proposals;
- the diversity of the competences held by the regions, depending on the constitutional order of each Member State, should enable the regions to take part, with no restrictions, in the European Fora on the TEN corridors. These forums should provide tools for both vertical coordination between governmental levels and horizontal coordination between subnational governments;
- implementing cooperation between the CEF and TEN-T, with new territorial strategies such as the macro-regional strategies (Baltic, 2009; Danube, 2010, Ionian-Adriatic, 2014 and the Alps, 2015), and other geographically based initiatives, with the measures taken being coordinated with instruments such as the European Groupings for Territorial Cooperation (EGTCs) and forums such as Nordregio, VASAB, etc. In addition, in areas where macroregions are developing and these have strategies and technical documents on transport and logistics services, it is recommended that these also be included;
- including the regions in defining and drafting work programmes, in the run up to the calls for tenders;

Local/regional issues in relation to global issues

24. stresses the overall benefits to the daily lives of EU citizens deriving from the completion of TEN-T. In order to raise the profile of the whole project at European level and facilitate European transport strategies, recommends that the public authorities brand the whole TEN-T network uniformly across the EU, identifying the infrastructures of the core and comprehensive networks, nodes and corridors, and recommends that the public authorities give special treatment to the nodes in the network as access points with clear, well-specified links to secondary and tertiary transport networks. In this regard, suggests that Member States and Regions take TEN-T into account in the design and implementation of their local road and rail transport flows, with a view to providing an integrated perspective that results in greater and increased mobility for all citizens — a critical factor in social inclusion and environmental protection; similarly, recommends that specific consideration be given to island regions to ensure that suitable provision is made for the necessary air and sea connections, ensuring freight and passenger access to the core network under the least burdensome conditions possible;

25. points to the need for the necessary infrastructure to be established, at both local and regional level, in regions where there are problems involving railways, to ensure that they can make use of rail transport under similar conditions to those existing in the other Member States;

26. in relation to this, the issues associated with disseminating information on achievements and the transparency of objectives and results should be examined in detail. The CEF and TEN-T maps should be brought closer to citizens through information points, infographics and documents;

27. points out that there is currently a lack of effective coordination and linkage of key transport investments identified in strategy documents at European, national and regional level. Regional authorities were not included in the management and implementation structure of the CEF, which limits the opportunities for assessing the added value, coherence and complementarity of planned investments using different sources of funding. A coordinating function could be provided via the EU's macroregional strategies;

28. points out that available funding should be concentrated primarily on the priority primary core network, taking into account the possibility of strengthening multimodal connections (port and rail). Any remaining funds could be used for secondary but robust support to projects of a smaller technical and budgetary scale, which have fewer opportunities to access additional private funding (due to their lower short-term economic returns), provided that they have a strong 'European added value', for example natural connections with the core network or those that complement it with elements of regional or interregional importance, on the condition that they are strategic, of structural importance and can be carried

out in the short term. This should be developed as part of a future two-way review framework: projects that contribute to creating a greater flow of goods and passengers via the priority corridors and projects that add clear value in terms of accessibility, connectivity and territorial cohesion;

29. consideration should be given to the 'external' dimension of the TEN-T, particularly in relation to third countries and areas of strategic cooperation such as the Mediterranean, the Baltic Sea Region, the Eastern Neighbourhood, the current and future European Economic Area and other regions of particular economic and geopolitical interest;

Priorities

30. endorses the three transport objectives and percentages for CEF, set out in Part IV of Annex I. Calls, however, for an amendment to Article 10 of the Regulation, which deals with funding rates, advocating for an increase in the latter for priority urban nodes, ports, maritime transport, and multimodal (such as combined rail and road transport networks) and 'last mile' platforms and connections;

31. proposes moving forward with the definition of a common technical standard for eligible CEF projects, with a view to achieving the harmonisation of the speed, performance, reliability and UIC gauge of the TEN-T corridors within the EU, as well as of standards governing their alternative fuel charging stations;

32. considers that cross-border transport must be a priority: these parts of the network are of least interest to the Member States and undeniably provide European added value;

33. proposes that the EU Urban Agenda organise a new partnership on transport nodes alongside the existing partnership on urban mobility. It would aim to analyse TEN-T networks crossing through urban and metropolitan nodes and their integration into urban settings, urban logistics, and, in particular, 'first and last mile' projects, as reaffirmed by the European Parliament's resolution of 19 January 2017 on logistics and multimodal transport in the TEN-T corridors⁽¹⁹⁾. As this Resolution indicates, urban nodes are where a large part of transport modes are located and where transshipments and last-mile distributions take place — as they are key to the whole logistic chains and it is here that the conditions necessary for connecting energy and transport networks to the digital space should be established;

34. in addition, consideration should be given to strengthening territorial cohesion through the full introduction of the UIC gauge on the EU railway network, emphasising the importance of cross-border routes — thus making the internal market for railway rolling stock more competitive for example — and territorial balance should be strengthened to include accessibility and connectivity criteria in all regions of the Union in the post-2020 period;

Sustainability in transport

35. recalls the vital importance that environmental sustainability has in the CEF and consequently calls for an increase in funding for this thematic area, in relation to mitigating the effects of climate change. Therefore calls for greater support, through key project allocation mechanisms, for instruments linked to multimodality in transport, such as 'Motorways of the Sea', — which have major effects on decarbonisation — as well as other projects along the same lines that promote economic, social and environmental sustainability and climate change mitigation: extending electric rail and road alternative fuel recharging networks and harnessing the potential of digital technologies in transport and measures for the adaptation of port facilities. It also refers to its opinion on 'A European Strategy for Low-Emission Mobility'⁽²⁰⁾;

36. the review of the CEF should take into account the new consumption trends recorded in the circular economy, in mobility and in production patterns.

⁽¹⁹⁾ <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+REPORT+A8-2016-0384+0+DOC+XML+V0//EN>

⁽²⁰⁾ COTER-VI/021.

37. proposes expediting support measures for sustainable transport (and examining the possibilities created by measures such as the European eco-bonus), potential taxation on infrastructure and the review of the Eurovignette Directive; the various revenues collected could feed into the CEF budget;
38. points out that when analysing the detailed arrangements of the TEN-T network, account needs to be taken of sustainable development in social, economic and environmental terms. In this respect, links in regions that face diverse problems, such as their remote or island location or economic, demographic or migratory imbalances, should not be neglected;

Brussels, 10 October 2017.

*The President
of the European Committee of the Regions*

Karl-Heinz LAMBERTZ

Opinion of the European Committee of the Regions — Environmental Implementation Review

(2018/C 054/05)

Rapporteur: Andrew Varah Cooper (UK/EA), Member of Kirklees Council**Reference document:** European Commission Communication on Delivering the benefits of EU environmental policies through a regular Environmental Implementation Review

COM(2016) 316 final

POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

A. General remarks

1. supports the idea that the Environmental Implementation Review (EIR) aims to improve common knowledge on the existing implementation gaps in EU environmental policy and law in each Member State, provides new solutions to accompany legal enforcement, addresses the underlying root and often cross-sectoral causes of these gaps and tries to encourage the exchange of good practices;
2. acknowledges that the EIR package published in February 2017 ⁽¹⁾ provides the first ever comprehensive overview of how EU environmental policies and laws are applied on the ground in the Member States, with 28 country reports. It shows that environmental policies work but that there are big consistency gaps in how these rules and policies are put into practice across Europe;
3. underlines that successful implementation of EU environmental policy requires close cooperation between all levels of governance, from the local up to the EU level; is therefore pleased that the Commission's Communication refers explicitly to cooperation with the Committee of the Regions, but recalls that further improvements are necessary in many Member States to ensure the effective involvement of local and regional authorities in reviewing and improving implementation;
4. calls on the European Commission and Member States to make the best use of the EIR to support that environmental considerations are taken into account in the macro-economic priorities of the European Semester process, and to support the achievement of the Sustainable Development Goals under the 2030 Agenda for Sustainable Development;
5. stresses the need for a structured implementation dialogue with each Member State during the course of 2017/2018 and the proper involvement of local and regional authorities, with the purpose of reflecting on how to address structural issues and the needs of the particular Member State;
6. recommends that the European Commission be more incisive in the EIR analysis and increase comparability between Member States. The European Commission should provide a transparent, easily understandable illustration of the progress made on key implementation challenges by individual Member States during the next EIR round, which should not result in any additional reporting by Member States, regions or cities;
7. urges the European Commission and Member States to continue strengthening the role of IMPEL and further developing national IMPEL networks that engage experts from regional and local authorities in sharing best practices ⁽²⁾;

⁽¹⁾ All documents available on http://ec.europa.eu/environment/eir/index_en.htm.

⁽²⁾ IMPEL is the European Union Network for the Implementation and Enforcement of Environmental Law. It operates across the EU's Member States.

8. considers that, where possible and appropriate, the EIR process should tie in with existing evaluation mechanisms that also relate to the implementation of European legislation, such as the Make It Work project, the activities of the IMPEL network, and the REFIT programme;

9. welcomes the European Commission Notice on Access to Justice in Environmental Matters⁽³⁾ and anticipates the guidance on environmental compliance as a further specific initiative by the European Commission in 2017 to support better implementation of environment law⁽⁴⁾;

10. supports the European Commission Report on Actions to Streamline Environmental Reporting⁽⁵⁾, as a result of the European Commission's Fitness Check of Reporting and Monitoring of EU Environment Policy⁽⁶⁾, to which the CoR contributed with the outlook opinion COR-2015-05660-00-00-AC-TRA. The CoR reiterates its call for a horizontal approach by the European Commission to environmental monitoring and reporting and therefore expects the European Commission to consequently apply actions 1 and 2 of the report, proposing legislative amendments to reporting obligations defined in pieces of existing or new legislation, with the purpose of further harmonising and simplifying these obligations.

B. The role of the CoR in the EIR policy cycle within the inter-institutional context

11. offers the European Commission close and structured cooperation for the whole EIR cycle, including activities by the Joint Technical Platform for Cooperation on the Environment⁽⁷⁾, focusing on the different structural implementation challenges for local and regional authorities and solutions to them, as highlighted in section D of the opinion. This also includes exploring means for the CoR to contribute to substantiating the EIR country specific reports and guidance for Member States by providing a territorial dimension, taking account of the experience the CoR has gained from its contributions to the Europe 2020 governance cycle through the regular assessment of the European semester from a local/regional perspective;

12. welcomes the fact that the European Commission indicates in its communication that the EIR is complementary to existing implementation efforts such as compliance assurance and infringement proceedings;

13. considers it to be important for the EIR system to be evaluated after two rounds (four years) to assess the effectiveness of the mechanism;

14. believes that the EIR offers an opportunity for a targeted cooperation between the CoR and the European Parliament, with exchanges on the challenges and solutions relating the implementation of EU environment law, bringing together the interests of the co-legislator and the experiences of decision-makers from the implementing authorities. The Committee invites the European Parliament to cooperate closely on both issues debated by the ENVI Committee — the EIR and the key implementation challenges and identified root causes — and on relevant future European Parliament implementation reports, including by holding joint meetings of the CoR ENVE Commission and EP ENVI Committee on these subjects;

15. underlines its preparedness to contribute to future EIR-related discussions held by the Council, informal meetings of Environment Ministers or other Council Presidency activities related to the EIR; offers its support during the preparations for these discussions and activities, in particular through targeted CoR opinions as requested by the Council Presidencies, and through meetings of the joint CoR/EC Technical Platform for Cooperation on the Environment;

16. suggests exploring the possibility of organising issue-specific meetings in close cooperation with local and regional authorities and the European Commission's and the EP's national representations in different parts of the EU territory; such events would serve to discuss specific local implementation challenges and could thus contribute to the country reports;

⁽³⁾ C(2017) 2616 final

⁽⁴⁾ CDR 5660/2015

⁽⁵⁾ COM(2017) 312 final

⁽⁶⁾ SWD(2017) 230 final

⁽⁷⁾ http://ec.europa.eu/environment/legal/platform_en.htm

C. Including more policy areas

17. regrets that the European Commission limited the initial focus of the EIR to the areas of waste management, nature and biodiversity protection, air quality, noise pollution and water quality and management ⁽⁸⁾;

18. urges the European Commission to make climate change an important element of the next round of the EIR and to include climate change mitigation and adaptation whilst ensuring compatibility with the provisions of the energy union governance; recalls the pivotal role of local and regional authorities in tackling climate change and encourages in this respect the formulation and allocation of regional and local climate change targets, in addition to the Nationally Determined Contributions, as an important feature of delivering the Paris climate change obligations;

19. stresses the need to incorporate the implementation of the Industrial Emissions Directive into the next round of the Review. In this respect, the IMPEL network should have a more prominent role in the process in order to support the collection of good practices for 2019;

20. also recommends integrating EU policy on chemicals, which is a cornerstone of EU environmental policy. The EIR should highlight shortcomings and positive experiences with respect to the registration, evaluation and authorisation of chemicals.

D. Root causes of bad policy implementation

21. welcomes the European Commission's intention to improve country-specific knowledge on the quality of public administrations and governance and the division of competences between national/regional/local authorities in the implementation of EU environment law;

22. acknowledges that in addition to the more complete analyses of the implementation gaps in the traditional environmental sectors, the EIR provides — for the first time in relation to environment — preliminary findings on the possible root causes of poor implementation;

23. recommends that the Environmental Implementation Reviews focus on ineffective coordination between local, regional and national authorities, in order to address: unclear divisions of competencies and responsibilities, a lack of administrative capacity, insufficient financing and use of market based instruments, a lack of policy integration and policy coherence, a lack of knowledge and data and insufficient compliance assurance mechanisms ⁽⁹⁾.

Effective coordination between local, regional and national authorities

24. urges the European Commission to develop a common methodology for the national EIR dialogues and provide guidelines to ensure the full participation of local and regional authorities throughout the process;

25. highlights the interaction between improving implementation and improving regulation: the instruments used by the EU, the coherence and consistency of EU legislation and the administrative burden all also need to be examined in the event that environmental policy objectives are not being met;

26. asks Member States to facilitate the establishment of Local and Regional Environmental Implementation Reviews corresponding to the national reviews;

27. recommends that Member States liaise more closely with local and regional authorities as early as the policy development and legal transposition stages and, as encouraged in the 7th EAP, for example in the framework of vertical cross-governmental dossiers teams;

⁽⁸⁾ For a detailed summary of the results for the different policy fields see: EPRS (European Parliament Research Service) Briefing 03/2017: Environmental Implementation Review. Produced at the request of the CoR in the framework of the Cooperation Agreement between the Parliament and the CoR.

⁽⁹⁾ See also the CoR study report of September 2017 on 'Effective multi-level environmental governance for a better implementation of EU environment legislation', carried out by Milieu Ltd. Available on <http://cor.europa.eu/en/documentation/studies/Pages/studies.aspx>

28. stresses the need for Member States to further develop mechanisms to improve effective vertical coordination, including clear division of responsibilities between different government levels;

29. urges Member States and regional and local authorities to further reduce fragmentation, including by taking further steps such as introducing integrated environmental permits that combine the various sectoral environmental permits, and by streamlining the EIA and SEA procedures⁽¹⁰⁾.

Strengthening of administrative capacity in relation to the implementation of environmental policy

30. stresses, as confirmed by the EIR, that there is a lack of financial, human and technical resources to properly implement EU environment legislation in many local or regional authorities and that in particular smaller municipalities often have limited resources to develop their own technical expertise on regulatory requirements; underlines therefore the need for more assistance from the EU level, either directly or by encouraging Member States to provide support, for regional and local authorities to cooperate horizontally (within Member States and cross-border) in order to aggregate projects, to exchange best practices and to develop common processes and procedures;

31. calls on the Member States, regional and local authorities to ensure that the financial and human resources allocated to local and regional environmental administrations are commensurate with their (transferred) tasks;

32. urges the European Commission to make EU guidelines available in more languages, and the Member States to produce common standards, templates, check-lists, and training programmes in cooperation with regional and local authorities to ensure the consistency of implementation and reporting;

33. requests local and regional authorities to review the quality of procedures, to streamline environmental permitting and to pool resources with other departments, thus achieving economies of scale and tackling environment problems which cut across administrative boundaries, while making use of the EU Quality of Public Administration Toolbox⁽¹¹⁾;

34. asks the European Commission, Member States, and regional and local authorities to promote the involvement of local and regional experts in the IMPEL network, and in the up-coming EIR peer-to-peer tool;

35. asks the European Commission, and in particular the Member States to involve local and regional experts when developing EU guidelines, as well on related national guidelines, in order to make for greater clarity and flexibility in implementing them;

36. urges the European Commission to allocate a sufficient budget to the new EIR peer-to-peer tool. The Commission should also ensure its complementarity with the peer-to-peer activities carried out by IMPEL, and with the exchange of environmental issues by managing authorities under the TAIEX REGIO PEER 2 PEER tool.

Making better use of European funding for the implementation of the environmental acquis

37. urges local and regional authorities, with support from the Member States, to make use of the technical assistance available under Thematic Objective 11 of the European Structural and Investment Funds (ESIF) to increase the institutional and administrative capacity of their environment departments and their capacity to absorb ESIF funding in particular for large scale environmental infrastructures (Objective 6). Also encourages them to make use of the EU Structural Reform Support Programme to improve their environment administration;

38. supports the idea that additional Member States set up networks of experts from cohesion policy managing authorities dedicated to promoting environmental investments;

39. asks the EU, during its preparations for the next MFF, to fully explore options for an increase in EU funding for implementing environment legislation, including the option of ring-fencing a certain percentage for this purpose.

⁽¹⁰⁾ Environmental Impact Assessment (EIA) and Strategic Environmental Assessment (SEA).

⁽¹¹⁾ European Commission, 2015: 'Quality of Public Administration — A Toolbox for Practitioners'.

Policy integration and coherence

40. recognises that insufficient integration of environmental concerns into other policy areas is another root cause of the poor implementation of environmental legislation and therefore recalls the need to mainstream key environmental and climate change policy objectives across the whole range of EU activities;

41. asks local and regional authorities to ensure proper coordination at a political and strategic level, by adopting local/regional sustainable development strategies and ensuring that environmental concerns are incorporated at an early stage in their spatial planning to reduce conflicts. Also calls for proper integration of environment concerns at an early stage by applying SEAs;

42. urges local and regional authorities to promote voluntary sectoral agreements with key industrial sectors, and 'contracts' between public authorities and societal stakeholders, with the aim of providing information, identifying problems and finding solutions;

43. stresses the fact that the EU must pursue stronger and more effective source-based policies in many areas of environmental policy without which it will remain impossible to comply with various pieces of EU legislation on environment quality standards at local or regional level;

44. asks the European Commission and the Member States to better assist competent local and regional authorities in meeting these standards and targets;

45. requests that the European Commission work with relevant national authorities, the European Committee of the Regions, the EU Covenant of Mayors, the Global Covenant of Mayors for Climate and Energy and ICLEI to develop the concept and methodologies for introducing Local and Regionally Determined Contributions, thereby contributing towards Climate Change targets agreed under the COP21 Paris Climate Agreement. Pathfinding local and regional authorities would initially be involved on a voluntary 'proof of concept' basis.

Improving the accessibility of knowledge and data

46. acknowledges that the limited availability of data still causes implementation problems at different governance levels in many Member States and that local and regional authorities can have a pivotal role in collecting knowledge and data and providing information to the public, encouraging greater awareness among citizens;

47. welcomes the fact that the EIR is supposed to be based on existing data and that it should lead to better use and cross-referencing of these data, improving their accessibility not least for local and regional authorities;

48. supports a structured debate on the appropriate allocation of responsibilities and resources in Member States' between municipalities, regions and the national level, in order to ensure that reports and indicators relating to the state of the environment are consistent, effective and reliable;

49. urges Member States, in cooperation with the competent local and regional authorities, to further develop Structured Implementation and Information Frameworks (SIIFs) for all key EU environment laws;

50. requests that the European Commission ensure Member States and their local and regional authorities properly implement the existing minimum requirements contained in the Directive on access to information;

51. asks local and regional authorities pursue an active information policy. This should be two-way (including feedback mechanisms) and provide more citizen-oriented information, such as online map-based tools, apps and educational campaigns;

52. supports the involvement of NGOs in collecting and disseminating environmental information to citizens and the use of 'citizens' science' to collect environment data;

53. urges the European Commission and Member States to support authorities in deploying e-solutions and eGovernment to improve their environmental monitoring and reporting; e.g. through the eGovernment Action Plan 2016-2020, the LIFE programme, the Connecting Europe Facility (CEF) and the Horizon 2020 programme and within the context of the launch of Reportnet 2.0 by the European Environment Agency ⁽¹²⁾;

54. asks for efforts at all levels to ensure electronic environmental data sharing and the further development of INSPIRE ⁽¹³⁾. The involvement of regional and local authorities in the INSPIRE process should also be strengthened.

Sufficient compliance assurance mechanism

55. is worried that the EIR analysis indicates that compliance monitoring and enforcement are often a cause for concern, due to ineffective sanctions and interactions between inspectors and prosecutors. Local and regional authorities can face problems in interpreting and integrating incoherent EU provisions when undertaking compliance assurance activities. Many local authorities' administrations are too small to ensure professional environmental law enforcement;

56. asks local and regional authorities to ensure clear designation and allocation of powers and the professionalism of competent authorities; to effectively coordinate with national authorities (i.e. police, customs and prosecution services) and to explore creating joint regional environmental enforcement agencies in cases where their own inspection powers are limited;

57. urges national, regional and local authorities to apply a risk-based approach to compliance assurance, ensuring the best mix of monitoring, promotion and enforcement, and better prioritising the use of their limited resources;

58. calls on local and regional authorities, due to their closeness to businesses and citizens, to engage in compliance promotion activities which involve cooperation with regulated business communities, relevant NGOs and citizens;

59. asks Member States, regional and local authorities to apply swift enforcement measures and adopt proportionate and dissuasive sanctions for breaches of EU environment law, consequently applying Directive 2008/99/EC on environmental crime;

60. urges national, regional, and local authorities to address corruption and to ensure the proper functioning of justice systems in the field of environment, upholding the procedural rights conferred on citizens by EU environmental legislation ⁽¹⁴⁾;

61. supports all initiatives of national and regional authorities and associations of local authorities to increase their knowledge by sharing of best practices developed by European networks such as i.e. IMPEL, the European Network of Prosecutors for the Environment and the Network of police officers;

62. urges the European Commission and Member States to continue to strengthen the role of IMPEL and further develop national IMPEL networks that engage experts from regional and local authorities in sharing best practices.

Brussels, 10 October 2017.

*The President
of the European Committee of the Regions*
Karl-Heinz LAMBERTZ

⁽¹²⁾ Action 3 of COM(2017) 312 final

⁽¹³⁾ Directive 2007/2/EC.

⁽¹⁴⁾ The overall effectiveness of national justice systems is addressed by the EU Justice Scoreboard and the European Semester (https://ec.europa.eu/info/sites/info/files/european-semester_thematic-factsheet_effective-justice-systems_en.pdf).

Opinion of the European Committee of the Regions — A European strategy on Cooperative Intelligent Transport Systems

(2018/C 054/06)

Rapporteur: Bouke Arends (NL/PES), Member of the Executive Council of Emmen

Reference document: Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: A European strategy on Cooperative Intelligent Transport Systems, a milestone towards cooperative, connected and automated mobility

COM(2016) 766 final

POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

INTRODUCTION

1. states that the European strategy on Cooperative Intelligent Transport Systems (C-ITS) is an important step towards a strategy for cooperative, connected and automated driving. The integrated deployment of C-ITS in transport systems in and between cities and regions can offer considerable societal benefits, such as increased safety, a cleaner environment, better accessibility, social inclusion and more job opportunities;
2. calls for, in addition to the measures referred to in the communication, more far-reaching measures to be taken in order to tap the full potential of C-ITS and meet the longer-term goals: low-emission fully-automated multimodal transport, mobility as a service, and door-to-door transport, particularly to promote social inclusion;
3. recognises that other building blocks are needed on the path towards the ultimate goals. These are being developed by the Commission in different packages, partly in parallel and partly in stages, and include measures for low-emission transport, and determining the necessary changes to physical infrastructure;
4. wishes the EU to play a coordinating role in the development of an interoperable system as regards the standards and rules for transport communication systems and technologies;
5. believes that the cooperation of local and regional authorities in implementing each intermediate step on the path towards the ultimate goals is crucial, and that the Commission therefore needs to involve them more actively and more widely;
6. calls on the Commission to make it clearer to local and regional authorities how the various EU activities are interlinked and what they should lead to. This requires more coherent and focused communication with local and regional authorities regarding the Commission's closely linked packages of measures. Only then can local and regional authorities fulfil the role that is required of them to achieve the goals and make interoperability between regions and cities possible;
7. asks the Commission to take specific measures, delivered with the help of local and regional authorities, aimed particularly at winning public support, as this is necessary to achieve the ultimate goals of automated low-emission transport. Public support is needed not only to be able to exchange the data necessary for C-ITS, but above all for the acceptance of increasingly automated transport. In this context, the technology should be at the service of the users;

EUROPEAN MEASURES TO ENABLE THE IMPLEMENTATION OF COOPERATIVE, CONNECTED AND AUTOMATED MOBILITY

8. notes that most journeys and transport operations take place over short distances within regions. More than half of all goods (in terms of weight) transported by road are moved over distances of less than 50 km and more than three quarters over distances of less than 150 km, according to calculations based on Eurostat data. In the case of passenger transport, journeys are usually much shorter;

9. thus, also calls for specific measures and funding for deploying C-ITS outside of the Trans-European Transport Network;

10. urges the Commission to pursue a specific approach to introducing C-ITS in intermodal traffic and transport hubs, in line with the recent shift in the focus of research within Horizon 2020 towards the integration of transport modes and the link to automation. This should be in line with the approach in the corridors, in order to bring about an integrated transport system;

11. points to the fact that these hubs are primarily located in urban regions and cities where multimodal transport can make the largest contribution to reducing the negative impact of traffic and transport, such as congestion, air pollution, parking problems and low levels of road safety. Cycling is also part of multimodal transport and is also primarily local and regional in nature;

12. notes that to date the Commission has devoted much attention to road transport by car, but that automated systems are also under development in public transport, inland waterway transport, air transport and rail transport (e.g. drones and the Hyperloop);

13. requests, therefore, that links and interoperability with public transport and between the different modes be promoted from the outset through targeted measures;

14. notes that the Commission rightly wishes to adopt measures for vulnerable road users, but that this also means paying greater attention to local and regional circumstances;

15. calls for specific measures for all vulnerable road users, i.e. riders of motorcycles, scooters, e-bikes and (electric) lightweight vehicles for the disabled, as well as pedestrians and cyclists;

16. acknowledges that the high traffic density and intricate infrastructure in urban regions creates a complex traffic situation, placing particular demands on C-ITS systems. Thus there are trials and projects underway in these regions and cities in Europe to ensure that C-ITS is also a success in these types of environments;

17. notes that the introduction of C-ITS in urban areas, and in cities in particular, is complex and therefore less attractive for developing business cases;

18. calls on the Commission to take steps to remove barriers to introducing C-ITS in urban regions and cities;

19. also calls for steps to be taken to ensure that systems that are developed and tested there are well integrated with systems for traffic and transport over longer distances, between countries and regions;

20. believes that, as a building block for automated transport, mobility as a service and door-to-door transport, C-ITS can also contribute to social inclusion. This is true in the case of job accessibility and mobility for those who struggle to or cannot use the transport systems currently available, such as the elderly and disabled people. C-ITS may ultimately help to improve transport services, particularly in rural areas, where public transport is under pressure or has already disappeared. Tailor-made automated transport could become a possibility in more sparsely populated regions;

21. notes that it is also potentially difficult for more sparsely populated rural regions to develop business cases without the assistance of regional and local authorities;

22. therefore calls on the Commission to encourage and enable local and regional authorities to also implement C-ITS in outlying and outermost, less developed, island and other more sparsely populated regions;

THE PATH TO IMPLEMENTING C-ITS IN 2019

Priorities for implementing C-ITS services

23. notes that the C-ITS strategy is still primarily targeted at intermediate stages in the medium term towards automated transport;

24. asks the Commission to also develop scenarios and measures to prepare for the longer-term development towards fully automated transport which will bring greatest economic and social benefit in the future.

25. calls for the necessary funding to be made available also after 2019;

26. calls on the Commission to introduce measures for other transport modes, intermodality and broader deployment in the longer term (in addition to the measures referred to in the communication which focus purely on road transport and the very short term);

27. asks the Commission for a broader, more comprehensive long-term approach that focuses on the concepts of mobility as a service and door-to-door transport, and the positive impact of these on economic development, social inclusion, as well as on low-emission transport.

28. calls on the Commission to identify what specific steps and measures need to be taken in different scenarios;

29. calls on the Commission to develop a communication programme for winning public support;

30. calls for cities and regions, and their representatives such as the European Committee of the Regions, to be closely involved at each stage when further developing EU C-ITS policy;

Interoperability at all levels

31. considers that interoperability across different transport modes requires additional measures, both for freight and passenger transport services. It must be possible to interlink information flows; however, that requires more than simply coordinating communications systems (5G, etc.), but also the ability to link data from different transport modes. In this process, both local and regional authorities and private entities (vehicle manufacturers, navigation system operators, mobility service providers, etc.) acquire data, but the latter are not required to make their data available in anonymised form to other users, such as infrastructure operators. In order to ensure safe and effective traffic management and to operate their infrastructure, however, infrastructure operators — which in many cases are local and regional authorities — are reliant on information that is as complete and up-to-date as possible. This key element of mutual disclosure and availability of data, which currently applies only to the provision of data by public authorities to private entities (Directive 2003/98/EC on the re-use of public sector information) is not discussed in the communication;

32. also calls for measures for organising information chains, in addition to the measures referred to in the communication in the area of communication technologies. The relevant question is not only how things are communicated, but above all what is in fact communicated;

33. notes that some aspects of the information chain can ultimately only be regulated at international or European level, such as the accessibility and availability of vehicle data;

34. also points out, however, that the support and cooperation of local and regional authorities are also vital for the availability of information from local and regional traffic management systems;

35. notes that interoperability requires not only measures in the area of ICT but also changes to the physical infrastructure;

36. calls on the Commission to inform local and regional authorities about this in good time. Investment in local and regional infrastructure should be carried out in a way that meets the requirements of C-ITS. More uniformity is required for interoperability;

37. notes that interoperability between different transport modes in Europe requires the EU to pay greater attention to the importance for C-ITS of inter-modal transport hubs such as stations and terminals, and that these are located mainly in urban regions and cities;

38. calls on the Commission, together with (representatives of) local and regional authorities, to highlight bottlenecks impeding the deployment of C-ITS in intermodal transport hubs, and to develop measures to eliminate them;

Legal framework

39. agrees that, in order to achieve an interoperable system, EU regulation in the area of standards, and legislation and rules in the field of communications systems and technologies are desirable;

40. calls on the Commission to closely involve (representatives of) local and regional authorities also when developing legal frameworks, given their importance in developing C-ITS;

41. is of the opinion that, aside from regulating, the following particular measures at European level are essential in order to introduce C-ITS and achieve the ultimate goals of introducing sustainable automated transport, mobility as a service and door-to-door transport:

- coordination: there is a need for greater coordination between the various inter-related packages of EU measures and between the Commission and local and regional authorities;
- facilitating deployment and experimentation: while the current developments towards C-ITS are heavily market- and technology-driven, they require additional initiatives by public authorities at all levels to bring about C-ITS in different traffic situations and transport modes;
- research: for example on the necessary changes to physical infrastructure and the outlining of scenarios in order to develop long-term visions, despite the considerable uncertainties.
- monitoring and evaluating: for the way forward after 2019 it is necessary to establish at this stage how the implementation of the measures in the first and second phases will be monitored and evaluated, and how monitoring and evaluating will proceed with regard to market and public acceptance, technical development, and the state of play in different types of regions (urban and rural), different types of infrastructure ((inter)national, regional and local) and modes (road, rail and air) and in the area of goods transport and passenger transport;
- monitoring should be ongoing in order to make it possible to identify which of the possible scenarios is unfolding;
- communication: targeted communication, together with feedback, is needed both with regional and local authorities in order to achieve interoperability between regions, and — with their help — with the general public in order to win public support;

International cooperation

42. notes that the Commission communication rightly focuses on international cooperation between countries, but that many activities (should) take place at local and regional level in order to make C-ITS possible. Decision-making is therefore needed at different levels and by different authorities. These must be well coordinated with each other, which requires good communication between the European Commission and local and regional authorities on an ongoing basis;

43. calls for measures providing proper protection of personal data and privacy of users which is a determining factor for the successful deployment of cooperative, connected and automated vehicles;
44. therefore calls on the Commission to stimulate international cooperation between local and regional authorities in different countries in order to connect local and regional projects, tests and experiments as far as possible, and to share knowledge;
45. therefore calls for a detailed approach to be developed and put forward (e.g. similar to the Fuel Cells and Hydrogen Joint Undertaking, in which businesses and actively participating local and regional authorities cooperate with each other, with support from the European Commission).

Brussels, 10 October 2017.

*The President
of the European Committee of the Regions*

Karl-Heinz LAMBERTZ

**Opinion of the European Committee of the Regions — Strengthening territorial resilience:
empowering regions and cities to face globalisation**

(2018/C 054/07)

Rapporteur-general: Micaela FANELLI (IT/PES), Mayor of Riccia, Campobasso

Reference document: Reflection paper on harnessing globalisation

COM(2017) 240 final

THE EUROPEAN COMMITTEE OF THE REGIONS

I. GENERAL COMMENTS

1. welcomes the fact that by presenting its *Reflection paper on harnessing globalisation*, the Commission acknowledges globalisation as an essential item of the reflection process on the future of the European Union ⁽¹⁾. Indeed, the EU's ability to shape globalisation and to address its impact is key in the public debate about the future of Europe and its legitimacy in terms of citizens' expectations towards the EU;
2. acknowledges that the Commission has so far taken a comprehensive and informed approach to this issue, notably by presenting on 14 September 2017 quick follow-up measures to the Reflection Paper in the form of a trade package presenting a European framework to screen foreign direct investment as well as a permanent multilateral investment court. This trade package will be subject to a separate opinion by the CoR. Insists nonetheless on the necessity that the Commission pursues a holistic approach with regard to globalisation, encompassing in particular social policy and policies on human capital and innovation, as well as migration and demographic change and its spatial effects;
3. also welcomes the balanced depiction of the challenges and opportunities brought by globalisation in the Reflection Paper on harnessing globalisation. Globalisation has contributed to economic growth in many regions of the world, thereby also improving many European citizens' standard of living. But not all regions and sections of the population have benefited equally from the effects of globalisation. Furthermore, many people are unsettled by the profound changes taking place. The EU must continue to play an active role in shaping the process of globalisation and actively make use of the opportunities it offers. The goal must be to ensure a fairer distribution of the opportunities of globalisation, both within the EU and globally;
4. emphasises the key role that strategic thinking on finance, the social pillar and cohesion policy plays in enabling the Commission to respond more constructively to the challenges of globalisation and stresses the urgent need for more and better coordination of those aspects;
5. supports the Commission's intention to work together with international partners to strengthen global governance so as to distribute the opportunities brought by globalisation more fairly. The acceptance of international policies needs to be improved by engaging in more democratic debates, a process that takes time and needs to be properly designed. The EU can put its experiences of the process of European integration to good use in this regard and work towards a peaceful, multilateral world order based on robust rules;
6. applauds the recognition by the Commission of the strong regional dimension in the different policy areas relating to globalisation, of the territorially uneven impact of globalisation ⁽²⁾ and of the shared responsibility of all levels of government to make the European economy more competitive, sustainable and resilient to globalisation, and ensure that, as stressed in the Annual Growth Survey (AGS) 2017 the benefits of globalisation 'are distributed fairly across different groups in society, notably young people, and that concerns for equality, fairness and inclusiveness call for raising awareness at all levels about the impact of policies and reforms on income distribution ⁽³⁾;

⁽¹⁾ Following a resolution by the CoR on the 'European Commission White Paper on the Future of Europe — Reflections and scenarios for the EU27 by 2025' adopted on 12 May 2017, the CoR has launched a consultation whose results will be presented in an opinion to be adopted in mid-2018.

⁽²⁾ Reflection paper on the future of EU finances, p. 16.

⁽³⁾ COM(2016) 725 final, 16.11.2016.

7. points out, however, that when discussing the uneven effects of globalisation on labour markets, the paper does not properly address the issues of how these effects vary across the EU's regions, how they interact with the crisis and austerity policies, and the significance of phenomena such as 'skills inflation' and the under-employment of the more educated sections of the workforce — especially among the young generation — and how this ties in with the reduction of employment among lower-skilled workers;

8. stresses that it is essential to preserve local and regional authorities' capacity to invest as a factor of globalisation resilience. Reiterates therefore that public spending by Member States and local and regional authorities under ESIF and EIB co-financing should not be included in structural expenditure as defined in the Stability and Growth Pact (SGP), given that such investments are by definition of general European interest and have a proven leverage effect when it comes to fostering economic growth⁽⁴⁾;

9. reiterates its firm belief that growth cannot go hand in hand with inequalities and social exclusion and points out that under Article 3(3) TEU the EU is committed to building a highly competitive social market economy, aiming at full employment and social progress; highlights, moreover, that Article 9 TFEU, i.e. the horizontal 'social clause' of that treaty, calls on the EU to take into account the requirements linked to the guarantee of an adequate level of social protection and the fight against social exclusion across all of its policies and activities;

10. points out that, according to recent studies, the cost of welfare policies does not undermine competitiveness and that, therefore, national welfare systems should be seen as a productive factor rather than something that curtails the economy, and notes here that, for the first time, even the OECD⁽⁵⁾ has deemed inclusion to be a primary objective alongside productivity and employment, pointing to the need for governments to pay more attention to the social groups that are most exposed to the costs of the reforms;

11. reiterates the concern that European fiscal rules sometimes make it difficult to redistribute the fruits of globalisation to the disadvantaged sections of society but also often amplify their hardships as the mechanisms of social protection and wealth redistribution have been scaled back; underlines the fundamental role played by local and regional authorities in providing public services⁽⁶⁾ and greatly regrets the increasing difficulties they encounter as regards ensuring innovation in those services and maintaining their high quality, as a result of those same fiscal rules. Expects therefore an increased recognition in particular in the European Semester process of the role which is played by local and regional authorities in the implementation of Goal 11 of the Sustainable Development Goals in relation to inclusiveness, safety, resilience and sustainability;

12. welcomes the Commission's Reflection paper on the social dimension of Europe⁽⁷⁾ and its proposal on a European Pillar of Social Rights, and regards both initiatives as decisive steps in the process of upward convergence towards better working and living conditions in Europe as well as in the better distribution of the benefits of globalisation; supports the idea of a social scoreboard and is of the opinion that social targets of a binding nature must be included;

13. suggests stopping promotion of 'space-blind structural reforms' while designing an EU strategy to harness globalisation to be built around three main axes: a clear *proactive strategy* on improving skills, knowledge, infrastructure, and thus regional competitiveness so as to help all EU territories to harness the opportunities of globalisation, a *mitigation strategy* including the European Globalisation Adjustment Fund (EGAF) and other social policy instruments, and a *participative strategy* built on democratic accountability at European, national, regional and local level to better involve citizens in EU policy making;

⁽⁴⁾ CoR opinion on *Promoting quality of public spending in matters subject to EU action*, BUDG-V-009, ref: COR-2014-04885, rapporteur: Catuscia Marini (IT/PES); CoR opinion on *Making the best use of the flexibility within the existing rules of the Stability and Growth Pact*; ECON-VI/002, ref.: COR-2015-01185, rapporteur: Olga Zrihen (BE/PES); CoR opinion on *Bridging the investment gap: how to tackle the challenges*, ECON-VI/014, rapporteur: Markku Markkula (FI/EPP), 8-9 February 2017.

⁽⁵⁾ OECD, *Going for Growth*, 2017.

⁽⁶⁾ EU Commission, *Sixth report on economic, social and territorial cohesion*, 2014.

⁽⁷⁾ CoR opinion on the *European Pillar of Social Rights and on the Reflection paper on the social dimension of Europe* is currently under discussion (rapporteur: Mauro D'Attis (IT/EPP), scheduled for adoption in the CoR plenary of 9-11 October 2017).

14. reiterates the fundamental importance of a renewed and enhanced place-based approach to EU policies that enables the processes of territorial reorganisation and agglomeration brought about by global market integration to be effectively governed. Such a reorientation — which is already central to cohesion policy — is vital in order to mitigate the increasing socio-territorial inequalities that have emerged within metropolitan and urban areas and between these areas and rural areas; the negative impact of these inequalities on levels of social well-being could threaten the political and institutional balance of the EU.

II. POLICY RECOMMENDATIONS

In relation to trade policy

15. highlights that trade is not an end in itself but has to be considered as a means to achieving the EU's overarching objectives, set out in Article 3 of the TEU, as well as the Europe 2020 Strategy, the 2030 Agenda for Sustainable Development and the Sustainable Development Goals ⁽⁸⁾;

16. welcomes the Commission's commitment to increase the transparency of trade negotiation processes. Calls on the European Commission, when it is engaged in negotiations and the decision-making process relating to trade agreement, to effectively engage with all levels of government and stakeholders when establishing a common EU position and effectively communicate the results of the negotiations. Also calls on the Member States to already increase transparency at the stage when trade policy objectives are formulated for a given trade negotiation;

17. points out that under Article 3(1) TFEU, the common commercial policy is among the EU's exclusive competences. However, where trade negotiations also cover areas of shared competences with Member States, the division of competences in those negotiations must also be clarified at the earliest possible stage also with reference to the subsidiarity principle;

18. considers that the Commission and Member States should adopt measures aimed at guaranteeing the involvement of local and regional authorities in trade negotiation processes;

19. recalls that, just a few days after the release of the Commission's reflection paper (10 May 2017), on 16 May 2017, the European Court of Justice (ECJ) presented its Opinion 2/2015 on the free trade agreement with Singapore, which comes to the conclusion that this type of agreement falls within the exclusive competence of the EU, with the exception of the provisions related to investment protection, which concern a competence shared between the EU and the Member States. Therefore, the Commission may tend in the future to propose trade agreements covering only areas of EU-exclusive competences. However, this approach should not lead the Commission to scale down its ambitions in terms of transparency and inclusiveness towards all levels of government. The CoR consequently expects the Commission to foresee a CoR representation within the advisory group on EU trade negotiations whose establishment was announced in its Communication of 13 September 2017 on 'A Balanced and Progressive Trade Policy to Harness Globalisation' ⁽⁹⁾;

20. calls on the Commission to achieve the goals of the 2030 Agenda for Sustainable Development via the new European Consensus on Development. Tackling the structural causes of poverty and growing global inequalities can also help to reduce the causes of migration;

21. notes that the largest share of global growth is going to come from outside the EU in the future. At the same time, tariff barriers have already been lowered considerably through multilateral and bilateral agreements. Expects therefore more pressure to be exerted on non-tariff barriers (NTB) and regulatory issues. However, the right to regulate in the public interest by European, national, regional and local authorities, as well as the role and wide discretion of national, regional and local authorities in organising and providing services of general economic interest, must still be fully respected. Regulatory cooperation shall not undermine democratic legislative processes;

22. welcomes the Commission's approach according to which efforts should be made to step up cooperation with the private sector under the proposed External Investment Plan, part of the European Fund for Sustainable Development (EFSD), so as to foster sustainable growth and jobs in developing countries. Adequate instruments must be created to this end in order to ensure that private investment has a sustainable and fair impact — one that is in the interests of developing countries and is not only oriented towards making a profit;

⁽⁸⁾ CoR opinion on the *Next steps for a sustainable European future — European action for sustainability*, CIVEX-VI/020, rapporteur: Franco Iacop (IT/PES), 6 April 2017.

⁽⁹⁾ COM(2017) 492.

23. emphasises that in its Opinion 2/2015, the ECJ considers that '(...) liberalisation of (...) trade (is) subject to the condition that the Parties comply with their international obligations concerning social protection of workers and environmental protection' (para. 166). Considers therefore that the negotiating directives for free trade agreement (FTA) negotiations should maintain the requirement of prior Sustainability Impact Assessments. Trade agreements must respect existing regulatory standards and labour laws which should be subject to a distinct chapter in future FTAs;

24. supports the Commission in its intention to continue working towards a peaceful multilateral world order based on robust rules. This involves complying with, effectively implementing and transparently developing trade agreements to ensure a level playing field, strengthen fundamental labour rights along the lines of the eight core labour standards of the International Labour Organization (ILO), and safeguard high European standards of protection, particularly vis-à-vis the Global South;

25. calls on the Council to reach swift agreement on the reform of trade defence instruments and in particular the EU's new anti-dumping methodology. Moreover, pleads on the basis of Article XXI of the GATT agreement as well as Articles 65 and 346 TFEU for a harmonisation of the criteria to define 'strategic investments' both in terms of value (intervention thresholds) and of sectors, when public security is at stake and the trade partners do not guarantee reciprocity. Welcomes against this background the philosophy of the proposal for a regulation tabled by the Commission on 13 September to screen foreign investment in strategic EU sectors as an important step towards a level playing field in Europe and better protection in particular in the case of corporate acquisitions in the EU by third country state-controlled undertakings;

26. notes that care must be taken to ensure that future free trade agreements respect the high standards applied in the EU, e.g. in terms of consumer protection, environmental and nature protection, and data protection;

27. stresses that as an export-oriented economy, the EU can gain from including public procurement in international trade agreements. The EU is already one of the world's most open economies in this domain due to the WTO Government Procurement Agreement. Asymmetrically opening up public procurement markets still further would not make sense. However, the wide mismatch between the openness of the EU's public procurement markets and the restrictive practices of major trading partners — and the fact that no reciprocity in the openness is guaranteed — means that a voluntary, non-binding initiative within the EU along the lines of a 'Buy from European Regions Charter', supporting high-quality local and regional products in Europe should be considered. Such an initiative could, for example, make clear how products 'Made in European Regions' can be encouraged. The CoR also reiterates its long-standing call on the Commission to present a legislative proposal on the extension of geographical indication protection to non-agricultural products;

28. stresses that the percentage of SMEs that is involved in international activities is still very low; recognises the importance of an EU economic diplomacy in order to make full use of this unexplored potential and stresses the need for a better coordination among the EU, Member States, LRAs and financial institutions such as the European Investment Bank (EIB) to overcome persistent market access barriers and for a better use of the network of EU Delegations in the world as well as the European Chambers of trade, Commerce and Industry;

29. considers that the EU should set tax transparency, fairness and efficiency among the top priorities of its trade policy and ensure the world-wide harmonisation of the implementation of common standards such as those proposed by the OECD through its Base Erosion and Profit Shifting initiative (BEPS);

30. also supports the call in relation to taxation policy that in the continuity of the Commission proposals for the directives on a Common Consolidated Corporate Tax Base, the Commission should propose establishing a so-called 'equalisation tax' on the turnover generated in Europe by digital companies, which would be based on Article 116 TFEU, in order to avoid distorted competition conditions in the single market;

31. expresses concern, despite the considerable analysis undertaken by Eurofound in particular through the European Reshoring Monitor, about the lack of appropriate tools to measure through concrete data the possibly asymmetric impact of globalisation at regional level and reiterates therefore its call for systematic territorial impact assessments to be carried out by the Commission in cooperation with the CoR and the JRC's Knowledge Centre for Territorial Policies ahead of launching trade negotiations;

In relation to internal policies

32. would have expected the reflection paper to propose concrete measures for an upgrade of the EGAF, addressing some of its shortcomings, *inter alia*: its limited budgetary scope (EUR 150 million per annum for the period 2014-2020); the lengthy procedures due to the fact that it is not part of the EU's Multiannual Financial Framework (MFF); the high ratio of co-financing by Member States required (minimum 40 %). Therefore calls for: complementing the EGAF with a preventive arm; increasing its budget to at least EUR 500 million per annum; integrating it into the MFF; lowering significantly the criteria for triggering the EGAF⁽¹⁰⁾; ensuring synergies with the European Structural and Investment Funds; ensuring greater flexibility in order to respond to the specific needs of regions and territories;

33. is convinced that current global pressures require a comprehensive and place-based EU industrial strategy⁽¹¹⁾, encompassing the strategic coordination between the relevant EU policies and instruments;

34. emphasises that, as stated in the Commission's documents, fundamental economic transformation happens at the local level, where industry and people interact. Our priority should therefore be to focus on investment needs at local and regional level, so that all regions can benefit from the internal market and be better prepared to meet the challenges of globalisation. The European Structural and Investment Funds, and in particular the European Fund for Strategic Investments, should be coordinated to help regions with their 'smart' specialisation strategies, and be made effectively accessible to all regions via a gradual innovation process, which should include all territorial actors;

35. stresses that the EU, which is now the world's largest importer and exporter of food, has increased its dependence on third countries. Agricultural prices in Europe are increasingly linked to the price of the lowest bidder on the world market and European farmers are therefore subjected to greater competition, despite the fact that they must comply with more stringent environmental, social and health standards. The EU's increased dependence on imports is also contradictory to its aim of reducing greenhouse gas emissions. Moreover, EU exports of surpluses at prices below the cost of production in Europe threatens the livelihood of farmers in developing countries and encourages rural populations to migrate, contrary to the EU's commitment to the UN Sustainable Development Goals (SDG). Reiterates therefore its call to reform the CAP in such a way that it becomes fairer and more sustainable⁽¹²⁾;

36. expresses concern at job losses resulting from the relocating of European companies to territories outside Europe with lower social, tax and environmental standards;

37. stresses that the European Pillar of Social Rights can contribute to improving living and working conditions and combating poverty if it translates into concrete legislative follow-up measures and if the role and profile of the social indicators is strengthened within the European Semester;

38. stresses that the issue of international migration is of central importance in the framing of an EU strategy on globalisation and reiterates⁽¹³⁾ its support for the 2015 European Agenda on Migration, pointing, in particular, to the need to follow up on the commitments made in relation to adopting a strong common policy on asylum and legal migration, building partnerships with third countries within which the role of regions and local authorities is recognised, and launching an international investment plan as part of efforts to implement the UN development goals;

⁽¹⁰⁾ Considering in particular that the equivalent US programme ('Trade Adjustment Assistance'/TAA) foresees no minimum threshold of redundancies to be reached.

⁽¹¹⁾ A CoR own-initiative opinion on 'A European strategy for industry: the role and perspective of regional and local authorities' is currently being drafted by Heinz Lehmann (EPP/DE).

⁽¹²⁾ See CoR opinion on 'The CAP after 2020' by Guillaume Cros (PES/FR) adopted on 12 July 2017 AC NAT-VI/21 (OJ C 342, 12.10.2017, p. 10).

⁽¹³⁾ See CoR opinion on the *Partnership framework with third countries on migration*, rapporteur: Peter Bossman (SI/PES), adopted on 9 February 2017, COR-2016-04555-00-00-AC.

39. while legal migration of skilled workers from third countries contributes to the sustainable growth of the EU economy, it is important to take note of the negative impact that such a brain drain has on the future economic development of the partner countries;

40. reiterates the need to step up the ability of cohesion policy to both mitigate the adverse effects of globalisation across the EU's regions and to develop its positive effects by designing and implementing local development strategies that help make Europe's economy more competitive, sustainable and resilient; to this end, highlights the need to invest in the role of local authorities and their ability to mobilise the essential resources — information, expertise and legitimacy — for building these strategies, with particular regard to the regions that are most vulnerable to the challenges posed by international competition (*territorial right to globalisation*);

41. highlights the contribution made by migrants to their host countries' economies; calls for greater focus on integrating them effectively by means of education and vocational training;

42. regrets the fact that the need to improve institutional capacity at all levels of government is not properly identified in the paper as a *sine qua non* for effectively implementing all instruments aimed at fostering regional development, and notes that analysis by the CoR shows that 53 % of the 2017 country-specific recommendations have regard to this issue of capacity and that implementation progress has been particularly slow in this area. Reiterates its call for a Code of Conduct to give a territorial dimension to the European Semester, which is the main tool for economic and fiscal policy coordination at the EU level, but which does not live up to its promises due to poor implementation of country-specific recommendations and weak ownership;

43. points to the contribution that the Urban Agenda for the EU — Pact of Amsterdam can make to the shaping of regional development policies and suggests further strengthening the tools for implementing it (URBACT, the Urban Innovative Actions, the Covenant of Mayors, Smart Cities and Communities) and at the same time calls on the Commission to ensure that greater use is made of key instruments of cohesion policy such as Integrated Territorial Investment (ITI) and Community-led local development (CLLD), which have been rarely used to date;

44. calls on the Commission, when it is further developing the EGAF, to pay particular attention to the regions and municipalities that are being especially hard hit by the negative effects of globalisation, so as not to leave them behind as 'losers in the globalisation process'. The changes brought about by globalisation should benefit all EU citizens;

45. stresses that, in line with the reform of cohesion policy ⁽¹⁴⁾, differentiated approaches and place-based reforms are needed, which, inter alia, harness the features and potential of rural areas, in order to establish a more sustainable development model, based on the conservation of Europe's environmental and demographic balance and on making full use of its resources ⁽¹⁵⁾;

46. calls on the Commission to further develop the concept of 'territorial resilience' and put forward a European paradigm that progressively informs individual EU policies. In developing this paradigm, consideration should be given to central issues such as the diversification of the territorial production and economic bases, the development of productive, social and institutional linkages between urban, suburban and rural areas, the sustainable transformation of resource cycles, the ability to respond to emerging risks and challenges such as climate change, and the proactive development of social capital at local level.

Brussels, 10 October 2017.

*The President
of the European Committee of the Regions*

Karl-Heinz LAMBERTZ

⁽¹⁴⁾ Fabrizio Barca, 'Position paper: EU cohesion policy, a forward-looking perspective. The European Union's great opportunity'. 7th Cohesion Forum, Brussels, 26-27 June 2017.

⁽¹⁵⁾ For an example here, see the Italian national strategy on 'inner areas' (www.agenziacoesione.gov.it/it/arint/).

Opinion of the European Committee of the Regions — Strategic approach to resilience in the EU's external action

(2018/C 054/08)

Rapporteur-General: Marcin Ociepa (PL/ECR), President of Opole City Council

Reference document: Joint communication to the European Parliament and the Council — A Strategic Approach to Resilience in the EU's external action

JOIN(2017) 21 final

POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

1. Welcomes the Commission's communication A Strategic Approach to Resilience in the EU's external action (JOIN (2017) 21 final), particularly the emphasis on local and regional authorities' important role as key players in building resilience in the EU's neighbourhood on the basis of the principles of subsidiarity and proportionality; points out, however, that this emphasis on their role needs to be translated into tangible European Union and Member State policy actions, such as involving EU partner countries' local and regional authorities, as well as their associations, in EU external action, supporting capacity building for local and regional authorities in various policy areas, etc.
2. Agrees with the definition of resilience set out in the document on the EU Global Strategy (EUGS), but calls on the Commission to recognise that local and regional authorities build resilient societies and are a cornerstone of stable democracy, enabling countries to become more resilient. Believes that the EU's strategic approach should observe the bottom-up principle and should also assist and facilitate the exchange of good practices among EU Member States' and neighbouring countries' local and regional authorities.
3. Strongly supports stepping up work on resilience, in line with the EUGS, with a special focus principally on relations with the EU's eastern and southern neighbourhood, but also on relations with those third countries with which EU Member States have special cooperation links.
4. Draws attention to the need to develop appropriate and effective financial and technical support instruments, having the flexibility to cope with any changes that may occur, and with the greatest possible proportion of funding being used to provide practical support for building resilience, rather than to cover programme management costs.
5. Underlines the importance of effective cooperation between the European Union and partner organisations such as the United Nations and the International Monetary Fund: building resilience is a goal that these organisations share.
6. Supports the four building blocks (better analysis of the risks and causes of the lack of resilience; better monitoring of external pressure to enable the appropriate action to be taken early; integrating resilience into the programming and financing of external action; developing international policies and practices on resilience) and the 10 guiding considerations for a strategic approach to resilience set out in the annex, which enable a strategic approach to resilience to be integrated into EU external action and identify local and regional authorities as indispensable to increasing contributions to strategy development, conducting policy dialogue, programming aid, and implementing solutions.
7. Points out that the issue of resilience must be embedded in the right context: in development, investment and education policies as well as in international cooperation agreements, thus making it possible to better plan measures to strengthen resilience, including those undertaken at local, regional and cross-border level.

8. Agrees with the view that building external resilience is a means, not an end. In this context — and in order to strengthen security and achieve lasting stability — long-term measures are needed involving state, social and community institutions from EU Member States and partner countries.

9. Stresses that, in order to build resilience, the implementation of national, regional and local risk management strategies and plans needs to be encouraged; analysis of their compliance with the Sendai Framework for Disaster Risk Reduction 2015-2030 ⁽¹⁾ also needs to be promoted. Also emphasises the importance of developing cooperation between cities and regions and the role played in this respect by the United Nations Office for Disaster Risk Reduction and its 'Making Cities Resilient' campaign.

10. Recognises that migration measures have to be comprehensively considered in the context of our overall political relationship with partner countries. Such action should be based on the principles of ownership by the partners, cooperation and full respect for humanitarian and refugee law and human rights obligations, including the right to protection.

11. While taking note of the Commission's focus on the gender dimension and vulnerable economic sectors, underlines the need for a wider focus on the resilience of the most vulnerable members of society. The most vulnerable sectors and individuals can vary depending on place of residence and can be affected by disasters to different extents. Therefore, these sectors and social groups often require greater attention as part of the overall resilience-building efforts.

12. Expects efforts to be stepped up to speed up the implementation of the EUGS and underlines the importance of a place-based approach involving local and regional authorities when aiming to deliver the objectives of the EUGS in relation to the Sustainable Development Goals, part of the 2030 Agenda for Sustainable Development.

LOCAL AND REGIONAL AUTHORITIES AS KEY PARTNERS IN BUILDING EU EXTERNAL RESILIENCE

13. Underlines local and regional authorities' important role in building resilience, as they constitute the first level at which decisions and responses are formulated when risks or threats arise; they are also the closest level of government to citizens, one that must be distinguished by good governance and democracy. As local authorities run emergency services (police, fire brigade, medical services) and possess the broadest and deepest knowledge of their local area and community, they are to a large extent responsible for the strength and quality of resilience.

14. Points out that all activities and cooperation with local and regional authorities to build resilience should be carried out in accordance with the principles of subsidiarity and proportionality.

15. Draws particular attention to the importance of local communities' capacities with regard to communication activities, prevention, response during threats and subsequent recovery — from families, associations and churches, right through to all levels of local and regional authority.

16. Draws attention to the role of local and regional authorities in identifying threats and assessing risk. Thanks to highly developed and tried and tested crisis management systems, adapted to regional conditions and the characteristics of the local community, local and regional authorities are able to effectively and rapidly identify threats and assess the risks they pose. Thus more attention should be paid to the reports and analyses produced by regions and municipalities when identifying threats and assessing risks.

17. Points out that in order to strengthen cooperation between (political, humanitarian, development-related) EU players so as to resolve protracted crises outside the EU, more consideration should be given to the experience of local and regional authorities, including via a network of contacts, good practices, dialogue, etc. The EU has enormous potential in this regard that it should harness, arising from the experience built up by its eastern, southern and outermost regions, since due to their geographic position they have been closely cooperating with their neighbouring countries for years.

⁽¹⁾ CDR 5035/2016 — rapporteur: Adam Banaszak (ECR/PL); CDR 2646/2014 — rapporteur: Harvey Siggs (ECR/UK).

18. Highlights the need to support the continuous strengthening of local capacities to manage risk and take early action at a local level.
19. Calls for measures to help local and regional authorities to fulfil their duties to protect critical infrastructure, especially in terms of financing this protection and providing the appropriate tools and resources.
20. Points out that, in order to build resilience, more support should be given to the work of various types of cross-border structure and the Euroregions — in particular Euroregions on the EU's border — by implementing regional and cross-border projects in the area of infrastructure, security, social, education, economic and cultural policy.
21. Points out that efforts need to be stepped up towards a more effective information policy on the risks and shocks that might negatively affect resilience. It is imperative that local and regional authorities are always involved in information policy in this area.
22. Stresses the need to replicate — at central level — tried and tested solutions, mechanisms and models of good practice developed and put in place in the regions by local and regional authorities, and also emphasises the benefit of mapping the good practices of local and regional authorities for the use of EU regions and municipalities, as well as regions and municipalities in the areas covered by the European Neighbourhood Policy.
23. Recommends paying particular attention to cooperation between local and regional authorities on education, which is vitally important for building resilient societies. Urges the EU institutions to support local and regional authorities in this area while upholding the principle of subsidiarity.
24. Recommends that measures be taken to increase local communities' awareness of threats — particularly hybrid threats as well as threats related to energy security — and what local preparations can be made for them. These measures should be carried out in close cooperation with local academia and industry, the security services and local and regional authorities.
25. Emphasises the role of civil society as a key factor in building resilience. Draws particular attention to the support and collaboration of NGOs. Active citizenship and third-sector organisations make it possible to design and carry out modern, creative campaigns and methods in relation to education and humanitarian aid, and to develop socially-positive attitudes in partner countries, particularly those at high risk of hybrid threats.
26. Stresses the need to step up efforts to counteract hostile propaganda by third countries produced as part of hybrid warfare. Welcomes the establishment of the European External Action Service's East StratCom Task Force and recommends expanding its cooperation with national, regional and local authorities.
27. Calls for greater cooperation with local and regional authorities on conflict prevention and peacebuilding. Local and regional authorities are the level of governance that is closest to citizens — therefore in addition to knowing their local communities the best, they also play an important role as leaders and representatives of their communities.

THE ROLE OF THE INTERNATIONAL ENVIRONMENT IN BUILDING RESILIENCE

28. Underlines its first-hand experience of international cooperation within the Euro-Mediterranean Assembly of Local and Regional Authorities (ARLEM) and the Conference of Regional and Local Authorities for the Eastern Partnership (CORLEAP), as well as joint consultative committees and working groups, and recommends making use of these platforms and their experiences when strengthening the resilience of the European Neighbourhood Policy countries.
29. Stresses the importance of the sharing of expertise and knowledge as well as best-practices between local and regional authorities from the EU and from third countries both at the political and at the administrative level. Highlights the positive role the CoR plays in this regard in relation to Libya (via the Nicosia Initiative) and Ukraine (through the U-LEAD programme).

30. Agrees with the Commission communication that cooperation with the OSCE needs to be further developed so as to prevent armed conflicts. Also points out the need for closer cooperation with the UN, the African Union and other international partners in order to build resilience.

31. Supports the EU's efforts to ensure that its standards and best practices — including those arising from local and regional authorities' work and experience — are reflected in relevant multilateral instruments and policy settings, including the ILO, the WHO and the G20.

32. Agrees that building resilience is a multidimensional task. Considers that measures relating to infrastructure, security, the economy, society and education — measures that enable socially inclusive sustainable development — should take priority. Local and regional authorities play an incontrovertible role in these sectors. Notes, in terms of geographical scope, that partners from the Mediterranean and the Eastern Partnership should be the main focus. At the same time, the role and impact of countries in the Middle East and Central Asia on the EU's resilience should be borne in mind.

33. Agrees that research under the Horizon 2020 programme needs to be expanded in order to build resilience, especially with regard to security, the economy, social sciences, food and water security, migration and forced displacement. Calls for local academia — as regional centres of expertise — to be involved more in this research. To this end, promotional, institutional and social measures need to be stepped up.

34. Concurs with the view that strategic communication is an effective tool in the fight against terrorism and extremism and in defence against cybercrime. Considers it essential to move as quickly as possible to safeguard the EU and partner countries from the effects of external disinformation campaigns that aim to discredit the political and social systems that underpin our identity, security and stability.

35. Points out that regional and local capacities need to be given a bigger role in terms of resilience and risk analysis so as to increase resilience. This is particularly the case for EU border regions. Such measures will increase sensitivity to conflicts in the EU's immediate vicinity and make it possible to develop improved methods for assessing the type and impact of risks, pressures and partner countries' vulnerability to shocks.

SECTORAL POLICIES SPECIFIC TO THE PARTICULAR CONTEXT OF BUILDING RESILIENCE

36. If resilience is to be placed in its proper context, it needs to be taken into account in EU sectoral policies at every level — national, regional and local. By taking a specific approach, addressing each situation individually within their respective areas of responsibility and activity, sectoral policies will be able to build resilience more effectively.

37. Emphasises that tackling the root causes of irregular migration (poverty, inequality, population growth, lack of employment, educational and economic opportunities, instability, conflict, human trafficking, organised crime, climate change, environmental degradation and the long-term consequences of forced displacement) is one of the key measures in building resilience. Therefore, it should also be borne in mind that aid to weaker and vulnerable communities has the greatest impact in the locations that are threatened.

38. Recommends developing a detailed framework on employment and decent work and considering the role and place of local and regional authorities within sectoral employment policies and social policy, based on the work of the International Labour Conference.

39. Stresses that particular attention should be paid to the security of critical transport infrastructure, specifically focusing on local and regional authorities in this regard, as they are often directly responsible for the condition of this infrastructure and for the areas crossed by such critical transport infrastructure.

40. Welcomes the fact that the Commission is committed to working with local and regional authorities to improve resilience in rapidly growing urban areas where a lack of planning or investment in measures to mitigate the risks of climate change and geophysical risks means that there is a threat of shocks and stresses causing serious harm to people and economic damage. Removing the principal risk factors by means of public and private investment (on the basis of risk identification) is more cost-effective than relying on post-disaster response. Highlights the role of sectoral dialogue with local and regional authorities on sustainable urban development in enhancing resilience and innovation, in line with the aims of the New Urban Agenda.

41. Stresses the particular importance of humanitarian aid with regard to disasters, natural catastrophes and other occurrences that require this aid. Humanitarian aid must be provided in full respect of the fundamental principles of humanitarianism, neutrality, impartiality and independence, while respecting human rights deriving from the Geneva Conventions and their Additional Protocols.

Brussels, 10 October 2017.

*The President
of the European Committee of the Regions*

Karl-Heinz LAMBERTZ

Opinion of the European Committee of the Regions — Building a European Data Economy

(2018/C 054/09)

Rapporteur: Kieran McCarthy (IE/EA), Cork City 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 — Building a European Data Economy

COM(2017) 9 final

POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

Building a European Data Economy: the challenge ahead

1. underlines the pivotal role of local and regional authorities (LRAs) in implementing the recommendations of the Digital Single Market (DSM), providing digital services for citizens and creating and managing digital infrastructure such as data generation. Digital services also represent the engine of economic growth at local and regional level offering wide-ranging opportunities for innovation, SME creation and entrepreneurship, job creation and societal progress;
2. shares the European Commission's view that the EU and Member States should be forerunners, spearheading efforts at European, national and local level in close collaboration with LRAs to bring about greater transformation in governmental procedures and structures by using ICT and data generation to improve the meaningfulness, quality and productivity of work and efficiency of public authorities and to reduce red tape for the general public and business;
3. asks the Commission to support LRAs in their financing activities, by continuing to authorise priority deployment of the ESIF towards digital infrastructure such as data development and skills development in all European regions, and by recognising technological barriers to digital development projects in rural, mountainous, islands and sparsely-populated areas, which should be seen as services of general economic interest;
4. points out that disadvantaged regions have neither the basic infrastructure nor the expertise needed to establish a digital data-driven economy and recommends, in this regard, that regulatory assistance be provided for these regions to help them gain access to the European digital single market;
5. recognises that the collation of data is an important element of the DSM. This emerging global trend holds enormous potential for LRAs and businesses in various fields, ranging from health, environment, food security, climate and resource efficiency to energy, intelligent transport systems and smart cities and regions;
6. welcomes the Commission's announcement to tackle restrictions on the free movement of data for reasons other than the protection of personal data within the EU and unjustified restrictions on the location of data for storage or processing purposes;
7. agrees that the exchange of data currently remains limited. Data market places are slowly emerging, but are not widely used by the public or private sector or through public-private partnerships. Potential users may not be equipped with the right tools and skills to quantify the economic value of their data, and they may fear losing or compromising their competitive advantage when data becomes available to competitors. The owner of the data loses nothing from sharing it: on the contrary, sharing knowledge increases the value of the data;

8. notes the diversity of data sources and types that are generated by machines or processes and based on emerging technologies, such as the Internet of Things (IOT). These present rich opportunities for different types of market players to scale up IOT enabling technologies, ideas and products — such as manufacturers, researchers and infrastructure providers and in particular smart cities and regions being developed under the remit of LRAs;
9. insists that the opening-up of machine-read data enhances data sharing and reduces the need for ad hoc and often costly data requests. Sets of comprehensive indicators inform public debate and better decision-making locally and can positively change how policy is developed, delivered, managed and monitored at local and regional authority level;
10. emphasises that cities and regions have a key role to play in creating data bases of public information, providing data security, in the development of the necessary digital skills, in securing and facilitating funding for broadband infrastructure and networks. The right environment for trans-regional and cross-border exchange of online services can substantially support the creation of high-level services and the data economy;
11. stresses the contribution that the local and regional level can also make at all stages of collecting data and providing services to citizens and businesses. This includes support for digital and entrepreneurial skills to make full use of new technologies, analysing big data, understanding issues of cybersecurity, increasing their employability and creating new business opportunities. This can be seen in practice in cities and regions of Europe with their good examples of cooperation with national authorities and research centres in the field of public sector innovation and interoperability;
12. welcomes the EU Commission-led and ERDF-funded Urban Innovative Actions programme whereby cities can identify and test innovative solutions such as data generation for sustainable urban development;
13. points out that LRAs must have extensive and effective input into laws that will affect their data economy competences; any new regulation can introduce unnecessary red tape and costs for municipalities and regions which in the Committee's view are not offset by the benefits to citizens;

Balancing transparency and restriction

14. highlights that citizens expect strong and effective data protection standards, especially in the digital single market. Data protection should never be considered as a barrier but as an integral part of the digital single market. A clear and adapted data protection legal framework for the data economy is therefore crucial;
15. stresses that it is important to distinguish whether such machine-generated data is personal (i.e. related to a living person) and so subject to the General Data Protection Regulation (GDPR), non-personal or indeed represents a combination of both;
16. calls for the EU regulatory framework to stay fit for purpose in the digital environment to support innovation, and to exploit the full potential of the Single Market, and investment in the EU economy;
17. supports the need to provide certainty to both users and manufacturers of data generating devices in relation to their potential liability;
18. supports the point that the EU needs to make sure that data flows across borders and across sectors, and can be accessed and re-used in an optimal way. A coordinated European approach is essential for the development of the data economy as part of the Digital Single Market;
19. welcomes the Commission's vision to use EU trade agreements to set rules for e-commerce and cross border data flows and to tackle new forms of digital protectionism in full compliance with and without prejudice to the EU's data protection rules;

20. recognises that to realise the full potential of the European data economy, any Member State action affecting data storage or processing should be guided by a 'principle of free movement of data within the EU', as a consequence of their obligations under the free movement of services and the free establishment provisions of the Treaty and relevant secondary legislation;

Fostering the potential of General Data Protection Regulation

21. welcomes the General Data Protection Regulation (GDPR) and agrees that privacy concerns are legitimate. Strong data-protection rules create the trust that will allow the digital economy to develop across the internal market and for forms of ICT vulnerability and potential virtual criminality to be addressed and effective and coherent preventative strategies to be created;

22. supports the revised ePrivacy Directive that is proposed to ensure a high level of protection in full coherence with the GDPR;

23. recommends the availability of data for regulatory or supervisory purposes, which is not called in any way into question, would be better ensured by enhancing the cooperation between national authorities and LRAs, or between such authorities and the private sector, rather than through localisation restrictions;

24. recognises the real enablers of secure data storage and processing are state-of-the-art ICT management best practices on a scale far larger than individual systems;

25. stresses that the new package should help improve the prevention, detection and response to cyber incidents and lead to better information sharing and coordination between Member States and the Commission against major cyber incidents. Achieving this will require genuine partnership working involving Member States, EU institutions, local and regional authorities (LRAs), the private sector and civil society;

26. believes that given that breaches of security are a threat to utility services e.g. transport networks, local water, electricity grid, energy, and given that LRAs use and own many digital information products and services, LRAs have a key role to play in tackling cybercrime, collating cyber-related data and protecting data security;

27. highlights that cyberattacks tend to exploit one of five major vulnerabilities of digital technologies that are central to smart cities and regions. These include weak software security and data encryption, use of insecure legacy systems and poor maintenance, many interdependencies and large and complex attack surfaces, cascade effects, wherein highly interconnected entities rapidly transmit adverse consequences to each other, and multiple vulnerabilities arising from human error and deliberate malfeasance of employees;

28. stresses that security vulnerabilities in data generation means that cyberattacks on important urban infrastructure and city management systems have been increasing with implications for human safety and security. A wider set of systemic and coordinated interventions are required that encompass mitigation, prevention, and ensures enactment through both market-led initiatives and governance-led regulation and enforcement;

29. stresses that the security of the Internet of Things is highly variable, with some systems lacking encryption or usernames and passwords, and others open to infection by malware and firmware modification. The complex interdependencies of IoT mean that it has a large attack surface and multiple vulnerabilities;

30. notes that within local and regional government and public service/infrastructure providers, advanced security training should be developed and implemented across organisations, but especially for those involved in the e-procurement, rollout and daily running of smart city technologies;

31. advocates a widening and deepening of mitigation strategies to include security-by-design as a de facto approach for all future smart cities and regions procurement. Such strategies should include a comprehensive assessment of existing urban infrastructures and information systems and remedial security patching or replacement, the formation of core security and computer emergency response teams within city administrations with specialist skills and responsibilities beyond general IT-administration, and a step-change in security training and continuing professional development in both public and commercial sectors;

Developing the generation of data flows

32. underlines that personal data generation raises questions in all policy areas of local and regional government. LRAs are data developers and controllers — such data is cross-sectoral and touches on areas such as security and justice policy, the economy, communications, education, health, administration, transport, the environment and consumer protection;

33. emphasises the need for traceability and the clear identification of data sources as a precondition for real control of data in the market. Reliable and possibly standardised protocols for persistent identification of data sources can be necessary to create trust in the system;

34. supports the idea that LRAs should be granted access to data where this would be in the 'general interest' and would considerably improve the functioning of the public sector, for example the optimisation of traffic management systems on the basis of real-time data from private vehicles;

35. agrees with the prioritisation that any policy measure must take account of this economic reality and of the legal framework on the protection of personal data, while respecting the fundamental rights of individuals;

36. highlights that comprehensive policy frameworks do not currently exist at local, national or EU level in relation to raw machine-generated data which does not qualify as personal data, or to the conditions of their economic exploitation and tradability;

37. warns also against imposing excessive constraints on individuals in the exercise of their right to control their own information in order to increase the protection of personal data, depriving them of the possibility of giving consent, particularly in relation to LRAs;

38. notes the key responsibility of independent data protection authorities for the protection of personal data and the need for additional incentive instruments for processors to reward efforts for data protection i.e. by facilitating the burden of proof for processors who submit to demanding self-regulation standards or codes of conduct;

39. calls for the legal uncertainties around raw machine-generated data and the lack of intellectual property rights to be addressed. Advantage may be taken of gaps in the regulatory framework, or of the legal uncertainties described above, by imposing unfair standard contract terms on the users or through technical means, such as proprietary formats or encryption;

Improving interoperability

40. agrees that emerging issues in the data economy are the portability of non-personal data, the interoperability of services to allow data exchange, and appropriate technical standards for implementing meaningful portability;

41. acknowledges the commitment to support appropriate standards to improve interoperability, portability and security of cloud services, by better integrating the work of open source communities into the standard-setting process at European level;

42. welcomes the robust approach to portability rules encoded through standards. Notes the scope for sector-specific experimental approaches to be launched and calls for LRAs to be involved in the multi-stakeholder collaboration, which includes standard setters, industry, and the technical community;

43. insists that a broader understanding of interoperability as something not only relevant to public administration, but to all sectors is essential for the deployment of the IoT and the seamless flow of data across all regions. Availability of common formats, standards and specifications are clear requirements and the regions are contributing to this by undertaking to apply the provisions of the directives on public sector information and, in particular, of the recent European Interoperability Framework, within their own governance environments;

44. emphasises that the increase in data consumption and simultaneous uses, the trends towards high upload/download speeds, the need for ubiquitous and instantaneous transmissions at the same time responsive and reliable, will require the provision of very high-capacity networks and broadband infrastructure ever closer to the end-user across Europe;

45. considers that the Commission should take steps to make existing clouds or clouds under development at national, regional and possibly local level interconnectable and interoperable, exploiting the potential for standardisation; at the same time emphasises the importance of implementing measures at local level to ensure the effectiveness of specifications for cloud applications;

46. urges meaningful portability for non-personal data would also need to take into account broader data governance considerations involving transparency for users, managed access and interoperability to link different platforms together in ways that stimulate innovation;

Conclusions

47. calls for a strong coordinated approach to assessing data generation risks, especially those deemed detrimental to the development of the EU data economy and the operation of cross-border data services and technologies in the internal market;

48. insists that any future solutions should also consider the legitimate interests of market players including LRAs that invest in product development, ensuring a fair return on their investments and thereby contribute to innovation. At the same time, any future solutions should ensure a fair sharing of benefits between data holders, processors and application providers within value chains;

49. stresses that LRAs are in a position to foster innovation and competitiveness in the data economy through tailored demand-and-supply-side solutions including broadband roll-out, the digital economy, e-inclusion and e-government. Moreover, they provide education and training facilities, implement EU-funding initiatives and facilitate beneficial cooperation and exchange with other public authorities including across borders;

50. calls for an EU Data Generation Systems Platform, similar to the emerging e-Government and Broadband platforms;

51. concludes that greater acknowledgement should be given to the EU's cities and regions in the sustainable roll-out of the Digital Agenda and the building of the EU data economy. LRAs are amongst the main target audience of the agenda's recommendations and must be seen as key drivers and partners for its implementation.

Brussels, 11 October 2017.

*The President
of the European Committee of the Regions*

Karl-Heinz LAMBERTZ

**Opinion of the European Committee of the Regions — The European Pillar of Social Rights and
Reflection paper on the social dimension of Europe**

(2018/C 054/10)

Rapporteur:	Mauro D'Attis (IT/EPP), Member of the Executive Council of Roccafortita Municipality (Messina)
Reference documents:	Proposal for an Interinstitutional Proclamation on the European Pillar of Social Rights
	COM(2017) 251 final.
	Reflection Paper on the Social Dimension of Europe
	COM(2017) 206 final.

I. RECOMMENDATIONS FOR AMENDMENTS

Amendment 1

Proposal for a proclamation

Preamble (5) — Amend as follows

Text proposed by the Commission	CoR amendment
The Charter of Fundamental Rights of the European Union, first proclaimed at the Nice European Council on 7 December 2000, safeguards and promotes a number of fundamental principles that are essential for the European social model. The provisions of this Charter are addressed to the institutions, bodies, offices and agencies of the Union with due regard for the principle of subsidiarity and to the Member States only when they are implementing Union law.	The Charter of Fundamental Rights of the European Union, first proclaimed at the Nice European Council on 7 December 2000, safeguards and promotes a number of fundamental principles that are essential for the European social model. The provisions of the Charter of Fundamental Rights are addressed to the institutions, bodies, offices and agencies of the Union with due regard for the principle of subsidiarity and to the Member States only when they are implementing Union law.

Reason

Specifies that the whole passage refers to the Charter on Fundamental Rights.

Amendment 2

Proposal for a proclamation

Preamble (7) — Amend as follows

Text proposed by the Commission	CoR amendment
<p>The European Parliament called for a solid European Pillar of Social Rights to reinforce social rights and deliver a positive impact on people's lives in the short and medium term and enable support for European construction in the 21st century. The European Council stressed that economic and social insecurity needs to be addressed as a matter of priority and called for the creation of a promising future for all, safeguards for our way of life and the provision of better opportunities for youth. The leaders of 27 Member States and of the European Council, the European Parliament and the European Commission made a commitment to work towards a social Europe in the Rome agenda. That commitment is based on the principles of sustainable growth and the promotion of economic and social progress, as well as cohesion and convergence, while upholding the integrity of the internal market. The social partners have committed to continue contributing to a Europe that delivers for its workers and enterprises.</p>	<p>The European Parliament called for a solid European Pillar of Social Rights to reinforce social rights and deliver a positive impact on people's lives in the short and medium term and enable support for European construction in the 21st century. The European Council stressed that economic and social insecurity needs to be addressed as a matter of priority and called for the creation of a promising future for all, safeguards for our way of life and the provision of better opportunities for youth. The leaders of 27 Member States and of the European Council, the European Parliament and the European Commission made a commitment to work towards a social Europe in the Rome agenda. That commitment is based on the principles of sustainable growth and the promotion of economic and social progress, as well as cohesion and convergence, while upholding the integrity of the internal market and taking into account the diversity of national systems and the key role of social partners. The social partners have committed to continue contributing to a Europe that delivers for its workers and employers.</p>

Reason

The added phrase clarifies the principles laid down in the Rome Declaration (point 3), including respect for the diversity of national systems.

Amendment 3

Proposal for a proclamation

Preamble (7) — Add a new paragraph

Text proposed by the Commission	CoR amendment
	<p><i>In their work on the European Pillar of Social Rights, the Commission, the Council and the European Parliament shall respect the interinstitutional agreement on better law-making.</i></p>

Reason

It is important for the Commission to uphold its agreement with the Council and the European Parliament that there shall be no regulation at EU level if it is not necessary.

Amendment 4

Proposal for a proclamation

Preamble (11) — add a new paragraph

Text proposed by the Commission	CoR amendment
	<p><i>The establishment of a European Pillar of Social Rights and the gradual implementation of a European social agenda must entail promoting a sustainable and inclusive Europe, boosting the fight against social and regional inequalities and contributing to the creation of a social market economy.</i></p>

Reason

The CoR highlights the long-term objectives of establishing a pillar of social rights, which must serve to make Europe more cohesive and more responsive to the social dimension of citizens' needs.

Amendment 5

Proposal for a proclamation

Preamble (11) — add a new paragraph

Text proposed by the Commission	CoR amendment
	<p><i>The European Pillar of Social Rights is the cornerstone of a strong European social agenda, in which competitiveness and social justice complement each other. A key element of this, while being in keeping with Member States' respective traditions and practices, is ensuring wages that avoid in-work-poverty, provide for a decent standard of living, and are in line with productivity.</i></p>

Reason

The CoR, while taking into account the exclusive competence of the Member States in this matter, has already highlighted the importance of a strong European social agenda, in which fair wages are a key element ⁽¹⁾.

⁽¹⁾ CoR opinion on the European Pillar of Social Rights (CDR 2868/2016).

Amendment 6

Proposal for a proclamation

Preamble (12) — add a new paragraph

Text proposed by the Commission	CoR amendment
	<p><i>In view of the rise in youth unemployment and the growing number of people in or at risk of poverty in recent years, the European Pillar of Social Rights shall take account of the need to bring about a sustainable reduction in poverty, foster social inclusion and tackle youth unemployment.</i></p>

Reason

The CoR has already highlighted the importance of taking measures, something which must be reiterated and considered as part of longer-term planning initiatives such as the pillar concerned ⁽²⁾.

Amendment 7

Proposal for a proclamation

Preamble (17) — Amend as follows

Text proposed by the Commission	CoR amendment
<p>Delivering on the European Pillar of Social Rights is a shared commitment and responsibility between the Union, its Member States and the social partners. The principles and rights set by the European Pillar of Social Rights should be implemented at both Union level and Member State level within their respective competences and in accordance with the principle of subsidiarity.</p>	<p>Delivering on the European Pillar of Social Rights is a shared commitment and responsibility between the Union, its Member States, local and regional authorities and the social partners. The principles and rights set by the European Pillar of Social Rights should be implemented at both Union level and Member State level within their respective competences and in accordance with the principle of subsidiarity, taking into account the diversity of national systems and the key role of social partners.</p> <p><i>The European Union and the Member States must work together to secure the financial resources necessary for the implementation of the Pillar of Social Rights.</i></p>

Reason

When addressing areas that fall under the competence of local and regional authorities, their commitments and responsibilities should not be overlooked, while taking into account the diversity of national systems. Furthermore, the financial resources necessary for implementation must be guaranteed.

⁽²⁾ CoR opinion on the European Pillar of Social Rights (CDR 2868/2016).

Amendment 8

Proposal for a proclamation

Preamble (17) — add a new paragraph

Text proposed by the Commission	CoR amendment
	<i>Local and Regional authorities shall be supported in their efforts to implement appropriate employment and social policies, including support for the development of work-life balance and labour market access policies, in line with the Commission's recent proposal.</i>

ReasonA clear reference to a point already made by the CoR in a previous opinion ⁽³⁾.**Amendment 9**

Proposal for a proclamation

Preamble (20) — add a new paragraph

Text proposed by the Commission	CoR amendment
	<i>Economic, social and territorial cohesion — being one of the most important and comprehensive EU policies as it contributes significantly to strengthening the EU as a whole through solidarity — shall play a key role in supporting the establishment of the social pillar.</i>

ReasonA clear reference to a point already made by the CoR in a previous opinion ⁽⁴⁾.**Amendment 10**

Proposal for a proclamation

Chapter I, point 1 — Amend as follows

Text proposed by the Commission	CoR amendment
Everyone has the right to quality and inclusive education, training and life-long learning in order to maintain and acquire skills that enable them to participate fully in society and manage successfully transitions in the labour market.	<i>a.</i> Everyone has the right to quality and inclusive education, training and life-long learning in order to maintain and acquire skills that enable them to participate fully in society and manage successfully transitions in the labour market.

⁽³⁾ CoR opinion on the Future of Cohesion Policy beyond 2020 (CDR 1814/2016).⁽⁴⁾ CoR opinion on the Future of Cohesion Policy beyond 2020 (CDR 1814/2016).

Text proposed by the Commission	CoR amendment
	<p>b. Children and young people from more vulnerable socio-economic backgrounds have the right to specific measures aimed at improving their academic success, which may help achieve a more level playing field in terms of academic and social opportunities.</p> <p>c. Everyone has the right to quality internships and/or apprenticeships, to include fair remuneration and appropriate insurance coverage.</p>

Reason

The amendment adds a reference to specific measures to improve the academic success of children and young people liable to anti-social behaviour. It also tackles the crucial issue of establishing fair conditions for interns and apprentices.

Amendment 11

Proposal for a proclamation

Chapter I, Point 4c — Amend as follows

Text proposed by the Commission	CoR amendment
<p>People unemployed have the right to personalised, continuous and consistent support. The long-term unemployed have the right to an in-depth individual assessment at the latest at 18 months of unemployment.</p>	<p>People unemployed have the right to personalised, continuous and consistent support, namely with training adapted to their skills, personal and professional experience, qualifications and motivation. The long-term unemployed have the right to an in-depth individual assessment at the latest at 18 months of unemployment.</p>

Reason

Self-explanatory.

Amendment 12

Proposal for a proclamation

Chapter II, Point 5d — Amend as follows

Text proposed by the Commission	CoR amendment
<p>Employment relationships that lead to precarious working conditions shall be prevented, including by prohibiting abuse of atypical contracts. Any probation period should be of reasonable duration.</p>	<p>All employment relationships that involve regulated working conditions and probation periods of reasonable duration shall be promoted, thus avoiding the spread of precarious forms of work.</p>

Reason

There is no definition of what is meant by 'precarious' working conditions. Municipalities and regions, as employers required to provide a proper service, could come under considerable pressure if part-time, fixed-term and supply work were to be prohibited.

Amendment 13

Proposal for a proclamation

Chapter II, Point 6 — add a new point after 6(a)

Text proposed by the Commission	CoR amendment
	<p><i>Measures to guarantee real wages in line with productivity, while fully respecting the practices in each Member State, shall be supported.</i></p>

Reason

The CoR has already highlighted the importance of a strong European social agenda, in which wages are a key element ⁽⁵⁾. The EU only has coordinating powers in this area, but could support their implementation.

Amendment 14

Proposal for a proclamation

Chapter II, Point 6b — Amend as follows

Text proposed by the Commission	CoR amendment
<p>Adequate minimum wages shall be ensured, <i>in a way that provides for the satisfaction of the needs of the worker and his / her family in the light of national economic and social conditions</i>, whilst safeguarding access to employment and incentives to seek work. In-work poverty shall be prevented.</p>	<p>Adequate minimum wages shall be ensured, <i>taking into account the diversity of national systems and the key role of social partners</i>, whilst safeguarding access to employment and incentives to seek work. In-work poverty shall be prevented.</p>

Reason

Families' needs can vary widely. Wages should not be fixed according to needs or to the income of other family members. The key criterion should be that employees receive a wage that corresponds to current market conditions, both economic and social.

⁽⁵⁾ CoR opinion on the European Pillar of Social Rights (CDR 2868/2016).

Amendment 15

Proposal for a proclamation

Chapter II, Point 6c — amend as follows

Text proposed by the Commission	CoR amendment
All wages shall be set in a transparent and predictable way according to national practices and respecting the autonomy of the social partners.	All wages shall be set in a transparent and predictable way according to national practices and respecting the autonomy of the social partners. <i>The gender pay gap shall be prevented.</i>

Reason

Gender-based discrimination with regard to wages must be addressed.

Amendment 16

Proposal for a proclamation

Chapter II, Point 9 — amend as follows

Text proposed by the Commission	CoR amendment
<p>Work-life balance</p> <p>Parents and people with caring responsibilities have the right to suitable leave, flexible working arrangements and access to care services. Women and men shall have equal access to special leaves of absence in order to fulfil their caring responsibilities and be encouraged to use them in a balanced way.</p>	<p>Work-life balance</p> <p>Parents and people with caring responsibilities have the right to suitable leave, flexible working arrangements and access to care services. Women and men shall have equal access to special leaves of absence in order to fulfil their caring responsibilities and be encouraged to use them in a balanced way.</p> <p><i>Measures to incentivise parenthood and to increase the birth rate shall be supported</i> ⁽⁶⁾.</p>

Reason

It is important not to lose sight of the barriers to building a family and the need to support the European birth rate in light of the current demographic challenge. This has also been examined in a previous CoR opinion.

⁽⁶⁾ CoR opinion on The EU response to the demographic challenge (CDR 40/2016).

Amendment 17

Proposal for a proclamation

Chapter II, Point 10 — add a new point after 10(c)

Text proposed by the Commission	CoR amendment
	<i>d. Workers have the right not to engage in work-related electronic communications outside working hours.</i>

Reason

Technological developments are making the boundaries between working and non-working hours less clear, this is why the right to disconnect is an important aspect of labour rights.

Amendment 18

Proposal for a proclamation

Chapter III, Point 15 (a) — amend as follows

Text proposed by the Commission	CoR amendment
a. Workers and the self-employed in retirement have the right to a pension commensurate to their contributions and ensuring an adequate income. Women and men shall have equal opportunities to acquire pension rights.	a. Workers and the self-employed in retirement have the right to a pension commensurate to their contributions and ensuring an adequate income. Women and men shall have equal opportunities to acquire pension rights <i>and the gender pension gap must be dealt with through measures tackling the daily inequalities which prevent women from contributing as much to pension schemes as men.</i>

Reason

Compromise

Amendment 19

Proposal for a proclamation

Chapter III, Point 19 — add a new point

Text proposed by the Commission	CoR amendment
	<i>Integrating refugees and regular migrants</i> <i>The effective integration of refugees, unaccompanied minors and legally residing migrants shall be supported as it is one of the main tasks necessary to ensure a functioning modern social Europe. This shall be done through, inter alia, education and professional training to identify the individuals' potential and facilitate their integration.</i>

Reason

No mention has been made of refugees, unaccompanied minors and legally residing migrants in the pillar and there is a need to show commitment to ensuring that they integrate effectively.

Amendment 20

Proposal for a proclamation

Chapter III, Point 20 — amend as follows

Text proposed by the Commission	CoR amendment
<p>Access to essential services</p> <p>Everyone has the right to access essential services of good quality, including water, sanitation, energy, transport, financial services and digital communications. Support for access to such services shall be available for those in need.</p>	<p>Access to services of general economic interest and to essential services</p> <p>a. Everyone has the right to access good quality and affordable services of general economic interest, such as social services, without prejudice to the competence of Member States to provide, commission and organise such services. Support for access to such services shall be available for those in need.</p> <p>b. Everyone has the right to access affordable essential services of good quality, including water, sanitation, energy, transport, financial services and digital communications. Support for access to such services shall be available for those in need.</p>

Reason

The delivery of SGEIs is an essential tool for social cohesion.

Amendment 21

Proposal for a proclamation

Chapter III, Point 20 — add a new point

Text proposed by the Commission	CoR amendment
	<p>Access to art and culture</p> <p>Everyone has the right to access art and culture.</p>

Reason

The pillar does not mention access to art and culture, which are key elements in ensuring social cohesion and in tackling marginalisation and poverty. Free access to art and culture also helps to combat radicalisation.

II. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

General comments

1. welcomes the establishment of a social pillar as a necessary accompaniment to political, economic and monetary union and a factor in the successful implementation of the horizontal social clause⁽⁷⁾, which will enable the delivery of a sustainable and inclusive Europe that empowers its citizens and promotes equal opportunities;
2. regrets the Commission's explicit statement that delivering on the European Pillar of Social Rights is a shared commitment and responsibility between the Union, its Member States and the social partners⁽⁸⁾, which completely disregards local and regional authorities' responsibility and powers in this area;
3. reiterates the importance of a strong European social agenda, in which competitiveness and social justice complement each other⁽⁹⁾, in order to avoid all forms of social dumping and to ensure increased employment rates. Reminds to this effect the commitment in the preamble of the Treaty on European Union, 'to promote economic and social progress for their peoples' and to ensure that 'advances in economic integration are accompanied by parallel progress in other fields';
4. stresses the added value that LRAs bring to framing and implementing social and economic policies to increase upward convergence and reiterates its call that the European Pillar support LRAs in their endeavours to implement appropriate employment and social policies⁽¹⁰⁾;
5. welcomes the Commission's aim of giving greater consideration to social policy objectives when framing EU policies and of drawing up (minimum) social policy standards to be met by the EU and the Member States in accordance with their respective powers;
6. reiterates its call for proper coordination between EU and national economic and social policies⁽¹¹⁾ ensuring that the regional dimension is better represented⁽¹²⁾;
7. boosting the social dimension will strengthen the EU project and engage citizens in a renewed project that will allow them to feel a stronger sense of identification;
8. notes that the EU's economic and social policies should increase their long-term growth potential, by providing support for productivity and the competitiveness of European companies and for workers' skills;
9. emphasises that the social pillar should contribute to reducing poverty, social exclusion and unemployment — particularly youth unemployment — and to tackling all possible forms of social inequality⁽¹³⁾, including gender-based inequalities. This framework must include the European unemployment insurance scheme⁽¹⁴⁾, as one of the first joint instruments for tackling employment crises;
10. points out that the employment crisis has caused significant long-term unemployment that calls for appropriate active policies, with training programmes to update the skills of these workers and with financial support where necessary;

⁽⁷⁾ Article 9 of the TFEU.

⁽⁸⁾ COM(2017) 251 final, Preamble (17).

⁽⁹⁾ CoR opinion on the European Pillar of Social Rights (CDR 2868/2016).

⁽¹⁰⁾ CoR opinion on the European Pillar of Social Rights (CDR 2868/2016).

⁽¹¹⁾ CoR opinion on the social dimension of the Economic and Monetary Union (CDR 6863/2013).

⁽¹²⁾ Resolution on the European Commission work programme 2016 (CDR-2015-5929).

⁽¹³⁾ CoR opinion on the European Pillar of Social Rights (CDR 2868/2016).

⁽¹⁴⁾ Italian government proposal for European unemployment benefit.

11. stresses that economic, social and territorial cohesion policy, as one of the most important and comprehensive EU policies ⁽¹⁵⁾, must play a key role in supporting the establishment of the social pillar;
12. stresses that social investment is investment in the future and should not be seen purely as a burden on the public purse;
13. stresses the need to coordinate the strategies and objectives that should exist between the Social Pillar and the European Social Fund;

Specific recommendations

14. shares the Commission's aim of increasing employment and encouraging the right conditions for businesses to create more quality jobs across Europe;
15. reiterates its call for strengthening the social dimension of the EU and of the Economic and Monetary Union; hopes that a legislative proposal for a European Pillar of Social Rights will allow labour rights and labour mobility in a changing labour market to be addressed while respecting the principle of subsidiarity ⁽¹⁶⁾;
16. reiterates the importance of a strong European social agenda, in which competitiveness and social justice complement each other ⁽¹⁷⁾, in order to avoid all forms of social dumping and to ensure increased employment rates;
17. highlights that any action taken — either public or private — must take account of regional and local specificities, demographic challenges and of persistently high youth unemployment. In relation to the latter point the Committee emphasises the importance of extending the benefits of the 'Youth Guarantee' scheme to people up to the age of 30 ⁽¹⁸⁾ and of making the scheme a permanent feature of European employment policies, with sustainable and adequate funding from both European and national funds;
18. indicates that rapid and far-reaching changes — from the ageing population and new family models, digitalisation and new types of work, to the impact of globalisation and urbanisation — make it necessary to pursue objectives on more and continuous training, skills upgrading and active support for talent, active ageing policies and work-life balance policies. The latter can be addressed through appropriate family ⁽¹⁹⁾, education and employment policies;
19. reiterates the importance of matching the needs of the labour market — which include a territorial element — with skills, and in this regard, stresses the role played by LRAs in the area of education, training and support to young entrepreneurs in particular ⁽²⁰⁾;
20. therefore supports enshrining in the European Pillar of Social Rights a right to education and training as a fundamental social and human entitlement;
21. further reiterates that, taking into account national, regional and local circumstances and available resources, and bearing in mind that investment in human capital could be treated as a social investment, Member States should be supported in the implementation of the Skills Guarantee, aimed at improving employment opportunities and full participation in society for low-qualified adults in Europe ⁽²¹⁾;
22. points out that in order to have a balanced and regulated labour market, it is important to take account of changes in the nature of work (4.0), employment relationships and workers' protection, including the right to disconnect. To this end, calls for a permanent high level group to be set up by the Commission, the Council, the Parliament and the Committee of the Regions to develop a European reflection on the impact of digitalisation and new technologies and to promote the necessary economic and social policies, including when it comes to any local and regional measures that may prove appropriate;

⁽¹⁵⁾ CoR opinion on the Future of Cohesion Policy beyond 2020 (CDR 1814/2016).

⁽¹⁶⁾ Resolution on the priorities of the European Committee of the Regions for the 2018 Work Programme of the European Commission (2017/C 272/01)

⁽¹⁷⁾ CoR opinion on the European Pillar of Social Rights (CDR 2868/2016).

⁽¹⁸⁾ Opinion on the Youth Employment Package, CDR 789/2013.

⁽¹⁹⁾ CoR opinion on The EU response to the demographic challenge (CDR 40/2016).

⁽²⁰⁾ CoR opinion on Guidelines for the Employment Policies of the Member States (CDR 1419/2015).

⁽²¹⁾ CoR opinion on A New Skills Agenda for Europe (COR-2016-04094).

23. underlines that, in light of the changes in the nature of work⁽²²⁾, it is essential that the qualifications of highly mobile professionals be recognised in a quick, simple and reliable manner⁽²³⁾;
24. believes that the new employment forms or the introduction of new common EU minimum standards must always allow for appropriate standards of social protection;
25. calls for greater focus on integrating refugees, unaccompanied minors and legally resident migrants effectively, including through education and vocational training;
26. asks for special attention to be paid to the legal acts affected by the UK's departure from the EU, such as freedom of movement for workers within the EU, coordination of social security systems and EU funds related to employment and social policies⁽²⁴⁾;
27. calls for the use of more suitable tools to evaluate subnational disparities, such as further reliable data on social issues at local and regional level;
28. proposes that poverty and social exclusion be addressed immediately, regardless of what caused them or the population group affected and highlights that greater incentives are necessary to support families, to guarantee a permanent escape from social exclusion and to increase funding for social protection; welcomes in the meantime the establishment of a basic guaranteed income, endorsed by many local and regional authorities, as a good practice;
29. points out that the social pillar must address the issue of marginalisation and social exclusion, focusing as a priority on policies for people with disabilities and policies for households with several children;
30. regrets that the pillar addresses housing only as an aspect of social services. Considers that appropriate and affordable housing for all is a prerequisite, which can lead to greater social cohesion and help to build communities that are resistant to social, economic and geographic segregation;
31. stresses the need to ensure the accessibility of a wide network of good-quality and affordable not only essential services but also services of general economic interest, including social services, in conjunction with local and regional authorities;
32. is disappointed that the pillar does not mention access to art and culture, which are key for social cohesion and tackling marginalisation and poverty⁽²⁵⁾;
33. strongly urges the Commission and the Council to introduce incentive measures for countries that implement structural reforms geared towards achieving the Europe 2020 social objectives and combating social imbalances;
34. underlines the fact that Europe's social progress can also be rolled out in a uniform manner to countries that are not members of the Euro⁽²⁶⁾ and therefore not initially beneficiaries of the social pillar. The CoR invites the Commission and the Council to find suitable instruments for this purpose;
35. highlights the need to clarify how European funds can support the implementation of the pillar⁽²⁷⁾ and also reiterates the need for sufficient resources to be earmarked by the European Union and the Member States for achieving the objectives of the pillar;
36. calls on the Commission to draw up a plan for a forward-looking social policy action programme containing specific measures;

⁽²²⁾ Special Eurobarometer 417, European area of skills and qualifications.

⁽²³⁾ Modernisation of the Professional Qualifications Directive (2013/55/EU).

⁽²⁴⁾ European Parliament's EMPL Committee Working Party document — 'around 670 pieces of Union law (including legislative acts, delegated acts and implementing acts) are currently in force in the areas of employment, freedom of movement for workers and social policy'.

⁽²⁵⁾ European Alliance for Culture and the Arts.

⁽²⁶⁾ European Confederation of Independent Trade Unions.

⁽²⁷⁾ European Social Network.

37. reiterates its request that the European Pillar of Social Rights support LRAs in their endeavours to implement appropriate employment and social policies ⁽²⁸⁾;
38. affirms that an appropriate set of tools should be introduced to measure and monitor the progress made ⁽²⁹⁾ and calls for a Social Progress Protocol in any future Treaty change, aimed at putting social rights on a par with economic rights ⁽³⁰⁾;
39. highlights the need to increase the social and civil value of volunteering as a means of developing and promoting a local area, and as a tool for social responsibility and direct public participation.

Brussels, 10 October 2017.

The President
of the European Committee of the Regions
Karl-Heinz LAMBERTZ

⁽²⁸⁾ CoR opinion on the European Pillar of Social Rights (CDR 2868/2016).

⁽²⁹⁾ <http://www.esn-eu.org/news/925/index.html>

⁽³⁰⁾ https://www.etuc.org/press/trade-unions-fight-stronger-european-pillar-social-rights#.Wb_76WepWUm

Opinion of the European Committee of the Regions — A European policy on the seismic requalification of buildings and infrastructure

(2018/C 054/11)

Rapporteur: Vito Santarsiero (IT/PES), Member of Basilicata Regional Council

POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

1. notes that recent research on seismic risk in Europe (such as the FP7-funded SHARE project ⁽¹⁾), while confirming that the highest levels of seismic risk concern countries such as Italy, Greece and Romania, also points to moderate levels for certain areas of countries such as France, Germany, Belgium, Spain and Portugal, including the risk from tsunamis;
2. notes that the Member States of the European Union (EU) contain a very large amount of buildings and infrastructure that require significant maintenance due to their structural condition, changes in environmental conditions and the rules governing the building sector; regarding the built heritage in particular, Eurostat and Building Performance Institute Europe (BPIE) ⁽²⁾ data shows that of the approximately 25 billion m² of useful floor space in the EU-27 (plus Switzerland and Norway), some 40 % was built before 1960;
3. notes that certain EU countries, particularly in the Mediterranean region, have in recent times suffered devastating earthquakes that have caused severe social and economic damage; Italy has suffered particularly badly, with numerous earthquakes over the last 50 years that have together killed more than 5 000 people and caused economic losses estimated at close to EUR 150 billion;
4. notes that according to world-wide analysis of past seismic events, the number of victims and spread of damage is determined more by the vulnerability of buildings and lack of preparedness of the communities affected than by the intensity of the earthquake;
5. emphasises that a close look at the effects of an earthquake on local systems and on housing and infrastructure fabric, as well as on the economy and production, reveals a slow-down and often complete halt in territorial growth processes;
6. emphasises that guaranteeing the safety of buildings and infrastructure also means interacting positively with the EU's regional and cohesion policies and its urban and rural growth objectives;
7. is of the view that a European policy on the seismic requalification of buildings and infrastructure should be based on a multi-level governance approach coordinating the relevant European, national and regional competences in accordance with the principles of subsidiarity and proportionality and in analogy with the method pursued under the EU Urban Agenda. Recalls in this context that the EU level is largely competent for setting technical standards while the national, the regional or the local level is competent in particular for construction law as well as urban planning;
8. points out that comprehensive seismic risk prevention measures are a primary requirement for the EU, in order to protect the safety of its citizens, conserve its historical and cultural heritage, limit spending arising from harm to people and things and maintain the conditions for territorial development and investment for growth;

⁽¹⁾ www.share-eu.org.

⁽²⁾ BPIE, 2011. *Europe's buildings under the microscope. A country-by-country review of the energy performance of buildings.*

9. emphasises that local and regional authorities above all have a political and institutional responsibility to protect their own inhabitants, both because they represent the first level of governance response in coordinating rescue and aid operations in emergencies, and because they play an important role in the emergency planning phase and in framing structural (interventions) and non-structural (information) measures;

10. also emphasises that local and regional authorities, as the institutions closest to local people, can foster greater awareness of the right and the duty of risk prevention and the ensuing development of active patterns of behaviour in favour of mitigation;

MEASURES TO MITIGATE SEISMIC RISK

11. considers that, in view of the large quantity of private and public buildings and infrastructure on which work may be required, uniform, Europe-wide criteria (including the Eurocodes) should be used for classifying the seismic vulnerability of buildings and infrastructure;

12. urges the European Commission to encourage a dialogue with the insurance industry at a pan-European level to seek a financial incentive by means of premium reductions during the requalification process and is of the view that it would be helpful to look into the economic sustainability and anticipated potential benefits of improving the insurance coverage system by providing risk pooling measures;

13. considers it helpful, with a view to fostering the development of mitigation measures through greater community awareness, to clearly define and communicate both the consequences of possible seismic events and, above all, the advantages offered by requalification measures in terms of reducing the impact both socially (especially loss of human life) and economically;

14. notes that, since precise methods and transferable results are not yet available that are clear to non-specialist stakeholders (administrators, the general public, etc.) regarding the major advantages to be gained by carrying out preventive requalification work, it is important to look at this aspect in greater depth by financing targeted research;

15. considers it essential, in order to optimise and properly target the technical and financial efforts aimed at reducing seismic risk to existing buildings, to promote awareness and analysis of the vulnerability of existing buildings as a starting point for further measures and major public-private initiatives. To do so, data collection campaigns should be encouraged for the purposes of statistical evaluation and outlining shared priorities and methodologies, along with regulatory change in the sector and financing and incentive measures;

16. notes that the experience in several Member States — such as Italy — suggests little willingness to invest in work among older or second home owners; it would therefore seem worth introducing measures to inform such categories, together with incentives that are not limited to first homes. Acknowledges the need to adjust measures for analysing and upgrading existing buildings, not least on the basis of studies and practical experience of placing individual buildings in the context of a vulnerability assessment of the whole urban area or agglomeration, thereby recognising potential weaknesses in the actual conditions of use of the buildings;

17. notes that widespread requalification of public and private buildings is already under way in European countries in order to ensure greater energy efficiency, financed in part from European funds, but that such work does not generally address the issue of structural and earthquake safety;

18. emphasises, on the other hand, the need for effective requalification to be undertaken by means of integrated and sustainable measures that can, at the same time and in the least invasive way possible, reduce vulnerability to earthquakes and boost energy efficiency;

19. considers it essential to carry out, alongside structural preventive measures, 'non-structural' preventive measures aimed more broadly at increasing knowledge of seismic risk and, in particular, fostering awareness and an active role for inhabitants;

20. is of the view that as well as reducing risk, requalification can have a positive impact on the environment by extending the useful life of buildings and consequently limiting post-earthquake demolition and reconstruction work, which is also a key objective of the Construction Products Regulation (Regulation (EU) No 305/2011) which introduced a seventh essential requirement for construction compared to its predecessor (Directive 89/106/EEC), i.e. 'sustainable use of natural resources';

21. recognises that while a seismic requalification programme requires significant resources and is particularly costly in regions and Member States at higher and more widespread risk of earthquakes, it also contributes to employment and economic growth, particularly in terms of reinvigorating the construction market;

22. believes that seismic requalification measures must be regulated by a framework of European technical standards which also address the issue of seismic retrofitting of existing buildings, based on a holistic approach designed to ensure safety, robustness and durability;

23. considers that an EU platform should be set up to exchange knowledge, experience and best practice at different levels in the EU countries;

A NEW EUROPEAN POLICY TO MITIGATE SEISMIC RISK

24. would reiterate the argument made in the opinion on the Sendai Framework⁽³⁾ that all EU projects relating to construction of new infrastructure must ensure adequate disaster-resistance, while making it clear that this objective may entail greater costs;

25. proposes that provision be made for the parameters that determine a territory's seismic risk, and by analogy risks from other natural disasters, assessed according to well-defined criteria, to be considered among the criteria for distributing ESI funds between the regions of Europe; stresses that the EU must require all infrastructure built using ESI funds or any other EU fund to be disaster-resistant;

26. proposes that EU regulations should provide for the use of ESI funds for the seismic requalification of public and private buildings, together with road transport and services infrastructure that is of strategic importance to EU countries;

27. proposes that the action plan should provide for the upgrading of all buildings, including residential buildings, as well as public spaces, not only as places of safety in the event of an emergency, but as a long-term urban strategy that includes the possibility of relocating resident populations to public spaces where they can be protected;

28. calls on the European Commission to develop in coordination with the Member States and, where relevant, local and regional authorities an action plan for the seismic requalification of buildings and infrastructure in keeping with Article 5(5) (b) of Regulation (EU) No 1301/2013 on the European Regional Development Fund; also asks the Member States and local and regional authorities to make full use of the support provided for this investment priority in the regional development operational programmes;

29. proposes that this should send a strong signal to stimulate investment, in part through public-private sector cooperation, in the seismic requalification of buildings and infrastructure, with particular emphasis on the conservation of the cultural and historic heritage, strategic infrastructure and agricultural and industrial buildings and infrastructure;

30. calls for increased R&I investment in the area of seismic protection of buildings, including the development of wide-ranging information and training programmes;

31. urges the Member States and regions concerned to include the seismic requalification of existing buildings as a priority in their regional development operational programmes, emphasising the need to earmark financial resources for this purpose, including appropriate incentives for seismic risk prevention work;

⁽³⁾ See the opinion on the *Action Plan on the Sendai Framework for Disaster Risk Reduction 2015-2030*, NAT-VI/015, rapporteur: Adam Banaszak (ECR/PL).

32. considers that maps of seismic hazard and risk zones for each country and/or region should be taken into account when implementing the proposals made in earlier points in order to optimise resources and results; proposes that research activities be fostered with the aim of developing these maps or updating them if they already exist;
33. considers that an action plan proposed by the European Commission could be a suitable tool for further promoting the seismic requalification of existing buildings as a priority in the Member States' regional development operational programmes;
34. notes that common measures in the field are potentially more effective than isolated steps taken by individual Member States, and consequently calls for a single, coordinated effort to be made in the field of seismic protection and requalification of buildings;
35. recommends that, in keeping with the objectives set out in Priority 1 of the Sendai Framework, public information campaigns at local and national level, aimed at fostering a culture of prevention, be promoted and supported.

Brussels, 11 October 2017.

The President
of the European Committee of the Regions
Karl-Heinz LAMBERTZ

Opinion of the European Committee of the Regions — Space Strategy for Europe

(2018/C 054/12)

Rapporteur: Andres Jaadla (EE/ALDE) Member of Rakvere City Council**Reference document(s):** Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions — Space Strategy for Europe

COM(2016) 705 final

POLICY RECOMMENDATIONS

1. As stated in the document, 'Space Strategy for Europe', space matters for Europe. Europe has achieved many successes in space technologies, including unique Earth observation and geo-positioning capabilities and exploration missions. Space technologies, data and services have become an indispensable part of the daily lives of the European public, and must systematically be further developed.
2. Space's strategic importance for Europe must also be emphasised. It reinforces Europe's role as a strong global player and is an asset for its security and defence. Space policy can help boost jobs, growth and investment in Europe. Investing in space pushes the boundaries of science and research. The CoR therefore strongly supports the request of the European Parliament⁽¹⁾ for a comprehensive Communication Strategy about the benefits of space technologies for citizens and business.
3. The aim is to find practical ways in which space technologies, data and services can support a variety of EU policies and key political priorities, including the competitiveness of the European economy, migration, tackling climate change, the digital single market and sustainable management of natural resources.
4. The European Committee of the Regions welcomes the fact that the European Union and the European Space Agency joined forces in bringing forward European cooperation in space by signing the EU-ESA Joint Statement on shared visions and goals on 26 October 2016. While the ESA has its own goals, cooperation with the EU Member States and institutions can create synergies. The Committee warmly welcomes the fact that the EU and the ESA have been able to develop a shared, long-term vision and goals⁽²⁾, providing a consistent framework for the EU and the ESA in implementing the relevant strategies. It is vital to avoid duplications and/or harmful competition in this cooperation.
5. The Committee of the Regions is welcoming the fact that Europe and the Member States have a European Space Agency with over fifty years of experience in building European capabilities in developing space technologies and applications in all areas of space activities. This role needs to be maintained and further enhanced for the socioeconomic development in the regions and among other in smart specialisation.
6. The CoR is convinced that the only way for the EU's space strategy to work in the long term, and thus for the success of the European space sector in creating jobs and growth to be ensured, is for all Member States to be actively involved. This can be achieved by means of concrete, targeted measures, and by focusing in particular on capacity-building and on including those Member States that are only just getting into the space sector.

⁽¹⁾ European Parliament resolution of 12 September 2017 on a Space Strategy for Europe, 12 September 2017

⁽²⁾ http://www.esa.int/About_Us/Welcome_to_ESA/Joint_statement_on_shared_vision_and_goals_for_the_future_of_Europe_in_space_by_the_EU_and_ESA

7. Training for engineers, technicians and scientists is of crucial importance for European industry. The establishment of centres of skills and excellence, and of centres for lifelong learning, strengthens the European labour market and expands infrastructure for trials, tests and new computing and analysis capabilities, and thus helps to ensure that knowledge and skills in space-related fields and space science are continually expanded. The European space strategy needs to build on this.

8. Getting young people involved, and inspiring and motivating them, is an investment in the future of Europe. There should be more investment in awareness-raising and the creation of success stories showing what role the European public has in the development of complex systems (both on Earth and in the development of satellites). The benefits of space for society manifest themselves in a variety of ways: in communications technologies; the possibility of exchanging information in real time; continuous, high-resolution surveillance systems; a rapid response to natural disasters; support for agriculture, forestry, fisheries and maritime transport; stronger border and security controls; and many other applications.

9. The need for cost-effective small satellites for communication and surveillance purposes is constantly increasing. With regard to Earth observation applications and services, the technical capabilities of small satellites are improving rapidly and new applications are emerging, both for monitoring and managing agricultural land and for weather forecasting, particularly thanks to progress with new radar technology. The EU therefore needs to focus its attention on the continuity in Copernicus and Galileo, so as to avoid losing ground to global developments in this market.

10. A number of consultations have drawn attention to the need for high-level international cooperation⁽³⁾ in economic, social and diplomatic terms, in order to secure EU Member States' access to space and guarantee the security of space infrastructure. This includes space debris, the need for free orbits, and agreements on frequency and space traffic management. Space-related matters must be governed by international agreements. Local and regional authorities are ideal intermediaries between individual communities (societal groups, consumers, entrepreneurs and scientists).

11. The success and sustainability of the European space industry depend on the use and processing of large volumes and sources of information and data ('big data'). Innovative solutions, new processes, better security and better protection against cyberattacks can only be ensured if businesses are given better access to data and an inspirational cooperation can be developed with scientists, universities and the public sector.

General comments

12. This document on the space strategy for Europe takes into account and to some extent builds on the CoR's previous opinions on this subject — including the opinions on 'Towards a space strategy for the European Union that benefits its citizens' and 'EU Space industrial policy' — as well as the report by the European Parliament's Committee on Foreign Affairs on space capabilities for European security and defence, the review of Space Market Uptake in Europe, the recommendations on adding a regional dimension to the European Space Strategy published by NEREUS in April 2016, and the Horizon 2020 Space Advisory Group's 'Advice on potential priorities for Research and Innovation in the work programme 2018-2020'.

13. The space strategy for Europe is a practical response to international developments in the field of space, where competition has increased due to the 'New Space' paradigm, which emerged in the US in the 1980s with companies entering the market aiming to reach outer space. Digital technologies and digitalisation are opening up new ways of doing business, while major technological shifts are disrupting traditional industrial and business models used for accessing and using space.

⁽³⁾ High Level Forum — Space as a driver for socioeconomic sustainable development. Dubai, 24 November 2016.

14. Cooperation is necessary between all institutions, as the space sector is characterised by long development cycles; this increases market risks, since the market potential of new applications needs to be assessed far in advance and it is difficult to adapt existing inventory. This means that it can be difficult for entrepreneurs who wish to enter the space sector to find investors, as it is very difficult to adapt the cyclical market and existing inventories to changes in demand.

15. The EU and the ESA must step up their cooperation, in order to support the Member States in European research and development activities in the space sector, to boost the use of innovative procurement programmes and to give more impetus to private investment and partnerships with industry, as well as to foster the development of mini- and nano satellites.

16. The EU and the ESA must develop joint awareness-raising measures and technology deployment plans so that the results achieved in various fields thanks to research and development activities can be effectively implemented. Global challenges caused by growing populations, increased demand for resources and climate change require information about our planet that can only be provided by a space-based solution.

17. The CoR has identified the following specific priorities:

- proactively developing policy measures for getting SMEs more closely involved, promoting the establishment of new businesses (spin-offs and start-ups) and creating jobs in fields that use space technologies,
- supporting R & D, additional education programmes at all levels in the fields of IT, science, mathematics, engineering and social sciences,
- investing in space, highlighting the role of investment funds and the investment facilities, and the involvement of private investors,
- developing cooperation between European, national and regional authorities and between the industry and users namely through a structured support from the European Commission helping to ensure that capacity of information traffic is compatible with the current challenges arising from remote detecting technologies,
- significantly improving the steering and management of the space sector, both in the Member States and at European level, and promoting cooperation between the EU and the ESA with a focus on users as well on regions, taking into account their potential in this field,
- co-financing the creation of European Space Agency business incubators in the regions with the aim of encouraging entrepreneurship in the space sector,
- supporting educational measures and public institutions that train economic professionals, taking into account the space sector's specific entrepreneurship needs.

The role of the 'space regions' in implementing the European space strategy

18. The CoR welcomes the fact that the Space Strategy for Europe takes into account the importance of regional participation in its implementation, particularly through concrete measures by the European Commission together with the GSA Agency, which is responsible for EGNOS and Galileo programmes, as testify the Copernicus Relays and Copernicus Academy networks to support the promotion of the use of remote sensing data and their applications.

19. The regional dimension is essential in bringing the benefits of space closer to users and thus putting users at the centre of a European space strategy. Local and regional authorities have the competence and willingness to be involved in the implementation of European space policy, as it also supports smart specialisation strategies in many regions.

20. welcomes the fact that many regions have joined the Network of European Regions Using Space Technologies (Nereus), which points to the growing importance of space for regional economies. The aim of Nereus is to harness the full potential of space technology for Europe's regions, in terms of both R&D and economic competitiveness, highlight the

regional dimension of space policies at political level and promote a bottom-up approach to European space activities. The activities of regions that have joined Nereus should be highlighted. Regional authorities have potential and experience in the area of integrating the activities of operators in business and science, public institutions and civil society. This should be harnessed so as to build partnerships for implementing activities under the space strategy.

21. EU space policy needs to have a clear perspective of how to convince Europe's society, economic sector and political circles of the potential offered by space. Space policy should also play a more prominent role in other European Union regional policies, in part because it provides opportunities concerning objectives in the EU Urban Agenda, smart city solutions, smart energy, city planning, agriculture, climate policy, etc.

22. Regional authorities carrying out their fundamental duty to stimulate both science and technology, and the socioeconomic development of their territorial units should be seen as coordinators of regional space policy. Regional authorities have potential and experience in the area of integrating the activities of operators in the business and science sectors, public institutions and civil society. This should be harnessed so as to build partnerships for implementing actions under the space strategy.

23. The European Space Agency has been developing a number of initiatives with the regions, including the European Space Education Resource Offices (ESERO). The benefits of these initiatives should be maximised and their development further encouraged.

24. The Commission should develop support actions focused on activities relating to regional clusters, contact offices, agencies, universities and research institutes, in order to encourage the adoption of space-based products and services across industries.

25. It should also establish criteria for determining the public utility of space services with respect to the competences and needs of public authorities, on the basis of which the Commission and national authorities can assess the eligibility of applications submitted by potential users for subsidies for the deployment of services and applications.

26. The CoR supports the development and implementation of this comprehensive and ambitious European space programme that builds on past achievements and promotes and develops the priority areas of environmental monitoring, climate change, security, competitiveness and space exploration.

27. According to forecasts, users such as local and regional authorities and businesses will continue to require incentives and support from the EU and from Member States. Given the space sector's innovativeness and economic importance, the Committee calls for new ways of funding to be sought for the development and large-scale use of applications, involving the Structural Funds and the banks and in collaboration with the ESA. Given the problems with the financing of investment in research and development projects, it is worth improving the financing of research projects carried out in collaboration with research and development institutes and economic operators.

Contribution to the major European programmes EGNOS and Galileo (satellite navigation) and Copernicus (environment and security monitoring)

28. The CoR is convinced that the EU needs to guarantee funding for the operational phase of Galileo (including maintenance and replacement of satellites, safeguarding the integrity of the system, ground operations and access to data), as this is the only way of ensuring that the expected economic effects can be sustained.

29. The operational phase of Copernicus is crucial for the economic breakthrough of new technology developments, but financial support will still be required in order to cover the start-up costs connected with the uptake of new technology by a variety of users.

30. The Commission should ensure that long-term funding for the operation of Copernicus infrastructure is guaranteed using the EU budget in future, in order to guarantee both financial viability and transparency and democratic oversight of the funding.

31. There is an urgent need to establish big data centres to process and store data downloaded from Copernicus. The ability to use historical data is also very important for developing new services and applications in this area as well as the capacity to transmit large quantities of data in due time for its use.

32. The CoR underlines the important role of space monitoring and satellite navigation systems, such as Galileo and Copernicus, enabling a timely response to natural disasters such as earthquakes, forest fires, landslides and floods. Calls for this to be duly reflected in the development of downstream services for local and regional authorities. An effective space strategy is a crucial component of sustainable and resilient development, helping save lives as well as helping protect the environment and properties.

33. In order to be able to make use of data from Copernicus and Galileo and develop new services on this basis, there is a need for legal changes to ensure that this is done in line with other measures in regional, energy and environmental policy, agriculture and environmental monitoring that make use of spatial information. It must be ensured that the data obtained from these programmes can also be used for reporting at EU level and that, where this procedure is possible, it can be implemented in accordance with the law.

Dual use of space data for security and defence

34. Space-related capabilities and services play an important role in terms of European defence and security, as they enable consistent implementation of a common security and defence policy and also link EU policy to areas such as external action, border control, maritime security, climate action, energy security, disaster management, humanitarian aid and transport. The strategic partnership with other countries carrying out space programmes needs to be strengthened in order to safeguard Europe's independence with regard to critical space technologies and access to space.

More active involvement of Member States and societal groups in various activities connected with implementing the space strategy for Europe

35. All Member States need to have access to space services and to new ways of stimulating the economy and broadening their expertise. Awareness of how to make effective use of space in a wide variety of public sector fields, including at regional level, must be raised by supporting these regions, both by developing skills and by means of various funding mechanisms.

36. Space technologies can be useful in the public sector, for example for day-to-day monitoring of an area, evaluating the status of natural resources (fresh water, coastal waters, air quality, etc.) and forests and assessing timber stocks, managing agricultural land and reviewing the subsidy system, early identification and prevention of illegal construction, making use of solar and wind power, improving the energy efficiency of buildings, and in many other cases.

37. Further steps are needed to raise awareness in European society of the benefits of space. We also need better trained specialists and officials, and more engineers and scientists, to create the necessary added value for society, as well as to ensure closer cooperation with public and private organisations and businesses. The top priorities of a new space policy that is oriented towards citizens' real needs should include local initiatives, mutual exchange of experience, the creation of synergies between different functional areas, and information and awareness-raising.

Establishing specific education and awareness-raising measures to get the attention of younger generations

38. The space strategy relies on strong support and interest from younger generations. The millennial generation has grown up in a world where new applications are a given, not just for commercial ends, but also for daily use. The new ideas and perspectives young people bring should be encouraged.

39. The new European space strategy is not inspiring enough for the new generation. Space should be a source of inspiration and motivation, and help to change people's lives for the better. The strategy should primarily address how to step up education and public awareness-raising in connection with space-based information and data. Including space activities in the curricula of schools, universities and institutions providing informal education in scientific progress would go a long way towards drawing people's attention to this important area.

The CoR's next steps for successful implementation of the Space Strategy for Europe

40. The CoR urges the Commission, the European Parliament and the Council to discuss and support this strategy, and to press ahead with its effective implementation in close cooperation with cities and regions and with all relevant stakeholders.

41. In order to emphasise the importance of the space sector at regional level and to make the most of the opportunities offered to cities and regions by European space policy, a dedicated meetings focused on space issues will be organised within the CoR's Commission for the Environment, Climate Change and Energy. This is particularly necessary with a view to the mid-term review of the EU space programmes scheduled for 2017.

42. The CoR could provide more effective support to the implementation and execution of the Copernicus programme at local and regional level if it was a full permanent member of the programme's user forum and could send an official representative to that forum. This would take account of the importance of local actors in terms of the use of Copernicus data.

43. In order for the European space strategy to be implemented successfully, partnerships should be promoted between the Commission, Member States, the ESA, EUMETSAT, authorities, stakeholders, sectors, academics and user communities in other areas. The CoR can be an important partner in this connection.

Brussels, 11 October 2017.

*The President
of the European Committee of the Regions*

Karl-Heinz LAMBERTZ

Opinion of the European Committee of the Regions — Reform of EU own resources within the next MFF post-2020

(2018/C 054/13)

Rapporteur: Isabelle Boudineau (FR/PES) Vice-president of the Nouvelle-Aquitaine Regional Council

POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

A historic opportunity to reform the own resources system

1. points out that Article 311 of the TFEU stipulates that *the Union shall provide itself with the means necessary to attain its objectives and carry through its policies*; it also stipulates that *without prejudice to other revenue, the budget shall be financed wholly from own resources*;
2. underlines the challenges that the post-2020 EU budget will face in meeting evolving challenges in areas of European added value, in particular with regard to the need to strengthen policies on defence and counter-terrorism, the management of migrants and refugees, combating climate change, and to tackle demographic challenges, in addition to the other priorities already supported within the multiannual financial framework (MFF);
3. notes that the UK's exit from the EU will have an impact on the future of the budget after 2020, with a decrease of approximately EUR 10 billion per year⁽¹⁾ and delays in the timetable for negotiations on the next MFF, the start of which has already been postponed to summer 2018;
4. points out that the CoR has already taken a position in favour of a substantial reform of own resources⁽²⁾;
5. welcomes the publication of the final report of the high-level group on own resources (the Monti report), and in particular its recommendations on the principles of European added value and subsidiarity, but regrets that this report does not address the size of the EU budget in the light of the priorities set by the EU;
6. considers that this particular landscape, marked by the various crises, the UK's withdrawal from the EU, and the reflection process on the future of Europe, as well as the recommendations in the Monti report, provides an opportunity to create a vision of the priorities to be funded in the medium and long term in the framework of the EU budget and to reform its current system of funding;
7. welcomes the publication of the Commission's reflection paper on the future of EU finances, particularly the section on 'Revenues to support EU policies'. The CoR endorses the reference in the letter of intent sent by the Commission to the European Parliament and the Council on 13 September 2017, regarding the intended reform of the own resources system. However, the CoR would like to see specific proposals presented alongside or in conjunction with the proposal for the MFF (by May 2018). The CoR would also urge both the Council and the Member States to support the aim of overhauling the current own resources system by making it more straightforward, fair and transparent;

An EU budget stifled by the 'fair return' rationale

8. points out that for several decades now, national contributions calculated on the basis of gross national income (GNI) have made up the bulk of the EU budget⁽³⁾;
9. considers the current system to be sub-optimal, in particular because it is too dependent on national contributions and encourages governments to accept only a combination of expenditure that maximises their supposed net gain in terms of public finances. This approach tends to disregard the benefits of the single market and of certain EU policies and place

⁽¹⁾ *Brexit and the EU budget: threat or opportunity?* <http://www.delorsinstitute.eu/media/brexitbudget-haasrubio-jdi-jan17.pdf>.

⁽²⁾ CoR opinion 2016/0009 on the *Mid-term revision of the multiannual financial framework (MFF)*.

⁽³⁾ In the 2017 budget, this amounted to 69,63 %.

the focus solely on the rate of return. It has also fuelled a division between Member States that are 'net contributors' and those that are 'net beneficiaries', which appears to be artificial insofar as the calculation only factors in the public accounts and not the external benefits for the real economy in the Member States. This approach also fails to take into account the cost of 'non-Europe';

10. points out that during the procedure for adopting the annual budget, the compromises reached between the institutions often lead to a reduction in the budget compared with the goals set by the MFF. This creates a widening gap between commitments and payments, which leads to a payment crisis;

A reform aimed at more transparency, simplification and creating a closer link to the citizen

11. notes that the complexity of the structure of the EU budget and its funding system, marked by rebates and correction mechanisms, is hampering the overall clarity of EU action and feeding into the crisis of confidence among the public towards Europe; therefore calls for all of the correction mechanisms and rebates to be abolished;

12. believes that the lack of trust between the public, the Member States and the European institutions partly explains the excessive complexity involved in the management of the European structural and investment funds. In order to enhance how the EU is perceived by the public, EU policies, particularly cohesion policy, must be simplified after 2020;

13. points to a lack of harmonisation and transparency in the way that Member States' contributions to the EU budget are presented. Only four Member States currently declare their contributions to the EU budget in their national accounts, but this is classified as expenditure and not as an investment;

Towards an increase in genuine own resources, a more predictable and balanced budget

14. feels that the aim of this reform should be to create a clearer, more provident and balanced budget that responds to European challenges and is based on a larger proportion of new own resources and a reduction in national contributions, while seeking to minimise additional burdens on taxpayers. The key objective is to propose a distribution of own resources that is more transparent and understandable to the public and a budget that is more autonomous and democratic, with greater involvement of the European Parliament, particularly regarding the revenue side of the EU's budget. This reform should also involve the CoR and take account of the territorial dimension in debates on the EU budget;

15. considers that this reform should address the issue of the size of the MFF. The reform needs to ensure that there is consistency between all of the priorities set by the EU and the adoption of an MFF that is commensurate with those goals;

16. stresses that the post-2020 MFF should be both focused on future challenges as well as having a provision for risks set within the budget. This is important so that it can maintain its strategic focus and planning certainty for regional and local authorities as well as respond to any crises that emerge and prevent the creation of ad hoc funds outside the MFF;

17. believes that creating a link between taxes levied and specific priority EU policies would have an educational value, which would lead to increased acceptability. The CoR recommends maintaining the principle of the universality of the EU budget⁽⁴⁾. However, a more flexible approach to the 'non-assignment' rule could be considered;

18. considers that any proposal for the post-2020 budget should involve reforms on the expenditure side, in order to take into account the new EU priorities, ensure more efficient use of EU Funds but also to improve absorption rates, and on the revenue side, so as to increase the new own resources. In any case, these reforms must ensure adequate provision to maintain those policies that have contributed the greatest amount to the European project, namely: a common agricultural and food policy, cohesion and rural development policies, and a social agenda based on quality employment for EU citizens;

19. underlines that the principle of subsidiarity and the concept of European added value should be taken into account in the reform. The CoR calls for the 'subsidiarity tests' proposed in the Monti report to be looked into. It should be ensured, however, that subsidiarity is not exploited for the purposes of renationalising EU policies, and that no more funds are transferred to Member States in a way that could weaken those policies that have contributed the greatest amount to the European project, namely: the common agricultural policy, cohesion and rural development policies, and a social agenda based on quality employment for EU citizens;

⁽⁴⁾ http://ec.europa.eu/budget/financialreport/2011/overview/budget_management/index_en.html.

20. highlights the extent to which the collection of 'traditional' own resources, such as customs duties or revenue from the fight against fraud affecting the Union's financial interests, is dependent on sincere cooperation on the part of the Member States.

21. stresses that the reform of own resources should be considered in connection with the possibility of establishing a fiscal capacity for the euro-area Member States;

22. however, considers that in view of the rigorous requirements imposed on the Member States under the Six Pack, the Two Pack and the Fiscal Compact (structural budget balance to be maintained, spending 'brake', reducing the debt-to-GDP ratio), it is essential that countries also continue to have enough latitude to ensure the necessary (national) revenues by being able to determine their own tax regimes to meet spending commitments which in some areas (e.g. welfare, health or social care) are rising disproportionately;

Opinion on the new own resources set out in the Monti report

23. recommends assessing and proposing the new own resources in the form of a 'package' comprising various taxes, in order to balance out the effects of the new own resources on all levels of government, businesses and citizens;

24. welcomes the option of an EU corporate income tax by means of a common consolidated corporate tax base (CCCTB). In a previous opinion, the CoR welcomed the positive effects that the CCCTB could have on economic growth, employment and tax equity as well as on public finances, including those of local and regional authorities. In addition to this tax, the CoR calls on the EU institutions to look into the introduction of a specific tax on multinational companies. Supports the Commission's initiative announcing that, as a follow-up to the Communication of 21 September 2017 on A Fair and Efficient Tax System in the European Union for the Digital Single Market, it will by spring 2018 present a legislative proposal on EU rules for the taxation of profits in the digital economy. Points out, however, that the scope of tax harmonisation at EU level is limited by the provisions of Article 113 TFEU to the elements necessary for the functioning of the internal market and to avoid distortions of competition and that the power to levy and collect taxes remains central to the sovereignty of the Member States;

25. takes the view that a reformed VAT own resource could help increase the own resources. The current VAT resource suffers from excessive complexity and should be reformed in accordance with the system proposed by the high-level group, by applying a single EU rate to a wider harmonised base. However, this reform should not have adverse effects on the citizen and on the less developed Member States;

26. is in favour of a financial transaction tax (FTT). This would enable the Member States to reduce their national contributions⁽⁵⁾. However, the limited number of Member States committed to an FTT and its unpredictability in terms of revenue limits its potential;

27. considers that an own resource based on seigniorage could be envisaged, despite the risks related to its volatility and the fact that it concerns only the Member States of the euro area;

28. believes that the carbon taxes at national level, that which could be established at European level and that using the revenue from the emissions trading system at EU level have significant benefits, particularly as regards incentivising the reduction of CO₂ emissions, contributing to the implementation of the Paris Agreement and establishing a stronger link with Europe's goals on sustainable development, climate and the environment. However, this would have an impact on industry and transport. Such taxes could also create a new divide between the economically less developed Member States with more carbon-intensive economies and the more developed Member States, whose economies have the capacity to acquire cleaner means of energy production. In addition, the introduction of such carbon taxes should make provision for compensation mechanisms for islands and outermost regions, which are totally dependent on air and sea transport and yet firmly committed to reducing emissions;

29. considers that the electricity tax proposal would certainly have the advantage of clarity and of being in line with the EU's objectives on energy efficiency, but feels there is a risk that it would be unpopular and punitive for deprived households. It should therefore be ruled out for households;

⁽⁵⁾ CoR opinion on *A common system of financial transaction tax*, CdR 332/2011.

30. would propose ruling out the fuel tax. In addition to the problem of public acceptability, this tax would have a negative impact at local level, as it constitutes a source of revenue for certain local and regional authorities;

31. feels that the tax on flights proposed by the Commission in 2011 ⁽⁶⁾ could be reconsidered, and recommends that it be applied to flights within Europe;

32. calls on the Commission to conduct a detailed impact assessment on the new own resources and their effect on national and sub-national budgets and on citizens;

A reform within the framework of the timetable for the post-2020 MFF

33. calls on the Commission to present a legislative proposal for the post-2020 MFF providing for an ambitious reform of own resources. This reform should be carried out gradually, within the framework of the EU Treaties, and retain, albeit to a lesser extent, the national contributions;

34. notes that the UK's withdrawal from the EU timetable and the renewal of the terms of office of the European Parliament and the Commission could delay the timing of the proposals for the post-2020 EU budget. Calls on the Commission, in the event of long delays, to propose an extension of the MFF in accordance with Article 312(4) TFEU, in order to avoid adversely affecting the functioning of EU public policies, in particular cohesion policy.

Brussels, 11 October 2017.

*The President
of the European Committee of the Regions*
Karl-Heinz LAMBERTZ

⁽⁶⁾ *Financing the EU budget: report on the operation of the own resources system*, SEC(2011) 876 final.

Opinion of the European Committee of the Regions — The protection of children in migration

(2018/C 054/14)

Rapporteur: Yoomi Renström (SE/PES), Member of Ovanåker Municipal Council**Reference document:** Communication from the Commission to the European Parliament and the Council — The protection of children in migration,

COM(2017) 211 final

POLICY RECOMMENDATIONS**Background**

Children in migration are a particularly vulnerable group. The number of children arriving in the EU in various types of migration situation has increased dramatically. Many of these children are unaccompanied, i.e. without adult guardians. They represented around 30 % of all asylum-seeking children in 2015 and 2016, and their number has increased six-fold over the last few years.

The Commission communication looks at areas where the protection of children in migration could be improved. Its recommendations are based on existing legislation, processes and initiatives. The increase in the number of children in migration has put pressure on reception and in child protection systems. By proposing a number of key measures that the European Union and its Member States, supported by the relevant EU bodies (EASO, FRA and Frontex), should either introduce or should implement better, the Commission aims to address the most acute shortcomings in the protection of migrant children and to meet children's needs and uphold their rights in migration situations.

THE EUROPEAN COMMITTEE OF THE REGIONS

1. welcomes the Commission's communication in light of the deficiencies in the EU and its Member States with respect to protection of children in different types of migration situation. It is positive that the Commission has identified ways of improving implementation so as to enable timely, coordinated and more targeted action in this area;
2. shares the Commission's view about the importance of a comprehensive approach that includes both unaccompanied children and children arriving with their families, regardless of their status and at all stages of migration. Another welcome aspect is that the Commission's proposed measures extend from addressing the underlying reasons for children's dangerous journeys to the EU and strengthening the child protection system along migration routes to measures that would improve reception in the EU, integration, and return and family reunification mechanisms;
3. notes that children's fundamental rights are clearly set out in Article 24 of the EU Charter of Fundamental Rights. The fundamental rights of the child are a cross-cutting, multifaceted issue, and must therefore be incorporated into all relevant European and national policies ⁽¹⁾;
4. points out that children's rights are universal, indivisible and interrelated. The EU and its Member States have all ratified the UN Convention on the Rights of the Child (UNCRC), and they are urged to ensure compliance with the provisions set out in that convention. The UNCRC should be used as a framework, not just when rights are violated, but also to improve development and opportunities for all children and young people ⁽²⁾;

⁽¹⁾ CoR own-initiative opinion on *Local and regional cooperation to protect the rights of the child in the European Union* (CdR 54/2010).

⁽²⁾ See footnote 1.

5. notes that there is an institutional and legal framework for protecting children's rights in the EU, e.g. through the UNCRC, the European Convention on Human Rights, and other key international agreements entered into by the Member States. The challenge is to actually apply these legal instruments in the current situation in Europe where there has been a dramatic increase in migrating children who need protection;

6. highlights the link between the present opinion and other CoR opinions on proposals for reform of the asylum system that were adopted in 2016 ⁽³⁾, and repeats its call for a comprehensive, sustainable EU migration strategy based on solidarity and respect for human rights, including measures to provide effective protection for the most vulnerable migrants, namely children;

7. considers the communication under discussion to be an important complementary contribution to the new Common European Asylum System (CEAS) and urges the EU institutions involved in negotiations about the future asylum system to ensure that children's rights feature clearly in every aspect of it;

8. commends the Commission's proposals for specific key actions that highlight the responsibility of the EU and its Member States for protecting children in migration. It is important to safeguard children's rights throughout the whole migration process;

9. welcomes the Commission's concern to ensure uniformity and better reception conditions for children and young people in all the Member States, but points out that both the EU and its Member States have a duty to ensure the right conditions for local and regional authorities to receive migrants;

10. points out that protection of children in migration cannot be assured without a broad partnership between all those concerned: the EU institutions, the Member States, and local and regional authorities, as well as civil society. Local and regional authorities now help to determine the practical conditions in which vulnerable migrant children live, and they play a key role in coordination with other relevant players;

11. is concerned that the communication fails to consider the circumstances and conditions faced by local and regional authorities, and emphasises that their experiences and situations must guide the proposals put forward. If new ways of working are to be put into effect, then local and regional authorities must be involved at an early stage and throughout the whole process. The EU and the Member States must develop targeted and locally adapted support in the form of funding, legislative and regulatory systems, and skills;

12. sees migration and development policy as closely linked: cooperation at international, national, regional and local level is critical to achieving uniform protection for children in migration in line with the Sustainable Development Goals of Agenda 2030;

Children's best interests must be the guiding principle

13. believes that the principle of children's best interests, as defined in the provisions of the UNCRC, must guide decisions and measures throughout the whole asylum process, as well as for children who are not seeking asylum. A child is defined as any person aged 18 or under. To determine a child's best interests their opinions must be ascertained, and for this the child needs access to all relevant information about both their rights and the asylum process. Information must also be appropriate to the child's age and other circumstances. All of this should be guaranteed by appointing a legal representative for the child or, as the case may be, a guardian ad litem;

14. points to the lack of criteria for identifying and assessing the child's best interests, and therefore welcomes the prospect of the Commission and EU agencies providing guidance, training and tools for this task;

15. believes that children's particular vulnerability should be a concern and that cases involving children must therefore be given priority. An investigation should be carried out for every child precisely to establish that child's specific protection needs. There is reason to welcome the specific guidelines on operational standards and material reception conditions for unaccompanied children being drawn up by the European Asylum Support Office (EASO) in 2017;

⁽³⁾ COR-2016-05807-00-00-AC and COR-2016-03267-00-00-AC.

16. believes the Commission is right to call on the Member States to ensure that people working with migrant children in any situation have appropriate training. As well as training, there is a need to fund and provide support for the sharing of experience and best practice;

Migrant children need protection

17. agrees that the first step in strengthening support for migrating children is to address the underlying reasons for which children embark on perilous journeys in Europe. This means successfully combating poverty and privation, as well as inequalities in living standards, and addressing prolonged and violent conflicts. It is also important to develop integrated child protection systems in third countries;

18. notes that children who are fleeing or in migration represent a particularly vulnerable and exposed group, and have often been victims of extreme forms of violence, exploitation, trafficking and criminality, as well as physical, psychological and sexual abuse. The type of vulnerability of girls and boys may differ: girls are more susceptible to sexual and gender-based violence, and are particularly at risk of forced marriage, whereas boys are at risk of being drawn into criminal activity. A gender dimension must therefore always be applied when planning, implementing and assessing efforts to protect children;

19. notes that particular attention should be paid to children arriving with adults where the adult-child relationship is unclear, so as to guarantee protection of the child's health and rights;

20. observes that the past few months have seen record fatality levels among refugees and migrants, many of them children, in the central Mediterranean. The Committee refers here to its previously stated position⁽⁴⁾ and echoes Unicef's call on the EU and its Member States to take measures to protect children forced to leave their homes, by preventing exploitation and trafficking of children, and by stepping up the child protection programmes in Libya;

21. underlines the importance of providing a child protection ombudsman at every reception centre where children are to be registered and identified, with that person serving as a contact point in all questions concerning children and children's rights;

22. believes that information collected must be comparable between Member States and broken down by gender. When biometric data and fingerprints are collected, the methods should be based on the child's best interests and appropriate to each child's gender and particular circumstances. This requires the presence of a child protection ombudsman;

23. believes that there must be a functioning and legally watertight age assessment system in the EU. It is important from a children's rights and legal certainty perspective that an applicant's age be assessed early on in the process. It is a welcome step that the EASO is updating its age assessment guidance in 2017 so that the procedure treats children more equally;

24. stresses the need to improve cooperation, monitoring and measures in relation to children who go missing within the EU. An increasing proportion of children are going missing with only a few being found again. Missing migrant children have the same rights as other children. To counter the disappearance of children, a legally watertight and systematic method is needed of reporting and responding each time a child goes missing;

25. welcomes the plan for the Commission's Knowledge Centre on Migration and Demography to compile a data repository with information on children in migration;

Types of accommodation for children in migration

26. encourages the EU and the Member States to promote the development of different types of accommodation for unaccompanied children. These could be placement with a family, various facilities hosting children, or accommodation with adult relatives. The child's best interest should be assessed before such placements;

⁽⁴⁾ Draft opinion on *Migration on the Central Mediterranean route*, CIVEX-VI/023.

27. opposes any form of detention of children based on their migrant status. The negative effects on children of detaining them means that this option should only be used as a last resort and in exceptional cases, e.g. when a child's life or health is at risk, and should be for as short a time as possible and never under prison-like conditions. In any case, this must be supervised at all stages by the competent authority and/or the relevant public services for children. The detention facilities must be specially adapted for children and have properly trained staff. The Committee notes with satisfaction that the promotion of alternatives to detention is one of the key issues debated at the European Forum on the Rights of the Child on 6-8 November 2017;

Children's right to a guardian

28. notes that guardianship systems vary between the Member States, which reduces the chances of equal conditions obtaining for children who are assigned a guardian within the EU. Every unaccompanied child entering a country has the right to a professional guardian who can speak on behalf of the child in legal matters and protect their interests, regardless of whether or not the child is seeking asylum. The guardian is an important figure who should build trust with the child and protect them from various types of exploitation. A good relationship between child and guardian makes integration easier. A guardian can also help to prevent the child from going missing. The Committee is pleased to note that, in line with the Commission Communication on the state of play of the European Agenda on Migration, swift progress has been made at EU level in setting up a European network of guardianship institutions;

29. believes it is important for guardians to receive appropriate training from a competent institution or public authority or be able to demonstrate that they have obtained this. They should have responsibility for a limited number of children. Guardians must be employed and paid by, and be able to work autonomously of, the Member States;

30. welcomes the setting up of a European guardianship network where experiences can be shared and guidelines drawn up;

Children's integration into society and the need for education

31. points in particular to the close link between reception conditions for children and opportunities for integration, notes that procedures and reception conditions should not be allowed to hold up or compromise the integration process, and highlights how important it is to promptly launch the process of acquiring a legalised administrative status;

32. believes that early integration of children is critically important in supporting their development into adulthood. Children's integration into the new country is a social investment that helps to minimise the risk of them falling into criminal activity and their susceptibility to radicalisation. A child's development can be encouraged by ensuring access to education, healthcare, leisure activities and psychosocial support at an early stage;

33. emphasises that prompt and reliable access to inclusive formal education — including early education — and to childcare is one of the most important and powerful ways of integrating children because it promotes language skills, social cohesion and mutual understanding;

34. stresses how important it is for traumatised children to receive adequate psychosocial support to make the integration process easier. Specific services are also needed, and access to sexual and reproductive healthcare, for children who may have been the victims of sexual and gender-related violence;

35. highlights the importance of ongoing efforts to encourage a positive attitude to diversity and to combat racism, xenophobia and above all hate-mongering against children in migration;

36. notes that the Commission highlights the problems arising when unaccompanied minors reach the age of 18 and are no longer regarded as children, even though they still have substantial protection needs. Children must be prepared for this phase of transition to adult life by receiving counselling, support and opportunities for further education and vocational training;

37. underlines the importance of finding lasting solutions to give children normality and stability over the long term. All possible approaches should be considered: integration, return, resettlement or reunification with family members. The most important thing is to carefully assess the child's best interest in every case;

The European, national, regional and local perspectives

38. observes that local and regional authorities should be seen as key partners in implementing and delivering the EU's strategy for protecting children in migration. The Commission is urged to consider the consequences for the local and regional level in all its proposals, since the reception of asylum-seeking children takes place locally and it is here that access is given to various welfare services and that early integration into society begins;

39. calls on the Commission to make clear in its communication with the Member States that they should draw on the experience and knowledge of local and regional authorities, which can provide many good examples and have considerable experience with the protection and reception of children in migration;

40. notes that various types of EU funding and support can facilitate and contribute to protection and integration of children in migration, and urges the Commission to improve the information available about existing support and funding options for local and regional authorities;

41. agrees with the Commission that determined, concerted and coordinated follow-up to the key short-term actions set out in its communication is required at the EU and national, regional and local levels, also in cooperation with civil society and international organisations. All the relevant aspects of EU law should be carefully monitored, in particular compliance with obligations in respect of fundamental rights and safeguards relating to the rights of the child;

42. believes that a coherent system with common objectives for the reception of children in migration at EU and national level will ensure that the right action can be taken at the earliest possible stage. This is crucial in terms of ensuring children's opportunities for rapid integration, successful schooling and good preparation for the employment market. To ensure that these goals can be achieved, all the Member States should support each other and share responsibility for the reception of children in need of protection;

43. points out that children are Europe's future: demographic change means that the proportion of older people in the population is increasing while demand for labour among the working-age population is rising. An intake of young people is needed for our society to grow and thrive. If reception conditions are right and if an effective integration process is introduced, migrant children and young people can be given good life and development opportunities in our society. A good reception and integration process is therefore a long-term investment in welfare, democracy and human rights.

Brussels, 11 October 2017.

*The President
of the European Committee of the Regions*
Karl-Heinz LAMBERTZ

III

(Preparatory acts)

COMMITTEE OF THE REGIONS

125TH PLENARY SESSION, 9-11 OCTOBER 2017

Opinion of the European Committee of the Regions — The services package: A services economy that works for Europeans

(2018/C 054/15)

Rapporteur: Jean-Luc Vanraes (BE/ALDE), Member of Uccle Municipal Council**Reference documents:** Proposal for a Regulation of the European Parliament and of the Council introducing a European services e-card and related administrative facilities

COM(2016) 824 final

Proposal for a Directive of the European Parliament and of the Council on the legal and operational framework of the European services e-card introduced by Regulation [ESC Regulation] ...

COM(2016) 823 final

Proposal for a directive of the European Parliament and of the Council on a proportionality test before adoption of new regulation of professions

COM(2016) 822 final

Proposal for a Directive of the European Parliament and of the Council on the enforcement of the Directive 2006/123/EC on services in the internal market, laying down a notification procedure for authorisation schemes and requirements related to services, and amending Directive 2006/123/EC and Regulation (EU) No 1024/2012 on administrative cooperation through the Internal Market Information System

COM(2016) 821 final

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on reform recommendations for regulation in professional services

COM(2016) 820 final

I. RECOMMENDATIONS FOR AMENDMENTS

Amendment 1

Proposal for a Directive on the enforcement of the Directive 2006/123/EC on services in the internal market, laying down a notification procedure for authorisation schemes and requirements related to services, and amending Directive 2006/123/EC and Regulation (EU) No 1024/2012 on administrative cooperation through the Internal Market Information System

COM(2016) 821 final

Recital 7

Amend

Text proposed by the Commission	CoR amendment
<p>The notification obligation established by this Directive should apply to regulatory measures of Member States, such as laws, regulations, administrative provisions of general nature or any other binding rule of general nature, including rules adopted by professional organisations to regulate in a collective manner access to service activities or the exercise thereof. The notification obligation should on the other hand not apply to individual decisions issued by national authorities.</p>	<p>The notification obligation established by this Directive should apply to regulatory measures of Member States, such as laws, regulations, administrative provisions of general nature or any other binding rule of general nature, including rules adopted by professional organisations to regulate in a collective manner access to service activities or the exercise thereof. The notification obligation should on the other hand not apply to individual decisions issued by national authorities.</p> <p><i>Amendments or modifications to draft measures introduced by legislative assemblies or national, regional and local parliaments during the parliamentary procedure should not be covered by the notification obligation laid down by this Directive. For the purposes of this Directive, the notification obligation should be considered to have been fulfilled when the draft measure is implemented and finally adopted at the end of the parliamentary procedure.</i></p>

Reason

The proposal does not contain a procedure for amendments or modifications to draft measures introduced by legislative assemblies.

Amendment 2

Proposal for a Directive on the enforcement of the Directive 2006/123/EC on services in the internal market, laying down a notification procedure for authorisation schemes and requirements related to services, and amending Directive 2006/123/EC and Regulation (EU) No 1024/2012 on administrative cooperation through the Internal Market Information System

COM(2016) 821 final

Recital 15

Delete

Text proposed by the Commission	CoR amendment
<p><i>Failure to comply with the obligation to notify draft measures at least three months prior to their adoption and/or to refrain from adopting the notified measure during this period and, as the case may be, during the 3 months following the reception of an alert, should be considered to be a substantial procedural defect of a serious nature as regards its effects vis-à-vis individuals.</i></p>	

Reason

The consequence of the EC proposal is that draft measures that have not been notified will not be enforceable. This will have grave consequences for the enforcement of local and regional measures because the scope of the services directive is very broad and sometimes still evolving in case law of ECJ.

Amendment 3

Proposal for a Directive on the enforcement of the Directive 2006/123/EC on services in the internal market, laying down a notification procedure for authorisation schemes and requirements related to services, and amending Directive 2006/123/EC and Regulation (EU) No 1024/2012 on administrative cooperation through the Internal Market Information System

COM(2016) 821 final

Article 3(2)

Amend as follows

Text proposed by the Commission	CoR amendment
<p>1. Member States shall notify to the Commission any draft measure that introduces new requirements or authorisation schemes referred to in Article 4, or modifies such existing requirements or authorisation schemes.</p> <p>2. Where a Member State modifies a notified draft measure with the effect of significantly extending its scope or content, or shortening the timetable originally envisaged for implementation, or adding requirements or authorisation schemes, or making those requirements or authorisation schemes more restrictive for the establishment, or the cross-border provision of services, it shall notify the modified draft measure previously notified under paragraph 1 again, including an explanation of the objective and content of the modifications. In such a case, the previous notification shall be deemed to be withdrawn</p> <p>3. Draft measures referred to in paragraphs 1 and 2 shall be notified to the Commission at least three months prior to their adoption.</p>	<p>1. Member States shall notify to the Commission any draft measure that introduces new requirements or authorisation schemes referred to in Article 4, or modifies such existing requirements or authorisation schemes.</p> <p>2.</p> <p>a) Where a Member State modifies a notified draft measure with the effect of significantly extending its scope or content, or shortening the timetable originally envisaged for implementation, or adding requirements or authorisation schemes, or making those requirements or authorisation schemes more restrictive for the establishment, or the cross-border provision of services, it shall notify the modified draft measure previously notified under paragraph 1 again, including an explanation of the objective and content of the modifications. In such a case, the previous notification shall be deemed to be withdrawn.</p> <p>b) Member States shall not be obliged to notify the changes made during the parliamentary procedure to a draft measure that has been already notified. However, Member States shall notify the draft measure containing those changes to the Commission once it has been adopted.</p> <p>3. Draft measures referred to in paragraphs 1 and 2 shall be notified to the Commission at least three months prior to their adoption.</p>

Text proposed by the Commission	CoR amendment
<p>4. The breach of one of the obligations set out in Article 3(1), (2) and (3) or in Article 6(2) shall constitute a substantial procedural defect of a serious nature as regards its effects vis-à-vis individuals.</p> <p>5. Member States shall, as part of any notification, provide information demonstrating the compliance of the notified authorisation scheme or requirement with Directive 2006/123/EC.</p> <p>That information shall identify the overriding reason relating to the public interest pursued and give the reasons why the notified authorisation scheme or requirement is non-discriminatory on grounds of nationality or residence and why it is proportionate.</p> <p>That information shall include an assessment demonstrating that less restrictive means are not available as well as specific evidence substantiating the arguments put forward by the notifying Member State.</p> <p>6. In the notification, the Member State concerned shall also communicate the text of the legislative or regulatory provision that underlies the notified draft measure.</p> <p>7. Member States concerned shall communicate the adopted measure within two weeks following its adoption.</p> <p>8. For the purpose of the notification procedure established by this Directive and to ensure the exchange of information between the notifying Member State, other Member States and the Commission, the Internal Market Information System set out in Regulation (EU) No 1024/2012 shall be used.</p>	<p>4. The breach of one of the obligations set out in Article 3(1), (2) and (3) or in Article 6(2) shall constitute a substantial procedural defect of a serious nature as regards its effects vis-à-vis individuals.</p> <p>5. Member States shall, as part of any notification, provide information demonstrating the compliance of the notified authorisation scheme or requirement with Directive 2006/123/EC.</p> <p>That information shall identify the overriding reason relating to the public interest pursued and give the reasons why the notified authorisation scheme or requirement is non-discriminatory on grounds of nationality or residence and why it is proportionate.</p> <p>That information shall include an assessment demonstrating that less restrictive means are not available as well as specific evidence substantiating the arguments put forward by the notifying Member State.</p> <p>6. In the notification, the Member State concerned shall also communicate the text of the legislative or regulatory provision that underlies the notified draft measure.</p> <p>7. Member States concerned shall communicate the adopted measure within two weeks following its adoption.</p> <p>8. For the purpose of the notification procedure established by this Directive and to ensure the exchange of information between the notifying Member State, other Member States and the Commission, the Internal Market Information System set out in Regulation (EU) No 1024/2012 shall be used.</p>

Reason

The proposal does not contain a procedure for amendments or modifications to draft measures introduced by legislative assemblies.

Amendment 4

Proposal for a Directive on the enforcement of the Directive 2006/123/EC on services in the internal market, laying down a notification procedure for authorisation schemes and requirements related to services, and amending Directive 2006/123/EC and Regulation (EU) No 1024/2012 on administrative cooperation through the Internal Market Information System

COM(2016) 821 final

Article 3(4)

Delete

Text proposed by the Commission	CoR amendment
<i>The breach of one of the obligations set out in Article 3 (1), (2) and (3) or in Article 6(2) shall constitute a substantial procedural defect of a serious nature as regards its effects vis-à-vis individuals.</i>	

Reason

The consequence of the EC proposal is that draft measures that have not been notified will not be enforceable. This will have grave consequences for the enforcement of local and regional measures because the scope of the services directive is very broad and sometimes still evolving in case law of ECJ.

The proposed sanction would prompt huge legal uncertainty, since the most trivial formal breaches in notification would prevent implementation of even unproblematic projects that clearly complied materially with EU law.

Amendment 5

Proposal for a Directive on the enforcement of the Directive 2006/123/EC on services in the internal market, laying down a notification procedure for authorisation schemes and requirements related to services, and amending Directive 2006/123/EC and Regulation (EU) No 1024/2012 on administrative cooperation through the Internal Market Information System

COM(2016) 821 final

Article 3(8)

Add a new article after article 3(8)

Text proposed by the Commission	CoR amendment
	<i>Article 3(3) shall not apply where a Member State is required to adopt measures introducing new authorisation schemes or requirements or to modify existing authorisation schemes in a very short space of time for urgent reasons occasioned by serious and unforeseeable circumstances relating to the protection of public policy, public security, public health or the protection of the environment;</i>

Reason

Self-explanatory

Amendment 6

Proposal for a Directive on the enforcement of the Directive 2006/123/EC on services in the internal market, laying down a notification procedure for authorisation schemes and requirements related to services, and amending Directive 2006/123/EC and Regulation (EU) No 1024/2012 on administrative cooperation through the Internal Market Information System

COM(2016) 821 final

Article 5(2)

Amend as follows

Text proposed by the Commission	CoR amendment
<p>As from the date of the Commission informing the notifying Member State of the completeness of a notification received, a consultation of maximum three months shall take place among the notifying Member State, other Member States and the Commission.</p>	<p>As from the date of the Commission informing the notifying Member State of the completeness of a notification received, a consultation of maximum three months shall take place among the notifying Member State, other Member States and the Commission. <i>The consultation shall not prevent the notifying Member State from adopting the relevant provisions, which may, however, not be executed until the end of the consultation period.</i></p>

Reason

The proposed blocking period is too rigid. It would lead to undue delays in the process. Member States should therefore be free to adopt the measures concerned, but should freeze any execution until the end of the consultation period.

Amendment 7

Proposal for a Directive on the enforcement of the Directive 2006/123/EC on services in the internal market, laying down a notification procedure for authorisation schemes and requirements related to services, and amending Directive 2006/123/EC and Regulation (EU) No 1024/2012 on administrative cooperation through the Internal Market Information System

COM(2016) 821 final

Article 6**Alert**

Amend

Text proposed by the Commission	CoR amendment
<p>1. Before the closure of the consultation period referred to in Article 5(2), the Commission may alert the notifying Member State of its concerns about the compatibility with Directive 2006/123/EC of the draft measure notified and of its intention to adopt a Decision referred to in Article 7.</p>	<p>1. Before the closure of the consultation period referred to in Article 5(2), the Commission may alert the notifying Member State of its concerns about the compatibility with Directive 2006/123/EC of the draft measure notified and of its intention to adopt a Recommendation referred to in Article 7. <i>This alert notification shall set out the reasons for the Commission's concerns and, if appropriate, any changes to the draft measure notified that the Commission considers would deal with these concerns in a satisfactory way.</i></p>

Text proposed by the Commission	CoR amendment
<p>2. Upon receipt of such an alert, the notifying Member State shall not adopt the draft measure for a period of three months after the closure of the consultation period.</p>	<p>2. Upon receipt of such an alert, the Commission shall engage in a dialogue with the relevant competent bodies including at regional and local levels for a period of three months. An alert issued by the Commission to a Member State shall not prevent that Member State from adopting the draft measure, which may, however, not be executed, until the closure of the consultation period.</p>

Reason

To ensure that the competent bodies in the Member State are fully informed about the Commission's concerns, and the reasons for these, and to ensure timely and robust discussion of these with the competent bodies in the Member State.

Amendment 8

Proposal for a Directive on the enforcement of the Directive 2006/123/EC on services in the internal market, laying down a notification procedure for authorisation schemes and requirements related to services, and amending Directive 2006/123/EC and Regulation (EU) No 1024/2012 on administrative cooperation through the Internal Market Information System

COM(2016) 821 final

Article 7

Decision

Amend

Text proposed by the Commission	CoR amendment
<p style="text-align: center;"><i>Article 7</i></p> <p style="text-align: center;">Decision</p> <p>Where the Commission has issued an alert in accordance with Article 6(1), it may, within a period of three months after the date of the closure of the consultation period referred to in Article 5(2), adopt a Decision finding the draft measure to be incompatible with Directive 2006/123/EC and requiring the Member State concerned to refrain from adopting the draft measure or, if such measure has been adopted in breach of Article 3(3) or Article 6(2), to repeal it.</p>	<p style="text-align: center;"><i>Article 7</i></p> <p style="text-align: center;">Recommendation</p> <p>Where the Commission has issued an alert in accordance with Article 6(1), it may, within a period of three months after the date of the closure of the consultation period referred to in Article 5(2), adopt a non-binding Recommendation finding the draft measure to be incompatible with Directive 2006/123/EC and informing the Member State concerned of its intention, should the measure be adopted, to bring an action before the Court of Justice of the European Union challenging the compatibility of the measure with Directive 2006/123/EC.</p>

Reason

The Commission's proposal for a Decision is unacceptable as it would unduly restrict the freedom of legislators at national and regional level. A non-binding Recommendation notifying of the Commission's intention to challenge the legality of the measure should it be adopted can, in the context of the other provisions of the draft legislation, provide an improved notification procedure that is effective while also respecting the prerogatives of national and regional legislators.

Amendment 9

Proposal for a Directive on a proportionality test before adoption of new regulation of professions

COM(2016) 822 final/1

Recital 9

Amend as follows

Text proposed by the Commission	CoR amendment
<p>The burden of proof of justification and proportionality lies on the Member States. The reasons for regulation invoked by a Member State by way of justification should thus be accompanied by an analysis of the appropriateness and proportionality of the measure adopted by that State and by specific evidence substantiating its arguments.</p>	<p>The burden of proof of justification and proportionality lies on the Member States. The reasons for regulation invoked by a Member State by way of justification should thus be accompanied by an analysis of the appropriateness and proportionality of the measure adopted by the relevant authorities in that State and by specific evidence substantiating its arguments.</p>

Reason

This causes additional administration out of all proportion to the potential outcomes.

Amendment 10

Proposal for a Directive on a proportionality test before adoption of new regulation of professions

COM(2016) 822 final/1

Recital 12

Add a new recital after recital 12

Text proposed by the Commission	CoR amendment
	<p style="text-align: center;"><i>New recital</i></p> <p><i>it is up to the relevant public authorities in the Member States to assess the proportionality of a measure, based on the criteria set out in the Directive. These individual assessments may lead to different legitimate results in different Member States.</i></p>

Reason

Self-explanatory.

Amendment 11

Proposal for a Directive on a proportionality test before adoption of new regulation of professions

COM(2016) 822 final/1

Recital 18

Amend

Text proposed by the Commission	CoR amendment
<p>The economic impact of the measure, including a cost-benefit analysis with particular regard to the degree of competition in the market and the quality of the service provided, as well as the impact on the right to work and on the free movement of persons and services within the Union should be duly taken into account by the competent authorities. Based on this analysis, Member States should ascertain, in particular, whether the extent of the restriction of access to or pursuit of regulated professions within the Union is proportionate to the importance of the objectives pursued and the expected gains.</p>	<p>The economic impact of the measure, with particular regard to the degree of competition in the market and the quality of the service provided, the impact in terms of territorial cohesion, as well as the impact on the right to work and on the free movement of persons and services within the Union should be duly taken into account by the competent authorities. Based on this analysis, the relevant public authorities in the Member States should ascertain, in particular, whether the extent of the restriction of access to or pursuit of regulated professions within the Union is proportionate to the importance of the objectives pursued and the expected gains.</p>

Reason

Self-explanatory

Amendment 12

Proposal for a Directive on a proportionality test before adoption of new regulation of professions

COM(2016) 822 final/1

Recital 21

Amend

Text proposed by the Commission	CoR amendment
<p>It is essential for the proper functioning of the internal market to ensure that Member States provide information to citizens, representative associations or other relevant stakeholders before introducing new measures restricting access to or pursuit of regulated professions and give them the opportunity to make known their views.</p>	<p>It is essential for the proper functioning of the internal market to ensure that the relevant public authorities in the Member States provide information to citizens, local and regional authorities, the social partners, representative associations or other relevant stakeholders before introducing new measures restricting access to or pursuit of regulated professions and give them the opportunity to make known their views.</p>

Reason

Self-explanatory

Amendment 13

Proposal for a Directive on a proportionality test before adoption of new regulation of professions

COM(2016) 822 final

Article 6**Proportionality**

Amend as follows

Text proposed by the Commission	CoR amendment
<p>1. Before introducing new legislative, regulatory or administrative provisions restricting access to or pursuit of regulated professions, or amending existing ones, Member States shall assess whether those provisions are necessary and suitable for securing the attainment of the objective pursued and do not go beyond what is necessary to attain that objective.</p> <p>2. When assessing the necessity and the proportionality of the provisions, the relevant competent authorities shall consider in particular:</p> <p>(a) the nature of the risks related to the public interest objectives pursued, in particular the risks to consumers, to professionals or third parties;</p> <p>(b) the suitability of the provision namely as regards its appropriateness to attain the objective pursued and whether it genuinely reflects that objective in a consistent and systematic manner and thus, addresses the risks identified in a similar way as in comparable activities;</p> <p>(c) the necessity of the provision and in particular whether existing rules of a specific or more general nature, such as product safety legislation or consumer protection law, are insufficient to protect the objective pursued;</p> <p>(d) the link between the scope of activities covered by a profession or reserved to it and the professional qualification required;</p> <p>(e) the link between the complexity of the tasks and the necessary possession of specific professional qualifications, in particular as regards the level, the nature and the duration of the training or experience required, as well as the existence of different routes to obtain the professional qualification;</p>	<p>1. Before introducing new legislative, regulatory or administrative provisions restricting access to or pursuit of regulated professions, or amending existing ones, Member States shall assess whether those provisions are necessary and suitable for securing the attainment of the objective pursued and do not go beyond what is necessary to attain that objective.</p> <p>2. When assessing the necessity and the proportionality of the provisions, the relevant competent authorities shall consider in particular:</p> <p>(a) the nature of the risks related to the public interest objectives pursued, in particular the risks to service recipients, including consumers and other non-professional service recipients, professionals, the social partners, local and regional authorities or third parties;</p> <p>(b) the suitability of the provision namely as regards its appropriateness to attain the objective pursued and whether it genuinely reflects that objective in a consistent and systematic manner and thus, addresses the risks identified in a similar way as in comparable activities;</p> <p>(c) the necessity of the provision and in particular whether existing rules of a specific or more general nature, such as product safety legislation or consumer protection law, are insufficient to protect the objective pursued;</p> <p>(d) the link between the scope of activities covered by a profession or reserved to it and the professional qualification required;</p> <p>(e) the link between the complexity of the tasks and the necessary possession of specific professional qualifications, in particular as regards the level, the nature and the duration of the training or experience required, as well as the existence of different routes to obtain the professional qualification;</p>

Text proposed by the Commission	CoR amendment
<p>(f) the scope of the professional activities reserved to holders of a particular professional qualification, namely whether and why the activities reserved to certain professions can or cannot be shared with other professions;</p> <p>(g) the degree of autonomy in exercising a regulated profession and the impact of organisational and supervision arrangements on the attainment of the objective pursued, in particular where the activities relating to a regulated profession are pursued under the control and responsibility of a duly qualified professional;</p> <p>(h) the scientific and technological developments which may reduce the asymmetry of information between professionals and consumers;</p> <p>(i) the economic impact of the measure, with particular regard to the degree of competition in the market and the quality of the service provided, as well as the impact on the free movement of persons and services within the Union;</p> <p>(j) the possibility to use less restrictive means to achieve the public interest objective;</p> <p>(k) the cumulative effect of restrictions to both access to and pursuit of the profession, and in particular how each of those requirements contributes to and whether it is necessary to achieve the same public interest objective.</p>	<p>(f) the scope of the professional activities reserved to holders of a particular professional qualification, namely whether and why the activities reserved to certain professions can or cannot be shared with other professions;</p> <p>(g) the degree of autonomy in exercising a regulated profession and the impact of organisational and supervision arrangements on the attainment of the objective pursued, in particular where the activities relating to a regulated profession are pursued under the control and responsibility of a duly qualified professional;</p> <p>(h) the scientific and technological developments which may reduce the asymmetry of information between professionals and consumers;</p> <p>(i) the economic and social impact of the measure, with particular regard to the degree of competition in the market and the quality of the service provided, as well as the impact on the free movement of persons and services within the Union;</p> <p>(j) the possibility to use less restrictive means to achieve the public interest objective;</p> <p>(k) the cumulative effect of restrictions to both access to and pursuit of the profession.</p>
<p><i>When assessing the necessity and the proportionality of the provisions the competent authorities shall apply the criteria 2(a) to 2(k), inclusive, in a considered manner having regard to the particular circumstances of the individual case. Where they consider that any particular criterion is not relevant they may exclude it from the assessment but shall provide a justification for this exclusion.</i></p>	<p><i>When assessing the necessity and the proportionality of the provisions the competent authorities shall apply the criteria 2(a) to 2(k), inclusive, in a considered manner having regard to the particular circumstances of the individual case. Where they consider that any particular criterion is not relevant they may exclude it from the assessment but shall provide a justification for this exclusion.</i></p>
<p>3. For the purposes of paragraph 2(j), where the measures are justified by consumer protection and where the risks identified are limited to the relationship between the professional and the consumer without negatively affecting third parties, the relevant competent authorities shall assess in particular whether the objective can be attained by protected professional title without reserving activities.</p>	<p>3. For the purposes of paragraph 2(j), where the measures are justified by consumer protection and where the risks identified are limited to the relationship between the professional and the consumer without negatively affecting third parties, the relevant competent authorities shall assess in particular whether the objective can be attained by protected professional title without reserving activities.</p>
<p>4. For the purposes of paragraph 2(k), the relevant competent authorities shall assess in particular the cumulative effect of imposing any of the following requirements:</p>	<p>4. For the purposes of paragraph 2(k), the relevant competent authorities shall assess in particular the cumulative effect of imposing any of the following requirements:</p>
<p>(a) reserved activities, existing alongside protected professional title;</p>	<p>(a) reserved activities, existing alongside protected professional title;</p>

Text proposed by the Commission	CoR amendment
(b) continuous professional development requirements;	(b) rules relating to the organisation of the profession, professional ethics and supervision;
(c) rules relating to the organisation of the profession, professional ethics and supervision;	(c) compulsory chamber membership, registration or authorisation schemes, in particular where those requirements imply the possession of a particular professional qualification;
(d) compulsory chamber membership, registration or authorisation schemes, in particular where those requirements imply the possession of a particular professional qualification;	(d) quantitative restrictions, in particular requirements limiting the number of authorisations to practise, or fixing a minimum or a maximum number of employees, managers or representatives holding particular professional qualifications;
(e) quantitative restrictions, in particular requirements limiting the number of authorisations to practise, or fixing a minimum or a maximum number of employees, managers or representatives holding particular professional qualifications;	(e) specific legal form requirements or requirements which relate to the shareholding or management of a company, to the extent those requirements are directly linked to the exercise of the regulated profession;
(f) specific legal form requirements or requirements which relate to the shareholding or management of a company, to the extent those requirements are directly linked to the exercise of the regulated profession;	(f) territorial restrictions, in particular where the profession is regulated in parts of a Member State's territory in a different manner;
(g) territorial restrictions, in particular where the profession is regulated in parts of a Member State's territory in a different manner;	(g) requirements restricting the exercise of a regulated profession jointly or in partnership, as well as incompatibility rules;
(h) requirements restricting the exercise of a regulated profession jointly or in partnership, as well as incompatibility rules;	(h) requirements concerning insurance cover or other means of personal or collective with regard to professional liability;
(i) requirements concerning insurance cover or other means of personal or collective with regard to professional liability;	(i) language knowledge requirements, to the extent necessary to practise the profession.
(j) language knowledge requirements, to the extent necessary to practise the profession.	

Reason

The catalogue of criteria set out in Article 6 should be considered indicative, as not all criteria will be applicable or of the same importance in every individual case and a 'one-size-fits-all' approach would be excessive and needlessly burdensome on the competent authorities in the Member States.

II. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

Importance and urgency of completing the Single Market in services

1. underlines the importance of the Single Market for boosting economic growth, increasing investment, raising living standards and creating jobs in regions and cities across the EU;
2. stresses the urgency of completing the Single Market for goods and services as set out in the Single Market Strategy and points out that many of the most significant remaining economic barriers are in the area of services;

3. underlines that services are the major component of the European economy, accounting for around 70 % of both GDP and jobs; points out, however, that the EU services sector is characterised by slow productivity growth and weak competition, which hold back its potential; stresses that removing barriers to the cross-border provision of services resulting from diverging national rules and procedures would give services providers and customers greater opportunities to make full use of the potential of the internal market; consequently urges the European Commission and the Member States to continue adopting measure to accelerate the service sector's competitiveness, boost competition between companies and remove the legal and procedural barriers that slow down the cross-border service provision;

4. stresses that services are an important intermediate input in the economy and that competitive services, particularly business services, are crucial for productivity and cost competitiveness in other sectors such as manufacturing which are vital for regional and local economies;

5. points out that, ten years after its adoption, the potential of the Services Directive to enhance the free movement of services has not yet been fully realised and that providers in a range of services sectors still face a wide array of barriers when they want to establish in another Member State or provide services on a temporary cross-border basis; urges the Commission and the Member States to continue adopting measures to remove these obstacles; notes that estimates indicate that tackling the barriers to cross-border trade and investment in services under the framework already provided by the Services Directive could add 1,7 % to the GDP of the EU;

6. welcomes the Commission's concern to dismantle unwarranted bureaucratic hurdles in the provision of services and believes the proposals can make a contribution to creating a real Single Market in services, which would also spur economic growth, investment and employment in Europe's regions and cities; highlights, however, the need to respect the principles of proportionality and subsidiarity when implementing the services package;

7. stresses the inter-interlinkages between the various components of the package and the necessity to consider them as part of an integrated whole and to assess the merits of the individual proposals in that context;

8. considers that the proposal for the notification procedure should most probably be amended in the light of the European Court of Justice judgement in the Case C-320/16 Uber France SAS for which the advocate general delivered his preliminary opinion on 4 July 2017, stating that 'member states may prohibit and punish the illegal exercise of a transport activity such as Uberpop without having to notify the Commission of the draft law in advance';

Services e-card

9. points out that the Services Directive requires Member States to reduce administrative obstacles that deter service providers from operating cross-border but has not been fully effective in this respect;

10. welcomes the new services e-card as a helpful contribution to promote the mobility of service providers, but requests clarification about the extent to which the new services e-card relates to already existing schemes such as the Internal Market Information System (IMI) and the European Professional Card. Believes that the e-card can help to reduce administrative complexity and costs for cross-border service providers when fulfilling administrative formalities; SMEs, which are the backbone of regional and local economies, are particularly affected here as they are the most impacted by administrative complexity when operating cross-border;

11. is opposed to the approach of shifting the main responsibility for the procedure to the home Member State authorities insofar as that is in conflict with the host Member State principle governing the Services Directive. Indeed, the services e-card should not prevent or hinder controls that the relevant public authorities in the host Member State must conduct on economic activities performed in its territory. The services e-card proposal as presented by the Commission would allow service providers to deal exclusively with the home Member State as an intermediary and harmonise the exchange of data based on the country-of-origin principle;

12. wonders about the impact of the proposal for a European services e-card on the sectoral social identity cards that have already been introduced at the initiative of the competent public authorities in the Member States or of the social partners;

13. notes that the proposal does not specify what criteria the home Member State should use to determine that a service provider is lawfully established on its territory, whilst Directive 2014/67/EU provides a list of factual elements for determining whether an undertaking genuinely performs substantial activities in the Member State in question;

14. points out in this context that the issuing of A1 portable documents in connection with the posting of workers has already revealed potential pitfalls caused by the fact that it depends solely on the home Member State to validate the data concerning incoming service providers, in particular in the case of bogus self-employed workers. In this regard, the impact assessment accompanying the proposed amendment to Directive 96/71/EC concerning the posting of workers states: 'The accuracy of the information contained in PD A1 documents cannot be guaranteed due to the lack of formal controls by the authorities in the sending countries, among other things' ⁽¹⁾;

15. points out that some features of the services e-card such as the 'once only' principle for submitting information, its indefinite validity period, the obligation for the Member States to use the information contained in the services e-card without the possibility of requesting proof of the validity of the information provided at a later stage, and restrictive revocation procedures that may require a final decision by the courts, are liable to significantly endanger monitoring of compliance with national laws and the enforcement of workers' rights and consumers' rights;

16. notes that the European services e-card is supposed to include information on insurance coverage. However, the unlimited validity of the card suggests that this information will only need to be submitted once, which risks making inspections and checks in the host Member States less effective;

17. highlights the fact that the services e-card would be available to both service providers providing services cross-border on a temporary basis and those providing services through establishing a branch, agency or office in another Member State;

18. considers it important that, while it is mandatory for Member States to make it available, the e-card is voluntary for service providers, whether self-employed individuals or companies;

19. points out that, as a voluntary instrument, the uptake of the services e-card will depend on its manifest value-added for service providers and also on the efforts of the business community and relevant authorities in the Member States, including at regional and local levels, to promote as wide awareness as possible of the e-card and its benefits;

20. is critical of tacit approval in the event of there being no response by the host Member State authority to a service provider's application for an e-card within the timeframes laid down; either such deemed validation should be deleted entirely or at least appropriate assessment and processing times should be chosen;

21. regrets that important aspects of the services e-card, including the details of the information to be contained in the standard application form and the documents to be included in the application as supporting evidence, are not included in the draft legislation, but are intended to be specified by the Commission in delegated acts; points out that this could exclude regional and local authorities from having any say on these important issues; requests that the European Committee of the Regions receive all documents related to these delegated acts at the same time as Member States' experts, the European Parliament and the Council and have access to meetings of Commission expert groups dealing with the preparation of relevant delegated acts so that it can submit any necessary comments in good time;

22. notes that the scope of the e-card is limited in the first stage to business services and construction services, sectors which are of particular economic importance but which have both limited cross-border trade and investment and poor productivity growth, and which therefore could benefit from increased cross-border competition;

⁽¹⁾ SWD(2016) 52, p. 8.

23. emphasises that the good functioning of the services e-card system will rely on cooperation between Member States implemented via the Internal Market Information System, which includes regional and local authorities, and this requires enhanced use of the platform by public authorities and more investment in its development; bearing in mind also that implementation of other important elements of the services package, notably the notification procedure, will depend on its effectiveness, calls on the Commission to come forward with an action plan for adapting the platform to support the necessary procedures;
24. calls on the Commission to ensure that the system for processing service e-cards should comply with existing e-processing systems in the Member States and that interoperability with the Member States be facilitated;
25. calls on the European Commission to further extend the scope of the services e-card, so that in future it is available to as many sectors as possible, including small and micro-enterprises and innovative and high-growth companies;
26. supports the concept of service providers being charged fees for being issued with a services e-card on the basis that fee levels are not disproportionately high; recommends that the Commission closely monitor and report on the fee levels being charged by Member States as these could be an important determinant of the uptake of the e-card as a voluntary instrument;
27. considers that a strong feature of the services e-card from the point of view of service providers is the provision whereby authorities in Member States may not require an e-card holder to provide any information already contained in the e-card, including for the award of a public contract, a design contest or a concession, formation of subsidiaries or registration of branches under company law or registration with mandatory social insurance schemes, as this will reduce service providers' administrative compliance costs generally and thus make the card attractive to them and encourage its uptake;
28. underlines that this may have practical implications for organisational and electronic procedures, e.g. those for public procurement in regional and local authorities, and transitional periods may be necessary to allow for the smooth adaptation of systems to meet the new requirements;
29. supports the provisions to facilitate compliance with administrative formalities related to the posting of staff and those to facilitate insurance coverage for services provided across borders as these will also increase the attractiveness of the e-card for service providers and encourage its uptake;
30. underlines that the legislation, in line with the provisions of the Services Directive, does not affect the definition or organisation of services of general economic interest and does not apply to non-economic services of general interest, services that are often provided at local and regional level, and does not affect employment law or employment conditions;
31. calls on the Commission to introduce effective monitoring systems for the services e-card, in order to prevent unfair competition and fraudulent practices. The strict application of checks, which are not merely based on the monitoring of electronic data, would reduce potential social dumping and undeclared work;
32. would question whether the right balance is achieved between the benefits for service providers of introducing the services e-card and the resulting red tape for the Member State authorities concerned, including at local and regional level, considering also that a single point of contact is already available in every Member State for any questions and problems relating to the provision of cross-border services and that Member State authorities can exchange information through the IMI system. Regrets furthermore that the proposal does not clearly specify which administrative obligations on service providers will become superfluous for holders of an e-card. In view of the above, the Committee perceives a proportionality issue with the services e-card;

Notification procedure for improved notification of draft national laws on services

33. supports the principles that national rules restricting the freedom of establishment and the freedom to provide services should be non-discriminatory with regard to nationality or residence, proportionate and justified by overriding reasons relating to the public interest;

34. supports steps to improve the notification procedure for services as experience with the implementation of the services directive indicates that the existing procedure is ineffective as the scope of the notification obligation is unclear, it is therefore tackled differently by Member States, and stakeholders do not have access to notifications;

35. considers that any reform should respect Member States' right to regulate services in their territory subject to compliance with the principles set out in the Services Directive;

36. points out that the problems identified by the European Commission, such as failure to notify all measures, could also be avoided by improving the current notification system under the Services Directive. The added value of the new notification procedure, which imposes more restrictions on the national legislator, including at regional and local level, and is more complicated to implement, should be questioned in the light of the subsidiarity and proportionality principles;

37. welcomes the clarification of the specific measures that Member States are obliged to notify and the information that they must submit in this regard;

38. supports greater transparency but thinks that more explicit mention should be made of the specific opportunities that stakeholders would be given to contribute comments during the consultation period;

39. calls for legislation with only local relevance to be exempted from the scope of the directive;

40. takes the view that the consultation should not prevent the Member States adopting the measure in question;

41. is of the opinion that the Commission's alert under Article 6(1) should set out in detail the reasons why it considers the draft measure in question to be incompatible with the Services Directive and any suggestions it may have for changes to the draft measure that would overcome its concerns; suggests that the draft directive be amended to provide for this;

42. considers that, following the issuing of an alert, the Commission should be required to engage in a dialogue with the relevant competent bodies, including at regional and local level;

43. is concerned that the proposed Decision under Article 7 would unduly restrict the freedom of legislators at national, regional and local level; considers that this should instead be a non-binding Recommendation that would not prevent national and regional lawmakers from completing the legislative process taking into account the Commission's Recommendation; notes that the Commission is empowered to challenge the legality of enacted legislation in the European Court of Justice and this represents an important potential sanction which national and regional lawmakers, who had received an alert notification/Recommendation regarding incompatibility from the Commission, would surely take into account;

44. considers that the clarifications that the draft directive provides in relation to the scope of the measures to be notified and the information to be submitted, together with enhanced consultation, an alert mechanism and provision for a Commission Recommendation regarding incompatibility, should be sufficient to provide an improved notification procedure that is effective while respecting the prerogatives of national and regional legislators;

45. suggests that the Commission prepare estimates of the annual increase in the number of notifications it expects to receive as a result of new notification procedure so that, if necessary, it can make plans to have in place the capacity to effectively respond to the expected volumes in the timeframes provided for in the draft legislation;

Proportionality test (proportionality assessment of national rules on professional services)

46. emphasises that professional services are economically very important, accounting for 22 % of those employed across the EU, or 47 million jobs;

47. underlines that the regulation of professional services remains a prerogative of the Member States and that it is a matter for Member States, be it at national, regional or local level, to decide whether and how to regulate a profession within the limits of the principles of non-discrimination and proportionality;

48. notes that regulation of professional services can be in the form of State regulation or self-regulation by professional bodies and that, in many cases, regulation is carried out at the regional and local levels in the Member States, and that this makes for a very complex and dispersed landscape in which Member States must fulfil their obligations to ensure proportionality assessment, including as concerns the involvement of all the stakeholders who are directly implicated;

49. recognises that there is uneven scrutiny of the regulation of professions across the EU and that this has a negative effect on the provision of services and the mobility of professionals; recognises that it is desirable to ensure a more coherent legal framework at EU level for assessing the proportionality of new or amended requirements on access to or the pursuit of a regulated profession, incorporating the case-law of the European Court of Justice;

50. considers it important that the proposal would leave decisions on what to regulate and how to Member States and their competent bodies at regional and local level but should ensure these decisions are evidence-based and made following a transparent and objective assessment that is applied evenly across the Member States and which takes account of identified public interest objectives;

51. is of the view that the comprehensive set of criteria set out in Article 6 should be considered indicative, as not all criteria are likely to be applicable or of the same importance in every individual case; considers that, while proportionality assessments must be thorough, objective and evidence-based, they should also be commensurate, as a 'one size fits all' approach could be unnecessarily burdensome in many circumstances. The requirements of Article 6 also go too far in their scope and complexity;

52. welcomes the provisions for affording stakeholders an opportunity to contribute their views on new legislative, regulatory or administrative provisions restricting access to or the pursuit of regulated professions and considers that transparency and the engagement of all interested parties are vital for ensuring proper regulation;

53. points out that the new proportionality rules, which involve monitoring of legal, regulatory and administrative provisions on a regular basis and carrying out thorough, objective and evidence-based proportionality tests, including through the involvement of independent scrutiny boards and with wider stakeholder engagement, will increase the workload and costs of Member State authorities, including at regional and local level. This applies in particular to Article 4, under which not only the introduction of new provisions on regulated professions, but also amendments to existing ones, would have to be assessed for their proportionality, a requirement that can be considered excessive;

Guidance towards reforming and reducing the number of regulated professions

54. notes the Commission's efforts to ensure that the regulation of professions is fit for purpose by encouraging Member States to review whether their professional requirements are necessary to fulfil national public policy objectives;

55. welcomes the guidance for national reforms in the regulation of professions, which could be potentially very useful in helping Member States to adapt their regulatory frameworks for professions with high growth and jobs potential, including architects, lawyers, accountants, patent agents, real estate agents and tourist guides;

56. notes that the guidance is intended to complement the European Semester evaluations and considers that there may be merit in its integration with the European Semester process;

Subsidiarity and proportionality issues

57. considers that aspects of the proposals in the services package raise important issues concerning subsidiarity and proportionality⁽²⁾; points out that several national and regional parliaments have issued reasoned opinions pointing to subsidiarity and proportionality issues, including concerns about potential interference in national legislative procedures;

Implications for administrative burden and administrative capacity

58. is concerned that the proposals for the services e-card, notification procedure and proportionality test will impose additional administrative burdens on competent authorities in the Member States, including regional and local authorities, with consequential administrative capacity and budgetary implications.

Brussels, 11 October 2017.

*The President
of the European Committee of the Regions*

Karl-Heinz LAMBERTZ

⁽²⁾ Several national and regional parliaments have pointed out that the measures proposed in the directives concerning the notification procedure and proportionality test go beyond what the chosen legal basis allows. Several national and regional parliaments have issued reasoned opinions pointing to subsidiarity issues regarding the notification procedure, as the Commission and other Member States could potentially interfere in national legislative procedures; the proportionality test, as the proposed measures go beyond the indicated legal basis, interfere in the competence of Member States and are unnecessary; and the services e-card, as its introduction in the form proposed does not generate sufficient added value. With regard to proportionality, several national and regional parliaments consider that a directive on a proportionality test is not required and less stringent recommendations would be more appropriate, that the catalogue of criteria is excessive and the proposal does not leave enough room for national decisions to achieve the intended objectives. With regard to the services e-card, parliaments consider that the administrative workload to ensure compliance with a complex procedure is likely to increase considerably and the strict timelines are disproportionate; that the proposed rules would lead to the introduction of a country-of-origin principle; that services e-cards could be issued without conducting checks, given the short time limits for assessments; and that the proposals go beyond what is necessary to achieve the intended objectives.

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