Opinion of the European Committee of the Regions — Proposals for reform of the Economic and Monetary Union (December 2017)

(2018/C 387/06)

Rapporteur:	Christophe ROUILLON (FR/PES), Mayor of Coulaines
Reference documents:	Proposal for a Council Directive laying down provisions for strengthening fiscal responsibility and the medium-term budgetary orientation in the Member States COM(2017) 824 final Communication from the Commission to the European Parliament, the European Council, the Council and the European Central Bank — A European minister of economy and finance COM(2017) 823 final Proposal for a Council Regulation on the establishment of the European Monetary Fund COM(2017) 827 final For information: Communication from the Commission to the European Parliament, the European Council, the Council and the European Central Bank — Further steps towards completing Europe's economic and monetary union: a Roadmap COM(2017) 821 final

I. **RECOMMENDATIONS FOR AMENDMENTS**

Proposal for a Council Directive laying down provisions for strengthening fiscal responsibility and the medium-term budgetary orientation in the Member States

(COM(2017) 824 final)

Amendment 1

Recital 7

Text proposed by the Commission	CoR amendment
Since ***the economic and financial crisis has left*** a number of Member States with ***a legacy of*** high public debt, a framework of numerical fiscal rules specific to each Member State and which aim at strengthening its responsible conduct of fiscal policy while effectively promoting compliance with the budgetary obligations deriving from the TFEU is instrumental in ensuring convergence of public debt to prudent levels. Such a framework should operate in particular by setting a medium-term objective in terms of structural balance that is binding on the national budgetary authorities and their annual decisions. Medium-term objectives for the budgetary position allow the different public-debt-to-GDP ratios and sustainability risks of Member States to be taken into account, anchoring debt developments towards the reference value set out in Article 1 of Protocol No 12 on the excessive deficit procedure annexed to the Treaty on European Union and to the TFEU.	Since a number of Member States ***are confronted*** with ***both*** high public debt ***and public under-investment***, a framework of numerical fiscal rules specific to each Member State and which aim at strengthening its responsible conduct of fiscal policy while effectively promoting compliance with the budgetary obligations deriving from the TFEU is instrumental in ensuring convergence of public debt to prudent levels. Such a framework should operate in particular by setting***, based on a transparent and democratic procedure at national level,*** a medium-term objective in terms of structural balance that is binding on the national budgetary authorities and their annual decisions. Medium-term objectives for the budgetary position allow the different public-debt-to-GDP ratios and sustainability risks of Member States to be taken into account***, and for consideration to be given to the implementation at Member State level of structural reforms with European added value that correspond to European shared or supporting competences and that may have a substantial socio-economic impact***, anchoring debt developments towards the reference value set out in Article 1 of Protocol No 12 on the excessive deficit procedure annexed to the Treaty on European Union and to the TFEU.

Reason

Self-explanatory.

Amendment 2

Recital 8

Text proposed by the Commission	CoR amendment
In order to achieve and maintain the medium-term objective in structural terms, it is necessary for Member States to set out a consistent adjustment path, based on variables under the control of the budgetary authorities. National fiscal planning underpinned by a government expenditure path adjusted for the impact of discretionary revenue measures favours effectiveness, transparency and accountability when monitoring fiscal developments. In order to tightly connect plans with the overall fiscal outcomes in the medium-term ***and to ensure an enhanced sense of national ownership of fiscal policy***, a medium-term growth path of government expenditure ***net of discretionary revenue measures*** should be set for the whole term of the legislature as established by the constitutional legal order of each Member State. ***That path should be set as soon as a new government takes office and annual*** budgets should adhere to ***it*** so as to bring about ***resolute*** convergence towards the medium-term objective.	In order to achieve and maintain the medium-term objective in structural terms, it is necessary for Member States to set out a consistent adjustment path, based on variables under the control of the budgetary authorities. National fiscal planning underpinned by a government expenditure path adjusted for the impact of discretionary revenue measures favours effectiveness, transparency and accountability when monitoring fiscal developments. In order to tightly connect plans with the overall fiscal outcomes in the medium-term***, and respecting the Member States' prerogatives with regard to taxation, as well as the provisions of Articles 110-113 TFEU***, a medium-term growth path of government expenditure should be set for the whole term of the legislature as established by the constitutional legal order of each Member State***, based on a transparent and democratic procedure involving local and regional authorities and the economic and social partners in line with the principles of partnership and multi-level governance and thus enabling an enhanced sense of national ownership of fiscal policy***. ***Annual*** budgets should adhere to ***that path*** so as to bring about ***sequenced*** convergence towards the medium-term objective.

Reason

— A 'medium-term growth path of government expenditure' does not in itself 'ensure an enhanced sense of national ownership of fiscal policy'.

— The path cannot be established both for the legislature and for the entry into office of governments.

Amendment 3

Recital 9

Text proposed by the Commission	CoR amendment
Due to their future positive effects, the implementation of major structural reforms fostering long-run sustainability could justify changes in the adjustment path towards the medium-term objective, provided that they have a verifiable positive budgetary impact which is confirmed by the assessment conducted according to the procedural requirements of the SGP. In order to facilitate economic stabilisation, exceptional circumstances — in the form of severe economic downturns for the euro area or the Union as a whole or unusual events outside the control of the Member State concerned which have a major budgetary impact — should allow for a temporary deviation from the medium-term objective or the adjustment path towards it, where such a deviation does not endanger fiscal sustainability in the medium-term.	***The*** implementation of major structural reforms ***that have European added value and are linked to EU competences or the implementation of public investments*** fostering long-run sustainability could justify changes in the adjustment path towards the medium-term objective, provided that they have a verifiable positive budgetary impact which is confirmed by the assessment conducted according to the procedural requirements of the SGP. In order to facilitate economic stabilisation, exceptional circumstances — in the form of severe economic downturns for ***one or more Member States,*** the euro area or the Union as a whole or unusual events outside the control of the Member State concerned which have a major budgetary impact — should allow for a temporary deviation from the medium-term objective or the adjustment path towards it, where such a deviation does not endanger fiscal sustainability in the medium-term.

Reason

— Certain public investments with positive, direct and verifiable long-term budgetary effects on growth and on the sustainability of public finances are deemed to be equivalent to major structural reforms in the context of the Stability and Growth Pact (SGP). The SGP's 'investment clause' should also be taken into account when drawing up national fiscal rules.

— As regards the establishment of a framework of fiscal rules at national level, it is necessary to take into account any exceptional circumstances affecting one or more Member States, without however causing a recession across the euro area or the EU.

Amendment 4

Recital 17

Text proposed by the Commission	CoR amendment
Article 13 of the TSCG lays down that budgetary policies and other issues covered by that Treaty will be discussed in the framework of inter-parliamentary meetings held by the European Parliament and the national Parliaments of the Contracting Parties under Title II of Protocol No 1 on the role of national Parliaments in the European Union attached to the Treaties. This Directive ***should apply without prejudice to*** that practice, since such dialogue contributes to enhancing democratic accountability in the context of the Union's economic governance.	Article 13 of the TSCG lays down that budgetary policies and other issues covered by that Treaty will be discussed in the framework of inter-parliamentary meetings held by the European Parliament and the national Parliaments of the Contracting Parties under Title II of Protocol No 1 on the role of national Parliaments in the European Union attached to the Treaties. ***The European Committee of the Regions and the European Economic and Social Committee are involved in these meetings.*** This Directive ***reaffirms*** that practice, since such dialogue contributes to enhancing democratic accountability in the context of the Union's economic governance.

Reason

The practice of inter-parliamentary meetings helps to strengthen democratic accountability in the context of EU economic governance and should therefore be reaffirmed. Furthermore, the CoR's effective involvement in these meetings should be recognised.

Amendment 5

Article 2(a)

Text proposed by the Commission	CoR amendment
Article 2 **Definitions**	*Article 2* **Definitions**
(…)	(…)
In addition, the following definitions shall also apply: (a) 'exceptional circumstances' means an unusual event outside the control of the Member State concerned and which has a major impact on the financial position of the general government, or a severe economic downturn for the euro area or the Union as a whole;	In addition, the following definitions shall also apply: (a) 'exceptional circumstances' means an unusual event outside the control of the Member State concerned and which has a major impact on the financial position of the general government, or a severe economic downturn for ***one or more Member States,*** the euro area or the Union as a whole;

Reason

See amendment to recital 9.

Amendment 6

Article 3(2)(a)

Text proposed by the Commission	CoR amendment
Article 3 **Fiscal responsibility and medium-term budgetary orientation**	*Article 3* **Fiscal responsibility and medium-term budgetary orientation**
(…)	(…)
(a) annual budgets shall ensure compliance with the medium-term objective referred to in point (a) of paragraph 1 or convergence towards it, specifically by ensuring adherence to the government expenditure path referred to in point (b) of that paragraph. When defining the adjustment path towards the medium-term objective and acting in line with the procedural requirements of the Union framework, Member States may take into account the implementation of major structural reforms which have direct long-term positive budgetary effects, including by increasing potential sustainable growth, and therefore a verifiable impact on the long-term sustainability of public finances.	(a) annual budgets shall ensure compliance with the medium-term objective referred to in point (a) of paragraph 1 or convergence towards it, specifically by ensuring adherence to the government expenditure path referred to in point (b) of that paragraph. When defining the adjustment path towards the medium-term objective and acting in line with the procedural requirements of the Union framework, Member States may take into account: the implementation of major structural reforms ***that have added European value, corresponding to shared or supporting competences and that may have a significant socio-economic impact, the implementation of public investments, and co-financing of European Structural and Investment Funds or European Fund for Strategic Investments,*** which have direct long-term positive budgetary effects, including by increasing potential sustainable growth, and therefore a verifiable impact on the long-term sustainability of public finances.

Reason

Certain public investments with positive, direct and verifiable long-term budgetary effects on growth and on the sustainability of public finances are deemed to be equivalent to major structural reforms in the context of the Stability and Growth Pact. The SGP's 'investment clause' should also be taken into account when drawing up national fiscal rules.

Amendment 7

Article 3(4)

Text proposed by the Commission	CoR amendment
Article 3 **Fiscal responsibility and medium-term budgetary orientation** ***4. Member States shall designate independent bodies for monitoring compliance with the provisions in paragraphs 1 and 2. The independent bodies shall provide public assessments to ascertain:*** ***(a) adequacy of the medium-term objective under point (a) of paragraph 1 and of the government expenditure path referred to in point (b) of paragraph 1. That assessment shall take into account in particular the plausibility of the underlying macroeconomic forecast, the degree of specification of the planned government expenditure and revenue and the potential direct long-term positive budgetary effects of major structural reforms;*** ***(b) compliance with the medium-term objective and the government expenditure path, including the existence of a serious risk of occurrence of a significant deviation from the medium-term objective or the adjustment path towards it;*** ***(c) occurrence or cessation of any exceptional circumstances as referred to under paragraph 3.***	

Reason

All Member States already have public institutions capable of independently assessing government expenditure and revenue. There is no need to create additional bodies, whose legitimacy appears vague, at the risk of undermining national ownership of budgetary policy.

Amendment 8

Insert a new article after Article 5.

Text proposed by the Commission	CoR amendment
	New article ***Inter-parliamentary conferences*** ***As provided for in Title II of the Protocol (No l) on the role of national parliaments in the European Union, annexed to the EU Treaties, the European Parliament and the Member States' national parliaments shall together determine the organisation and promotion of a conference of representatives of the relevant committees of the European Parliament and national parliaments in order to discuss budgetary policies and the economic governance of the Union. The EU's consultative bodies — the European Committee of the Regions and the European Economic and Social Committee — are involved in these conferences.***

Reason

See amendment 4 amending recital 17.

II. **POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS

1. welcomes the Commission's willingness to reform and deepen the Economic and Monetary Union (EMU) as soon as possible, while the EU economy is in the process of relative recovery, ensuring that convergence between the Eurozone and non-Eurozone Member States is supported. Since 2008, the crisis has laid bare the weaknesses in the institutional framework of the euro area, and the measures adopted are not sufficient to ensure its stability and prosperity in the face of any new economic and financial shocks; stresses that the lack of convergence and cohesion within the EU as well as economic and banking vulnerabilities have a particular impact on local and regional authorities, including with regard to the increase in social expenditure due to the crisis and restrictions on their ability to invest and preserve an acceptable quality of public services ([1]);

2. supports the principle of introducing a budgetary capacity aimed at increasing the euro area's resilience, and paving the way for convergence with future euro area members. This capacity must however be financed from own resources that are separate from those provided for financing the budget of the European Union to avoid any encroachment by this capacity on EU programmes that are accessible to the EU-27. Furthermore, this capacity should be accounted for outside the ceiling for EU budget resources;

3. regrets, however, that the Commission proposal presented on 31 May 2018 allocates this capacity to structural reform measures that are not necessarily linked to euro area convergence, and to a European Investment Stabilisation Function in the form of loans up to the relatively modest amount of EUR 30 billion, and earmarks only EUR 2,16 billion for the actual Convergence Facility;

4. agrees with possible EU co-financing for structural reforms at national level where these reforms are in areas of EU competence, in line with the principle of subsidiarity, focusing on measures with EU added value and a significant positive economic impact. The proposal for a regulation presented on 31 May 2018, which establishes the Reform Support Programme with an overall budget of EUR 25 billion, will be the subject of a separate CoR opinion;

([1]) CoR opinion: *Reflection Paper on the Deepening of the Economic and Monetary Union by 2025*. Adopted on 30 November 2017. Rapporteur: Christophe Rouillon (FR/PES): http://webapi.cor.europa.eu/documentsanonymous/cor-2017-03197-00-01-ac-tra-en.docx

5. considers, however, that these new financial tools cannot be financed to the detriment of cohesion policy ([2]) ([3]);

6. reiterates its call for better coordination of economic policies, but also social policies, under the European semester, and calls for local and regional authorities to be more closely involved by means of a 'code of conduct' ([4]);

7. stresses that the current European rules and procedures for monitoring national budgets in the EU are not able to effectively prevent imbalances and weaknesses and lack democratic legitimacy;

8. takes note of the European Commission's proposal on sovereign bond-backed securities (SBBS), which is aimed at increasing integration and diversification within Europe's financial sector. The CoR recognises that, in principle, the SBBS would not involve the mutualisation of risks and losses among euro area Member States and that such bonds would make it possible to weaken the link between banks and sovereign borrowers and to de-privilege sovereign bonds. However, the CoR reiterates its concerns about how the 'repackaging' of sovereign bonds into securitised products would reduce the risk rather than redistribute it to unregulated financial players ([5]);

9. stresses the urgent need to complete the banking union and regrets that the European Council postponed adopting the roadmap for its finalisation until June 2018. For its part, is in favour of parallel moves to reduce the volume of bad debts and non-performing loans held by banks, while gradually introducing a European deposit insurance scheme;

Proposal for a Council Directive laying down provisions for strengthening fiscal responsibility and the medium-term budgetary orientation in the Member States

10. takes note of the Commission's proposal aimed at incorporating the content of the Treaty on Stability, Coordination and Governance (TSCG) into the EU legal framework, which was provided for in Article 16 of the TSCG itself; questions, however, the appropriateness, from a legal, political and democratic point of view, of relying on a proposal for a directive (based on Article 126(14) of the Treaty on the Functioning of the European Union) which only provides for consultation of the European Parliament and hence does not guarantee transparent and democratic decision-making, which would be necessary given the interests at stake;

11. stresses, however, that the TSCG envisages this incorporation being carried out 'on the basis of an assessment of the experience with its implementation', which does not appear to have been carried out in a comprehensive way and published by the Commission. Such an assessment should have highlighted the worrying public investment situation in the EU. According to Eurostat, overall public investment in the EU fell from 3,4 % of GDP in 2008 to 2,7 % in 2016. At the same time, investment by local authorities also fell, from 1,5 % of GDP in 2008 to 1,1 % in 2016, with the situation being much more serious in some Member States ([6]); notes with regret, therefore, that public investments are often the most affected by fiscal consolidation policies, including at local and regional level, despite local and regional authorities being responsible for more than half of public investment in the EU and their investments having a direct impact on local economies and on the daily lives of ordinary people; in this connection, is also worried about the growing centralisation of public investment, the share of investment made by local and regional authorities having noticeably fallen compared to the level of 60 % seen in the 1990s ([7]). Similarly, the assessment should have highlighted the impact that the crisis and fiscal consolidation policies had on social spending and welfare state services in many countries and regions;

([2]) CoR resolution: *Changing the ESI funds Common Provisions Regulation to support structural reforms*. Adopted on 1 February 2018: http://webapi.cor.europa.eu/documentsanonymous/cor-2017-06173-00-00-res-tra-en.docx

([3]) CoR opinion: *The amended SRSP and new budgetary instruments for the euro area*. Rapporteur: Olga Zrihen (BE/PES) Adopted on 22 March 2018. http://webapi.cor.europa.eu/documentsanonymous/cor-2018-00502-00-00-ac-tra-en.docx

([4]) CoR opinion: *Improving the governance of the European Semester: a Code of Conduct for the involvement of local and regional authorities*. Rapporteur: Rob Jonkman (NL/ECR) Adopted on 11 May 2017. OJ C 306, 15.9.2017, p.24.

([5]) See point 22 of the CoR opinion of 30 November 2017 on the 'Reflection paper on the Deepening of the Economic and Monetary Union by 2025'.

([6]) Eurostat: General government gross fixed capital formation. Code: tec00022. Provisional data for 2016. http://ec.europa.eu/eurostat/tgm/refreshTableAction.do?tab=table&plugin=1&pcode=tec00022&language=en

([7]) European Commission (EU), *Seventh report on economic, social and territorial cohesion*. September 2017, p. 168. http://ec.europa.eu/regional_policy/en/information/cohesion-report/

12. is therefore concerned about the lack of mention of public investment in the Commission proposal, especially since the necessary flexibility regarding investments has been previously recognised, including in the Commission communication of January 2015 on this issue ([8]), and since some public investments have long-term positive and verifiable effects on growth, and therefore on the viability of public finances; also points out in this connection that Article 126(3) TFEU provides that the report drawn up prior to launching the excessive deficit procedure 'shall also take into account whether the government deficit exceeds government investment expenditure and take into account other relevant factors'.

13. further points out that the CoR had questioned the legal certainty provided by an interpretative communication from the Commission and concluded that it would be necessary to take into account the degree of underinvestment at national or regional level in order to produce a real impact on local and regional authorities' ability to invest ([9]); considers this analysis borne out by the communication of 23 May 2018 on the review of the flexibility under the Stability and Growth Pact ([10]), which states that only four Member States have applied to make use of the structural reform and/or investment clauses since 2015 while nearly half of the Member States would have been eligible to make use of the structural reform clause. Indeed, the condition that a Member State must be experiencing bad economic times to benefit from the investment clause has limited its use significantly. The requirement to respect the safety margin vis-à-vis the 3 % deficit ceiling for three years has also proven constraining for some Member States. By the Commission's own admission, 'the impact (of the interpretative communication) on public investment volumes is complex to assess with precision'. Therefore, it would seem that the scope of the communication needs to be widened in order to have an effect on the level of investments;

14. reiterates its call for public spending by Member States and local and regional authorities linked to co-financing of the Structural and Investment Funds, the trans-European networks and the Connecting Europe Facility not to be included among national or equivalent structural expenditure as defined in the Stability and Growth Pact (SGP), without other conditions, given that this investment is by definition of high quality and 'European' in nature;

15. points out that, under Protocol No 12 TFEU, Member States are responsible for deficits of the general government, which includes all levels of government. At the same time, however, the effect of EU fiscal rules on European local and regional authorities differs widely. Their impact depends on (a) the way in which the Member States have transposed EU fiscal rules into national law; (b) the level of fiscal decentralisation within a Member State; (c) the scope of local and regional authorities' competences; and (d) the financial situation of these authorities, which can vary very widely, even within a Member State;

16. calls once again on the Commission to publish a white paper setting out an EU-level typology for the quality of public investment in public expenditure accounts, on the basis of its long-term effects ([11]);

17. believes that the directive on establishing a framework of fiscal rules at national level should take into account any exceptional circumstances affecting one or more Member States without however causing a recession across the euro area or the EU;

18. reiterates its concerns regarding Eurostat's accounting framework, ESA 2010, implemented as of September 2014, which makes no distinction between expenditure and investment. In certain Member States these standards are being transposed into national law in a way that results in local and regional authorities being obliged to apply maximum investment ceilings per year and per inhabitant. These ceilings hinder in particular local and regional authorities from providing the co-financing needed for ESIF projects. These ceilings also hamper those LRAs which have financial means in reserve from launching significant investment projects not related to ESIF; therefore calls on the European Commission to present a report on the implementation of ESA 2010;

19. notes that one sound way of managing the Growth and Stability Pact rules without allowing 'creative accounting' to creep in by the back door is to change the depreciation rules for public investment and not to count the total cost of investment as a cost in the first year, but — just as private companies do — to write it off over the expected lifespan of the investment;

([8]) European Commission communication: *Making the best use of the flexibility within the existing rules of the Stability and Growth Pact.* 13 January 2015. Ref.: COM(2015) 12 final: http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52015DC0012&from=EN

([9]) CoR opinion: *Making the best use of the flexibility within the existing rules of the Stability and Growth Pact*. Adopted on 9 July 2015. Rapporteur: Olga Zrihen (BE/PES) OJ C 313, 22.9.2015, p. 22.

([10]) COM(2018) 335 final.

([11]) CoR opinion: *Promoting quality of public spending in matters subject to EU action* Adopted on 3 December 2014. Rapporteur: Catiuscia Marini (IT/PES). OJ C 19, 21.1.2015, p. 4.

20. considers that the practice of inter-parliamentary meetings, as provided for in Article 13 of the TSCG, contributes to strengthening democratic accountability within the EU's economic governance framework and should therefore be reaffirmed in the present proposal for a directive, but calls for the CoR's involvement in these meetings to be formalised, in order to recognise the need to involve local and regional authorities in economic governance;

Proposal for a Council Regulation on the establishment of the European Monetary Fund

21. believes that the European Financial Stability Facility (EFSF) and its successor, the European Stability Mechanism (ESM), were vital tools in managing the economic and financial crisis in the short term; notes, however, that decisions taken within the ESM lack transparency, that the required unanimity remains a potential source of blockages, and that these tools are outside the European legal framework;

22. therefore welcomes the fact that the Commission proposal incorporates the ESM into primary EU law, and without prejudice to the non-Eurozone Member States, makes it accountable to the European Parliament and subject to the obligation to publish annual reports and accounts, to the rules on accessing documents, and to the European Anti-Fraud Office (OLAF) and the European Ombudsman;

23. also supports the Commission proposal for important decisions regarding, inter alia, the granting of financial assistance, to be taken by an 85 % weighted majority, according to the capital provided, and no longer based on unanimity, which should facilitate decision-making;

24. also supports the use of the European Monetary Fund as a 'backstop' for the Single Resolution Fund (SRF), a key element of the Banking Union, if the latter's resources are insufficient to facilitate the orderly resolution of banks in difficulties;

25. suggests, however, changing the name of the fund, to make it more comprehensible and transparent for citizens; under Article 127 TFEU, monetary policy is set and implemented by the European Central Bank and the national central banks within the European System of Central Banks (ESCB); as the fund envisaged by the regulation in question would not be involved in this in any way, its name should not include the term 'monetary'; believes that the title 'European Assistance Fund' or 'European Stabilisation Fund' would be more suitable;

Communication: A European Minister of Economy and Finance

26. welcomes the Commission's communication on a European Minister of Economy and Finance who would be both a Vice-President of the Commission and President of the Eurogroup — and thus doubly legitimate — and who would embody more democratically accountable and comprehensible EMU governance. However, there is a need to specify how this role is to be carried out so that it does not lead to further centralisation of fiscal decision-making;

27. restates its support for the merging of the function of President of the Eurogroup and the Commissioner for Economic and Monetary Affairs, in order to represent the general interest of the euro area within the Eurogroup and make it accountable to the European Parliament, which is not currently the case;

28. notes that, if the European Minister of Economy and Finance is elected, the combined legal bases of Article 2 of Protocol 14 on the Eurogroup and Article 17 TEU would apply;

29. considers, however, that this must be accompanied by a thorough reform of the Eurogroup itself, whose status needs to be more formalised and which should, for instance, publish detailed minutes, so that major decisions taken at these meetings are taken in a transparent manner;

30. also reiterates its firm belief that the democratic deficit problem of the EMU can only be resolved if European citizens are convinced that the principle of social progress is also supported by it, and that employment, wage growth and social standards are not seen as secondary to macroeconomic and budgetary concerns;

31. points out that deepening the EMU and coordinating fiscal policy are absolutely crucial, in particular by implementing the Banking and Capital Markets Union and the EMF. At the same time, it is important to take into account the political situation and public opinion.

Brussels, 5 July 2018.

The President
of the European Committee of the Regions

Karl-Heinz LAMBERTZ