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II

(Preparatory Acts)

COMMITTEE OF THE REGIONS

Opinion of the Committee of the Regions on the 'Evaluation of the financial and administrative consequences for local and regional authorities of EU legislation'

(96/C 126/01)

Background

On 5 December 1994 Subcommittee I was authorized by the COR Bureau to draw up, on its own initiative, a Document of Principle on the evaluation of financial and administrative consequences of EU legislation, and appointed Mr Joakim Ollén as Rapporteur. Subcommittee I was also instructed to draw up a Description of the administrative and financial structures at local and regional level in the Member States — work which is being carried out separately by a Study Group and will be of major importance as basis for the above Document of Principle.

THE COMMITTEE OF THE REGIONS,

Having regard to

- the Treaty establishing the European Union, in particular Article 198c thereof;
- the declarations to the Treaties on the European Community concerning the need to take account of costs and environmental impact;
- the EU Financial Regulation;
- the Council of Europe Charter on Local Self-government;
- its own Opinion of 21 April 1995 on the revision of the European Union Treaty,

Adopted the following Opinion at its 10th Plenary Session on 15 and 16 November 1995 (meeting of 15 November).

- A. The COR endorses the criteria set out in the European Union Treaty and Article 3b relating to the subsidiarity principle.
- B. Any burdens, whether financial or administrative, to be borne by the Community, national governments, local authorities, economic operators or citizens, should be minimized and proportionate to the objective to be achieved. Community measures should leave as much scope as possible for national decisions. EU standards should mostly be minimum standards and EU rules should be as simple as possible. Other things being equal, directives should be preferred to regulations and framework directives to detailed measures.

- C. On the subject of costs and environmental impact, the Declarations to the Treaties state as follows: 'The Conference notes that the Commission undertakes, by basing itself where appropriate on any consultations it considers necessary and by strengthening its system for evaluating Community legislation, to take account in its legislative proposals of costs and benefits to the Member States' public authorities and all the parties concerned. The Conference notes that the Commission undertakes in its proposals, and that the Member States undertake in implementing those proposals, to take full account of their environmental impact and of the principle of sustainable growth.'
- D. The EU Financial Regulation provides that EU legislation must include assessments of the impact on the EU's own budget. On the other hand, no systematic statement is required as regards the consequences for national, regional or local budgets.
- E. On 21 April 1995 Commissioner Monica Wulf-Mathies told the Plenary Assembly that the Commission planned to strengthen the COR's advisory role by consulting it on some forty matters on the Commission work programme. Many of these fall outside the areas of mandatory COR consultation provided for in the EU Treaty.
- F. The COR Plenary Assembly, on 21 April 1995, stated its position on the forthcoming revision of the EU Treaty. The proposals contained in this Opinion include mandatory consultation of the COR on a number of additional matters. It was also pointed out that EU measures with an obvious financial impact on local and regional authorities should be carefully assessed before implementation.

Introduction

1. EU legislation has a direct or indirect financial impact on local and regional authorities. This document suggests ways of taking account of such consequences before a decision is adopted by the EU's decisionmaking Institutions. Impact can take the following form:

- Many EU rules seek to ensure free movement of goods, persons, services and capital. They can have beneficial effects at regional and local level in the Member States;
- Public procurement rules requiring increased competition can cut local and regional authority expenses;
- Harmonization of rules decreases the need for different national rules and can facilitate simplification at local and regional level;
- In many cases national governments transfer practical responsibility for EU legislation to regional and local authorities, thereby possibly placing a direct financial burden on them;
- EU legislation may have an impact on regional and local authorities' administrative structures in the shape of procedural, reporting and other requirements;

- the EU's own administrative procedures may generate additional administrative costs for local and regional authorities.

2. Attainment of EU legislative goals often hinges on local and regional authorities' financial and administrative resources. It is vital to be able to translate EU decisions into practical action. There is therefore greater chance of success if the EU takes account of the consequences for local and regional authorities. In this way the quality of Community decisions improves and implementation and compliance are facilitated.

3. This document confines its attention to the impact at regional and local level — not at national level. It covers all EU legislation, viz both regulations and directives, but only those with significant financial and administrative consequences for local and regional authorities. Green Papers, White Papers and investment plans can also contain such proposals.

4. The EU is in a position, for instance via the Structural Funds, to support local and regional development in the Member States. The application of these programmes is not discussed in this context. In many cases application is based on direct liaison with local and regional authorities but in several Member States

such liaison is not sufficiently developed. Here adjustments to the process need to be considered, e.g. EU provisions requiring local and regional representation on the Structural Fund monitoring committees. In the case of farm aid programmes, corresponding requirements should be included in the plans for individual projects.

5. This document does not cover the revision of existing EU legislation aiming to simplify application for regional and local authorities. This matter should be taken up by the COR in a special own-initiative study.

Some examples of financial and administrative consequences of EU legislation

6. In recent years EU legislation in a wide variety of fields has had a significant financial and administrative impact on local and regional authorities, which are responsible for a large proportion of services and jobs in many Member States. The following examples are by no means exhaustive. As indicated in the introduction, effects can be both positive and negative. A concise summary of each example is given below and a more detailed description can be found in the Appendix.

7. The public procurement directive can have a positive spin-off in the shape of lower costs generated by greater competition. However, competitive tendering can also increase red tape as a result of low threshold values and slow down public sector borrowing compared with normal commercial transactions. The selling-off of parts of publicly-owned companies can also be complicated.

8. The transfer of undertakings directive can make it more difficult to contract out work on sound business terms. The working conditions for part-time employees directive is expected to push up costs substantially. The technical aids in the home directive involves considerable extra costs. The import controls on foodstuffs directive introduces new formalities and measurement methods.

9. The bathing water directive, under the proposed new provisions, does admittedly simplify certain points but also requires new tests which are expensive to carry out and necessitate paperwork. The drinking water directive requires replacement of water supply systems. The substantial costs involved may make some form of Community funding necessary. These examples are described in greater detail in Appendix 1.

Comments

Principles

10. EU legislation can facilitate regional and local authorities' public sector activities but also add to the expense and complicate implementation. In the COR's view, the Council and Commission should not take decisions without first ascertaining the consequences of these decisions.

11. There will be more Commission proposals in the future. In the COR's view, new EU working procedures must be introduced without delay so that the impact of new EU legislation at local and regional level is clearly specified.

12. Such clarification is necessary for three main reasons:

A. Firstly, it is desirable for local authorities to be able to carry out their duties effectively, i.e. not be hamstrung by over-detailed legislation, at either national or EU level;

B. Secondly, information on conditions at local and regional level needs to be improved so as to enhance the quality of Community decisions;

C. Thirdly, EU directives are more likely to be effectively implemented and respected if they have a sound grassroots base.

13. At present the financial impact of EU legislation frequently becomes apparent too late — only after it has been incorporated into national legislation or translated into practical action at local and regional level.

14. A change in working methods is desirable so as to clarify the impact of proposals at an early stage and make the Commission's work more effective. With this in mind, a statement of the proposal's impact on local and regional authorities should be forthcoming before a decision is taken.

15. It must be stressed that the impact of EU legislation will vary from one Member State to another, depending on their local authorities' differing responsibilities.

16. The number and size of regional and local authorities vary significantly in the Member States. There are around 80 000 local authorities and around 900 regional authorities.

17. The funding of local authorities also varies greatly. For instance, the share of local spending funded from sources of revenue under local control varies substantially.

18. The Member States' decentralized administrative structure means a considerable difference in local authorities' duties. The apportionment of responsibility among national, regional and local authorities varies from Member State to Member State, as do financial and administrative structures.

19. These differences must be respected and heeded when proposals for legislation are presented. Harmonization of local and regional activities, financing and duties is not desirable. Development within the EU must not impose on the Member States a straitjacket presupposing that local and regional authorities operate uniformly in all Member States.

20. The decisionmaking procedure should therefore be expanded to make the COR responsible for ensuring that consequences at regional and local level are satisfactorily clarified before proposals are dealt with in the Council.

Factors in assessing financial and administrative impact

21. To facilitate assessment of the financial and administrative impact on the Member States, the basis for decision should generally clarify the following factors. However, the factors requiring clarification must be specified in each individual case.

- A. Higher costs directly resulting from the proposed directive at local and regional level in the countries concerned, expressed as total costs or in relation to the sections of the population concerned, in the form of changes in the obligation to provide services or production costs (e.g. for labour). Indirect cost increases involved in checks, accounting, reporting, etc;
- B. Reduction in costs generated by streamlining of administrative, financial and legal provisions hampering the development and operation of local and regional activity (e.g. simpler monitoring systems, or checks carried out in another country);
- C. Increased revenue in the form of a broader tax base, e.g. via higher employment, increased scope for charging, more reliable income due to improved procedures;
- D. Drop in revenue as a result of a narrower tax base or reduced right to charge;

E. Environmental impact, in line with the Maastricht Treaty declaration that proposals must take account of such impact;

F. Barriers to competition. The formulation of certain rules can limit competition, with detrimental effects.

New EU working methods

22. The COR advocates that the new principles listed below be observed in compiling statements of the financial and administrative impact on regional and local authorities.

23. The COR reiterates its position that the COR should be given final responsibility for evaluating whether the financial and administrative impact on local and regional authorities has been satisfactorily and accurately specified in Commission proposals.

24. With this in mind, the following working procedure is proposed:

- A. The Commission and the COR, in their annual dialogue on referrals to the COR during the year, should make special mention of matters with significant financial consequences at local and regional level.
- B. The Commission should be responsible, during the preparatory stage, for specifying impact on regional and local authorities.
- C. The Commission should be required to consult the COR on possible cooperation during the preparatory stage.
- D. The COR should bear final responsibility for evaluating whether the impact has been satisfactorily and accurately stated to form a basis for decision.
- E. If the COR deems that the impact has been significantly misstated, it must be granted an extension of the deadline, e.g. for purposes of consulting regional and local authority representatives in the Member States.

Programme of referrals

25. Further details of the proposed working procedure are set out below:

- A. The Commission and the COR Bureau, in their annual dialogue, draw up a programme of referrals to the COR. This programme should specify exactly which matters require special scrutiny under the proposed new working procedure in order to specify

the financial and administrative impact at local and regional level. This category should consist solely of matters with significant financial implications for local and regional authorities.

B. The COR should inform local and regional authority representatives in the Member States about the programme of referrals so that they have sufficient time to prepare their comments on those matters which are to be the subject of special scrutiny.

C. In discussing the programme of referrals, the COR and the Commission should agree on the extent to which COR representatives can assist in clarifying the impact at local and regional level at an early stage. This assessment should be done on a case-by-case basis. The Commission should be required to consult the COR on cooperation during the preparatory stage.

D. Here the COR insists that all regional and local authorities which participate financially in programmes resulting from Community funding must be involved in national procedures for use of these funds.

26. COR cooperation during the preparatory stage can operate in various ways:

A. The COR may place experts representing the local and regional authorities at the Commission's disposal. Such assistance can also be provided in the case of proposals on which the COR is not to be consulted but may nonetheless have a certain impact.

B. The COR may set up joint study groups with the Commission to carry out an impact assessment.

C. The COR may designate a representative to be placed at the Commission's disposal for early, in-depth consultation. In that case, the representative's actions should be closely anchored in the relevant COR commission since conditions differ in the Member States.

D. The COR may directly consult local and regional authorities in the Member States so as to obtain a more comprehensive, thorough assessment at an early stage of impact in the various countries.

E. The COR should be represented by delegates during the preparatory stage in the Commission. However, formal discussion of a matter in a COR commission or at a Plenary Assembly should wait until the

Commission proposal is referred to the COR. To assist the rapporteurs in their work, they should be appointed as soon as the programme of referrals has been agreed. In each individual case it should be decided whether the rapporteur concerned should also represent the COR in the early, in-depth consultations with the Commission.

27. The Commission is generally responsible for seeing that the impact of its proposals is satisfactorily specified before the subsequent stages of the decisionmaking process in the EU Institutions. It should therefore be required to indicate all relevant aspects, including an assessment of the impact on local and regional authorities, during its preparation of proposals.

28. The COR should bear final responsibility for evaluating whether the financial and administrative impact at regional and local level is satisfactorily and accurately specified in Commission proposals prior to the Council's decision. The COR should therefore scrutinize the facts presented by the Commission and assess whether an additional report is necessary. Should that be so, the COR should be given an extended deadline. This is particularly necessary if additional information has to be obtained from the Member States' regional and local authorities, should this not have been done during the preparatory stage.

29. The time required for carrying out such assessments is the same irrespective of who requests the information and regardless of when this is done during preparation of the proposal. The COR should therefore bear final responsibility for ensuring that the right information is obtained from the Member States' regional and local authorities — if possible for the individual Member States.

30. The COR would point out that DG XXIII has been assigned special responsibility in dealing with all matters concerning small and medium-sized enterprises (SMEs). As the specific EU custodian of regional and local interests, the COR finds it natural to be given its proposed new special role.

Conclusions; proposals for changes in the decision-making procedure

31. The above proposals should be reflected in a number of changes in the Council's decisionmaking procedure. The COR therefore recommends that:

32. the principle of evaluating the impact of EU legislation on regional and local authorities be enshrined in Article 190 of the Treaty (provisions common to the EU Institutions);

33. the Financial Regulation establish the general principle whereby the financial and administrative consequences of EU legislation for local and regional authorities constitute one of the factors on which a decision is to be based;

34. the COR bear final responsibility for evaluating whether the financial and administrative impact at regional and local level has been satisfactorily and adequately specified to form a basis for decision. The Commission and the COR, in their annual dialogue, should agree on a programme of referrals and specify proposals with significant financial consequences;

35. the COR should be given the additional task to be added to Article 198c of the Maastricht Treaty) of specifying significant financial and administrative consequences for local and regional authorities in the Member States of proposals on which it is consulted by the Commission or Council or matters which the COR wishes to raise on its own initiative;

36. the Commission's Committee of Experts consult and involve representatives from regional and local authorities to a greater extent, through the intermediary of the COR;

37. the Commission and the COR adopt rules for specifying financial and administrative consequences for local and regional authorities on the basis of the factors described above, to be applied on a case by case basis.

Done at Brussels, 15 November 1995.

The Chairman

of the Committee of the Regions

Jacques BLANC

APPENDIX

Some examples of financial and administrative consequences of EU legislation

Most EU decisions concern all or specific Member States and have an impact at local and regional level. Consequently the examples given below are by no means exhaustive. As indicated in the introduction, this impact can be both positive and negative.

Public procurement directive: Increased competition has been beneficial in bringing down costs of goods and services but these rules can also cause problems. The Directive's threshold value of 200 000 ECU seems low and can mean increased red tape since very few contracts for small amounts go to suppliers in other countries. Experience to date indicates that the Directive has little effect on cross-border trade. In addition, small contracts around the threshold value have been shown to involve a disproportionate amount of paperwork in connection with the tendering procedure and the detailed specifications. The administrative costs in a duly completed EU public procurement procedure may often exceed the potential savings. The rules provide that inter-municipal cooperation shall be open to competition. Often there is no market in the conventional sense for the mandatory tasks concerned. Further, public sector borrowing is also to be subject to competitive tendering, which does not allow the same speed as in normal commercial transactions. The rules also place restrictions on public sector employees wishing to start up their own firms since the new firms are to be treated in the same way as other entrepreneurs, i.e. via competitive tendering, which can complicate the selling off of parts of publicly-owned undertakings. The Directive's impact varies depending on the extent to which it is implemented in the individual Member States.

Transfer of undertakings directive: In the event of the transfer of an undertaking, staff employment agreements are to be honoured in their entirety by the purchaser. This can cause problems in contracting out work on sound business terms. For instance, if an activity reverts to the body originally responsible, e.g. on account of defective operation or quality, that body will then be required to take over both the staff who originally transferred to the entrepreneur and still work for him and staff employed by the entrepreneur himself for the work. On 21 April 1995 the COR delivered its Opinion on the Directive and stated that it shared the hesitations expressed by a number of local and regional authorities regarding the proposal to extend common obligations for contractual commitments on the grounds that this can place considerable burdens on local and regional authorities.

Working conditions for part-time employees directive: The Directive is expected to push up local and regional authority costs in certain Member States. A preliminary estimate of these increased costs is, for instance, around 70 million ECU in Sweden and around 62 million ECU in Denmark. In these countries regulation has been solved under collective agreements between local and regional authorities and trade unions.

Technical aids in the home directive: The Directive provides that disabled persons should be better provided with technical aids at home, in nursing homes, etc. In Denmark the resulting extra costs are estimated at almost 135 million ECU.

Import controls on foodstuffs directive: Local authorities with border checkpoints must introduce new formalities for veterinary inspections and new measurement methods, e.g. for salmonella. There is less scope for covering costs through charges. Local authorities are responsible for reporting on the treatment of foodstuffs which may be contaminated.

Bathingwater directive: The proposed Directive, which supersedes an earlier directive, establishes minimum standards for methods, frequency and times for taking samples and checking the quality of bathingwater. Tests are carried out by the local authorities. The COR delivered an Opinion on the proposed Directive on 27-28 September 1994⁽¹⁾. It expressed serious concern that certain tests were to become compulsory and stated that local and regional authorities would find it hard to carry out such tests in view of the costs and paperwork involved. The COR therefore urged the Commission to investigate the possibilities of greater flexibility for such tests. The Commission should also consider whether provision could be made for less expensive tests.

Drinkingwater directive: The proposal provides that pipework in lead or materials containing lead must be replaced. All together an estimated 20 million dwellings and 4 million water supply systems will be affected. The expense of implementing these standards is estimated at almost 40 million ECU and will have an impact on the cost of water for the consumer and on the budgets of the authorities concerned.

On 21 September 1995 the COR examined an Opinion on the proposed Directive⁽²⁾. This Opinion states that 'The COR feels that it is of benefit to public health to make the parametric values for lead more stringent but would also point out that the considerable cost involved in meeting the standard requires some form of Community funding.'

⁽¹⁾ OJ No C 210, 14. 8. 1995, p. 53.

⁽²⁾ OJ No C 100, 2. 4. 1996, p. 134.

Opinion of the Committee of the Regions on the 'Evaluation of procedures for the award of public service contracts'

(96/C 126/02)

THE COMMITTEE OF THE REGIONS,

Whereas since coming into force on 1 July 1993, Directive 92/50/EEC on the coordination of procedures for the award of public service contracts (referred to below as the Public Services Directive) has governed public procurement of services within the EU and in those countries which have acceded to the EEA Agreement, (viz. Norway, Iceland and Liechtenstein);

Whereas the aim of the Public Services Directive is to promote liberalization of public procurement in conjunction with the establishment of the EU Single Market;

Whereas similar directives already exist for public supply and public works contracts; whereas public procurement accounts for around 15 % (ECU 530 000 million) of Community GDP (excluding Finland, Sweden and Austria); whereas public services are responsible for a significant proportion of this total;

Whereas 'public utilities' authorities and undertakings (water, energy, transport and telecommunications), which are covered by a specific directive are an important exception;

Whereas the Public Services Directive divides services into categories A and B; whereas the entire provisions apply only to category A services; whereas in the case of category B services, public authorities are merely required to follow certain rules on notification with a view to publication in the Official Journal of the EU;

Whereas Category A covers procurement of services in the following areas: computers, accounting, land transport, financial (insurance, banking and investment), cleaning and refuse disposal; whereas Category B includes legal, hotel and restaurant, supporting and auxiliary transport services, personnel supply, health and social services, cultural and other services;

Whereas the Directive only applies to services with a minimum 'threshold value' of ECU 200 000;

Whereas the Directive requires the Commission to review the results of its application before 1 July 1996,

Adopted the following opinion at its Plenary Session on 15 and 16 November 1995 (meeting of 15 November 1995).

Introduction

The present COR Opinion examines this topic from a local and regional standpoint with a view to making the revised Public Services Directive as effective and useful as possible in the context of the municipalities' and regions' contribution to the completion of the Single Market. Its main aim, in this connection, is to ensure the clarity and effectiveness of the legislation.

The Committee of the Regions thinks that the review of EU legislation on the award of public contracts should not be confined to the Public Services Directive but that the other procurement procedure Directives — together

with the 'appeals and complaints' Directive — must be examined more closely from the standpoint of their local and regional impact.

General comments

1. Before examining the various problems associated with the Directive, its contribution to the completion of the Single Market should be considered. It would appear that, either for logistical reasons or because of cultural and linguistic differences, many services cannot reasonably be supplied from other Member States (except through mergers, takeovers or the establishment of

subsidiaries or branches in different Member States; this is not exactly conducive to the completion of the Single Market).

2. A cost-benefit analysis is the decisive factor. It seems likely that the current Directive will not or cannot have more than a marginal effect on the Single Market. All the available evidence confirms this. Such a marginal impact cannot justify the costs of implementing the Directive.

3. Article 43 requires the Commission to examine, in particular, the prospects for full application of the Directive to the so-called B services and the impact of the 'in-house' performance of services on the actual liberalization of the market.

The basic consideration here is that services which a municipality or region can provide for itself using its own infrastructure or an internal department must be permanently excluded from the scope of the Directive. After all, whether a public authority wishes to provide a service itself or contract it out to a third party is a matter of internal organization, policy and political judgement.

Contracts which an authority wishes to award to one of its own departments must also be excluded from the Directive. The basic principle of 'economic consistency' must apply equally to public procurement.

4. Special consideration must be given to the privatization of public services and application of the Public Services' Directive must not interfere with this process. If a particular public service is privatized, the undertaking responsible for its provision is not normally able to compete immediately as an independent enterprise. In practice, a transitional period of approximately seven years is required before this situation is reached. The inclusion of a corresponding exemption clause in the Directive could greatly assist this move towards independence or privatization, which is now widely viewed as desirable.

5. The Commission expects that the 1996 review will involve no more than a few minor amendments to bring the Directive into line with the GATT Agreement, which must be implemented with effect from 1 January 1996. Partly for the reasons outlined above, the Committee of the Regions sees an urgent need for a more thorough evaluation.

6. An important factor in the application of the Directive is the threshold value above which contracts must be put out to tender.

The present low threshold makes it necessary to notify public procurement contracts that are of no commercial interest. This value also means that very small contracting authorities are frequently subject to the provisions of the Directive; this occurs in particular where the separate years of a multi-annual contract have to be combined or the contract values of joint service providers have to be aggregated. The administrative burden of such procurement procedures is extremely high in relation to the likely return.

7. The European Commission has not begun to review the application of the Directive since many Member States (approximately half) have not yet transposed it into their domestic law and the Commission does not wish to introduce new rules until this has happened. The Committee of the Regions believes that this situation need not hold up the start of the review. The Directive undoubtedly has a direct impact. The review can also take account of the failure of certain Member States to transpose the Directive into their national laws.

Experience of local and regional authorities in the EU

The Single Market and the Public Services Directive

8. In those Member States which comply with its provisions, the current Directive has had an impact on local and regional authority tendering for services.

Notwithstanding the comments made in point 12, no really major problems have arisen in connection with the distinction drawn between included and exempted services in most Member States. Similarly, the provisions regarding procedures and publication have by and large operated satisfactorily, albeit with a lot of red tape.

9. The public authorities have frequently had difficulty in meeting the requirement to provide specifications which cannot be altered during the tendering process except at the time information is supplied. In the context of optimizing contract formulation (the service requested), the compulsory procurement procedure and the lack of adequate standards (product definitions and designations) impede cooperation between the potential client and potential contractor.

The standardization rules pose particular problems for service sectors subject to rapid change, such as those using information technology. There are also difficulties with regard to the definition of precise quality requirements in many service sectors, especially in the case of nonmaterial services and contracts in the health field.

10. The Directive has undoubtedly helped to foster greater competition at national level and promoted openness on the public service procurement market. Nevertheless, it is not primarily for the EU to foster competition on national markets.

Discrepancies in implementation and interpretation within the EU

11. Looking at the way national authorities deal with identical issues, it is clear that in areas such as inter-municipal undertakings, remits, etc., administrative practice in the Community differs substantially.

The question of whether this situation distorts the terms of competition at national level must be examined in a comparative study.

12. Efforts must be made to define those services covered by and those exempted from the Directive more clearly than in the past. The problem is partly due to the fact that the designation of a service in Annex 1A is often wider than the description given in the CPC category classification after the name of the service. The Committee of the Regions believes that the CPC classification which appears after the description of a service in Annex 1A must be regarded as definitive for its content. Otherwise, the inclusion of the CPC classification in the Annex would be pointless; a situation in which the same activity, for example 'painting', can be described both as an 'activity' and a 'service' is completely unacceptable. Presumably this was not the legislator's intention.

Use of the CPC nomenclature itself creates problems which must be overcome. In the first place, the nomenclature is only available in English and the definition of content makes category classification extremely difficult.

As far as the public services Directive is concerned, use of the nomenclature, which is intended to provide the broadest possible description and survey of all potential services for statistical purposes, implies a virtually limitless expansion of the items to be listed in the contract notice.

In defining different types of service, all inventories refer to 'other services' and this precludes a precise category classification of the services in question.

13. Questions are raised by the Directive's failure to define the expression 'subdivision of a service into several lots'. For example, must a contracting authority lump all the computer facilities to be hired from all the

more or less independently operating services together and invite tenders for the whole lot.

This approach would encounter insuperable organizational, legal and content problems. Project procurement by individual organizational units must be possible. This point must be considered further in the review.

Few cross-border contracts

14. Experience in implementation has shown that very few contracts go to service providers in other Member States and that the Directive has a very limited impact on cross-border trade. Thus, as has already been pointed out, the Directive has not had major implications for the Single Market. However, the survey may be misleading in that foreign firms set up branch offices or subsidiaries in the Member States concerned for tendering purposes.

Threshold values considered too low

15. The Committee believes that, in the case of small contracts around the present threshold value of ECU 200 000, the necessary procedures and detailed specifications entail a disproportionate amount of administrative effort. Where contracts are awarded in line with the rules, the extent to which possible savings outweigh the administrative costs incurred must be investigated. The question of whether raising the threshold values will ensure cross-border interest should also be examined. If, moreover, those small contracts hold little attraction for foreign suppliers, consideration should be given to raising the threshold values to a level at which EU local and regional authorities are not saddled with unnecessary administrative costs and the requirements of the Single Market continue to be satisfied.

Possible consequences for SMEs in the EU

16. Low threshold values can have a number of consequences for business. From industry's viewpoint, the current very low threshold values hold out only theoretical prospects of freer trade and increased competition. There is a risk that many small businesses will lose out on contracts and get bogged down by additional unproductive paperwork if they are forced to tender for far more contracts in order to secure the same volume of orders as at present. This trend is totally at variance with EU action in recent years to give a specific boost to SMEs in the Community. Higher threshold values

will improve transparency and therefore encourage more firms to participate in public tenders.

Points to be covered in the forthcoming review

17. The extent to which the unrestricted application of the public services Directive might conflict with investment designed to generate employment should be examined. The scope for introducing back-up, supportive and stimulative measures to promote employment must be carefully considered, although nothing must be done to impede completion of the Single Market.

18. The Directive must take specific account of privatization policy. It must not impede privatization and/or efforts to achieve independence.

19. In the case of certain services (high-grade research and consultation), a completely public procedure creates many problems since the large number of competitors means that tendering costs are not counterbalanced by the chances of success. This will ultimately lead good tenderers to withdraw from the procedure with a resultant loss of quality.

20. The time-scale for determining the value of long-term contracts should be reconsidered. In the interests of a fair balance between administrative costs and (possible) savings, this period should, preferably, be fixed at twelve months.

21. Threshold values should be increased to balance out costs and benefits for both firms and public authorities.

22. If threshold values are not increased, the possibility of providing for cooperation between the contracting authority and the potential service provider(s) in the course of the procurement procedure should be examined.

23. The conditions under which and the manner in which public-/private-sector cooperation can take place under the Directive must be specifically investigated.

24. The Directive should be streamlined and information and advice on the implementation of these complex provisions need to be improved; in this connection, a central concern must be to render the Directive more accessible to contracting authorities and service providers by simplifying rules, reducing the number of regulations where possible and providing targeted

information for the authorities and (categories of) service providers.

In particular, streamlining must make the decentralized award of public contracts possible and facilitate the application of simplified tendering procedures.

25. The usefulness of the rules requiring contracting authorities to provide indicative notices of the award of contracts should be appraised and the rules possibly scrapped.

26. Possibilities for streamlining the CPA nomenclature should be explored.

27. The Committee of the Regions should be involved in assessing the Public Services Directive's impact in the individual Member States, in order to ensure that the consequences at local and regional levels are also taken into account and that any further amendments which may be necessary are identified.

28. It should be spelt out that procurement by local and regional authorities from inter-municipal/inter-regional undertakings falls outside the Directive's scope and must continue to be regarded as 'in-house' production. Organizational cooperation between local and regional authorities must also be excluded from the Directive's scope.

29. Consideration should be given to setting up a voluntary EU-wide database on procurement tenders below the threshold value, as a potentially useful back-up to existing EU tendering procedures, especially if threshold values are raised; this should be supplemented by information on potential service providers (firms index) so that the relationship between supply and demand can be explored outside of formal award procedures.

30. Guidelines should be framed to ensure full exploitation of information technology facilities to permit electronic calls for and submissions of tenders though this must not increase the density of legislation.

31. The contracting authority's confidence in the honesty or character of the service provider is often a decisive factor in the award of contracts, particularly where financial or legal services are concerned. It is not advisable to award such contracts to the lowest bidder. It is therefore important in amending the Public Services Directive, to re-examine the possibility of deleting certain services from Annex 1A. There must be no transfer of services from Annex 1B to Annex 1A.

32. In cases where contracting authorities apply for funding, it is virtually impossible for the procedural

deadlines laid down in the public services Directive to be observed. A rapid and flexible market response is essential in the context of such applications. This makes it necessary to examine whether financial services can be excluded from Annex 1A of the Directive.

33. The stringent requirements laid down in the Directive with regard to the admissibility of a negotiated procedure are too restrictive. For example, the Commission will authorize a negotiated procedure on the grounds of a need for rapid action only in extreme cases.

Done at Brussels, 15 November 1995.

The Chairman
of the Committee of the Regions
Jacques BLANC

Opinion of the Committee of the Regions on the 'Communication from the Commission to the Council and the European Parliament on strengthening the Mediterranean policy of the European Union: Proposals for implementing a Euro-Mediterranean partnership'

(96/C 126/03)

On 18 July 1995 the Committee of the Regions decided, in accordance with Article 198c of the Treaty establishing the European Community, to draw up an Opinion on the above-mentioned communication.

Commission 8, Economic and Social Cohesion, Social Policy and Public Health, was responsible for preparing the Committee's work on the subject. The Rapporteur was Mr Vannino Chiti.

At its 10th Plenary Session of 15 and 16 November 1995 (meeting of 16 November 1995), the Committee of the Regions adopted the following Opinion.

1. Reference Documents

In drawing up this Opinion, the COR examined the following documents:

- Communication from the Commission to the Council and the European Parliament of 19 October 1994, (COM(94) 427);
- Communication from the Commission to the Council and the European Parliament of 8 March 1995 in response to the Essen European Council's request for specific proposals (COM(95) 72);
- The EU position, finalised by the Council on 12 June 1995 and appended to the Conclusions of the Presidency, Cannes European Council, 26-27 June 1995 (SN 211/95).

2. General Comments

The Mediterranean region is strategically important for the European Union and for its current and future Member States. A strong economic area must be

constructed here which is capable of contributing to the Union's regional balance.

The area has a high population density (by 2010 the population of the Mediterranean non-member countries (MNC) will be 231 million, rising to around 400 million in 2035) and current of economic and social imbalances and sources of tension are unlikely to resolve themselves spontaneously. In the context of a Euro-Mediterranean partnership such as put forward in the Commission document, the extreme inequalities which exist between the two future interlocutors of the envisaged economic, social and cultural dialogue must be noted. The whole of the MNC does not therefore constitute a homogeneous bloc from an economic, political, cultural and social point of view. These disparities are linked to a question of size, to natural resources, to the level of training of the workforce, to infrastructure, to the possibilities for development of a given sector. The whole of the MNC therefore constitutes a very disparate bloc whose regional integration is of absolute necessity.

Different approaches to, and records on, human rights also need to be borne in mind.

This area is undergoing a build-up of vast problems, sharp frictions and outright warfare. It must be remembered that some of the worst crises that have afflicted Europe have originated in the Mediterranean: civil war in Lebanon, more wide-scale fighting in the Middle East, turmoil in ex-Yugoslavia, unrest in Algeria, etc. The EU must not be caught up in these disturbances — clearly it has every interest in preventive action than intervening afterwards.

In this connection, the agreement achieved between Israel and the Palestinian authorities to launch a tangible peace plan is to be applauded. In view of the immense significance of this peace process and the potential prospects for cooperation, Europe, having contributed to fostering dialogue and negotiation, must now play an effective role in establishing economic ties with both Israel and the Arab population of Palestine.

Despite the repeated and immense efforts made by European countries and by international organisations over the past twenty years, there has been less improvement than was commonly expected both in relations between the states situated on either side of the Mediterranean and in the prospects for development in countries situated on its southern shores. A complex imbalance persists between the two shores of the basin, which lies at the origins of the negative phenomena of migration, unemployment, social tension, religious conflict, and sad to say, of terrorism, and which does not allow those elements of affinity and potential integration that do actually exist to be properly targeted.

These problems must be confronted at once, not only through political measures, but also with effective economic measures aimed at development.

Attempts to impose development from above have failed consistently and today the only effective alternative would seem to be that of promoting 'bottom-up' development along the lines of that which has taken place in the regions on the northern shores of the Mediterranean, by stimulating the growth of local markets and placing the emphasis on decentralised development cooperation wherever regional and local bodies are able to play a major part.

One can but broadly agree with the priority set out in the European Commission document, that is to say that of creating a politically stable and secure zone by means of three themes for priority action: support for economic transition, support for a better economic and social balance and support for regional or area integration. The setting up, by the year 2010, of a free trade area would seem to be a worthwhile and important objective, while it would also seem correct to adopt a gradual approach to this. The gulf between the European Union and the MNC in terms of development must also be borne in mind. The linkage of economic and political, development and security aspects would also seem important if an overall framework agreement is to be

reached and the risk of returning to straightforward bilateralism avoided.

The Mediterranean policy forms part of the strategy for the reinforcing of EU relations. This includes the accession of the CEEC countries, Malta and Cyprus, and the improving of relations, through cooperation, with the other countries that border the Baltic and with the rest of Eastern Europe. The Mediterranean policy is thus complementary, as was affirmed at the Edinburgh European Council in April 1995, to the policy of opening up to the states of Central and Eastern Europe, which, by history and culture belong at the centre of Europe.

3. The Euro-Mediterranean Partnership: evaluation

3.1. In general terms, the priority actions proposed by the Commission with regard to a global Mediterranean programme have been well designed to meet the economic and social objectives that constitute the fundamental requirement for increased political stability and a greater degree of security throughout the Mediterranean basin.

3.2. Further in-depth reflection on some of the themes contained within this framework would increase the effectiveness of the whole programme.

These themes include:

1) *Democracy and Human Rights*

Among the more general themes described in the Commission document the problems of democracy and human rights, prerequisites if an organised system of cooperation and agreement is to be achieved, should be highlighted. The growth and the reinforcement of democracy are essential conditions for development itself and are also essential if fresh hopes are to be raised and new dialogues opened in the Mediterranean. Such objectives can only be achieved within this framework by strengthening a system of democratically elected local and national authorities that are able to take practical steps towards the social and economic development of their communities.

2) *Cooperation on Security*

The phenomena of organised crime, drug trafficking and terrorism that also afflict the Mediterranean countries constitute a serious risk to the internal security of the Member States of the European Union. Even the positive results of political integration, such as the abolition of border controls, can be jeopardized, as witnessed by the recent measures taken by France. It is thus essential that questions of internal security should form a substantial part of the new Euro-Mediterranean cooperation.

Besides this, it would seem opportune to intensify efforts to ease the pressure of illegal immigration, to which end cooperation agreements should be reached on information exchanges and the management of repatriations.

3) *Provision of Resources*

Firstly, one must guarantee that the Mediterranean programme is provided with the appropriate funding, even given the demands already being made on the budgets of the EU and of the Member States, and while taking into account the other commitments of the EU. It should be pointed out that financial provision for the programme has been reduced, following two consecutive revisions, from ECU 5,5 million in the original document to ECU 4,7 million in the Cannes European Council document.

Consequently, it is important that EIB support be available for these objectives. Moreover the gradual establishment of a free trade area and measures designed to forestall turbulence and further imbalances in the region will not be sufficient to allow the Mediterranean to overcome the crisis which is threatening the continent.

The financial and organisational efforts of the European Union will not be enough in themselves to ignite endogenous processes of development in Mediterranean countries: the potential for activating the processes required for the economic and social development of the Mediterranean resides in the association of companies, the commercial classes, universities, regional authorities and local bodies.

4) *Experience derived from previous programmes*

The experience derived from programmes that have already been initiated for the Mediterranean and put into action there (MED URBS, MED Campus, MED Invest, MED Media, MED Immigration, MED Techno) form an important reference point for the reinforcing of Euro-Mediterranean policies. Their operational character and effectiveness should be carefully evaluated with a view to better understanding of the potential problems of global programming of the kind proposed by the Commission.

An effort must also be made, within this context, to pinpoint instruments of intervention that are suited to the realities of MNC as well as ways in which all the EU Member States and regional and local authorities can contribute to the programmes.

Particular attention should be given to the future of these programmes, which have seen effective and concerted efforts being made by many actors and institutions throughout Europe, and that already constitute a hard core of cooperation initiatives. It is for this reason that their future development must be guaranteed within the overall framework of the Euro-Mediterranean partnership in order to profit from the potential of the networks established and to fully support matured project capabilities.

5) *Cooperation on economic matters*

Small and medium-sized companies can play an essential part in creating employment for themselves and in the development of the economies of the Mediterranean countries. To this end the ground must be prepared for the launching of a partnership that involves all interested parties and that continues to develop ever-closer cooperation between EU and MNC companies. With this in mind it would seem appropriate to support the setting up, within these MNC, of local networks of small and medium-sized businesses to promote the transfer and implantation of 'district products' (training, technology transfer, processes of innovation and experimentation, authentication, phases of commercialisation, applied research) and the link-up of these with the services networks of European countries. Such networks of small and medium-sized businesses constitute a complex node of institutions, values and knowledge that should be centred in local communities that are sufficiently organised to manage external relations with companies and social and educational services for employees.

Another fundamental question is that of linkage infrastructure, since this is a basic prerequisite for economic development and the reinforcing of relations between the two sides of the Mediterranean.

The document from the Commission would seem to undervalue the role of tourism, which, for historical, artistic, cultural and environmental reasons constitutes one of the most promising resources in economic and employment terms, but which only, at present, runs for a limited period of the year and in a few centres, and risks aggravating problems rather than providing evenly spread benefits. As such, infrastructural interventions must also be designed and based on the principle of sustainable development.

Tourism is an important factor in social and political as well as economic development, in that it allows for 'the recognition of diversity' (culture, places and life styles). A 'contact' tourism must therefore be encouraged

between and among the inhabitants of the various countries. On the other hand, tourism is also an ambiguous phenomenon, and a global view must be adopted when approaching it to ensure that as well as contributing to economic and social development it also contributes to the conservation of the environment and of local identity and does not lead to the degradation and loss of these.

The development of economic activities must obviously be based, first and foremost, on the formation of human resources and subsequent assistance to new initiatives in the form of special services and information.

6) *Environmental problems*

The environment requires extremely sensitive attention in a closed sea of fine ecological balance such as the Mediterranean, which is constantly threatened by the transit of ships transporting petroleum, gas and chemicals. It should be remembered that safety levels are constantly ignored and that common action is required to ensure a minimum safety threshold.

It is a resource that is at great risk of being lost forever and one which should be safeguarded by all possible means, as was underlined at the recent conference in Barcelona, by the setting up of a network of high technology installations for monitoring shipping (VTS) that will gradually be extended throughout Mediterranean.

The greatest care should be taken with regard to the environmental effects of human settlement; of the over-concentration of tourism on certain areas and times of year: of the excessive and improper use of chemicals in agriculture and industry. It is also important to meet the challenges posed by the risk of desertification and the need to ensure a multiple and rational use of water resources.

Attention should also be given to the exploitation of the Mediterranean's marine resources by preparing measures that take into account the particular characteristics of local fishing industries, but also encourage the adoption of measures linked to a rational management of marine wealth and promote initiatives for the protection of, and increased production in, coastal areas. Today, there are increased possibilities for intervention through submersible barriers designed to house alternative forms of production (oyster and mussel farming) or through off-shore sea-farms designed to integrate traditional modes of production.

It should be possible to organise and coordinate the current — and as yet thinly-spread research and monitoring initiatives relating to the Mediterranean at one level of administration, which can only be that of the European Union authorities, since they can profitably exercise the role of mediator with the local and regional

authorities involved. The Commission should, in particular, ensure better coordination between existing programmes, and their increased effectiveness, by consolidating those initiatives that are of most positive effect.

The external development of the economies, which the Committee of the Regions would also desire, must be attuned to the requirements of environmental policy. In line with the principle of sustainable development, competitive advantages should be allowed without however setting aside environmental interests (environmental dumping).

7) *Urban concentration*

One of the main questions regarding the MNC is the growth of large cities, with this generating an exponential growth in economic and social problems. All the regions of the Mediterranean have also, over a number of years, witnessed an high degree of coastal development and urbanisation. These phenomena have resulted in, and will continue to result in, a worrying change in the relation between town and country, in the landscape of the Mediterranean and in a new order in terms of natural spaces and water systems.

This all leads to the importance both of introducing modern management systems and appropriate infrastructural measures in urban areas and of consolidating policies for rural ones. In both cases cooperation between the towns and rural communities of the MNC and the towns and rural communities of Europe would seem essential.

8) *Agriculture and rural areas*

Rural areas and — agricultural activity in particular — play a decisive role in MNC from a social and cultural as well as an economic point of view.

The fact that arid and semi-arid areas, geographically less-favoured areas and areas in that are often not equipped with the minimum level of services still remain populated should provide the opportunity for effective comparison with the damage caused by depopulation of the land and by the imbalances that result from internal and external migratory flows. It is thus necessary to promote those actions that not only guarantee an adequate standard of living and are concerned with agriculture, but also to guarantee the conservation of resources in accordance with the principles of sustainable development. Specific initiatives must thus be set up to improve the quality of structures and services in rural

areas, to increase the efficiency of systems of agricultural and food production and trade and lastly to adopt those technologies (methods of cultivation, processing plants, etc.) that enable the greatest possible conservation of already scarce environmental resources.

9) *Culture and religion*

One theme that should be emphasized is that of the difference in culture between EU and MNC countries: cultural and religious differences exist that are rooted in history, and reciprocal recognition and an exchange of understanding are required if a real dialogue is to be opened between the countries of the Mediterranean basin. Local and regional bodies, religious institutions, cultural institutions and universities have a determining part to play in this dialogue and should build on the wealth and variety contained in this historical inheritance while also recognising a common identity that has for centuries bound together the separate cultures found on both sides of the Mediterranean, and left indelible traces there.

Moreover, measures should be included within the partnership programmes to support and set up state education in the MNC, which furthers the development of independent reasoning and of a critical way of thinking from an early age.

It should be remembered that the Mediterranean region is the cradle of three of the main monotheistic religions, between which it is important to develop and advance comparisons, understanding and mutual respect by providing support for the creation of the scientific, academic and cultural institutions that are able to do this.

10) *The consolidation and extension of cooperation*

The methods chosen to attain the objectives set for Mediterranean policy should be based on cooperation between local and regional bodies on the southern and northern sides of the basin. Insufficient emphasis would appear to have been placed on this aspect, which is in fact decisive, as was found during the process of cooperation with Central and Eastern European regions. Cooperation should also be expanded, however, between organisations that express the will of society (NGOs, economic and class-based associations, social bodies, etc.) in order to combine common experiences and confront mutual problems.

11) *The orientation of the Euro-Mediterranean partnership towards immigrants present in Europe*

With regard to this last aspect, a closer examination of the theme of the presence of immigrants from Mediterranean MNCs in European countries is required.

Without prejudice to the recognition of the rights and civic duties of the citizens of Mediterranean MNCs who are legally resident in the Union, and given the links that they still maintain with their countries of origin, the possibility of involving such immigrants as a 'bridge' in certain of the actions planned as part of the Euro-Mediterranean programme should be appraised.

Directing attention onto immigrants already present in cities within the Union could result in a smoother and more efficient start to the whole programme and encourage the transfer of technical and organisational know-how: promoting fertile links in terms of an economic and commercial partnership; facilitating the comparison of ideas and experiences in the field of social and cultural services.

The problem of immigration should nonetheless be confronted at its roots in the MNC, not only by supporting the processes of economic development but also by attempting to improve living conditions. Regions, local bodies and European institutions also have an important part to play in this domain, via the harnessing of their own experiences in matters of hospital organisation, territorial services, assistance for the young and disabled, health and prevention services and training and training assistance.

12) *The role of the Committee of the Regions*

It is the Committee's view that the Mediterranean constitutes a fundamental theme within a strategy that has seen a timely increase in attention in countries bordering the European Union (Central and Eastern Europe and the Mediterranean) and has also witnessed a corresponding growth in the part played by inter-regional cooperation and cooperation between local bodies and cities. Concrete proof of this attention is provided by the special efforts that have been made in Mediterranean matters, with the two largest associations that group together regional (Assembly of European Regions) and local bodies (Council of European Municipalities and Regions) becoming involved in cooperation initiatives: in Madrid — April 1995 and in Barcelona — March 1995. Regional and local authorities are bound, in fact, to give attention to these neighbouring areas since many of their economic and social problems stem from there: one only has to think of the dramatic refugee problem (faced by Germany, Austria, Italy and Greece in particular) that resulted from the collapse of the former communist countries and the former Yugoslavia, and of the problem of immigration from Mediterranean countries that now concerns the whole of Europe, and which will only continue to grow unless there is a radical change in living conditions in the countries of origin.

It is in the Committee's direct interest to be present, define its position and present its own viewpoint during the stage where decisions are taken and choices made with regard to all of these matters, to present its own evaluation and to make its own voice heard, particularly in view of the Barcelona Conference, and then to work as a rightful participant and protagonist in the implementation of these choices, and for the benefit of the Europe.

13) *The Committee's Opinion on the proposal to 'Reinforce the Mediterranean policy of the European Union: the creation of a Euro-Mediterranean partnership'*

The Committee of the Regions:

- a) fully shares the opinion that the Mediterranean basin is of strategic importance in terms of prospects for the development of the European Union as a whole and that it is of prime importance to set peace, stability and prosperity as objectives to be pursued in relations between the European Union and the MNC;
- b) underlines that the Mediterranean policy is not at odds with the expansion of the EU in Central and Eastern Europe, since despite different perspectives, such policies form part of the overall strategy of the European Union.
- c) also agrees with the proposal to develop a global project for a partnership between Europe and the Mediterranean countries that is based on the priority objectives of economic transition and modernisation, achieving better social balance, the harmonious development of rural areas and regional integration, and which aims to gradually create a free trade area to include all the countries of the basin;
- d) supports the decision that the European Union should, in the process of establishing Euro-Mediterranean partnership, seek firm commitments from the authorities of the MNC to the establishment and respect in their countries of the fundamental values of the rule of law such as the rights of men, women and children, social justice and the respect of international law. These strategies must be backed up by a dialogue supporting mutual understanding and confidence. European institutions must, within this framework, grant attention to and show their commitment to the consolidation of democratically elected local, regional and national authorities, since failure to do so will result in neither development nor cooperation being possible.
- e) recommends to the European Commission and the European Council that, in view of the disparities existing between the European Union and the MNC, the Euro-Mediterranean programme be provided with resources to match the objectives set, both in terms of the provision of financial resources by the European Union and by promoting the increased participation in the programmes of the institutional, economic, social and cultural actors affected;
- f) recommends to the European Commission and European Council that in implementing the Euro-Mediterranean programme continuity should be given to Euro-Mediterranean Conference held in Barcelona by providing adequate institutional support for the programme with the participation of the Parliament, the Council of Ministers and representatives of the Committee of the Regions as well as a permanent secretariat;
- g) believes that the questions of internal security and immigration should be included, as a priority, in matters of external cooperation and thus also in Euro-Mediterranean policy, to take into account the threats posed by organised crime, drug trafficking and terrorism.
- h) proposes that opportunities for cooperation initiatives between regions and local communities in European countries and regions and local communities in MNCs should be increased as much as possible, to give concrete form to the indication for decentralised cooperation, thus consolidating and developing the experience already under way and taking up the positive cooperation experiences of Central and Eastern Europe;
- i) requests that the cooperation programmes already embarked upon with MNCs should be further developed within the overall framework of a Euro-Mediterranean partnership. The Committee of the Regions specifically asks that Interreg should serve as a reference for actions regarding cross-border cooperation between member and non-member countries and between Mediterranean countries;
- j) hopes that the programme will devote greater attention to the themes of religious and cultural diversity and to the consequent reinforcement of initiatives for comparison and dialogue by supporting the creation of every type of scientific, academic and educational institution that is capable of encouraging understanding, exchange and tolerance between peoples; more precisely calls for support to be given to the means of development of state education in the MNC, within the framework of the Euro-Mediterranean partnership, in order to foster independent reasoning and a critical way of thinking from an early age;
- m) suggests a reinforcement of initiatives for cooperation between networks of small and medium-sized companies; through a possible cooperation with the Chambers of Commerce; of those orientated towards the improvement of linkage infrastructure between Europe and Mediterranean countries, those destined

to maximise the benefits of the tourist sector; possibly through the awarding of a cooperation grant to Euro-Mediterranean tourism with a view to elaborating partnership actions that balance demand, investment and know-how and result in a relaunch of Mediterranean supply;

- n) underlines the fundamental importance of all forms of education as one of the major tools for development both within beneficiary countries and among immigrants present in Europe. The Committee of the Regions agrees that the Commission is right to underline the importance of encouraging the integration of young people, and particularly young women, into the labour market. The Committee of the Regions would also like to underline the importance of the training of human resources both in countries which are targeted by interventions and with regard to immigrants living in Europe;
- o) recommends that great attention should be given to the opportunities provided by the presence, in the cities and regions of Europe, of immigrants from Mediterranean countries, since they constitute a natural 'bridge' for the approval and development of the cooperation initiatives planned for under the programme;
- p) would like to draw particular attention to the environmental problems of the Mediterranean basin and urges the European Commission and all the countries of the Mediterranean basin to carry out, by means of an information exchange and a common strategy, careful monitoring of the dangers of further pollution; of the risk of desertification that threatens

vast tracts of the area and of problems generated by the process of urban concentration. To this end, the Committee proposes that a Mediterranean environmental agency should be set up by the European Commission and MNCs that participated in the Barcelona Euro-Mediterranean Conference, with membership extended to all regions of the Mediterranean;

- q) underlines the importance of applying the Local Agenda 21 programme aimed at protecting the environment. The local solutions implemented by regional and local authorities can make a substantial contribution to sustainable development. The experience accumulated at national level in Europe should be made available for application to the problems of the Mediterranean;
- r) underlines the Committee's direct interest in being present, defining its own position and presenting its own viewpoint at the next Euro-Mediterranean conference in Barcelona, in order to turn the attention of the institutions most suited to all the regional and local realities involved when dealing with political, economic and social matters in Mediterranean countries;
- s) the Committee of the Regions recommends that the process of integration and cooperation in the Mediterranean should be taken into account in the running of all of the programmes already under way;
- t) the Committee of the Regions also recommends that policies designed for the Mediterranean should take into account all countries that border the Mediterranean.

Done at Brussels, 16 November 1995.

*The Chairman
of the Committee of the Regions*
Jacques BLANC

Opinion of the Committee of the Regions on the 'Communication from the Commission and Proposal for a Council Decision on the Commission's activities of analysis, research, cooperation and action in the field of employment (Essen)'

(96/C 126/04)

On 18 July 1995 the Committee of the Regions, acting under Article 198c of the Treaty establishing the European Community, decided to draw up an Opinion on the above-mentioned communication and proposal.

Commission 8, Economic and Social Cohesion, Social Policy and Public Health, was instructed to prepare the Committee's work on the subject. The Rapporteur was Mrs Eva Lisa Birath Lindvall.

At its 10th Plenary Session on 15 and 16 November 1995 (meeting of 16 November 1995), the Committee of the Regions adopted the following Opinion.

1. Introduction

The Commission's proposal for activities in the areas of analysis, research, cooperation and action in the field of employment forms part of the implementation of the decision taken by the European Council in Essen. The Commission, together with the Financial Affairs Council and the Employment and Social Affairs Council, was called upon by the Council meeting in Essen to keep a watchful eye on the development of employment, to monitor the policies of the Member States in this area and to submit an annual report to the European Council on further progress in the employment market.

Against the background of the results of activities to promote employment in recent years, the Commission considers it necessary to link this monitoring process to a review and intensification of the Commission's activities in the areas of analysis, research, co-operation and activities in the field of employment.

This statement from the Commission should be seen as part of the fulfilment of the two White Papers on growth, competitiveness and employment (COM(93) 700) and on the European employment market and social policy (COM(94) 333), which the Committee of the Regions has reported on before. The Committee of the Regions's recent statement on medium-term social action programmes (COM(95) 134) is a continuation and extension of the Committee's statement in the above-mentioned White Paper.

In many ways, EU efforts to frame a policy for growth, competitiveness and employment encompass the local and regional level in its role as promoter and responsible body. For instance, it is here that conditions exist to create job opportunities within a transformed service sector, and, at the same time, develop an infrastructure which is better tailored to current needs (an increasing number of women in gainful employment and consequently increased demand for childcare services, protection of the urban environment in the broad sense, etc.).

The necessary discussions on the link between growth and job opportunities are also being continued in Commission and Council work in preparation for the Madrid Council in December 1995. The Commission proposal puts greater emphasis on efficiency in some areas of the job-creation process — systematic exchange of experience and joint research programmes.

In preparing this text, the Rapporteur essentially relied on information supplied by national delegations within the Committee of the Regions.

2. The Essen action programme (Article 1)

The Committee of the Regions:

endorses the Commission's proposal to develop and implement a special action programme (Essen) in the field of employment. This proposal should be seen as a natural consequence of the fact that the issues of unemployment and jobs are now the highest priority objective of the European Union and its Member States. It is therefore important to improve the ability of EU institutions to monitor how the Member States are implementing the Essen conclusions. The Committee of the Regions considers it important that the Commission and the Council, together with the Committee of the Regions and other Community institutions, should be able to obtain accurate and up-to-date information about developments in the employment market in various parts of the Union;

shares the Commission's view that it is necessary to supplement the proposed multilateral monitoring system by reorganizing and strengthening activities in the area of policy analysis on the employment market and jobs;

emphasizes the Commission's view that such a new strategy can be given added value by identifying and encouraging successful methods and activities and pro-

moting innovation and exchanges of experience. However it wishes to place special emphasis on the importance of mobilizing players at local and regional level to help with this task. Organizations at this level have many years of experience of efforts to fight unemployment and create better working conditions, and it may be useful to pass these on to others. Employment and unemployment at local and regional level has a considerable effect on the economic conditions which allow local and regional bodies to meet their social objectives. This provides a strong incentive to encourage these bodies to participate actively in this type of work;

emphasizes that the implementation of most of these five main priority areas in which action is to be taken for economic growth, resulting in increased employment, as set out at the Council meeting in Essen, is highly dependent on the degree of commitment and opportunities for active participation which exist at local and regional level. The main areas in which the Committee of the Regions considers active local and regional participation to be particularly important are as follows:

- improving job opportunities by promoting investment in vocational training;
- improving the effect of growth on employment through more flexible organization of work and by promoting initiatives, particularly at regional and local level, which create jobs that take account of new requirements, for example in the environmental and social care fields;
- increasing the efficiency of employment policy;
- taking action to help groups which are particularly severely affected by unemployment, especially young people, the long-term unemployed, older workers and unemployed women;

emphasizes the results and conclusions arising from the Commission's statement on local development and employment initiatives (LDEI), which also indicate the potential to create the conditions required for increasing employment at local and regional level. Here the Commission has identified 17 areas which should be able to meet the new demands of citizens. Experience has shown that the local and regional levels are best at creating the conditions to meet these requirements. This is because they can take better account of the distinctive features of the culture and socio-economic organization in question, and hence create jobs more effectively. According to the estimates set out in the LDEI, encouraging local and regional initiatives should make it possible to create hundreds of thousands of jobs within the Union

each year. The Committee of the Regions considers that such efforts should above all aim to promote lasting and financially viable jobs. The Committee of the Regions considers that the future conditions under which support is provided to agriculture should be seen as an environmental target, which may help to create employment in regions which are dependent on agriculture;

points out that demographic developments in the Union and the Member States will affect the development of the employment market, with fewer people of working age and an increased need for care for elderly people. This change will result in a new structure of demand for goods and services. It will also have financial consequences, not least for bodies at regional and local level;

assumes that contributions at local and regional level will play an important role in work carried out within the framework of the action programme. In order to remedy structural unemployment, far-reaching adjustments to local and regional market conditions are often needed;

notes that, at this level, potential is not restricted to exploiting local and regional schemes to provide new employment opportunities in the environment sphere or social services. Local and regional actors can also help to boost employment in the long-term in the shape of initiatives to facilitate economic regeneration and adjustments to new demands. This might involve the dissemination of technology, assistance in setting up companies in expanding sectors, providing access to new qualifications, etc. Local and regional authorities also have considerable responsibility for education and infrastructure. All this is required if the local and regional level is to attract the investment and business needed to create sustainable employment in the private sector;

observes that in most Member States, employment market policy has become decentralized in recent years. Local and regional bodies now play an active part in planning, establishing priorities and co-ordinating efforts on behalf of the unemployed in the employment market;

observes that when there is a demand among SMEs for the development of skills, the supporting and co-ordinating role of local and regional bodies becomes important. These bodies often also provide advisory and support services for the unemployed, and these can be profitably supplemented by active employment policy measures;

highlights experience which shows that local and regional authorities have a strategic role to play in the partnership which is needed to obtain resources from the Union's funds and programmes. They have an important part to play in co-ordinating development efforts in the areas of planning, financing and implemen-

tation. They are also in a good position to gather information which is useful to the private sector, for example concerning opportunities for companies to benefit from the Union's funds and programmes;

recommends that the Commission, in implementing the Essen action programme, be given the opportunity to establish direct contacts with local and regional bodies for the purpose of carrying out practical cooperation projects of an innovative nature. These experiences can then be disseminated via the programme, and serve as an example for local and regional action in other Member States;

observes that the recent recession has forced regional organizations to discharge their duties under more difficult economic conditions than before. This has resulted in a need for rethinking and innovation within the public sector in many Member States. These experiences may be useful for the development of society as a whole. Examples of this include successful co-operation projects between local and regional bodies. In these cases it has been possible to avoid making staff redundant, through agreements on training and skills development, linked with structural changes. There are also examples of short-term action in the employment market, initiated by local and regional bodies, being combined with the need for skills development in SMEs. This has resulted in permanent jobs and more competitive businesses;

observes that progress in local and regional job creation is often the result of co-operation between many different players at that level, where people are working with common objectives or within a co-ordinated social development plan;

recalls the importance of 'territory' as a place of creation and as a base for a strategy of development managed by a community of local actors capable of putting it in place, not only in its economic and technological, but also in its social, cultural and environmental dimensions, and of ensuring social cohesion.

3. Resources for implementing the action programme

The Committee of the Regions:

regrets that the proposed financial framework — totalling ECU 57 million for 1996-2000 — is out of all proportion to the size of the problem. During the on-going examination of the Commission's proposals, the aim must be to make resources available

which will also facilitate specific initiatives on the basis of the results and experience obtaining from the Essen programme. This will help to counteract the negative effects on employment of any international economic recession.

4. Structure of the action programme (Article 2)

The Committee of the Regions:

welcomes the proposed definition of the aims of the action programme;

assumes that the analysis of labour market and employment policies will be comprehensive in scope, and not stop short at an assessment from a purely macro-economic, national perspective; on the contrary, it should actively exploit the experiences to be found at regional and local level in the Member States. It is vital that people with specialist knowledge and experience of this kind be involved in the work carried out under the action programme;

proposes that the Commission should examine suggestions from public bodies and other organizations at local and regional level each year, concerning current areas of research into the employment market and jobs, which warrant Commission funding over the next two years. This could be very helpful in ensuring that the research in question focuses on problems that are familiar to those bodies and organizations.

5. The tools of the action programme (Article 3)

The Committee of the Regions:

notes the proposed content and type of action to achieve the objectives set under the action programme;

assumes that the proposed systems for data collection, exchange of information and employment studies (Article 3a) will be rooted in regional and local patterns and trends. Where this requires action from local and regional bodies, it must be funded either from EU resources or under arrangements within each Member State;

recommends that Commission support for employment creation and promotion projects on the basis of EU funding and programmes (Article 3b) should not be confined to methodological and technical assistance, but be expanded to include support for the financing proper of innovative schemes managed at local and regional level. Funding should be shared between the competent local bodies and the EU. Without financial support for these measures, there is less opportunity to try out new ideas. This should also make it possible for

the Commission to look to new countries for cooperation partners who are prepared to try out a project which has, so far, only been put into practice in a single Member State;

further recommends that, in the light of the above comments, the instruments for exchange of experience be extended to enable the Commission to provide financial support for reproducing promising actions which have been tried out in one Member State in other countries. If the Commission is able to provide part of the funding for these pilot projects, exchanges of experience between the Member States will be more tangible and fruitful than would be possible with a mere exchange of documentation on each others' projects. The results of the Essen programme should serve as a model for activities conducted under the Structural Funds in general and the Social Fund, in particular;

emphasizes the need for the methods for disseminating (Article 3c) the results to be specially adapted and designed in accordance with local and regional conditions, so that the information can be assimilated in the best possible way. The Committee of the Regions considers that the tools used for the exchange of information between the Member States and the Commission need improvement. Until now, various efforts have been made in parallel, without adequate co-ordination. Greater use of modern information technology will be an important tool to increase the effectiveness of information distribution, but it means that all organizations at both local and regional level will have to fulfil the technical and economic requirements and have the necessary knowledge to use that technology;

recommends that opportunities for direct contacts between local and regional bodies in various Member States for the purpose of distributing information and experiences should be given appropriate encouragement and support;

points out the need for information to be made quickly accessible so that local and regional bodies can benefit from positive experiences in order to solve their problems as quickly as possible. The information provided must clearly indicate which activities have been carried out, and their effects in various regions. The Committee of the Regions also wishes to point out certain requirements that this information must fulfil, in terms of being up-to-date, clear, accessible and suitable for comparisons over time and between states and regions;

recommends that the information should be transferred quickly to suitable bodies with instructions to monitor progress and assess the results of the players' activities at local and regional level;

observes that the Commission has proposed, within the framework of the Fourth equal opportunities action programme, to co-operate with the competent national bodies to provide support to centres concerned with equality in one or more regions of individual Member States;

proposes that it should similarly be possible to create regional centres to act as contact points and information nodes within the framework of the Essen programme. It should be possible to distribute programmes, activities or actions originating from national, local or regional institutions in Europe through these centres. These could be used to reduce unemployment and increase employment. Regional information centres should also be able to engage in network co-operation, to facilitate the distribution and exploitation of these activities.

6. Co-operation with other initiatives and programmes (Article 4)

The Committee of the Regions:

would point out the need for coordination under the Essen action programme, and between the latter and the Union's other initiatives and national activity in these areas;

assumes that better cooperation will also include the possibility, for instance, to adapt the structural fund programmes and Community initiatives to allow rapid exploitation of ideas and experiences which have come to hand as a result of work with the Essen programme. If the Decision is backed by explicit encouragement for such adaptation, then the impact and practical success of the action programme could be enhanced considerably;

suggests that the Commission should disseminate the Essen action plan widely so that the local and regional bodies working with the Structural Fund programmes can also take into account the activities to be pursued in connection with the Essen programme. Coordination between the Essen programme and the Structural Funds — especially in the case of employment — should be seen as a source of development potential to be exploited. This is particularly true of equal opportunities, since women, to a large extent, are often employed in local and regional service-related activities. The local and regional connection is also of some importance when dealing with schemes to assist vulnerable groups, since these bodies are often responsible for their social back-up. The importance of coordination with local and regional activity should be stressed in the Council Decision.

**7. Participation in the programme by other countries
(Article 5)**

The Committee of the Regions:

welcomes the proposal that there should be an opportunity for non-EU countries to take part in some of the programme's activities;

proposes that co-operation with these countries should be organized in the areas of research and study to find ways of alleviating the difficulties experienced by citizens who have migrated to a specific EU country and then find themselves marginalized on the employment market.

8. Implementation of the Essen Programme (Article 6)

The Committee of the Regions:

takes note of the proposal on how the action programme should be implemented;

proposes, in accordance with what has been stated above (in point 2) that the Commission and its institutions should also be able to arrange direct co-operation with regional and local bodies within their areas of responsibility and bearing in mind the principle of subsidiarity.

**9. Cooperation for the purpose of implementation
(Article 7)**

The Committee of the Regions:

welcomes the proposal to involve the social partners in the implementation of the action programme;

anticipates that the regional and local level will be given direct opportunities to monitor and influence the shape of the programme. Neither the CEMR nor the AER currently has social partner status. This fact needs to be stressed because, in many countries, the local and regional levels account for a large proportion of employment, and are also important players in the area of job creation.

Done at Brussels, 16 November 1995.

*The Chairman
of the Committee of the Regions*
Jacques BLANC

Opinion of the Committee of the Regions on the 'Commission Green Paper on the role of the Union in the field of tourism'

(96/C 126/05)

On 24 April 1995, the European Commission decided, in accordance with Article 198c of the EU Treaty, to consult the Committee of the Regions on the Green Paper on the Union's role in the field of tourism.

On 19 July 1995, the Committee decided to draw up this Opinion. Sub-Commission 2 — Tourism and Rural Areas — was instructed to carry out the preparatory work. (Rapporteur: Mr Bent Hansen, Denmark).

Sub-Commission 2 adopted its Opinion on 6 September 1995.

At its 10th Plenary Session of 15 and 16 November 1995 (meeting of 16 November 1995) the Committee of the Regions adopted the following Opinion.

Introduction

The Committee of the Regions refers to its Opinion of 2 February 1995 on 'A development policy for tourism in the EU's rural areas' (CdR 6/95 fin).

The Committee points out that:

- the current requirements and potential inherent in employment, patterns of behaviour, living standards and technology make tourism an industry of the future;
- tourism can contribute to economic and social progress and to diversification;
- tourism can help foster economic and social cohesion and reduce territorial and regional imbalances within the Union, and
- many local and regional authorities exercise powers in the area of tourism.

General comments

1. The Committee of the Regions:

- notes with satisfaction the Green Paper's summary of the Community's current contribution to tourism and the multiple links between the development of tourism and many of the Community's policies and instruments;
- points out that, bearing in mind the major responsibility of local and regional authorities for the development of tourism, the description of the powers of local and regional bodies set out in Annex III of the Green Paper should be more comprehensive, and expresses its readiness to provide the necessary information via its members;

- endorses the clear-cut analysis of the added value created by Community action in favour of tourism and the various prospects for the EU's future role in tourism;
- commends the Commission for the comprehensive consultative procedure advocated by the Green Paper.

The Objectives for the Community's future assistance for tourism

2. The COR would emphasize that the EU 'measures' and 'activities' referred to in the following paragraphs will have to be compatible with the subsidiarity principle.

The COR emphasizes the need to clarify and spell out Community goals for tourism and the need to analyze the possibilities of achieving these goals via a coordinated action under current policies.

The COR calls on the Commission to submit proposals on this area.

3. The COR takes the view that the Community's aim in the tourism sector should be to help foster an economically, culturally and environmentally-sustainable development to the longterm advantage of tourists, economic activity and the local population.

The COR therefore agrees that action to take account of business interests and to consider tourists as consumers are important objectives in connection with Community-level efforts to assist tourism.

The COR stresses however that there is a third group which must also be catered for when developing tourism, i.e. ordinary citizens who live in the areas frequented by tourists.

4. The COR feels that, in line with other business activities, it is vital for the tourist industry to be given parameters and have free access to industrial policy instruments which help to establish a level playing field and create growth and employment.

As far as possible, action in the area of tourism should form part and parcel of a more diversified and firmly established economic development strategy.

5. Finally, the COR stresses how important it is for the Community to involve at an early stage regional and local bodies, including authorities and businesses who have primary responsibility for developing tourism.

Cooperation and partnership

6. The COR notes that tourism is an extremely complicated issue, not only in political, but also in practical terms:

- the commercial players range from small and medium-sized undertakings to multi-national hotel chains and airlines;
- the 'product' spans areas ranging from city tourism and international mega-attractions to cycling and rural tourism;
- local populations in the various tourist destinations do not constitute a homogenous group. Some earn their living from tourism while others may regard tourism as largely disruptive to the local environment and the local culture;
- local authorities have powers in many areas of importance for tourism.

7. The COR therefore takes the view that a healthy development of tourism hinges on cooperation at all levels in the Union:

- between private suppliers of tourism products and services;
- between public and private bodies with responsibility for tourism;
- between authorities at the various levels in the Union: Commission, Member States and regional and local authorities;
- between the various departments at every level of authority in the Union: between administrative units and departments in local and regional administrations, between ministries in the Member States and between the Commission services.

8. The COR also points out that cooperation via partnerships at all these levels will enhance the value of each individual contribution.

It also points out that none of the players involved can define or take responsibility for securing the requisite cooperation and the hoped-for healthy development. This responsibility is a common concern. But public authorities can play a special role in stimulating cooperation on tourism, by ensuring that public interests are taken into account when tourism is being developed and by continuing to contribute to the development of public amenities, such as nature reserves, cultural monuments etc., leisure facilities and transport infrastructure.

9. The COR specifically points to the capacity of local authorities to play a key role in establishing partnerships and cooperation conducive to the development of tourism along appropriate lines. Democratically elected regional and municipal authorities and bodies have already assumed extensive responsibility for regional and local tourist strategies — which, from an overall appraisal of the situation, form the basis for a long-term, common development of sustainable tourism.

The COR calls on the Commission, within the framework of its actual competences, to immediately boost interregional and local cooperation in the field of tourism, thus reinforcing the local and regional authorities in their leading roles as originators and those in charge at the forefront of the development of tourism in the whole of Europe.

10. In the COR's opinion, it should not be forgotten that businesses, countries, regions and areas are also stimulated to develop tourism via healthy competition to attract tourists.

The EU's future importance for tourism

11. The COR takes the view that a more active, better-coordinated EU contribution is necessary to cope with the dynamic development of tourism and the scope for tourist activities, particularly because of tourism's complex links to many areas within the EU's remit.

12. The COR does not, however, believe that over and above the provisions of the existing EU policies, there is a need to establish a legislative basis for an EU tourist policy.

Nevertheless, it is necessary that those initiatives which are implemented at Community level should have a transparent coherent basis giving EU action the necessary legitimacy, and hence making it both coordinated and effective.

13. The COR stresses that EU involvement in tourism must be based on the subsidiarity principle. Moreover, any attempt to create a common European image could only serve to submerge the individual and cultural identities which Member States and local and regional authorities at present highlight in their destination marketing. Therefore the COR stresses that the responsibility for tourism marketing should not be the responsibility of the Union but should be the responsibility of local, regional and national authorities and organizations.

Community activity must furthermore take account of the different conditions prevailing in the various areas of the Community, irrespective of whether this involves urban or rural areas, or mountain or coastal regions, all of which have specific environmental and cultural features of value to tourism.

14. The COR considers that the advantages of EU-level action on tourism will be maximized by the following three factors: (i) internal coordination of action between Commission DGs, (ii) action backing national, regional and local strategies, and (iii) providing ideas and support for local and regional initiatives.

15. The COR stresses the need for sectoral coordination between the various Commission services, since several departments share responsibility for the wide range of policy areas of major importance to tourism, dealt with in section AII of the Green Paper.

The COR calls for the Community's objectives in the area of tourism to be tied in with the framing and implementation of Community policies in other areas (e.g. environment, culture, SMEs, the internal market, research and technology, transport and education/training).

The COR hopes that steps to define clear-cut objectives for the Community in the tourism sector can contribute to recognition of the importance of taking account of tourism when framing and implementing action plans and programmes for these and other sectors.

But internal rules and procedures must also be introduced, in order to secure tourism the place which it deserves.

16. The COR stresses the need to put tourist undertakings on an equal footing with other businesses for the purpose of Structural Fund aid. It points out that regional and local authorities can secure coordinated application of Structural Fund and national resources for promoting tourism.

It is also important, as far as possible, to forge links between the Community's general objectives for tourism and Structural Fund aid for tourism. However, local and regional needs and priorities must constantly be at the root of projects supported by the Community at local and regional level.

17. The Committee stresses that the Community's action plans for tourism should be viewed as a valuable instrument for experimentation and for disseminating know-how.

On the other hand, action plans should not deprive regional and local partners of political responsibility for framing and implementing sustainable, balanced local and regional development strategies. Tourist undertakings must retain commercial responsibility for developing and marketing new tourist products and services.

Specific comments

18. The COR stresses the Community's important role in connection with pilot projects and the dissemination of know-how and experience, with specific reference to geographical and seasonal distribution, steps to improve training and working conditions and the scope for making tourism more competitive on an overall basis.

The COR therefore asks the Commission to organize the framework, evaluation and the distribution of pilot-projects more efficiently than for the period of 1993-1995, so that the results of projects are of the highest possible quality and so that they can be communicated to a maximum number of people interested. Priority should be given to solutions to problems linked to environmental damage resulting from tourism and which will be developed in the form of pilot-projects by different partners, with experiences from different levels of economic development from a number of Member States.

19. The COR stresses the importance of focusing attention on business tourism, including meetings, courses, incentive trips, congresses and conferences. In these areas, synergy can be fostered between the Community's tourism input and the internationalization of the European economy via the Internal Market and other European policy areas.

Another form of business tourism is made up of fact-finding visits, in other words trips made with the aim of finding out about large technical installations, major companies, public-sector schemes, etc.

20. The COR deems it appropriate for the Community, in cooperation with other relevant bodies, to pursue its work by coordinating and providing tourism

statistics and information for those bodies who are to develop future tourism products and frameworks (including tourist undertakings and regional and local authorities).

21. The COR considers that many of the activities which the Community recommends and deploys in respect of small and medium-sized undertakings can be extremely valuable in the tourism area. This applies particularly to action in the field of training and new technology and methods.

Conclusion

22. The COR:

- supports the idea of setting transparent and coordinated guidelines for those tourist activities which are carried out at EU level;
- recommends the establishment of a basis to ensure that the Union takes greater account of the specific interests in the area of tourism in connection with planning and implementation of other Community policies;
- does not believe that this necessarily requires amending the current legislative basis or giving the EU more powers in this area;
- believes that the Commission Green Paper can be construed as a step towards giving tourism the attention it deserves in the EU's political decision-making processes;
- calls on the Commission to submit practical proposals as regards objectives and resources for the Union's contribution to tourism;
- urges the Commission to base its report, to be submitted to the Council in conjunction with the 1996 IGC, on the principles of partnership, complementarity and subsidiarity and stresses the local and regional authorities' responsibility and potential in action to develop tourism;
- believes that the proposals contained in section C III (strengthening Community action via the existing Treaty?) constitute the soundest basis for the Commission's future work, since option C III gives a clear political signal that the present legal basis (Article 3 in the Treaty of the European Union) is adequate for the Union to reach all of the abovementioned goals;
- calls for the COR to be involved in further work on developing objectives and resources relating to the Union's role in tourism.

Done at Brussels, 16 November 1995.

The Chairman
of the Committee of the Regions
Jacques BLANC

Opinion of the Committee of the Regions on the 'Action programme and timetable for implementation of the action announced in the Communication on an industrial competitiveness policy for the European Union'

(96/C 126/06)

At its meeting of 19 April 1995 the Bureau of the Committee of the Regions instructed Commission 1 — Regional Development, Economic Development and Local and Regional Finances — to draw up an Opinion on the above subject.

Commission 1 adopted its Opinion on 31 October 1995. The Rapporteur was Mr Martin Purtscher.

In view of its urgency, the Commission 1 Opinion was sent to the Council and the Commission for information in accordance with Rule 9(3) of the Rules of Procedure and noted by the Committee of the Regions Plenary Session of 15 and 16 November 1995.

THE COMMITTEE OF THE REGIONS,

Having regard to Title XIII (Industry), Article 130 of the EC Treaty, which requires the Community and the Member States to ensure that the conditions necessary for the competitiveness of the Community's industry exist, and in particular paragraph 3 which states that the Community shall contribute to the achievement of these objectives through the policies and activities it pursues under other provisions of the Treaty;

Having regard to

- the Commission Communication of 1990 on the principles of Industrial Policy in an Open and Competitive Environment (COM(90) 556 final);
- the Commission's White Paper of December 1990 (Growth, Competitiveness and Employment) and the COR's Opinion⁽¹⁾;
- the Commission Communication entitled 'Europe's Way to the Information Society: an Action Plan' and the COR's Opinion⁽²⁾;
- the Commission Communication entitled 'Integrated Programme in favour of SMEs and the Craft Sector' and the COR's Opinion⁽³⁾;
- the Commission Communication entitled 'An Industrial Competitiveness Policy for the European Union' and the COR's Opinion⁽⁴⁾;

Convinced that

- only through timely and decisive action can a contribution be made to strengthening industrial competitiveness and thus to creating new jobs;
- industrial competitiveness has a significant impact on economic and social cohesion in the European Union;
- in order to strengthen industrial competitiveness efforts must be concentrated on selected priorities for action;

Adopted the following Opinion (by a majority) at its Plenary Session on 15 and 16 November 1995 (meeting of 16 November 1995).

Introduction

A. The Communication submitted for the Committee's Opinion contains an action programme and timetable for implementation of the Communication entitled An Industrial Competitiveness Policy for the

European Union. The Committee of the Regions adopted an Opinion on the latter Communication at its 7th Plenary Session held on 20 and 21 April 1995.

B. With the current proposal for an action programme and timetable the Commission is complying with the Council Resolution of 21 November 1994 on the strengthening of the competitiveness of Community industry, in which the Council invites the Commission 'to submit to it ... a schedule for the drafting of appropriate proposals formalizing the initiatives

⁽¹⁾ OJ No C 210, 14. 8. 1995, p. 1.

⁽²⁾ OJ No C 210, 14. 8. 1995, p. 109.

⁽³⁾ OJ No C 210, 14. 8. 1995, p. 92.

⁽⁴⁾ OJ No C 100, 2. 4. 1996, p. 14.

announced by the Commission in its Communication on an industrial competitiveness policy for the European Union in the areas of intangible investments, industrial cooperation, competition and modernization of the role of the public authorities'.

C. The Commission proposal contains an action programme with four priorities for action, a draft proposal for a Council Decision on implementation of a Community action programme to strengthen the competitiveness of European industry and an action programme and timetable for an industrial competitiveness policy for the European Union.

D. For the implementation of its industrial competitiveness policy the Commission has set four priorities for action:

- Development of the internal market,
- Better taking industry's needs into account in research policy,
- Establishment of the information society,
- Promotion of industrial cooperation.

General comments

The Committee of the Regions

1. notes the Commission's arguments concerning the priorities for action for the implementation of its industrial competitiveness policy, the related draft proposal for a Council Decision and the action programme and timetable for the relevant measures;

2. welcomes the drawing up of a practical programme for the implementation of the principles established in the Commission's Communication entitled *An Industrial Competitiveness Policy for the European Union*;

3. notes with approval that, with the establishment of a detailed timetable, rapid progress is to be made on implementation of the initiatives on intangible investments, industrial cooperation, competition and modernization of the role of the public authorities set out in the Commission's Communication on an industrial competitiveness policy;

4. points out however that in implementing the actions account should be taken of regional needs within the Member States;

5. points to the need for Structural Fund intervention to ensure the industrial competitiveness of European industry;

6. believes that, in order to apply the Commission's industrial policy schemes consistently, restricted time

limits must be set for the required authorization procedures, and for processing requests, for example, for research support or back-up for SMEs; this deadline should also be shortened in the light of experience gained to date;

7. asks the European Commission to create access conditions for isolated measures linked to the application of industrial policy schemes so that these can also be met with reasonable effort by small and medium-sized enterprises.

I. PRIORITIES FOR ACTION

The Committee of the Regions

8. believes that industry underpins growth and living standards and that measures are therefore needed to place industry on a competitive basis against a background of competitive pressures;

9. points out that, in addition to the four objectives set out in the Communication, the strengthening of human resources is of great importance to industrial competitiveness and must therefore play a greater part in overall European industrial policy, within the limits laid down by Article 126(1) and Article 127(1) of the EC Treaty;

10. calls for a European industrial policy angled more towards sustainability, as sustainable economic management and consideration for environmental issues are essential to the safeguarding of the living conditions of the next generations.

Development of the internal market

The Committee of the Regions

11. shares the view that the internal market is the Union's greatest contribution to the competitiveness of European industry, but that further efforts are needed to ensure that the single market operates effectively;

12. suggests that future competitiveness will not depend exclusively on efficiency and mass production, but rather increasingly on other capacities such as the rapid use and dissemination of information;

13. supports in principle the further development of the internal energy market with due consideration for the optimum use of renewable energy sources (e.g. hydroelectric power);

14. calls for the regional and local authorities to be involved in the establishment of rules for, and implementation of, the internal energy market, and for the establishment, at EU level and taking account of the present distribution of tasks, of a basic framework to be implemented by the Member States. In this, regional interests, as already outlined in the Committee of the Regions Opinion ⁽¹⁾ on the Green Paper for a European Union Energy Policy (COM(95) 659 final) should find appropriate expression;

15. stresses that the responsibility for the creation of the appropriate regulatory environment lies not only with the Union and the Member States but also with the regions;

16. sees the harmonization of national legislation and the application of the principle of mutual recognition as important instruments for the realization of the internal market, bearing in mind however that a high level of protection must be ensured in areas of public interest such as health and consumer protection and particularly environmental protection.

Better taking industry's needs into account in research policy

The Committee of the Regions

17. agrees with the view that improved cooperation between research and industry plays a decisive part in the strengthening of industrial competitiveness;

18. welcomes therefore the Commission's efforts to bring research closer to industry's concerns via joint projects in the interest of industry, and its intention of drawing up a Communication on closer coordination between research and industry;

19. considers that efforts in the research and technological training area must be steadily increased not only in the EU, the Member States and in industry, but also at regional level, in order to enable firms to adapt quickly to new technologies and markets and to permit the application of appropriate strategies.

Establishment of the information society

The Committee of the Regions

20. stresses the importance for industrial competitiveness of conditions for access to information, information networks and services which facilitate their use. Participation in information networks is of particularly great importance for firms in geographically remote,

underdeveloped or disadvantaged areas and leads to a significant increase in their competitiveness;

21. points out that the emergence of the information society is generally positive for the creation of new markets and jobs;

22. draws attention to the fact that the achievement of this objective is impeded by the size structure of SMEs in the European Union;

23. notes that, although the infrastructure is often to a great extent available, potential users lack knowledge of the advantages of the system;

24. recommends therefore that a campaign to promote communications technologies for SMEs be launched within the framework of the action programme.

Promotion of industrial cooperation

The Committee of the Regions

25. agrees with the view that the Union must endeavour to remove obstacles to industrial cooperation while developing tools for industrial cooperation;

26. stresses the importance of the Leonardo programme for the development of cooperation between firms and other operators in the vocational training field;

27. believes that the development of industrial cooperation with non-Community countries is in everyone's interests and that everything possible should be done to promote this development;

28. supports the proposals for an Integrated Programme in favour of SMEs and the Craft Sector (COM(94) 207 final) and points to the importance of SMEs for economic growth and job creation in the EU, particularly in the regions.

II. DRAFT PROPOSAL FOR A COUNCIL DECISION ON IMPLEMENTATION OF A COMMUNITY ACTION PROGRAMME TO STRENGTHEN THE COMPETITIVENESS OF EUROPEAN INDUSTRY

The Committee of the Regions

29. considers the adoption of a Council Decision on implementation of a Community action programme to strengthen the competitiveness of European industry necessary in order to create a legal basis for implementation of the action programme by the Commission;

30. notes that no provision is made for additional funds for implementation of the action programme;

31. shares the view that a competitive and innovatory industry in the Community is a prerequisite for lasting economic growth and the creation of new jobs, and that the framework conditions for competitiveness and competition must be improved so that the European

⁽¹⁾ OJ No C 100, 2. 4. 1996, p. 60.

Union remains an attractive location for business leading to the creation of new firms and new jobs;

32. endorses the statement that industrial production and services increasingly complement each other and that a competitive industrial sector has a positive effect on the service sector;

33. believes that the Community and the Member States must take measures, inter alia at regional and local level, to strengthen industrial competitiveness;

34. supports the action programme's objectives of eliminating unnecessary legal and administrative constraints for enterprises, particularly small and medium-sized enterprises, ensuring fair competition, strengthening industrial cooperation and promoting intangible competitiveness factors.

III. ACTION PROGRAMME AND TIMETABLE FOR AN INDUSTRIAL COMPETITIVENESS POLICY FOR THE EUROPEAN UNION

The Committee of the Regions

35. supports the timetable for implementation of the action programme for an industrial competitiveness policy for the European Union and calls for rapid

implementation of the measures which are the direct responsibility of the Commission;

36. welcomes the preliminary studies and analyses carried out before the measures for realization of the objectives were adopted;

37. advocates the use of measures which can make an immediate contribution to industrial competitiveness, such as joint policies and cooperation with non-Community countries, the setting up of pilot industrial cooperation programmes and the establishment of a data base on obstacles to the proper operation of the markets and an Industrial Assessment Mechanism;

38. holds fast to the basic condition that the action programme must be carried out with due regard for the principle of subsidiarity;

39. points to the need for consideration of two other objectives, the strengthening of human resources and the promotion of industrial production more closely geared to the principle of sustainability;

40. considers the formulation of the actions to be in some cases too general and therefore expects the measures to be further specified;

41. believes that the actions are in some cases merely continuations of existing initiatives and that new initiatives are being established only to a limited extent.

Done at Brussels, 16 November 1995.

The Chairman
of the Committee of the Regions
Jacques BLANC
