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## I

(Resolutions, recommendations and opinions)

## RESOLUTIONS

## COMMITTEE OF THE REGIONS

86TH PLENARY SESSION HELD ON 5 AND 6 OCTOBER 2010

**Resolution of the Committee of the Regions ‘The Cancún Climate Summit: the contribution of the COR to the UNFCCC (COP 16) — 29 November to 10 December 2010’**

(2011/C 15/01)

THE COMMITTEE OF THE REGIONS

*On the urgent need for EU to achieve further progress on the global climate change agenda*

1. Recalls its commitment stated in its resolution on the **Copenhagen Climate Change** summit, adopted at the CoR plenary session in June 2009;

2. Reaffirms its full support for an **international climate change agreement** aimed at limiting global warming to no more than 2 degree Celsius by 2012;

3. Regrets that despite the **worldwide attention to climate change** and environmental concerns in the run-up to the Copenhagen Summit, the resulting agreement failed to meet the high expectations of a broad range of crucial climate change policy stakeholders across the EU including local and regional authorities;

4. Endorses the efforts of the European Commission to secure an **internationally binding agreement on greenhouse gas emission reduction** and calls on the EU to speak with one resolute voice in the UNFCCC COP16 in Cancún in accordance with the spirit and context of the Lisbon Treaty, resuming a leading role in international climate change negotiations;

5. Recognises that the EU climate change goals can only be achieved if, on one hand, future **emissions reductions are distributed fairly** across the whole of the international

community, with due consideration to the different capabilities and starting positions of countries and regions, and, on the other hand, a worldwide consensus for decisive action is established backed by basic common standards for regular monitoring, reporting and verification (MRV);

6. Recognises a need to make more of progress within the EU in combating climate change, to continue **setting ambitious goals** and to underpin and promote successes in implementing them, especially at the local and regional level, and calls on the Council and the Commission to adapt and reinforce their strategy for EU climate policy in case no international climate change treaty might be forthcoming;

7. Hopes especially for an **agreement on the necessary architecture** for issues like adaptation, mitigation, finance, reducing emissions from deforestation (REDD), reducing international aviation and maritime transport, setting up new carbon market mechanisms as well as support for the most affected developing and the least developed countries;

*On the key role of local and regional authorities*

8. Reiterates its unflinching **commitment to the EU’s 20-20-20 targets** and urges all sub-national levels of government in the world to invest in the fight against climate change, raise public awareness, mobilise public political support, business investment and funding sources, and motivate the producers and consumers to change their behaviour to achieve better resource efficiency and more climate friendly economy;

9. Emphasises that a '**Territorial Pact** of Regional and Local Authorities on Europe 2020 Strategy' as proposed by the CoR could be a very important tool in the fight against climate change because the targets of 'Resource efficient Europe' can be achieved in an effective way only via a close partnership between the European, national, regional and local levels of government based on the principle of subsidiarity;

10. Stands ready to raise the **target to 30 %** provided certain conditions are met;

11. Notes that the Commission has analysed the possibilities for cutting greenhouse gas emissions by **more than 20 %**. The Committee regrets that, on the basis of that analysis, the Commission feels that current conditions do not allow for a unilateral increase in the EU's reduction target to 30 % and that it is not, for the time being, pursuing any further policy initiatives;

12. Highlights the efforts of cities and regions across Europe that have adopted local or regional climate and energy strategies with specific climate mitigation targets and signed up to **the Covenant of Mayors**, aiming to reduce the CO<sub>2</sub> emissions by at least 20 % by the year 2020;

13. Urges the Council and the European Commission to **involve the CoR in the process** leading towards the UNFCCC COP 16 in Cancún, to ensure full and proper recognition of the role played by local and regional authorities in implementing climate change mitigation and adaptation;

*On cross-sectoral mainstreaming of climate change concerns and low carbon economy*

14. Considers that climate adaptation and mitigation must be **mainstreamed** into all existing EU policy frameworks as an explicit objective, including EU agricultural and rural development policies, policies aimed at avoiding deforestation, transport, biodiversity, water and waste management, and funding programmes in areas such as EU cohesion, industrial, agricultural policy and EU development cooperation policy;

15. Calls on the European Commission to deliver on a comprehensive **transport and climate change package** and recalls that including air and sea transport in a global emissions trading system will be an important step towards reducing carbon emissions; feels that this package needs to take account of the specific circumstances of the island and outermost regions, which are highly dependent on air and sea transport, by striking a balance between reducing CO<sub>2</sub> emissions and adopting at huge cost measures to combat climate change in these regions;

16. Believes that the EU must launch specific projects to support the switch to a **low-carbon economy**, based on the EU-2020 strategy for sustainable growth (the 'Green New Deal') with a view to becoming the most climate-friendly region in the world;

17. Considers that the EU's Energy policy must provide a decisive impetus for **low carbon innovation and energy efficiency**, ensuring that innovation, energy efficiency and early

deployment of new technologies consolidates the leading role of European business in key sectors of green economy;

18. Recalls that **massive investment** in sectors such as industry, transport and housing as well as public and commercial buildings will be needed, if energy savings are to be achieved in line with the EU's 20-20-20 objectives;

19. Believes that a carbon tax, or a form of directly taxing emissions, may be a useful tool both in creating incentives for reduced and cleaner energy use, and for generating the necessary financial resources to make the changes required to combat climate change;

20. Thus suggests the creation of **new instruments** as priority lines in the Structural Funds or as a separate Energy Investment Fund;

21. Is persuaded that the switch to a low-carbon economy must take place in a **socially responsible and economically viable** way by keeping and if necessary adapting existing jobs, alongside the new 'green' jobs that are expected to be created;

22. Recommends **strategic public private partnerships** such as alliances between small and medium-sized enterprise and local and regional authorities with a view to further developing and applying low carbon technologies and invites regions and cities to conclude local climate actions pacts between public and private partners setting out concrete climate action measures to reach the 20-20-20 goal;

*Building global EU climate leadership: multi-level governance and budgetary empowerment of LRAs*

23. Underlines that effective EU action against climate change requires **coordination of efforts** between the local, regional, national, European and global levels of government;

24. Stresses the importance of considering the role of the regional and local governments in the fight against climate change. In this line, and applying the principle of subsidiarity, we underline the need to take into account these levels of government as among their powers we find the drawing up of mitigation plans, adaptation and other activities at the regional and local level of outmost importance in the fight against climate change;

25. Notes that since **urban areas** produce 75 % of carbon emissions, cities are at the forefront of our struggle against climate change and points to the fact that the failure to agree on binding targets for greenhouse gas emission reduction in Copenhagen confronts local and regional authorities with a particularly heavy responsibility to pursue decisive and urgent action on the front of climate change adaptation and mitigation. The **Covenant of Mayors** is an important step in the right direction;

26. Stresses that the EU's vision on **synergies of green economy and the climate change policies** could provide inspiration for the rest of the world if the potential of local and regional authorities is fully recognised and enhanced;

27. Highlights that such a vision should comprise an **integrated, innovative array of measures** in transport, construction and power generation, representing a new industrial revolution involving individual households in energy production;

28. Calls on the European Commission and the Council to resume a **lasting and credible EU leadership** in the global climate change policy process by developing and strengthening local, sub-national, national or regional skills, capacities and institutions and urges the European Commission to promote this approach in its relations with global partners;

29. Strongly believes in the potential of European local and regional authorities to contribute to the EU's global leadership providing an example for others to emulate and therefore looks forward to acting upon the new **Memorandum of Understanding with the U.S. Conference of Mayors**, to ensure that European and U.S. municipalities achieve concrete results in the field of climate change mitigation and adaptation;

30. Strongly recommends the organisation of **training** for LRAs on how to tackle climate change at a grassroots level and climate change **awareness campaigns** run for the citizens;

31. Strongly recommends a particular emphasis on the mainstreaming of climate change in **budget at all levels of governance**, and to this end:

- a) reiterates that local and regional authorities need to be provided as soon as possible with **appropriate European tools** in support of local and regional efforts in tackling climate change. National framework conditions for funding and financing need to be adapted and access to European Investment Bank loans should be facilitated;
- b) notes that the recent financial crisis puts additional pressure on municipal budgets. Underlines therefore the usefulness of properly designed **subsidies and incentives** for local and regional authorities to promote energy efficiency, sustainable energy policies, and renewable energy projects; calls for the reinforcement of the **Intelligent Energy Europe Programme** while making it better tailored to cater for the evolving requirements of local and regional authorities;
- c) recommends for the forthcoming **EU Budget review** to make climate change challenges a **transversal priority** within existing funding schemes such as structural funds, CAP, and the Framework Programmes for Research and Technological Development;

d) suggests that a substantial proportion of the **revenues** from the European emissions trading system should be made available to local and regional authorities for putting climate change mitigation and adaptation measures into effect at local level and suggests that **finance** from the international carbon market should also be used to support projects in developing countries;

e) recalls the important role of **EU Structural Funds** in reducing disparities and enabling all regions to benefit from the trinity of research, innovation and smart investment to correct structural inefficiencies;

*Local and regional authorities' call for global outreach and partnership on the climate change agenda*

32. Calls for the **partnership activities** of EU Member States with local and regional authorities in developing and emerging countries to be promoted and developed and urges in this context European local and regional authorities to draw on the available acquis of **decentralised cooperation** and expand it in order to work with sub-national authorities in the developing world to raise awareness, exchange best practice, transfer technology and ensure that the financial commitments made in Copenhagen are invested effectively;

33. Considers that **greater convergence** at international and national levels is needed in efforts to address climate change and biodiversity loss in a mutually reinforcing manner, optimising opportunities in ongoing global processes within the International Conventions;

34. Calls upon the EU to support the increased take up of ecosystem-based approaches within **UNFCCC financing**, including the UN Reduced Emissions from Deforestation and Degradation (REDD/REDD+) programme, further aiming at extending this programme to cover not only **forests**, but also other ecosystems such as **wetlands**;

35. Reiterates its commitment to achieve an **internationally binding agreement** and insists that national governments will only be able to meet their targets with the **active involvement of the local and regional authorities**;

36. Instructs its president to **submit this resolution** to the President of the European Council, the Belgian Presidency of the EU, the European Commission, the European Parliament, the European Economic and Social Committee as well as to the UNFCCC.

Brussels, 6 October 2010.

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

## OPINIONS

## COMMITTEE OF THE REGIONS

86TH PLENARY SESSION HELD ON 5 AND 6 OCTOBER 2010

**Opinion of the Committee of the Regions on 'The role of local and regional authorities in future environmental policy' (outlook opinion)**

(2011/C 15/02)

## THE COMMITTEE OF THE REGIONS

- believes that local and regional authorities should play a greater role in formulating EU environmental policy as this guarantees better implementation and ownership. Innovative methods of multilevel governance, including harnessing existing networks and platforms, will promote pro-active commitment of local and regional authorities. The Covenant of Mayors could be regarded as a reference in this regard and its concept could be extended to other key EU environmental policy areas;
- invites the European Commission to explore co-organising an annual forum to address regional and local problems and solutions in the application of EU environmental law and calls upon the European Parliament to associate the CoR to its debates with the European Commission on implementation of European environmental law;
- invites Member States to ensure that the internal distribution of competences is respected and proper procedures are put in place for consultation, including the setting up of 'dossier/transposition teams' consisting of experts from the national administration, regions and associations of local authorities to work together throughout the whole policy cycle;
- supports a general and binding framework on environmental inspections. The details of the form and content of inspections should be regulated nationally and developed at local and regional level, on the basis of general principles set by the EU and at lower levels of government;
- stresses that a 7th Environment Action Programme would be a key pillar of the EU2020 Strategy and is needed to articulate its implications for environmental policy. It should set clear targets and timetables, as well as maintain a common thematic strategy on soil protection including the aim to adopt a Soil Framework Directive.

<b>Rapporteur:</b>	Mrs Paula Baker (UK/ALDE), Member of Basingstoke and Deane Council
<b>Reference document:</b>	Spanish presidency referral

## I. POLICY RECOMMENDATIONS

### THE COMMITTEE OF THE REGIONS

#### A. General

1. welcomes being involved in 'Better instruments for environmental policy' and work towards a 7th Environment Action Programme, because local and regional authorities are key to the delivery of environmental policy and achievement of tangible results;

2. applauds the excellent work on environmental issues already done by many Local and Regional authorities and wishes to encourage them further;

3. recognises that effective application is an obstacle. In 2008, 23,5 % (481) of all infringements of EU legislation related to the environment <sup>(1)</sup>, indicating continuing damage to the environment and distortion of competition;

4. aims in this opinion to highlight opportunities to increase the effectiveness of environmental protection at all levels of governance and all stages of policy development;

#### B. Enhancing coordination and governance

5. believes local and regional authorities should play a greater role in formulating EU environmental policy. Their involvement guarantees better implementation and ownership. The CoR's concept of multilevel governance should be applied to EU environmental policy and the pilot work on tripartite contracts between the EU, National and Regional or Local levels should be extended <sup>(2)</sup>. This would allow a true sharing of responsibilities between the different levels of governance in order to meet agreed outcomes;

6. believes innovative methods of multilevel governance, including harnessing existing networks and platforms, will promote pro-active commitment of local and regional authorities instead of relying on simple enforcement of EU law via the Member States. There are many examples in Europe's regions and cities where local levels have taken ambitious action when the Member State was not acting such as Local Agenda 21 which stemmed from the 1992 Earth Summit. The Covenant of Mayors could be regarded as a reference in this regard;

7. urges the European Commission to examine whether this concept could be extended to other key EU environmental policy areas such as biodiversity, waste and water, noise and air pollution and land use, taking an integrated approach that involves intersectoral coordination;

8. regrets that although regional and local authorities have clear tasks in environmental protection, EU environmental legislation addresses Member States and requests the designation of a 'competent authority' only (seldom 'authorities') and mentions cooperation only exceptionally <sup>(3)</sup>;

9. regrets the lack of emphasis on actions supporting good local and regional governance in European Commission plans to improve implementation of EU environmental laws <sup>(4)</sup>;

10. points out that article 11 of the Lisbon Treaty imposes stronger dialogue and consultation by European Institutions. Local and regional authorities believe this new provision offers opportunities to develop their role in the formulation of EU policy. Further, the principle of subsidiarity is extended to regional and local levels and article 5 of the Subsidiarity Protocol states that draft legislative acts shall contain an assessment of the proposal's financial impact and implications for the rules to be put in place by Member States, including regional legislation;

11. believes the European Commission's impact assessment should be extended to the local and regional level with territorial impact analysis becoming standard practice;

12. calls upon the European Parliament and Council to make amendments and modifications to legislative proposals which have far-reaching impacts on local and regional authorities, subject to impact assessment similar to that carried out for the initial proposal;

13. underlines that implementation of environmental legislation often requires significant administrative and financial commitment and competence as regards the contents and skills involved, as well as a political will. Identifying the impact on local and regional institutional structures may help justify greater financial incentives and the European and national support necessary;

<sup>(1)</sup> COM(2009) 304 final, European Commission website 'Statistics on environmental infringements'.

<sup>(2)</sup> CdR 89/2009 fin, COM(2002) 709 final.

<sup>(3)</sup> Brussels Environment (IBGE) Study 2010 'The Regional Dimension in EU Environmental Regulations and Directives', <http://www.eapdebate.org/files/files/study-regionaldimension.pdf>.

<sup>(4)</sup> COM(2008) 773/4.

14. deems it essential for the European Commission to have common instruments in order to provide local and regional authorities with sufficient resources to meet the objectives laid down;

15. insists that better communication is needed across all governance levels during all phases of policy development; including investment in information systems and internet tools that make environmental information transparent to the public and public institutions. Reporting pressure on local and regional authorities can be reduced by ICT without affecting the impact of legislation;

16. advises that national Environment Ministries should set up vertical 'dossier teams' consisting of experts from the national administration, regions and associations of local authorities to work together throughout the whole policy cycle;

17. wishes to see strong promotion of the EU's LIFE+ Programme in all regions of Europe to boost innovative local actions, and to increase impact and visibility of its 'Environment Policy and Governance' strand;

18. welcomes the European Commission suggestion of establishing permanent implementation networks involving European Commission staff and Member State contact points<sup>(5)</sup>. Member State contact points should be supported by national implementation teams involving local and regional administrators;

19. urges, without further delay, follow up in the Council of the proposal for a Directive on access to justice in environmental matters, approved by the European Parliament in 2004. This would fully implement the Aarhus Convention and contribute to better and more consistent enforcement of environmental law;

20. urges knowledge sharing across judicial systems dealing with infringements and non-compliance with EU environmental legislation;

21. supports the European Parliament's call for a general and binding framework on environmental inspections, establishment of an EU environmental inspection force, and a strengthened EU Network for the Implementation and Enforcement of Environmental Law (IMPEL)<sup>(6)</sup>. A binding instrument for inspections can reduce unfair competition between EU regions and cities due to different inspection regimes, as well as ensure standardised legal action. However, the details of the form and

content of inspections should be regulated nationally and developed at local and regional level, on the basis of general principles set by the EU and at lower levels of government;

22. reiterates its recommendation for an extended IMPEL network to the local and regional levels in all Member States which could include developing strong national IMPEL networks to disseminate IMPEL outcomes widely<sup>(7)</sup>;

### C. Establishing more effective links between policies

23. welcomes recent work between REGIO and DG ENV to ensure the former's actions fully respect environmental requirements and believe this coherence is needed across all departments. The holistic agenda signalled in the EU 2020 strategy is welcomed, but it needs a strong territorial dimension;

24. insists that policy coherence and environmental impacts are considered in the review of the EU budget post 2013 and all EU Cohesion and Agriculture funding;

25. stresses that there are unintended contradictions between different elements of environmental legislation. For example, waste minimisation should be regulated through both the Waste Framework Directive and the Product Directive. Simplification to clear, unambiguous and outcome-focussed legislation will make regulations more targeted, better accepted and applied;

26. underlines that when the European Commission is drafting or revising European legislation local and regional authorities should be consulted. Their valuable experience can aid early detection of inconsistencies with other policies or harmful impacts and enhance the effectiveness of legislation;

27. seeks an easing of the rules on market distortion where these are a barrier to green public procurement;

28. insists legislation that addresses the source of an environmental impact is crucial to achieve environmental objectives and ensure consistency obligations on local and regional authorities. For example, local and regional authorities cannot influence emissions standards of vehicles but must meet EU air quality targets;

29. advocates the use of market based instruments that reflect the full cost of a good or service, making it's lifetime environmental impacts visible to the consumer at the time of purchase and underlining producer responsibility;

<sup>(5)</sup> COM(2008) 773/4.

<sup>(6)</sup> Resolution of 20 November 2008 on the review of Recommendation 2001/331/EC providing for minimum criteria for environmental inspections in the Member States.

<sup>(7)</sup> CdR 36/2001 fin.



#### D. How local and regional authorities can carry out more environmental work

##### *Issues of governance*

30. invites Member States to ensure that the internal distribution of competences is respected and proper procedures are put in place for consultation with local and regional authorities. Good collaboration, in particular by 'transposition teams' of national, regional and local administrators, supports mutual understanding and successful implementation of legislation<sup>(8)</sup>;

31. highlights the pivotal role regional and local authorities have in collecting environmental data. To ensure reports and indicators relating to the state of the EU environment are consistent, effective and reliable, the correct responsibilities, resources and information flows between municipalities, regions and Member States are needed;

32. encourages transparency of functions, in particular between departments who enforce EU environmental law and those who supply environmental services or infrastructure and spatial planning;

##### *Information sharing*

33. urges national and regional environment ministries and agencies, with the involvement of representatives of local and regional authorities to develop guidance documents, including specific proposals for instruments, benchmarks and templates for procedures to be implemented by local and regional authorities. At the same time they should take appropriate measures to boost cooperation between local and regional authorities in the EU confronted with comparable environmental problems;

34. endorses the value of sharing good practice between local and regional authorities including ways to overcome challenges of information access and visibility or language differences;

##### *Engaging and involving citizens*

35. congratulates those authorities who inspire and involve citizens to set shared long-term quality of life visions for their areas, linking environmental, social and economic issues;

36. urges support for education and research to reinforce connections between the citizen and their environment. Citizens are not fully aware of the role that environment plays in their lives<sup>(9)</sup>. Being the closest level to local communities, local and regional authorities can encourage greater awareness among citizens of all ages;

<sup>(8)</sup> CdR 199/2009 fin, CdR 89/2009 fin, EIPA 2009 study 'The institutional impacts of EU legislation on local and regional governments'.

<sup>(9)</sup> According to Eurobarometer special surveys on public attitudes to the environment (biodiversity 2010, climate change 2009, environment 2008), see [http://ec.europa.eu/environment/working\\_en.htm](http://ec.europa.eu/environment/working_en.htm).

37. believes authorities should introduce procedures for disseminating information, preferably via the internet, and implement the Aarhus Convention<sup>(10)</sup>, giving access to environmental justice, engaging the public in monitoring local implementation of EU environmental policy and establishing appropriate tools for participatory democracy and local ownership;

38. believes the SEA and EIA Directives are key instruments for local and regional environmental policy and public participation<sup>(11)</sup> to ensure local knowledge is taken into account, while noting the cost and skills implications;

39. urges local and regional authorities to use simplified, coordinated public mechanisms for environmental monitoring, which make it easier to meet the requirements laid down by legislation and promoting the relationship between administrations and the public based on the principles of efficiency, transparency and shared responsibility;

##### *Finance and horizontal integration*

40. invites local and regional authorities to integrate the environment across all areas of activity, for example by supporting green local businesses by venture capital, business angels, and micro-credits, including advice on green procurement;

41. encourages local and regional authorities to be 'Green Procurers'. Public procurement amounts to 16 % of the EU GDP and should ensure best environmental value, the new Green Public Procurement website (<http://ec.europa.eu/environment/gpp>) is therefore welcomed;

42. endorses full use of the cost recovery options provided for Article 9 of the Water Framework Directive, to provide incentives for savings and efficiencies, and Article 14 of the Waste Framework Directive to make environmental costs visible to the user, and calls for similar economic instruments to be included in future proposals;

43. endorses close alignment of planning (including sustainable spatial planning) with manufacturing and distribution, with due respect for existing national planning systems, in order to promote low carbon development, sustainable production, resource efficiency and renewable energy, and in this way create green jobs and promote sustainable growth, while reducing impacts on the environment and public health;

<sup>(10)</sup> UNECE Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters.

<sup>(11)</sup> CdR 38/2010 fin.

44. calls for future policy-making on environmental management in border regions and in adjoining areas with common rivers or other shared border waters to make better use of partnership programmes such as Euroregions at local level to exert influence in the neighbouring country and to draft and implement common environmental protection programmes;

#### E. How the CoR can contribute

##### *In the policy development stage*

45. invites the European Commission to take a more proactive approach in seeking early input by the CoR into policy elaboration, by requesting Outlook Opinions;

46. commits to continue the existing cooperation with the European Commission in assessing the impact of certain proposals on local and regional authorities (territorial impact assessments) through the CoR's specific networks, the CoR's Subsidiarity Monitoring Network and EU2020 Monitoring Platform;

##### *In both the policy development and the decision phases*

47. commits to feed grassroots experience from practitioners of local and regional administrations into the drafting of its opinions. This includes targeted consultations of the CoR's specific networks, the CoR's Subsidiarity Monitoring Network and EU2020 Monitoring Platform, as well as organising hearings with local and regional associations and key stakeholders;

##### *In the decision phase*

48. stresses that the Lisbon Treaty has strengthened the role of the CoR in decision-making on EU climate change policy by introducing an explicit mandatory consultation of the CoR, further welcomes the Lisbon Treaty provision for a right of re-consultation if an initial legislative proposal is modified substantially in the legislative process, enabling the CoR to draw up revised opinions;

49. wishes to reinforce cooperation with the co-legislators European Parliament and the Council on environmental dossiers. The ENVI Committee of the European Parliament could explore joint hearings and invite CoR rapporteurs to present key CoR opinions. Member States could invite the CoR to participate systematically in the informal Council meeting of environment ministers <sup>(12)</sup>;

##### *In improving implementation*

50. invites the European Commission to explore co-organising an annual forum to address regional and local

problems and solutions in the application of EU environmental law in specific sectors, such as water or biodiversity, noise, air or waste;

51. calls upon the European Parliament to associate the CoR's ENVE Commission to the specific ENVI Committee debates with the European Commission on implementation of European environmental law;

52. suggests development of the European Green Capital Award, and highlights its desire to be involved in the jury of the Award. To this end, suggests:

- budgetary resources for the winners to promote the EU added value of their award event(s), as in the European Capital of Culture Award;

- maximising the benefits and the legacy which cities experience as the European Green Capital; including networking of winners for knowledge exchange and best practice. CoR support could be envisaged as hosting events and reporting outcomes to the CoR and European Commission;

- that the CoR orients its European events, conferences and Commission meetings in the respective European Green Capital of the year to further enhance exchange of know-how and best practice;

- encouraging European Green Capitals to report back after some years on what further has been done in the field of sustainable urban policy. They should be invited to share new achievements and visions with other cities and interested stakeholders at key European events;

- the Award to promote public involvement in participatory democracy and local ownership, including a regional dimension by involving the city's hinterland in European Green Capital Award activities;

- refining the selection process e.g. the opportunity for the jury to interview representatives of, and arrange visits to, short-listed cities;

- to increase the visibility of the Award, its award ceremony could be co-hosted by the CoR;

#### F. Towards a future environmental policy framework

##### *The need for a 7th Environmental Action Programme*

53. believes the 6th EAP has been instrumental in achieving the EU environmental acquis to date and that a 7th EAP is needed;

<sup>(12)</sup> CdR 89/2009 fin.

54. stresses that a 7th EAP would strengthen the SDS and be a key pillar of the future EU2020 Strategy, which makes frequent references to 'green growth' and the transition to a low-carbon, resource efficient, economy. A 7th EAP is needed to articulate what is meant by these terms and translate their implications for environmental policy;

55. argues that a 7th EAP will benefit businesses as well as local and regional authorities by providing a structured, long term, planning framework, including for major infrastructure investments;

56. points out that environmental policy must be integrated through all areas of policy, which cannot be achieved through issue specific legislation alone;

57. fears that a failure to adopt another EAP on the expiry of the 6th EAP, which was the first EAP that constitutes a legal instrument with binding decisions, would be seen as a lack of political commitment in an area that is recognised as a key concern of citizens;

#### *Possible Elements of a 7th EAP*

58. regrets the lack of explicit reference to the Committee of the Regions in the 6th EAP and urges the principle of multilevel governance with regard to the environment becomes an important element of a 7th EAP;

59. believes a 7th EAP is a long-term strategic planning document, which should set clear targets and timetables, move from relative to absolute targets (e.g. CO<sub>2</sub>/per capita) for reductions of specific pressures on the environment and articulate clear environmental outcomes, based on the SOER 2010 <sup>(13)</sup>;

60. notes that implementation of a 7th EAP should take into consideration local and regional authorities' powers and political and administrative scope;

61. believes that it should include a fundamental review of data management and capture to ensure accurate comparisons of performance and more meaningful understanding of best practice;

62. believes the 7th EAP should encourage further use of market instruments in combination with regulation. The 6th EAP promoted the use of economic instruments to improve resource efficiency and minimise environmental impact. Where this approach has been used it eases the financial burden on local and regional authorities and improves implementation;

63. calls for the 7th EAP to promote the provision, as of 2013, for regions and cities to benefit directly from the financial resources generated by the greenhouse gas emission allowance trading scheme in order to fund local programmes combating climate change;

64. suggests it has a long horizon, until 2020 as a minimum as we need to plan now for 2050, accompanied by mid-term evaluation and monitoring and clear road maps with interim targets;

65. suggests a systematic approach on resource efficiency, including specific targets and timetables for absolute quantitative reductions in natural resource use and the adoption of a new definition GDP that takes environmental impact into account;

66. strongly urges that links between different policy areas are maintained and environmental objectives and requirements are integrated across sectors, for example land use and urban planning, urban mobility, agriculture, forestry, noise, air pollution and health;

67. urges integration of environmental objectives in major budget areas such as Rural Development and Agriculture;

68. notes that 75 % of the EU population live in cities and they generate 75 % of green house gas emissions, but they are also centres of education, research and innovation. There needs to be a clear urban dimension in the 7th EAP and a mechanism to engage and empower cities;

69. recognises that the processes which are leading to the reduction of soil are undermining the EU's common objectives on climate change, food safety and biodiversity. A common thematic strategy on soil protection including the aim to adopt a Soil Framework Directive should therefore remain part of the 7th EAP.

Brussels, 5 October 2010.

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

<sup>(13)</sup> EEA State of the Environment Report, due November 2010.

**Opinion of the Committee of the Regions on ‘The contribution of cohesion policy to the Europe 2020 strategy’**

(2011/C 15/03)

CONCLUSIONS OF THE COMMITTEE OF THE REGIONS

- The Committee of the Regions must have structured involvement in the further implementation of the Europe 2020 strategy, drawing, among other things, on the findings of the Europe 2020 Monitoring Platform. The European Commission’s annual report for the spring summit should therefore include a *specific chapter on the involvement of local and regional authorities* in implementing the strategy;
- Cohesion policy must, in future, continue to focus on objectives of economic, social and territorial cohesion as laid down in the EU Treaty, in particular by reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions. If that happens, cohesion policy will make an active contribution to achieving the Europe 2020 targets;
- The horizontal approach to cohesion policy is the only way of ensuring that all regions of the European Union have the opportunity to play an active part in implementing the Europe 2020 strategy;
- This could be achieved by means of a *territorial pact with local and regional authorities* setting out at the level of the European institutions the involvement of local and regional authorities in implementing the Europe 2020 strategy and a recommendation for territorial pacts which could allow for a structured involvement of local and regional authorities at national level in line with their respective powers.

<b>Rapporteur-general:</b>	Dr Michael Schneider, State Secretary for Federal and European Affairs Plenipotentiary of Saxony-Anhalt to the German Federal Government (DE/EPP)
<b>Reference document:</b>	Belgium presidency referral

## I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

### Opening remarks

1. notes that the European Commission communication and the European Council conclusions on the Europe 2020 strategy contain key decisions for the future direction of EU policies, which are to focus on sustainable growth, innovation and jobs;

2. underlines that, in subsequent discussions, the European institutions agreed on core targets and priority action areas, which are to be underpinned over the coming months by flagship initiatives and legislative proposals;

3. points to the particular importance of local and regional authority involvement and active participation in the ongoing development of the strategy, and of strengthening their role in implementing it;

4. notes in that regard that one key to the success of the Europe 2020 strategy is the targeted use of local and regional authorities' capacities and resources;

5. would highlight the key contribution that EU cohesion policy can make to implementing the Europe 2020 strategy;

6. is thus pleased that the Belgian EU Council presidency has asked the Committee of the Regions for an opinion on the future role of cohesion policy in implementing the Europe 2020 strategy;

7. recalls that, over the past few years, the Committee of the Regions has concerned itself very much with the direction of the Lisbon strategy and the involvement of local and regional authorities in its implementation, and has also expressed its views on the future shape of the Europe 2020 strategy;

8. in that regard would draw particular attention to the following documents:

— the Committee of the Regions' White Paper on Multi-Level-Governance <sup>(1)</sup>, which, with respect to territorial cohesion,

<sup>(1)</sup> Committee of the Regions White Paper on Multi-Level-Governance, CdR 89/2009 fin.

calls for the consistent involvement of local and regional authorities in EU sectoral policies,

— the opinion on the *Future of the Lisbon strategy post-2010* <sup>(2)</sup>, which states that the new strategy should build on existing partnership structures,

— the opinion on the *Future of cohesion policy* <sup>(3)</sup>, which states that structural policy must continue to be a key pillar of European integration;

### Objectives: Europe 2020 and cohesion are interdependent

9. underlines that the starting point for any assessment of the future role of cohesion policy in implementing the Europe 2020 strategy must be the Treaty bases and the objectives of the various EU policies;

10. notes in this respect that the contribution of cohesion policy to implementing the Europe 2020 strategy must reflect the objectives set out in Article 174 of the Treaty on the Functioning of the European Union and the cross-cutting objective of economic, social and territorial cohesion laid down in Article 3 of the Treaty on European Union by the Treaty of Lisbon;

11. points out that the purpose of cohesion policy is to strengthen economic, social and territorial cohesion in order to promote the Union's overall harmonious development and reduce disparities between the levels of development of the various regions and the backwardness of the least favoured regions. Particular attention is thereby to be paid to rural areas, areas suffering from an economic handicap or affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density and island, cross-border and mountain regions; the Committee of the Regions would also highlight the challenges listed in the Europe 2020 study for the EU's regions, including the outermost regions, as well as urban areas whose outskirts are often increasingly run down and affected by growing social and economic impoverishment; considers, furthermore, that the scope of the Europe 2020 strategy should also cover the outermost regions, in accordance with Article 349 TFEU;

<sup>(2)</sup> Committee of the Regions opinion on the *Future of the Lisbon strategy post-2010*, CdR 25/2009 fin.

<sup>(3)</sup> Outlook opinion of the Committee of the Regions on the *Future of cohesion policy*, CdR 210/2009 fin.

12. notes that the EU Structural Funds have been very useful to date in helping implement the Lisbon strategy but regrets that regional and local authorities have not been sufficiently involved in its application;

13. hence endorses the European Council conclusions of 17 June 2010 which stress the importance of promoting economic, social and territorial cohesion and of developing infrastructure in order to contribute to the success of the Europe 2020 strategy but regrets that these conclusions are not sufficiently sensitive to the regional dimension;

14. would draw attention to the findings of the Kok report on the failure to take due account of local and regional authorities in the practical application of the Lisbon strategy, and concludes from that that these authorities must play an active role 'on the ground' if the Europe 2020 strategy is to be implemented successfully;

15. would therefore make the following points, which it considers to be particularly important for the successful implementation of the Europe 2020 strategy:

— Local and regional authorities must secure broad involvement at an early stage in order to give stakeholders the opportunity to identify with the Europe 2020 strategy's goals, content and measures.

— The Europe 2020 strategy must be able to harness the development potential of every regional and local authority area.

— The Europe 2020 strategy, which is more thematic in nature, must be linked to the cross-cutting approach of cohesion policy in order to secure broad-based participation and make it effective in every regional and local authority area;

16. nonetheless cautions against adding to the administrative burden of cohesion policy by introducing further reporting obligations that go beyond the current procedures;

17. would stress that cohesion policy must, in future, continue to focus on flexible programmes – adapted to local and regional requirements – that help attain the Europe 2020 goals by providing on-the-ground solutions to the very broad range of development needs at the level of local and regional authorities;

18. reiterates its opposition to the proposal made by the European Commission in its 12 May 2010 Communication on reinforced economic governance to suspend the Structural Fund payments as part of an Excessive Deficit Procedure, and refers to its resolution of 10 June 2010<sup>(4)</sup>;

19. points out that cohesion policy is also closely linked to services of general interest in so far as the two policies make a cross-cutting contribution to strengthening the internal market and cohesion in Europe. Therefore believes that services of general interest, which are a decisive factor for smart, sustainable and inclusive growth, should be highlighted in the Europe 2020 strategy. As advocated by the Monti Report on a new strategy for the internal market (May 2010), financing general interest service infrastructures and services for enhancing social inclusion in particular should be identified as political objectives of the European Union's future growth strategy;

20. feels that a key task of the Europe 2020 strategy, and one which also adds significant value to the venture, will be to tackle the structural reforms that Europe including the EU institutions needs in order to boost sustainable growth, innovation and jobs. These structural reforms are also very important for the successful deployment of cohesion policy;

21. rejects any measures that restrict the main focus of Structural Fund support to the structural bottlenecks identified under the Europe 2020 strategy unless such measures are also consistent with the objectives of cohesion policy (substantive conditionality);

22. nonetheless feels it should be possible, through partnership-based dialogue with local and regional authorities launched well in advance of the next Structural Fund programming round and, where necessary, on a contractual basis, as is the case for the territorial pacts proposed by the Committee of the Regions, to lay down joint targets and parameters for future Structural Fund support, which would, to a large extent, be binding on all those involved and could thus also contribute to macroeconomic conditionality;

#### **The contribution of cohesion policy to the three priorities: smart, sustainable and inclusive growth**

23. is pleased that the basic focus of the Europe 2020 strategy is on sustainable growth, innovation and jobs and that greater account is taken of the social and environmental dimension;

24. feels that this reflects a broad understanding that competitiveness has to be built on sustainability and stronger social and territorial cohesion;

25. notes that cohesion policy has played an important role in the past in strengthening smart, sustainable and inclusive growth in the European Union – elements that are now central to the Europe 2020 strategy;

<sup>(4)</sup> The position expressed by the CoR in its resolution of 10 June 2010 (CdR 175/2010, point 12).

### Contribution of cohesion policy to achieving the objectives

26. would stress that the cohesion policy instruments – in the context of the cohesion objectives set out under the Treaty – can make a significant contribution to achieving the Europe 2020 objectives. It is essential to maintain a balance between the traditional (and still current) mission of this policy and the new strategic challenges that are shared by the whole of the EU. Such a balance may be achieved, *inter alia*, by maintaining the special status of the convergence regions;

27. notes that, particularly with finances becoming ever tighter, the future EU 2020 objectives are not geared primarily towards the quantitative use of budget resources: and feels that the successful implementation of the Europe 2020 strategy will be largely predicated on the nature and quality of the tools to be put in place and on their user-friendliness; accordingly notes that it is legitimate to aim for the maximum integration of all existing EU financial instruments. This applies particularly to those instruments that in fact serve to provide funding for undertakings of a similar nature (e.g. ERDF and EAFRD in connection with rural development);

28. feels there is a need to press ahead with the development of innovative cohesion policy financing instruments, including, for instance, revolving funds, in order to further improve the leverage effect of cohesion policy in attaining the Europe 2020 objectives;

29. with respect to the *employment target* (raising the employment rate for 20-to-64-year olds in the European Union to 75 %), points to the fact that, under the current Structural Fund programmes, some EUR 14 billion has been set aside to help strengthen the ability of companies and workers to anticipate and manage change. Out of this sum, around, EUR 9,4 billion is assigned to help companies introduce effective human development policies;

30. thereby stresses the need for closer interplay between the funds with a territorial dimension and more specifically between the European Social Fund (ESF) and the European Regional Development Fund (ERDF) in order to create new job opportunities and/or improve employability through education and training;

31. therefore supports the proposal to create a common European strategic framework that embraces the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development (EAFRD) and the Financial Instrument for Fisheries Guidance (FIFG); would therefore ask the European Commission to secure ERDF-ESF interplay of this kind in the next funding period through a joint framework regulation on cohesion policy;

32. with respect to the *research target* (raising EU R&D investment to 3 % of GDP), notes that, according to Commission figures, EUR 86 billion, or 25 % of cohesion funding, is being used for R&D and innovation during the

current funding period, thus helping establish and consolidate the research landscape in Europe's regions;

33. notes that a support policy predicated on regional and local authorities – as is the case under cohesion policy – complements the promotion of excellence in Europe and can help ensure that European research and innovation policy develops the necessary range to make the Europe 2020 strategy a success;

34. takes the view that, with respect to the *climate and energy target* (reducing greenhouse gas emissions by 20 %, increasing the share of renewable energy sources to 20 % and improving energy efficiency by 20 %), enhanced environmental quality must remain a priority in the Structural Fund programmes in all the Member States and points out that around third of the total cohesion resources (EUR 105 billion) is being deployed to this end in the current funding period; also points out that the creation of new funding instruments in the area of climate policy at international level must not lead to cuts in resources for cohesion policy; and renews its request that the overall balance of investments should not result in additional greenhouse gas emissions;

35. notes that that, of this figure, some EUR 48 billion is being used for action in various fields to tackle climate change challenges, not least mitigation and adaptation measures. This includes investment in, for instance, the promotion of efficient and renewable energies (EUR 9 billion) and indirect measures, such as sustainable urban transport projects (EUR 6,2 billion);

36. with respect to the *education target* (reducing the drop-out rate and increasing to 40 % the share of the population aged 30 to 34 having completed tertiary education or its equivalent), notes that cohesion policy is already making a substantial contribution in the current funding period to reducing school drop-out rates on this front, the particular challenges of maintaining schools and access to them in sparsely populated areas must not be ignored;

37. would also stress, however, that the EU has limited competences in this area and that it is up to the Member States to guarantee adequate funding and decision-making powers for local and regional authorities and to set their national targets in accordance with their relative starting positions and national circumstances, taking due account of these core targets;

38. in respect of the *poverty target* (reducing by 20 million the number of people in the European Union below the poverty line or at risk of poverty), believes that cohesion policy, given its focus on growth and jobs, has a contribution to make to fighting poverty in the European Union, in particular by supporting local and regional inclusion and employment projects the new programmes allocate some EUR 19 billion to assist in removing barriers to employment, in particular for women, young people and older and low-skilled workers;

39. notes that, according to the European Commission, the ongoing ESF programmes for 2007 and 2008 have already reached almost 6 million people, 52 % of them women. Around a third of the measures focused on support for workers, with additional measures targeting the unemployed (33 % of recipients, 7 % of them long-term unemployed) and particularly vulnerable groups such as migrants and minorities (13 %);

40. in this context, points out that, under Article 153 of the Treaty on the Functioning of the European Union, the EU simply supports and complements the activities of the Member States in this field;

41. stresses the need to allow the Structural Funds to be used to help counter health inequalities;

### **Contribution of cohesion policy to implementing the flagship initiatives**

42. notes that the flagship initiatives set out in the Europe 2020 strategy essentially relate to thematic or sectoral targets, but also cover significant elements of cohesion policy;

43. acknowledges that the Commission has already emphasised the contribution of the Structural Funds to implementing most of the flagship initiatives and that it sees cohesion policy and the Structural Funds as key catalysts for smart, sustainable and inclusive growth in the EU's Member States and regions;

44. points out the need to align the actions taken under the Europe 2020 flagship initiatives with existing procedures and actions, in order to ensure transparency and avoid duplicating processes and reporting obligations;

45. feels that, in the ongoing development of the flagship initiatives, the European Commission would do well to pursue an integrated approach vis-à-vis the various European support instruments and ensure that the devolved approach to cohesion policy is given due regard and – where possible and necessary – further expanded;

46. reiterates its insistence, already made in its opinion on the future of the cohesion policy, that the proposed flagship initiatives should not lead to any restriction of European cohesion policy. The Structural Funds must remain capable of integrated problem-solving at regional level and should not be reduced to meeting sectoral conditions;

47. notes, with regard to the flagship initiative on the 'digital agenda', that there are close links between the digital agenda and the implementation of cohesion policy, particularly in terms of universal broadband access in rural areas and the development of new services to cope with demographic change;

48. feels that the 'Innovation Union' flagship initiative gives scope to improve how tasks and responsibilities are shared between support for excellence in basic and applied research at European level on the one hand, and support for innovation at a decentralised level on the other, in a bid to develop the necessary range;

49. points, in this connection, to the cohesion policy measures designed to build regional innovation systems and territorial cooperation instruments, to the provision of risk capital and to measures to accelerate the introduction of innovative products and encourage networking among stakeholders in business, academia and administration;

50. calls for the complementary division of roles between EU instruments to be strengthened with regard to decentralised innovation support measures, not least given that the promotion of innovation is already a cornerstone of the EU's Structural Fund programmes;

51. in respect of the 'resource-efficient Europe' flagship initiative, welcomes the objective of decoupling economic growth from the use of resources in future, and feels that a decentralised approach should be adopted regarding those policies for action with the greatest Structural Funds involvement, which would make the initiative more effective, not least in relation to energy efficiency measures, alternative energy sources, the promotion of a recycling-based economy and the development of sustainable transport plans;

52. emphasises that, in the various individual actions taken in this field, a careful distinction must be made between the competences of the European Union and those of the Member States, with due respect for the subsidiarity principle. Greater attention must also be paid to the efficiency of the various actions taken;

53. stresses, with regard to the flagship initiative on 'an industrial policy for the globalisation era', that cohesion policy has a valuable contribution to make in improving competitiveness by boosting the potential for industrial development of weaker regions in particular, supporting cluster initiatives, supporting SMEs, developing business-related infrastructure and fostering industrial diversification;

54. with regard to the 'agenda for new skills and new jobs' flagship initiative, welcomes the Commission's efforts to support the younger generation in the world of training and work, and recommends promoting mobility for students and trainees and providing support to integrate young people in the labour market;

55. draws attention to the considerable overlaps with the fields covered by the European Social Fund, and supports efforts to link these objectives more closely with the corresponding European funding instruments;



**The cohesion policy governance system can make an important contribution to successfully implementing the Europe 2020 strategy**

56. notes that the multi-level system for structural policy that has been developed successfully over recent years, with significant involvement on the part of local and regional stakeholders and taking due account of local circumstances, can make a valuable contribution to the successful implementation of the Europe 2020 strategy;

57. stresses that the following elements of cohesion policy must therefore be retained or expanded:

- multiannual programming,
- shared management and cofinancing,
- across-the-board implementation of structural policy in all regions of the European Union,
- programming and programme evaluation based on indicators not confined to GDP, with involvement from local and regional authorities,
- decentralised implementation,
- involvement of local stakeholders, in line with the partnership principle of the Structural Funds,
- flexible application of European priorities in the regions;
- territorial cooperation;

58. is confirmed in its opinion that cohesion policy's current focus on growth and jobs is the right approach, and thus sees no need to tighten the existing earmarking for the Structural Funds locally and regionally adapted strategies that take different development needs into account must also continue to form the basis of cohesion policy;

59. calls on the European institutions to ensure scope for the proper and democratic involvement of the competent authorities in the rapid implementation of the Europe 2020 strategy and its links with cohesion policy, for example by allowing sufficient time for consultation and opinion-forming at all levels and keeping decision-making processes transparent and readily understandable;

**Role of local and regional authorities in implementing the Europe 2020 strategy**

60. considers that territorial cohesion as set out in the treaty must be a guiding principle for implementation of the EU-2020 strategy and for other EU policies. The principle of multilevel governance must be applied at all stages of implementing the strategy;

61. feels, however, that the administrative capacities of local and regional authorities need to be strengthened, where required, so that they too can fulfil their vital role as part of the Europe 2020 strategy;

62. therefore calls on the European institutions and the Member States to lay down their participation in the implementation of the Europe2020 strategy as part of a *territorial pact with local and regional authorities* and to set out therein the on-the-ground role of the flagship initiatives; a recommendation for territorial pacts should make possible, at Member State level, the structured participation of local and regional authorities in line with their competences and in accord with the subsidiarity principle;

63. suggests that European cohesion policy could be used as a key tool for involving local and regional authorities in implementing the Europe 2020 strategy as part of this territorial pact. Steps should be taken, in all areas supported by European cohesion policy, to enable 'territorial pacts' to be used to mobilise key local stakeholders to achieve the priorities and headline targets of the Europe 2020 strategy;

64. to this end, advocates developing additional rules, within the framework of the cohesion policy objectives, that will allow local and regional authorities to play an active role in achieving the Europe 2020 strategy's growth priorities and headline targets as part of their operational programmes;

65. proposes organising networking and exchanges of information between local and regional authorities in the context of the 'European territorial cooperation' objective, with a view to achieving the Europe 2020 strategy's priorities and headline targets, making use of the European Grouping of Territorial Cooperation scheme if appropriate. The scope of cross-border cooperation could include additional focal points for local and regional authorities' actions to implement the European Commission's flagship initiatives;

66. suggests that the system for reporting to the European Commission on the implementation of European funds be used to record the outcome of local and regional authorities' endeavours to implement the Europe 2020 strategy. This would obviate the need for new bureaucratic structures and reporting obligations, and would require neither new institutions nor additional resources;

67. calls on the European Commission to provide the European Parliament and the Committee of the Regions with regular information, based on the aforementioned reports, on the implementation of the territorial pacts on the Europe 2020 strategy as part of EU cohesion policy and to discuss strategic adjustments;

68. calls on the European Commission to set out its vision for the future links between cohesion policy and implementation of the Europe 2020 strategy as part of the 5th Report on Economic and Social Cohesion;

69. believes that the 5th report on cohesion to be published at the beginning of November 2010 should be used as a launchpad for an EU-wide discussion on the future cohesion policy guidelines in the light of the Europe 2020 strategy, with local and regional involvement, so that, following a consultation and cooperation phase, these guidelines can be adopted in good time before the new funding period starts;

70. also feels that the Committee of the Regions needs to have more structured involvement in the further implementation of the Europe 2020 strategy, and suggests, in this connection, that the European Commission's annual report for the spring summit should include a specific chapter on the involvement of local and regional authorities in the strategy;

71. highlights the local and regional expertise provided by the Europe 2020 Monitoring Platform for monitoring implementation of the Europe 2020 strategy and for the work of the Committee of the Regions;

**would therefore draw the following conclusions:**

72. cohesion policy must, in future, continue to focus on objectives of economic, social and territorial cohesion as laid down in the EU Treaty, in particular by reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions;

73. if that happens, cohesion policy will make an active contribution to achieving the Europe 2020 targets;

74. this can only be done, however, if cohesion policy continues in future to target all regions of the European Union;

75. the horizontal approach to cohesion policy is the only way of ensuring that all regions of the European Union have the opportunity to play an active part in implementing the Europe 2020 strategy;

76. this could be achieved by means of a *territorial pact with local and regional authorities* setting out at the level of the European institutions the involvement of local and regional authorities in implementing the Europe 2020 strategy and a recommendation for territorial pacts which could allow for a structured involvement of local and regional authorities at national level in line with their respective powers;

77. cohesion policy support must continue to focus on the weakest and most ailing regions, and appropriate, fair transitional arrangements must be put in place for the regions that, although no longer be eligible for maximum support after 2013, still have ongoing problems (including regions affected by the 'statistical effect'), so as to maintain what has been achieved in those regions with an eye to ensuring sustainability;

78. at the same time, support must continue to be given to those regions that are already contributing significantly to the EU's competitiveness. Moreover, even economically stronger regions have structurally less developed areas that also need support;

79. territorial cooperation can make a valuable contribution to cross-border, transnational and interregional cooperation for the implementation of the Europe 2020 strategy;

80. the European Social Fund must remain part of cohesion policy in future, and this must be guaranteed through a joint framework regulation;

81. the Committee of the Regions must have structured involvement in the further implementation of the Europe 2020 strategy, drawing, among other things, on the findings of the Europe 2020 Monitoring Platform. The European Commission's annual report for the spring summit should therefore include a *specific chapter on the involvement of local and regional authorities* in implementing the strategy;

82. the local and regional authorities in the European Union are keen to make their contribution to the success of the Europe 2020 strategy as part of the implementation of future cohesion policy in Europe.

Brussels, 5 October 2010.

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

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**Opinion of the Committee of the Regions on 'Measuring progress — GDP and beyond'**

(2011/C 15/04)

## THE COMMITTEE OF THE REGIONS

- notes that GDP is not an accurate measure of the ability of a society to tackle issues such as climate change, resource efficiency, quality of life or social inclusion; therefore, proposes that the indicators selected to orient the framing and drafting of policies and public strategies comply with the priorities of the EU 2020 Strategy;
- considers that the five actions established by the communication to assess economic performance and social progress – a) complementing GDP with environmental and social indicators; b) near real-time information for decision-making; c) more accurate reporting on distribution and inequalities; d) developing a European Sustainable Development Scoreboard; and e) extending National Accounts to environmental and social issues – are sufficient and serve as a basis for the proposals made in the EU 2020 Strategy. These actions should not merely be tools for ex-post evaluation but should also be used in the decision-making process;
- believes that it is necessary to improve the methodology used to obtain more up-to-date comprehensive information that better matches reality, allowing for the use of indicators to facilitate the decision-making procedure; points out that the indices that could be used by local, regional, national and European authorities must be uniform and promote the creation and spread of societal innovations and consistency in the adoption of decisions;
- believes that Eurostat should take the communication's proposals into account, but should include regional statistics for broader aspects relating to quality of life, sustainability and distribution of income and capital;
- stresses that after 2013 the application of the Structural Funds, including the Cohesion Fund, cannot and should not be based solely on per capita GDP;
- supports the points made in the Commission communication, and agrees with the Commission to consider GDP an important indicator by which to measure the economic growth and well-being of Europe and its regions. To decide on Community policies and assess them, however, it is worth developing supplementary indicators that are a more precise measure of progress in sustainably achieving social, economic and environmental goals.

<b>Rapporteur:</b>	Vicente Álvarez Areces (ES/PES), President of the Autonomous Community of Asturias
<b>Reference document:</b>	Communication from the Commission to the Council and the European Parliament – Beyond GDP - Measuring progress in a changing world  COM(2009) 433 final

## I. POLICY RECOMMENDATIONS

### THE COMMITTEE OF THE REGIONS

#### A. General comments

1. welcomes this communication, which provides an opportunity for the Committee of the Regions to further the debate on the future of the EU in a changing world. It is essential to identify the indicators which truly reflect the reality upon which we can act effectively in order to create a new model of growth;

2. points out that the CoR has, on a number of occasions, addressed issues relating to the subject of this communication. Within the debate on the post-2010 Lisbon Strategy, the CoR recently (CdR 25/2009) called for the new upcoming strategy to have as an explicit overarching objective 'a high quality of life and well-being for all EU citizens' and reiterated that combating poverty and wealth inequalities requires a territorial approach across a broad range of policy areas. The CoR also noted a 'growing level of dissatisfaction at the use of GDP as the primary indicator to measure economic performance, and calls for new indicators to be developed that provide a more meaningful way of measuring prosperity, well-being and quality of life in Europe';

3. points out that it also advocated, in its outlook opinion on the future of the cohesion policy (CdR 210/2009 fin), 'a modulated approach to using carefully chosen and meaningful indicators to assess cohesion policy in order to secure the targeted deployment of resources and present a comprehensive picture of the impact of structural policy';

4. considers that the debate on indicators beyond GDP is political in nature, and should lead us to define what well-being means for current and future generations, and what the best policies are to achieve it;

5. highlights that the European Commission, together with Eurostat, the Commission on the Measurement of Economic Performance and Social Progress (known as the Stiglitz-Sen-Fitoussi Commission) and the OECD, are working towards the same goal;

6. considers that the five actions established by the communication to assess economic performance and social progress – a) complementing GDP with environmental and social indicators; b) near real-time information for decision-making; c) more accurate reporting on distribution and inequalities; d) developing a European Sustainable Development Scoreboard; and e) extending National Accounts to environmental and social issues – are sufficient and serve as a basis for the proposals made in the EU 2020 Strategy. These actions should not merely be tools for ex-post evaluation but should also be used in the decision-making process;

7. notes that this communication coincides with the launch of the EU 2020 Strategy and the political debate that will shape the medium- to long-term development of the EU, and also with the debate on the Financial Perspectives beyond 2013, and it will without doubt influence the direction taken by cohesion policy and, therefore, its financial support. Suitable indicators will make it easier to identify differences in income, educational attainment (including formal and non-formal), availability of public services, quality of healthcare and the provision of cultural resources, as observed at the regional and local level across the EU;

8. to this end, the Region Policy DG's *Regions 2020* study should be taken into consideration, as it uses regional indicators to sound out how each region is faring with regard to various challenges, and its position in relation to other neighbouring regions;

9. warns that, although the role of local and regional authorities has not been highlighted in the Commission communication, successful best practice projects suggest that local and regional authorities could play a key role in adopting and disseminating an approach to measure societal progress (economic, environmental and social) more broadly, provided that they have appropriate capacity and resources including, but not limited to, financial support from the EU or from national sources; in order for indicators designed to measure well-being in the broader sense to become established, it must be possible for them to be broken down at regional and local level, which will in turn require cooperation on the part of local and regional authorities;

10. highlights that the principle of equal opportunities must take inhabitants of rural and remote areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density and island, outermost, cross-border and mountain regions into account, in particular. The objective of reducing disparities between the regions of the EU must ensure that special attention is paid to these areas. The fragility of such territories is due to economic, social, demographic, geographical, historical, regional and environmental pressures. Particular attention must be paid to these areas when it comes to drawing up a set of indicators, which should highlight the provision and accessibility of infrastructures and services of general interest for inhabitants. The set of indicators should take account of the commitments made by the Territorial Agenda and the Leipzig Charter, in order to boost polycentrism and a new structural relationship between urban and rural areas. Clearly, the nature of this relationship will shape the environmental framework and will also help to improve the quality of local and regional policies;

11. believes that Eurostat should take the communication's proposals into account, but should include regional statistics for broader aspects relating to quality of life, sustainability and distribution of income and capital. Eurostat's regional statistical yearbook should be subject to yearly political debate, serving to re-orient Community policies;

#### **B. The unsuitability of the GDP growth index to orient 21st century policies**

12. notes that in the communication on *GDP and beyond. Measuring progress in a changing world*, the Commission expressly acknowledges the limitations of this indicator and proposes that possibilities for additional indicators be put forward for discussion. However, in the conclusions of the communication, it states that for all of its shortcomings, GDP is still the best single measure of how the market is performing. This remains debatable, for the communication deals with social progress and well-being – and in this field, GDP is not the most relevant indicator;

13. notes that international negotiations are under way to draw up a United Nations agreement to govern global action on climate change after 2012, when the first commitment period of the Kyoto Protocol expires, and that the EU has made a unilateral commitment to cut its emissions in 2020 to at least 20 % below 1990 levels and is offering to scale up this reduction to 30 % provided other major emitters in the developed and developing worlds take on their fair share of the mitigation effort under a global agreement. Scientific evidence shows that further cuts to at least 50 % of their 1990 levels will need to be achieved by 2050. These are ambitious targets and will require a transition to a low carbon economy in which methods of production and patterns of consumption are less energy intensive and more resource efficient. It is essential that the dominant economic indicators reflect this new direction;

14. stresses that, as asserted by the OECD, GDP is an indicator of production and not of the well-being that the population derives therefrom. Indeed, many activities covered by GDP imply a reduction in public well-being (for example, high transport costs due to congestion caused by long commutes), or the measures to correct the negative environmental impact of certain activities. Moreover, public well-being depends on disposable income or the availability and cost of public goods. In this regard, the Stiglitz-Sen-Fitoussi Commission's report points out that 'the fact that GDP may be a poor measure of well-being, or even of market activity, has, of course, long been recognized' <sup>(1)</sup>;

15. also highlights the fact that GDP does not cover the effects of factors with an impact on the environment, such as scarce resources, carbon emissions, the impact of pollutants, water quality, biodiversity, the impact of urban concentration or rural depopulation. Nor does it cover highly important social aspects such as the unequal personal and regional distribution of income, poverty or health. Furthermore, it does not evaluate activities that are not recognised within the market, such as undeclared work, work in the home, volunteering or free time;

16. points out, moreover, that key data are missing. A country can increase its GDP by intensively exploiting its natural resources but its assets would then be reduced, leaving less available for future generations; the Committee also warns against setting economic growth against other aspects of well-being; experience shows that sound economic growth is most often a precondition for considering other dimensions of well-being in policymaking;

17. expresses to the EU institutions the opinion that it is necessary to unify and clarify the messages that are to be conveyed to the public through the use of indicators linked to GDP and per capita GDP. A more transparent communication policy is needed;

18. points out that in official EU documents, including the Treaties and some regulations, other related indicators are used alongside GDP. For instance, to define and classify the regions to which the Convergence objective applies (2007-2013), per capita GDP is used. To determine which States could be eligible for co-financing from the Cohesion Fund, per capita gross national income (GNI) is used. The Financial Perspectives also employ GNI in order to establish the threshold for budgetary spending. Moreover, in Protocol No 28 on social, economic and territorial cohesion, it is neither GDP nor GNI but per capita GNP that is used as the reference to decide which Member States are eligible for contributions from the Cohesion Fund;

<sup>(1)</sup> Stiglitz Joseph, Sen Amartya and Fitoussi Jean Paul, Issues Paper, Commission on the Measurement of the Economic Performance and Social Progress. 25.7.2008.

19. stresses that after 2013 the application of the Structural Funds, including the Cohesion Fund, cannot and should not be based solely on per capita GDP;

### C. Actions to better measure progress in a changing world: comments on related indicators in the communication

20. agrees with the idea expressed in the communication whereby the Commission would develop a comprehensive environmental indicator and improve quality of life indicators; therefore, firmly supports the preparation of a pilot project to draw up a **comprehensive environmental index** covering areas such as greenhouse gas emissions, loss of natural landscapes, air pollution, water use and waste generation; urges the Commission, given that the methodologies for determining this compound index already exist, to make the drafting work public and present it swiftly for debate in 2010, as set down by the communication; as the Commission notes in the communication, indicators must capture not just the negative or positive environmental changes but also environmental quality; However, it is important that any environmental indicators do not encourage the non-sustainable use of resources;

21. notes that the reason why GDP is not a comprehensive indicator is that prices for products and services do not at the moment fully reflect the social and environmental costs involved. The CoR therefore urges the Commission and the Member States to press ahead with their efforts to ensure that future legislation takes due account of the true economic costs of a product;

22. moreover, this index – which would evaluate the results of efforts to protect the EU and which, in quantitative terms, would indicate any progress or setbacks with regard to the environment – should cover not only the countries but also the regions of the EU. The Commission's methodology should include the aspects necessary to broaden the defining scope of the index. Furthermore, European instruments should be designed in order to provide incentives for those parts of the EU that achieve or beat the targets set;

23. emphasises that, during the EU conference dealing with the issue of indicators beyond GDP, the Portuguese EU Presidency called for a measurement of progress 'on several territorial levels in a totally comparable way,' noting that indicators which exclude the possibility of interregional comparison would only have limited value. The Lisbon Council therefore recommended a clearer linkage be made between macroeconomic indicators on one hand and the regional dimension on the other;

24. considers that it is important to develop an environmental quality indicator (which should not remain merely a possibility, as stated in the communication), which not only

gives statistics on European citizens living in healthy environments but also makes known the areas in which this quality is achieved, so that the policies making this possible can be identified. The CoR therefore proposes that the environmental quality analysis be based on the various regions of the EU in order to make it easier to compare them.

It is therefore important that the **maps and priority indicators drawn up by the European Environment Agency** play a key role in defining the nature of each of the European regions, so as to draw up a more accurate policy in each area and a strategy for solidarity with those regions which for historical reasons have greater difficulties improving environmental quality. Supporting the creation of regional environmental observatories would be an invaluable means of monitoring and drafting bottom-up policies, in which each region could show its specific characteristics and points in common with the other regions of Europe. This will help encourage existence of flexible, asymmetric policies at EU level, while boosting links to stimulate interregional cooperation;

25. with regard to quality of life and well-being, it is important to have indicators like public services, health, leisure, wealth, mobility and a clean environment are testament to and the cause of a good or bad environment. A society or region will display sound sustainable development if its economic fabric (production, distribution and consumption) is compatible with environmental and social factors. The OECD studies on public perception of well-being are important in this regard;

26. supports the idea of near real-time information for decision-making, with regard to both environmental and social indicators, and considers that last year's presentation of the shared environment information system (SEIS) was a real step forward. The time lag of two or three years separating environmental data from economic data should be overcome;

with regard to current social indicators, points out that Eurostat is developing a harmonised survey, as yet unpublished, for 2006, 2007, 2008 and 2009, with results on the living conditions of families in every EU country. Therefore, a basic structure already exists that could be adapted to the regional level;

proposes, therefore, that steps be taken to draw up a **harmonised social survey** at European level, on a regional basis, which would serve as a reference for cohesion policy and decision-making in local and regional spheres;

27. emphasises the key importance of information on the distribution of income and inequalities, and agrees with the communication's statement that '*Social and economic cohesion are overarching objectives of the Community. The aim is to reduce disparities between regions and social groups*';

nonetheless, points out that there is no express reference to territorial cohesion, a dimension which relates in particular to environmental aspects and the natural disadvantages suffered by some areas which hinder their development. These aspects should be taken into account when conducting the analyses that will serve as the basis for decisions; therefore, they should be quantified and subsequently subject to comparative analysis.

The distribution of wealth is an area of growing concern, for even if per capita GDP is increasing, the number of people at risk of poverty may also be on the rise. Therefore, there is a need for more accurate reporting on distribution and inequalities which will allow for better definition of policies on social, economic and territorial cohesion;

Furthermore, examining the levels of educational attainment of a region's labour force, both employed and unemployed, is a key indicator, whereby understanding disparities in education levels between social groups can help develop appropriate policy responses.

Furthermore, the direct and indirect impact of the recent recession and its consequences for the welfare of individual regions and social groups should be examined separately in order to obtain relevant information, make proposals and respond to future events through preventive measures;

28. considers however, with regard to social indicators, that it is not necessary to reach situations of poverty before problems of regional or personal inequality can be linked with environmental impact. One only needs to consider that greater inequality, particularly if it means a drop in tax revenue, will make it harder to carry out the restructuring that sustainable development requires. Moreover, lower income levels limit the ability of households to make the changes to their consumption habits that this sustainable growth requires. It is clear that a model of sustainable behaviour will, in the medium and long term, generate savings that offset the original investment.

Therefore, income inequality and regional divergence indices should be key considerations in the strategic decisions of the future;

29. supports the plan to draw up a **Sustainable Development Scoreboard** as set down in the communication. In all events, the utility of this scoreboard should be significant, moving away from the academic ex-post evaluation system. In other words, the scoreboard – which must cover all countries and regions, ensuring that the statistical systems for each level are compatible with one another – must be a tool that makes it possible to take action, to draft guidelines for the design of sector-specific and regional policies in the EU, thus ensuring

that societal innovativeness and consequently the sustainability factor in particular are included in any strategic process and that benchmarking of best practices is increased and attainment of development goals accelerated; urges the Commission to present the pilot version as pledged in the communication;

30. the new indicators must be robust, reliable and widely recognised in order to measure progress towards an ecologically efficient economy and should provide a foundation for building a framework of sustainable development indicators, i.e. in the social, economic and environmental spheres. Biodiversity should be a part of these new indicators;

31. with regard to integrated environmental-economic accounting, supports the efforts underway to set up a green accounting system. In some areas, significant progress has been made owing to the coordination of efforts by Eurostat, statistical institutes in the Member States, and the OECD, but this needs to be carried across to all the EU countries in order to obtain, by 2013, environmental accounts of energy consumption and waste treatment, along with monetary accounts for environment-related subsidies, within a common legal framework.

The European System of Accounts should also build on its scoreboard of social indicators (which include the disposable income of households and the adjusted disposable income figure), transposing it to all EU Member States and regions in order to encourage its use, as it determines spending and saving more effectively than the current per capita GDP indicator;

#### D. Subsidiarity, proportionality and better regulation

32. considers that the issues tackled in the communication can be considered to fall under Part Three, Titles XVIII and XX of the TFEU, which pertain to economic and social cohesion as well as to the environment;

33. believes that the policy domains covered by the communication are not exclusive competences of the European Union and therefore, the principle of subsidiarity applies; however, points out that there are transnational aspects that cannot be properly regulated by Member States and/or local and regional authorities acting alone. Therefore, the objectives would be reached more effectively through common policies or coordinated action;

34. is of the opinion that the actions set down in the communication appear to be in line with the proportionality principle since they do not go further than what is necessary to achieve the intended objectives. The Commission mainly plans to develop indicators and other monitoring tools such as the European Sustainability Scoreboard;

35. calls on the Commission, with regard to better lawmaking, to take the role of local and regional authorities into account more fully, especially the need to support local and regional authorities' involvement in the development of this novel approach to the measurement of societal and ecological progress. The Commission should provide support and resources for the creation of statistical databases at local and regional level, covering the entire European Union. These databases would make it easier to develop indicators at EU level;

36. points out that Member States as well as local and regional authorities have already defined a broad range of environmental, economic, social and technological indicators on an individual and differentiated basis, which could help to develop EU-wide indicators reflecting the situation in the Member States also at local and regional levels and thus allowing for inter-regional and local comparison across the EU.

In addition to the EU-wide indicators, it would be useful to have information from other countries, along with the information drawn up by international organisations;

#### **E. Summary and final conclusions**

37. there is a clear case for complementing GDP with statistics covering the other economic, social and environmental issues on which people's well-being critically depends.

GDP is not meant to be an accurate measure of longer term economic and social progress and notably the ability of a society to tackle issues such as climate change, resource efficiency, quality of life or social inclusion; therefore, proposes that the indicators selected to orient the framing and drafting of policies and public strategies comply with the priorities of the 2020 Strategy;

38. considers that the traditional GDP indicator should be improved and supplemented with criteria relating to the environment and social welfare; in this connection, believes that it would be useful to set up a comprehensive environmental index and a harmonised social survey at EU, national and regional level;

39. believes that it is necessary to improve the methodology used to obtain more up-to-date comprehensive information that better matches reality, allowing for the use of indicators to facilitate the decision-making procedure; points out that the indices that could be used by local, regional, national and

European authorities must be uniform and promote the creation and spread of societal innovations and consistency in the adoption of decisions; it is also necessary to have a better appreciation of the relationship between various indicators of well-being, especially since changes in indicators designed to complement GDP measurement often happen with a long time lag;

40. calls for the selection and content of indicators to be the result of a wide-scale, bottom-up procedure to involve local communities, regions, Member States and the EU in a process of debate. By aggregation, this should ensure efficient objectives and legitimate Community action as the public will be able to identify better with the efforts to recover from the crisis and protect the environment and quality of life;

41. notes that a population density indicator was introduced when the Union was enlarged in 1995. This indicator showed the obstacles to development of sparsely populated areas in northern Europe, which include long distances, high cost of providing services and infrastructure and an inadequate economic base for business start-ups. Simple indicators like this should continue to be used in the future, e.g. in steering cohesion policy;

42. calls upon the EU to continue working in coordination with other international institutions such as the OECD, the World Bank, the ILO and statistical institutes so that the efforts that must be made are in harmony with those being made at global level by other international bodies;

43. stresses that it is vital for indicators, to match up with the headline targets of the new strategy and the Financial Perspectives beyond 2013. Community strategies are reflected in the budgets, and these strategies must take future needs into account in order to improve a reality that can only be based on two sources of information – statistics and public opinion – together with effective leadership on the part of Europe's democratic institutions;

44. supports the points made in the communication, and agrees with the Commission to consider GDP an important indicator by which to measure the economic growth and well-being of Europe and its regions. To decide on Community policies and assess them, however, it is worth developing supplementary indicators that are a more precise measure of progress in sustainably achieving social, economic and environmental goals.

Brussels, 5 October 2010.

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



**Opinion of the Committee of the Regions on ‘Mobilising private and public investment for recovery and long-term structural change: developing public-private partnerships’**

(2011/C 15/05)

THE COMMITTEE OF THE REGIONS ISSUES THE FOLLOWING RECOMMENDATIONS:

- The Committee notes in particular that PPP projects must not be seen as a short-term financing solution but must be evaluated from a lifecycle perspective, from planning, conception and funding right up to implementation and operation, by taking into account the fact that the total cost of a project depends on the project’s total duration, which can sometimes be up to 30 years.
- The Committee does not believe that public-private partnerships are suitable in every context; an assessment should be made for each individual project, each public service and each innovation as to whether entering a partnership with the private sector will give added value.
- The Committee thinks that it is too soon for the Commission to regulate on service concessions. If the Commission decides nonetheless that service concessions are to be covered by the Community’s procurement directives, it is extremely important that these rules be as simple and flexible as possible. In that case they should be guided by the provisions of the directives on public works concessions and on no account by the provisions governing procurement of services.

<b>Rapporteur:</b>	Ms Catarina Segersten Larsson (SE/EPP), Member of the Assembly of Värmland County Council
<b>Reference document:</b>	Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on <i>Mobilising private and public investment for recovery and long term structural change: developing Public Private Partnerships</i>  COM(2009) 615 final

## I. POLICY RECOMMENDATIONS

### THE COMMITTEE OF THE REGIONS

1. welcomes the intention of the EU and the Member States to implement ambitious recovery plans with the aim of stabilising the financial sector and containing the negative impact of the financial and economic crisis on ordinary citizens and the real economy. At the same time the Committee would emphasise the importance of regional and local authority involvement;

2. also believes that, in relation to these recovery plans, public-private partnerships (PPPs) can be an effective means of implementing infrastructure projects, providing public services and promoting innovation;

3. notes in particular that PPP projects must not be seen as a short-term financing solution but must be evaluated from a lifecycle perspective, from planning, conception and funding right up to implementation and operation, by taking into account the fact that the total cost of a project depends on the project's total duration, which can sometimes be up to 30 years;

4. does not believe that public-private partnerships are suitable in every context; an assessment should be made for each individual project, each public service and each innovation as to whether entering a partnership with the private sector will give added value;

5. calls on local and regional authorities to carefully examine any cross-border leasing schemes for financing public infrastructure or other PPP projects they may already have entered into or which they may be considering for the future, in order to avoid negative surprises and serious repercussions for their budgets;

6. notes that financing approaches vary between the different Member States. In some Member States, for example, it is

possible for local authorities to borrow and finance major investment themselves. Since situations are so different, the Committee of the Regions considers that public-private partnerships can be used only in certain cases to manage public money more efficiently and implement large projects more effectively;

7. is of the view that public-private partnerships can provide an effective way of managing public investment, but it should be for local and regional authorities to judge which method is most appropriate for any given project, public service or innovation. An important prerequisite for public-private partnerships is to assess which body or bodies are best able to bear the various risks;

8. believes that the EU Structural Funds or the European Investment bank (EIB) can under certain conditions provide funds which may be used to support public-private partnership projects;

9. agrees that public-private partnerships can provide one means of overcoming problems caused by climate change. It also agrees that they can be a way of improving growth and employment in EU industry and the public sector;

10. emphasises how important it is to make it easier for small and medium-sized enterprises to be involved in public-private partnerships; SMEs are often an underutilised resource in promoting economic growth and creating long-term job opportunities;

11. it is often also local and regional authorities that are best placed to assess how public services should be funded. The Committee points to the various roles played by the municipalities and regions; as well as organising, managing and monitoring external operations, they run services in-house. Local and regional authorities should clearly define the objectives to be attained in terms of public interest, the quality of services provided and pricing policy, as well as monitoring compliance with these objectives;

12. has observed that the idea of partnership has come to be interpreted much more widely than was originally intended, and it therefore proposes that public-private partnerships in future be defined more narrowly, to mean long-term relationships, joint risk-taking and major financial commitment. The Committee therefore considers that it is extremely important to better define the concept of public-private partnership, in order to ensure an appropriate debate about any future Community initiatives;

### **Position of the Committee of the Regions on the Commission's proposals for five key actions in 2010**

#### *Setting up a working group*

13. believes it is important to establish a system of international support and experience-sharing given that the number of public-private partnerships is increasing. However, the Committee stresses that circumstances vary widely in the Member States and that one prerequisite for successful public-private partnerships is that they should be developed in accordance with local and regional conditions. Support and know-how should therefore be provided for in the different Member States;

14. considers that if any relevant body or group is set up at EU level, it is extremely important for local and regional authorities to be represented in it and for the Committee to have the opportunity to designate the representatives concerned;

#### *Proposal to work with the EIB to increase funding available for PPPs*

15. believes that the utmost care must be exercised in any major investment project so that local and regional authorities and private businesses do not find themselves in an untenable position vis-à-vis repayment, given that partnerships involve very long-term financial commitments. The Committee regards the EU Structural Funds as an important asset for public-private partnerships. The Committee thinks that the EIB, should play an increasingly important role in helping to create the basis for effective and innovative PPPs;

*Proposal to review the relevant rules and practices in order to ensure that there is no discrimination in the allocation of public funds, where Community funding is involved*

16. values the efforts of the Commission to safeguard at EU level the fundamental principles of the Treaty establishing the European Community - such as transparency, equal opportunities, proportionality and mutual recognition - in the award of public contracts and concessions;

17. The Commission could do even more to create scope for PPPs in public procurement law.

*Proposal for a more effective framework for innovation, including the possibility for the EU to participate in private law bodies and directly invest in specific projects*

18. The question of EU involvement in bodies governed by private law or direct investment in specific projects must be discussed and clarified before the Committee can take a well-reasoned position, and an assessment must also be carried out to establish compliance with the subsidiarity principle.

*Intention to draw up a proposal for a legislative instrument on concessions, based on the ongoing Impact Assessment*

19. thinks that it is too soon for the Commission to regulate on service concessions. If the Commission decides nonetheless that service concessions are to be covered by the Community's procurement directives, it is extremely important that these rules be as simple and flexible as possible. In that case they should be guided by the provisions of the directives on public works concessions and on no account by the provisions governing procurement of services;

20. believes that future development of PPPs should not reduce opportunities for offering jobs to people with special needs, in accordance with rulings of the EU Court of Justice.

Brussels, 5 October 2010.

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

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**Opinion of the Committee of the Regions on 'A strategy for the North Sea-Channel area' (own-initiative opinion)**

(2011/C 15/06)

THE COMMITTEE OF THE REGIONS

- is convinced that macro-regions can be an innovative form of interregional and transnational European cooperation, providing the right framework for cooperation between regional and local authorities, Member States and EU bodies limited in space, time and scope;
- stresses that macro-regional strategies do not have to cover all policy areas, but should first home in on those challenges that a macro-region shares; also wishes to make it clear that macro-regions are not an additional institutional level of the European Union;
- stresses that the shared priorities for action in the North Sea-Channel lie predominantly in the areas of marine policy, environment, energy, transport, science and industry and their impact on social cohesion;
- asks Member States to support further steps to develop a macro-regional strategy for this area, given the urgent need to address challenges in the areas of transport, the environment, fishing and research;
- calls on the European Commission to make resources for the drafting of macro-regional strategies available even before 2013 and to promote the development of a macro-regional strategy for North Sea-Channel area before 2013;
- calls for cohesion policy after 2013 to include as far as possible macro-regional strategies in its areas of territorial cooperation and considers it urgent to define their role and function more precisely in a Green Paper.

**Rapporteur:** Hermann Kuhn, Member of the Bremen City Parliament (DE/PES)

## I. GENERAL COMMENTS

### THE COMMITTEE OF THE REGIONS

1. welcomes the European Commission's publication – on 10 June 2009 – of an EU strategy for the Baltic Sea Region, which addresses the issue of a macroregion for that area. The Commission made it clear when launching the strategy that it could serve as a model for similar approaches in other European macroregions;

2. points out that the Baltic Sea Strategy rests on an integrated approach, voluntary participation and an active collaboration between regional players who must also be consulted, as well as on fiscal neutrality; its aim is a more coordinated use of available resources. This approach provides useful pointers for work on macroregional strategies, where the starting point must always be the specific characteristics and challenges of the macroregion in question;

3. welcomes the European Council's call on 18-19 June 2009 for the Commission to set out an EU strategy for the Danube area;

4. points out that the Committee of the Regions been very much favoured and helped with work on this matter from the outset, since it helps further the political involvement of local and regional authorities;

5. notes that the concept of a macro-regional strategy is one that many of Europe's regions are working on, as emerged clearly at the Committee of the Regions' conference on 'Europe's macro-regions: Integration through territorial co-operation', held on 13 April 2010;

6. is convinced that macro-regions can be an innovative form of interregional and transnational European cooperation to provide the right framework for cooperation between regional and local authorities, Member States and European Union bodies limited in space, time and scope. At the same time, when devising this new strategy, long years of experience with cross-border, trans-national and interregional cooperation should be taken into account;

7. stresses that a European strategy for a macro-region has the potential to improve the cohesion and coordination of political action in various sectors and at various levels and turn specific challenges into joint action. It can help to coordinate the deployment of funding so that it better accommodates local and regional authorities in line with the principles

of multilevel governance and is more elastic in bringing in social organisations;

8. takes the view, therefore, that macro-regional strategies are an incremental instrument of European integration and growing economic, social and territorial cohesion;

9. thinks there is a need to ascertain how macroregional strategies and the scopes of these will be tied in with other Union strategic policies, especially Europa 2020, cohesion policy and the Integrated Maritime Policy;

## II. POLICY RECOMMENDATIONS

*Macroregions: a new form of interregional and transnational European cooperation*

10. points out that promoting and developing cross-border, interregional and transnational cooperation has always been one of the Committee of the Regions' core concerns, as was demonstrated with the development of Euroregions – which focus on the cooperation of border regions – and when European structures were developed for cross-border, transnational and interregional projects and acquired legal form as European Groupings of Territorial Cooperation (EGTC);

11. points out that the promotion of interregional and transnational cooperation is also an important goal and component of cohesion policy. Interreg IVB programmes are already geared to larger regional entities such as the North Sea and the Atlantic Arc;

12. welcomes the fact that the inclusion of 'territorial cohesion' in the EU treaties makes geographical areas even more important as a focal point for European policies;

13. welcomes the approach now adopted in the EU's Integrated Marine Policy – which seeks to bring sectoral policies together in an integrated approach – that the strategy is an important prerequisite for successful implementation because it enables the priorities and instruments to be more accurately tuned to the specific geographical, economic and political situation of a marine area;

14. is convinced that the concept of macroregions and the political strategies that go with it can be a new and innovative form of EU interregional and transnational policy. It can make a great contribution to consistency and scope for action in a specified area, fusing economic efficiency, social cohesion and a sound environmental balance as appropriate in each case;

15. notes that a macroregion is an 'elected' and not an 'ordained' territory whose borders need not, therefore, coincide with administrative or political borders. It is a level at which various players decide to work together to solve shared problems which would not be solved – or would be solved less effectively – at other territorial levels. In each case, these are specific challenges and opportunities that a region or Member State is too small to solve, while the Union and its regulations are too big and too general;

16. concludes from this that macroregional strategies do not have to cover all policy areas, but should first home in on those challenges that are a macroregion shares and that a partnership approach can address. Macroregional strategies thus marry the principle of collaboration where it is meaningful and necessary with the principle of subsidiarity;

17. stresses that the macroregion as a 'functional area' has no firmly established borders; rather, these can change depending on the problem and the solution. In any event, there must be a minimum degree of consensus on what constitutes the centre of an area (not forgetting the inland perspective). The essence of each macroregion is determined by the natural foundations on which its economic, political and cultural history has evolved;

18. wishes to make it clear that the macroregion is not an additional institutional or constitutional level of the European Union. It should, instead, be organised as a mode of action, platform or network in which local and regional, national and European partners can work together – with the participation of players in society – in pursuit of jointly agreed goals within a specific area. Use should be made of existing networks and platforms;

19. is convinced that macroregional strategies open up huge opportunities and possibilities for further developing and fleshing out the multilevel governance method, which the Committee of the Regions has made a central plank of its work; this also applies to the open and flexible involvement of organisations in society;

20. points out that local and regional authorities know best about the real situation and problems of regions and that this is one reason why they must be equal partners in designing and implementing macroregional strategies. They are the players closest to the public;

21. in any event, takes the view that collaboration in macroregions cannot be only bi- or multilateral, but that support from the bodies of the European Union must play a substantial role. After all, these bodies represent the shared goals, the shared rules and shared resources of the Union;

22. is convinced that each macroregion needs its own bespoke strategy. Only the development of a series of macrore-

gional strategies different in nature will provide sufficient experience of the possibilities and limits of this instrument;

#### *A Strategy for the North Sea-Channel area*

23. notes that the North Sea-Channel area comprises the marine area of the North Sea and the passages to the Baltic Sea (Skagerrak and Kattegat), to the Atlantic (English Channel) and to the Norwegian Sea, as well as the coastal regions that surround it to the extent that they are directly or indirectly connected with the sea, influence it or are influenced by it. The marine area corresponds to the 'Greater North Sea' as referred to in OSPAR commission documents and the EU's Marine Strategy Framework Directive;

24. points out that EU Member States Sweden, Denmark, Germany, the Netherlands, Belgium, France and the United Kingdom and their local and regional authorities are politically linked with the North Sea-Channel macroregion. So, too, are Norway and, in a broader sense, Iceland, which already have close links with the EU through their EEA membership. Iceland has already applied to join the Union;

25. notes that the North Sea lies on the continental shelf and is therefore not a deepwater area; With its 230 species of fish and 10 million sea birds, its ecosystem is rich and diverse, but also vulnerable and imperilled. The coasts are diverse: fjords, estuaries, beaches, bays and mudflats; they have strong tides and sometimes strong currents. The rivers that flow into the North Sea and the English Channel drain a large part of Europe, their deposits putting an additional strain on the seas;

26. is aware that the North Sea and the Channel AREA is the busiest maritime space in the world and is put to extremely intensive use: by shipping (with concentration highest in the Channel), fishing, raw material extraction (oil, gas, sand and gravel) from the sea bed, offshore energy and tourism. These uses conflict with one another and with protection of nature;

27. is conscious of the fact that the coasts of the North Sea and English Channel are among the well developed regions of the EU. They include two of the world's largest ports for inter-continental sea traffic and other large urban centres with traditional and modern industries; tourism and farming are also well developed in the main. At the same time, traditional sectors such as fishing and shipbuilding are in the throes of difficult structural change which the current financial and economic crisis will make all the worse;

28. takes the view that the North Sea-Channel area is a growth region. It can, and should, make a contribution to the Europa 2020 strategy and to smart, sustainable and inclusive growth in Europe. This can be promoted by a macroregional approach;

29. is troubled by the fact that the North Sea-Channel area is environmentally strained and endangered – strained by various kinds of pollution and deposits in the sea and endangered by the risks coming from shipping and energy extraction. Climate change is a source of new risks for immediate coastal regions as sea levels rise and extreme weather conditions become more frequent;

30. points out that the coastal regions around the North Sea and the English Channel have been intimately connected politically and culturally for two thousand years – through migration flows, close trade relations (in the days of the Hanseatic League, for example), and through shared maritime traditions. For many centuries, it was the point of embarkation for voyages around the world which helped forge the sense of identity of the people in the region;

31. stresses that the countries bordering the North Sea and the English Channel are facing shared difficulties and challenges of a serious nature that cannot be solved and surmounted by individual regions or Member States. These arise in the main from the natural and territorial characteristics of the North Sea, the English Channel and the coastal areas, which have remained to this day the foundation for similar historical, economic, social and cultural developments. Prime among them are:

- a distinct and uniform ecosystem and the threats that beset it;
- climate and geology (use for renewable energies such as wind and tidal energy; new challenges for coastal protection);
- intensive use of natural resources (fishing; oil and gas extraction, etc.);
- intensive and mutually antagonistic uses of the area (wind energy, shipping, nature conservation);
- and the economic traditions on the coasts (shipping, ship-building, tourism);

32. stresses that the measures that are urgently needed – measures to preserve the ecosystem of the North Sea and its links with neighbouring waters, to safeguard its resources, to reduce and eliminate further pollution, to foster safety at sea and on land, and to adapt to climate change – are by their very nature crossborder and therefore cannot be tackled by regions or individual Member States on their own. The same is true for the creation of crossborder infrastructure and spatial planning: shipping corridors, transport networks, cable- and pipe-laying routes, and networking of marine protected areas;

#### *Key areas for action*

33. stresses that the shared priorities for action in the North Sea-Channel lie predominantly in the areas of marine policy, environment, energy, transport, science and industry and the impact of these on social cohesion. The added-value of successful collaboration will be clearly visible in these policy areas. It will also, however, have beneficial effects on policy areas that are not directly dependent upon territorial characteristics and traditional development;

#### *Shipping and ports*

34. stresses that shipping is a key part of the European economy, an important factor in employment and, notwithstanding the strain on the environment, the most environmentally friendly mode of transport. The aim is therefore to shift transport – primarily freight – onto water and to better connect waterways and rail routes to the hinterland. There should be coordinated development of short sea transport and motorways of the sea and connections with inland waterways in the North Sea-Channel macroregion;

35. takes the view that improving and monitoring maritime safety, especially in high-risk areas of the sea such as the English Channel, merits particular attention. Additional risk scenarios prompted by the growth in offshore wind parks require new joint civil defence strategies;

36. is concerned that heightened competition in shipping and port industries spawned by the financial and economic crisis could sideline the need to combat sea and coastal pollution. Particular support, measures and incentives are needed to take forward strategies such as Clean Shipping, the Zero Emissions Ship and Green Harbour. The Rotterdam Climate Initiative and the Clean Shipping Index are good examples here;

37. is convinced that although safety at sea issues and measures to counter environmental pollution must be matters for international accords, these accords can only be successfully prepared and launched by the actions and example of well organised macroregions;

#### *Skills*

38. believes that as maritime transport and offshore operations again become more important, the demand for workers – and the demands placed on them – will increase; there will be tougher international competition for highly skilled labour. The maritime centres in the North Sea-Channel area face the common challenge of ensuring the training and certification of workers specialising in a very broad range of maritime roles;

39. thinks that the idea of a ‘sea academy’ – which would be a shared virtual training centre for traditional and new maritime trades in which common curricula and standards would be developed and then recognised by all sides – should be tried out;

### *Industry and the economy*

40. stresses that the coastal regions in the North Sea-Channel area are being badly hit by the turmoil in the distribution of labour in the industry internationally, especially in shipbuilding. High-tech specialist shipbuilding and low- or zero-emission ships have to be promoted in order to help shipyards compete and at the same time make maritime transport safer and more sustainable;

41. points out that the sea and also the coastal area can become a site or raw material for new technologies and industries: i.e., offshore technologies, 'blue' biotechnologies, water- and delta technology, maricultures and the potential extraction of further raw materials from the sea bed. Regional clusters for these technologies and industries should be set up in the North Sea-Channel area in the future, since the scientific and industrial capacity is in place;

42. welcomes the Commission's announcement in its 2010 work programme of a communication on 'Blue growth' – a new vision for sustainable growth in coastal regions and maritime sectors;

### *Integrated Maritime Policy*

43. stresses that the EU's integrated maritime policy highlights the need for solutions that are tailor-made for the (geographic, economic and political) characteristics of regional seas and that the North Sea-Channel area is just such a regional sea. The development, implementation and monitoring of an integrated maritime policy for this area is an important component of a European strategy for the North Sea-Channel area;

44. trusts that the communication announced by the Commission on the Integrated Maritime Policy in the Greater North Sea area will set out the need for greater cooperation of the countries bordering it and propose the goals and instruments for such cooperation;

45. points out that regional and local authorities and stakeholders are important partners in this discussion, since they can best determine which measures are suited;

### *Fisheries*

46. regrets that the European Union's fisheries policy has so far fallen short of its targets and is up against considerable challenges: over-fishing of many kinds and in many regions, the parlous state of many stocks – in some cases below the biological limit –, the still unduly high fishing capacities, and illegal and unregulated fishing which has so far not been effectively curbed;

47. recommends that each fishing area be studied and assessed to ascertain which form of management best suits the sea region, the kinds of fish caught and the type of fleet. To this end, the role of the Regional Advisory Councils (RACs)

should also be bolstered and the involvement of regional and local authorities promoted;

### *Environment*

48. notes that economic development and the increasing incursions of man have placed a great burden on the North Sea-Channel ecosystem and led to major environmental problems: the contamination of sea and beaches (including with plastic waste), increased pollution of waters with chemicals and heavy metals and from shipping and the extraction of natural gas and oil in the sea;

49. is in no doubt that the only way of achieving a sustainable improvement of the marine environment (e.g. water quality, preservation of biodiversity) – including in the estuaries – is if all the countries bordering the North Sea and the English Channel pledge themselves to common goals and their coordinated implementation and monitoring;

50. is deeply concerned to note that the bed of the North Sea and the English Channel is still littered with large amounts of munitions (estimated at 1 million tons) from the time of the Second World War which present a significant danger to shipping, the environment and people. Pooling of information, cooperation based on trust, and a joint action programme are needed to lessen and eradicate this danger;

51. is adamant that very thorough studies are required to assess risks and environmental impacts before carbon capture and storage facilities are planned under the seabed;

### *Climate change – Adaptation and Mitigation*

52. points out that the rise in the sea level and the increased danger to coastal areas from flooding at times of extreme weather conditions caused by climate change have a specific and similar effect on the countries bordering the North Sea and English Channel. The coastal regions of the North Sea and the English Channel must tackle these challenges with joint research projects, the exchange of salient information and the coordination of tangible coastal protection measures;

53. notes that the countries neighbouring the North Sea have unique experience in dealing with the kind of changes in sea-level that climate change may provoke. A synergy between research and knowledge update in this sphere could therefore contribute to greater competitiveness and protection of the environment for those living there;

54. points out, at the same time, that the regions in the North Sea-Channel area attach great importance to climate protection and environmental research and together will make the most of their regional capacity to cut greenhouse gas emissions. This is being done under the regional climate protection programme, through increased energy efficiency, the promotion of renewable energies – both offshore and onshore – which are to replace fossil energy sources;



55. highlights the fact that the coastal area, and especially the large estuaries, must be made more 'climate-proof' in a way that improves as much as possible both quality of life and quality of the natural environment in coastal regions and their hinterland;

56. points out that climate change can also put a further burden on the marine ecosystem through warming, water acidification and the influx of new species. It will also bring change in the potential for tourism in the area. Jointly drafted, scientifically informed scenarios are essential for realistic policy responses;

#### *Spatial planning*

57. stresses that combating cross-border impacts, above all in a space so heavily used as the North Sea-Channel area, calls for increased coordination on spatial planning issues at the coasts and in the water. The still increasing uses to which a specific vulnerable area is being put must be assessed and weighed against the backdrop of sustainable development and the preservation of the natural environment;

58. raises the question of whether a joint 'mining code' should not be constituted for the North Sea-Channel area to establish a common law – with norms for permits and safety issues – on exploitation of the seabed. Also required on this front are rules for the laying and use of cables and pipelines on the seabed;

59. draws attention to the important function of the coastal area in protecting the hinterland from the sea. At the same time, it is an outstanding natural and recreational area and as such contributes greatly to the quality of life of those living by the North Sea and the English Channel. Given the various uses (natural environment, recreation, economy, safety, residential) to which the coastal area is put, its appropriate and efficient use and an integrated planning and development are vital;

#### *Energy*

60. presumes that the extraction of oil and natural gas will continue to be promoted in the North Sea. Stringent common safety standards and systems to counter and limit threats are required to reduce the risks as much as possible and to enable a swift and effective response when needed;

61. stresses that, because of their geographical conditions, the North Sea and English Channel have huge potential for renewable energy, the expansion of which is crucial to a successful climate policy. There is great potential for energy from wind, waves, tide and currents and it is in the interests of all in the region to conduct further research into this and to promote it. Given the rapid expansion of offshore wind farms, standards for their construction, safety, noise and pollution must be agreed;

62. welcomes the fact that planning for a North Sea grid – a comprehensive energy transport network – has been set in motion to realise the full potential of renewable forms of energy. This brings with it a pressing need for collaboration between Member States, regions and private partners. If the necessary progress towards smart grids takes place, the strengths of renewable energy generation could make the area a pilot region for e-Mobility;

#### *Research*

63. calls for marine and maritime research to be promoted more vigorously in the Eighth Research Framework Programme and support to be given so it can be networked. The reason is that the basis for all the areas of action mentioned is scientific knowledge about the ecosystem of the North Sea and the state it is in, about the consequences of climate change, about the reciprocal impact of competing uses, and so on;

64. proposes that a differential cross-thematic research initiative for the regions be launched geared to amalgamating knowledge about the North Sea-Channel area from all disciplines. Lessons learnt in the BONUS 169 programme for the Baltic Sea area should be taken on board;

#### *Culture*

65. points out that life and work on and by the sea have given rise to a long cultural tradition, to recollections and tales. Land reclamation, shipping and seafaring have done much to shape the self-awareness and identity of the people that live around the North Sea and the English Channel. Bringing these traditions to life and developing them as a shared identity is one of the assets in making this area stand out from the competition;

66. calls for promotion of cooperation between museums and cultural institutions (for example, the North Sea Maritime Museum Network) dealing with these traditions. A joint history book would be a good way of improving understanding of the shared (and separate) history of the area;

67. highlights the importance of the creative and cultural economy in many regions of the North Sea-Channel area and is convinced that this economic sector will assume increasing importance for growth and employment in this area, notably by cultural and academic exchange programmes and the link between culture and sustainable tourism across the area;

#### *Links with other EU policies*

68. points out the high degree of convergence between these key planks and issues in the North Sea-Channel area strategy and the goals and guidelines of the Europa 2020 strategy. It sees this as an excellent premise for cross-pollination between the strategic ambitions at EU level and intensive crossborder and transnational cooperation in a specific macroregion comprising countries bordering the North Sea and English Channel;

69. envisages that a macroregional strategy of the countries bordering the North Sea-Channel could make tangible and sustainable contributions in particular to the future tasks for the EU embodied in the flagship initiatives 'Innovation Union', 'Resource-efficient Europe', 'An industrial policy for the globalisation era' and 'New skills and jobs';

70. argues that cooperation between national, regional and local partners on a clearly defined range of issues within a macroregion delivers considerable added-value in implementing overriding EU strategy, since this process with identify the right players and mobilise and target resources at the macro-regional level;

71. stresses the particular importance of collaboration between players in a macroregion for the efficient and successful implementation of the Europe 2020 strategy 'on the ground' and the way it is lived by the public in their experience at regional and local level;

72. points out that between the North and Baltic Seas, there are many economic and political links. Both sea areas are facing similar challenges, particularly with the marine economy, marine environment, climate change and energy policy. Efforts are therefore being made to develop close cooperation between the Baltic and North Sea areas. Moreover, steps should be taken to examine how tried and tested procedures from the Baltic Sea strategy can be applied to the North Sea strategy;

73. proposes examining whether and how the goals and strands of cohesion policy should in future be linked with agreed priorities in macroregional strategies, for example with some structural fund financing being allocated to these strategies;

74. notes that the North Sea-Channel area already has EU cross-border, trans-national and interregional cooperation programmes – above all the Interreg Programme IV B for the North Sea and the Atlantic Arc – which promote cooperation and assist the closer cohesion of regions. These programmes – more closely and more flexibly interlinked or of longer duration – could be carried forward and turned into an important instrument for the development and implementation of a strategy for the North Sea-Channel area;

75. calls on the local and regional authorities in the North Sea-Channel area to make greater use of these interregional cooperation support instruments even now in formulating and developing a macro-regional strategy;

76. appeals once again for greater interregional cooperation in the formulation of cohesion policy from 2014 and for increased funding for this without detriment to cohesion policy objectives 1 and 2;

#### *Governance*

77. takes note of the European Commission's 'three no's' – no new regulation, no new institutions and no additional funding – when it comes to taking macroregional strategies forward;

78. thinks, however, that there should also be 'three yeses':

- jointly agreed application and monitoring of existing rules in the macro-region;

- creation – for which EU bodies should be responsible – of a platform, network or territorial cluster of regional and local authorities and Member States which also brings in stakeholders;

- agreed use of existing Union funding for developing and implementing macroregional strategies;

79. thinks that new forms of governance (such as networks and platforms) that are geared to joint action and specific goals must be developed and put in place for implementing macroregional strategies. These can set in train and take forward political processes without undermining existing powers and prerogatives. It would make sense to have a multilevel structure that brings together various tiers of governance, powers, resources and capabilities;

80. recalls that the International Conferences on the Protection of the North Sea (1984 to 2006) achieved pioneering work towards agreement on better protection for the North Sea. The 1998 Convention for the Protection of the Marine Environment of the North-East Atlantic, including the North Sea, created a binding framework for international accords in this area;

81. stresses that the North Sea Commission (NSC), one of the geographical commissions of the Conference of Peripheral Maritime Regions (CPMR), is an important partner that works for better cooperation in the North Sea area and has already come up with ideas for a strategy for the North Sea-Channel area. The North Sea-English Channel Intergroup in the Committee of the Regions and the NSC have been in close contact on this issue for some time now. Other networks of local and regional organisations in this area should have the opportunity to contribute to this work;

82. stresses that the Arc Manche Regions Assembly plays an important role for the English Channel area, working expressly for the English Channel to be included in a common macroregional strategy with the North Sea;

83. is convinced that collaboration with these and other active bodies (such as the Wadden Sea Forum) and NGOs is a crucial pillar for the development and success of macroregional strategies;

84. expects a better synergy between the funds available at Community level can be engineered until funds are specifically available for macroregional strategies. Given the diversity of the subjects dealt with, this requires that various existing Community resources could be enlisted for macroregional strategies. This means not just structural funds, but also, for example, the CIP, the TEN-T and Marco Polo programmes in the transport sphere, and the Framework Programme for R & D;

85. sees the aim of the policy for macroregions aims as being to achieve joint action that is limited in space, time and scope; This policy should therefore be embodied in a North Sea-English Channel 2020 action plan;

### III. CONCLUSIONS

86. asks the EU Member States to support at European level further steps to develop a macroregional strategy for the North Sea-Channel area;

87. that takes the view that, given the pressing problems and challenges, work on drafting a European strategy for the North Sea-Channel area must be started now. Calls on the European Council to task the Commission with this drafting and asks the European Parliament to work closely on it;

88. calls for cohesion policy after 2013 as far as possible to include macroregional strategies in its areas of territorial cooperation (in crossborder, translational and interregional cooperation) and advocates the adoption of a macroregional strategy before 2013 so that the regional operational programmes of the next programming period can, as far as they are able, contribute to the tangible implementation of this strategy;

89. stresses that a strategy for the North Sea-Channel geographical area rests on the application of the subsidiarity principle. It will address a range of issues and problems that cannot be solved at local, regional and national level alone;

90. stresses that a broad public consultation must accompany the drafting of this strategy. This should be conducted in close collaboration with the Committee of the Regions as the representative of regional and local authorities, and especially with the CPMR's North Sea Commission, the Arc Manche Assembly and other important players. Norway and Iceland, which are members of the EEA, should also be involved;

91. calls on the European Commission to make the technical assistance resources for the drafting of macroregional strategies available even before 2013 so that these can be included in the European Union's future financial perspectives;

92. proposes that the European Commission promote the development of a macroregional strategy for North Sea-Channel area before 2013, including within the programmes promoting territorial cooperation, especially Interreg IV B and other programmes such as ESPON; in this way the European directives and conventions that already apply to the area become clear;

93. welcomes the fact that the European Commission's work programme envisages the publication of a communication on the implementation of an integrated maritime policy for the Greater North Sea;

94. considers it urgent that the role and function of macroregions be examined and established more precisely in a green paper. The Committee of the Regions has already called on the European Commission to do this in its Resolution on the Commission's work programme for 2010;

95. instructs its president to forward this own-initiative opinion to the European Commission, the European Parliament, the current Council presidency and its partners in the presidency trio 2010-2011.

Brussels, 5 October 2010.

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

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**Opinion of the Committee of the Regions on ‘The digital agenda for Europe’**

(2011/C 15/07)

## THE COMMITTEE OF THE REGIONS

- welcomes the Digital Agenda for Europe, one of the seven flagship initiatives of the Europe 2020 Strategy. The overall aim of the Digital Agenda is to deliver sustainable economic and social benefits from a digital single market based on fast and ultra-fast internet and interoperable applications. The implementation of the Digital Agenda depends on the right level of ambition and commitment, which will empower Europe to build a new economic model based on knowledge, a low-carbon economy and high employment;
- notes that Local and Regional Authorities (LRAs) are amongst the main recipients of the agenda's recommendations and can be key drivers for its implementation. The priorities of the Digital Agenda for Europe at local and regional level are prerequisites for the quality of life and social and economic activity of citizens and will stimulate more efficient and personalised public services as well as local businesses;
- emphasises that the Digital Single Market is a cornerstone of the Digital Agenda for Europe that will make it possible to create a growing, successful and vibrant pan-European market for the creation and distribution of legal digital content and online services, as well as giving consumers easy, safe and flexible access to digital content and service markets;
- welcomes the Commission's initiative to simplify copyright clearance, management and cross-border licensing by enhancing governance, transparency and pan-European licensing for online rights management, creating a legal framework to facilitate the digitisation and dissemination of cultural works in Europe;
- points out that, when building the internet infrastructure and developing the services it carries, it will be crucial to ensure that security requirements are met at every level so as to guarantee optimum levels of privacy and protection of personal data. It is important here to prevent any unauthorised tracking of personal information and profiling.

<b>Rapporteur:</b>	Markku Markkula (FI/EPP), Member of the Espoo City Council
<b>Reference document:</b>	Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on A Digital Agenda for Europe  COM(2010) 245 final

## I. INTRODUCTION

### THE COMMITTEE OF THE REGIONS

1. welcomes the Digital Agenda for Europe, one of the seven flagship initiatives of the Europe 2020 Strategy. The overall aim of the Digital Agenda is to deliver sustainable economic and social benefits from a digital single market based on fast and ultra-fast internet and interoperable applications. The implementation of the Digital Agenda depends on the right level of ambition and commitment, which will empower Europe to build a new economic model based on knowledge, a low-carbon economy and high employment;

2. notes that Local and Regional Authorities (LRAs) are amongst the main recipients of the agenda's recommendations and can be key drivers for its implementation. The priorities of the Digital Agenda for Europe at local and regional level are prerequisites for the quality of life and social and economic activity of citizens and will stimulate more efficient and personalised public services as well as local businesses;

3. underlines that, among the public sector players, LRAs are the closest to ordinary people and are responsible for the most important services that affect citizens' welfare. LRAs urgently need to be able to harness new technological potential, especially in view of the economic crisis and changes in demographic structure and people's needs. Together, LRAs and associated business activities and the third sector may have the best opportunities to exploit innovation. The effectiveness with which the knowledge produced by universities and research centres is applied at local and regional level is of critical importance;

4. recalls that the CoR has always called for investment in ICT research in order to ensure the growth and development of new businesses and believes that only the effective use of ICT can speed up innovation in answering key Europe-wide socio-economic challenges;

5. recognises that online government services have, to date, consisted too much in transferring paper-based bureaucracy online. The EU and Member States should be forerunners,

spearheading efforts at European and national level in close collaboration with LRAs to bring about greater change in governmental procedures and structures by using ICT to improve the meaningfulness, quality and productivity of work and efficiency of public authorities and to reduce red tape for the general public and business;

6. considers that the actions proposed in the Communication, as they stand, do not appear to raise any issue regarding their compliance with either the subsidiarity or proportionality principles; stresses, however, that regional and local authorities should be systematically involved in the conception, implementation and governance of the measures designed to put the Digital Agenda for Europe into effect (particularly concerning the action areas Interoperability and Standards, Fast and ultra fast internet access, Enhancing digital literacy, skills and inclusion and ICT-enabled benefits for EU society for example in relation to e-Government services, climate change and intelligent transport systems).

## II. POLICY RECOMMENDATIONS

### Effective implementation a must

7. welcomes the aim of the Digital Agenda for Europe to make Europe a powerhouse of smart, sustainable and inclusive growth on the global stage;

8. recalls the Council conclusions on the Digital Agenda for Europe (Transport, Telecommunications and Energy Council meeting on 31 May 2010)<sup>(1)</sup>, which states inter alia that:

— Europe should encourage the digital economy in order to use its enabling and cross-sectoral capability to increase the productivity and competitiveness of other sectors and to take advantage of ICT to better meet global challenges such as the transformation to a low carbon and resource-efficient economy and the creation of more and better jobs,

<sup>(1)</sup> Council conclusions on the Digital Agenda for Europe (Transport, Telecommunications And Energy Council meeting on 31 May 2010) [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/trans/114710.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/trans/114710.pdf).

— the Digital Agenda for Europe plays a key role within the 'Europe 2020 Strategy' and should be consistent with the other components of this strategy and with other forthcoming flagship initiatives such as the 'Innovation Union' and 'An Industrial Policy for the Globalisation Era',

— Europe's competitive position needs to be strengthened in this important sector through reinforcing efforts on ICT Research and Development and Innovation and boosting the knowledge triangle,

— the Commission and the Member States are invited to seek ways to enhance horizontal coordination between concerned institutions at both the EU and national level in order to improve the implementation of the Digital Agenda for Europe;

9. recalls the European Parliament resolution of 5 May 2010 on a new Digital Agenda for Europe states: 'Europe will only reap the benefits of this digital revolution if all EU citizens are mobilised and empowered to participate fully in the new digital society and the person is placed at the core of the policy action' and 'whereas this digital revolution can no longer be thought of as an evolution from the industrial past but rather as a process of radical transformation' <sup>(2)</sup>;

10. acknowledges that the Information Society has been a tremendous accelerator of economic and social progress. The required transition from an Information Society to a Green Knowledge Society can even be seen as a type of paradigm shift. The importance of the Digital Agenda for Europe can be illustrated by the fact that the successful implementation of this flagship is a prerequisite for the success of the other EU 2020 Strategy flagship initiatives;

11. recognises that the quality of society is largely determined by its capacity to generate genuine learning and working together and to produce new visionary knowledge. This being the case, our society imposes entirely new requirements on work methods, work cultures, information validity, media literacy, etc;

12. notes that digitalisation and globalisation have changed business processes rapidly. OECD studies show that ICT is

having far-reaching impacts on economic performance and the success of individual firms, in particular when it is combined with investment in skills, organisational change, innovation and new business creation <sup>(3)</sup>;

13. stresses that the implementation of the Digital Agenda for Europe cannot be separated from the development of lifelong learning and human capital and the measures needed to promote them. The key to success is how well and how widely across the EU work communities and the general public, i.e. individuals and different communities, can be encouraged to play an active role in creating a substantially more innovative and productive Europe. To be fully successful, innovative grassroots activities, entrepreneurship, growth-seeking companies, and, in particular, innovative public, business and third sector partnership initiatives require strong political commitment at all levels (EU, Member States, LRAs);

14. emphasises that capabilities to accelerate innovation processes and swift implementation are critical success factors in networked societies. This requires more benchmarking and cooperation between regions and cities in order to be able to meet the challenges with innovative solutions and to apply best practices to local circumstances and cultures;

15. underlines that openness, re-usability and technological neutrality should be the guiding principles when developing public services;

### Using Europe's potential to the full

16. stresses that Europe's full potential for developing ICT services in the public and private sectors should be fully exploited and that ICT should be used as a means of improving local and regional authorities' services in fields such as healthcare, education, public order, security and social services. EU-backed public-private partnerships involving local and regional authorities and ICT-development SMEs in the area of public ICT services can serve as an excellent cornerstone for building up local skills and knowledge across the EU <sup>(4)</sup>;

17. recalls that the Digital Single Market offers enormous opportunities for European citizens, not only as customers but also as entrepreneurs and other knowledge professionals within creative industries and other businesses;

<sup>(2)</sup> European Parliament resolution of 5 May 2010 on a new Digital Agenda for Europe: 2015.eu.  
<http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P7-TA-2010-0133&language=EN&ring=A7-2010-0066>.

<sup>(3)</sup> OECD, The Economic Impact of ICT – Measurement, Evidence and Implications.

<sup>(4)</sup> CdR 156/2009 fin.

18. draws attention to the fact that implementing the Digital Agenda for Europe requires a major Europe-wide change in mental attitude: willingness to work in a horizontal and multi-disciplinary fashion, overcoming traditional boundaries, breaking silos and a mindset change towards collaboration. The desired effect cannot be achieved through conventional development projects. Large-scale pioneering projects drawing top European expertise with the involvement of all stakeholders offer a way of achieving the required change. Special attention needs to be paid to the dissemination and implementation of project results at local level;

19. highlights the fact that Europe needs more real-life user-centric research and innovation. Living Labs as a platform for university-industry collaboration are a Europe-wide concept that needs to be further developed with the engagement of end users. Well-functioning service processes enable users to take an active part in research and innovation and encourage all stakeholders to engage in continuous learning. This can have a strong positive impact in renewing local level service processes and increasing regional cooperation. Implementation of the Digital Agenda should include incentives aimed at encouraging LRAs and universities to work together to develop necessary Living Labs concepts;

20. reiterates that access to high-quality broadband at affordable prices can increase the quality of life for citizens and services provided by local and regional authorities while making it easier for micro, small and medium-sized enterprises to offer their products for sale. Remote regions and communities, especially the outermost ones, are expected to benefit considerably from more widespread and faster access to broadband services <sup>(5)</sup>;

21. calls for cities and regions to work together to create the critical mass needed for new innovative solutions. The EU and Member States should create favourable conditions for new types of pre-commercial procurement, thus increasing public sector readiness for incremental as well as radical innovations. Energy efficiency and intelligent traffic are examples of areas where there is a need for new radical developments to assist local applications;

22. points out that management of the built environment and urban planning are sectors with a high impact on the local economy as well as on the quality of the living environment. New developments in information management

can play a crucial role in achieving the goal of establishing an ambitious new climate regime. Building Information Modelling (BIM) is actively used in facility management to provide a digital representation of the physical and functional characteristics of a facility. The concepts of BIM should be extended to regional and urban planning. It could then serve as a shared knowledge resource for an area, forming a reliable basis for life-cycle analysis, user-driven business process development and value-creating decision-making;

### **A vibrant digital single market**

23. emphasises that the Digital Single Market is a cornerstone of the Digital Agenda for Europe that will make it possible to create a growing, successful and vibrant pan-European market for the creation and distribution of legal digital content and online services, as well as giving consumers easy, safe and flexible access to digital content and service markets;

24. points out that opening access to public sector information benefits society as a whole. The development of new practices using linked open data is a step towards user-centric service processes. Other benefits can come in the form of innovative services, new business models and enhanced public sector efficiency, and therefore welcomes the review of the Directive on Re-Use of Public Sector Information;

25. welcomes the emergence of Europeana, Europe's online library, museum and archive, which is intended to make Europe's cultural and scientific heritage accessible to all on the internet <sup>(6)</sup>. Accessibility to Europe's cultural heritage is a key instrument in promoting understanding of cultural diversity, strengthening and uniting people in a multilingual, multicultural Europe, and increasing economic potential in areas such as tourism and learning;

26. draws attention to the fact that the lack of common European standards for electronic messages in e-Commerce, especially invoicing, is one of the biggest technical obstacles to the realisation of a working digital single market;

27. supports the proposal to revise the eSignature Directive with a view to providing a legal framework for cross-border recognition and interoperability of secure eAuthentication systems;

<sup>(5)</sup> CdR 252/2005 fin.

<sup>(6)</sup> COM(2009) 440 final.

28. welcomes the Commission's initiative to simplify copyright clearance, management and cross-border licensing by enhancing governance, transparency and pan-European licensing for online rights management, creating a legal framework to facilitate the digitisation and dissemination of cultural works in Europe;

29. stresses the need to balance the rights of users against the rights of Intellectual Property Rights (IPR) owners. IPR protection measures should not hamper users' rights to freely use digital content as they can with content in analogues format. Nor should citizens' rights to access online content or express themselves be limited by content filtering or denying access to the network in the interest of IPR protection;

### **Interoperability and standards**

30. welcomes the proposal to reform the rules on implementation of ICT standards in Europe to allow use of certain ICT fora and consortia standards, and hopes that the Commission will provide a working definition of those standards, whether they are called open standards or open specifications;

31. agrees that Member States should implement the commitments on interoperability and standards set out in the Malmö and Granada Ministerial Declarations, especially regarding open standards and specifications;

32. stresses that local and regional authorities should be included and actively participate in wide-ranging cooperation to improve the interoperability of public administration and the effectiveness of public service delivery <sup>(7)</sup>;

### **Trust and security**

33. emphasises that the new participative platforms and interactive co-creation services (Web 2.0 and beyond), in which users have become active players, producers or 'prosumers', offer an unprecedented opportunity to unleash the creativity of Europe's citizens. It is essential to create an environment and culture of openness and trust that fosters this development;

34. points out that, when building the internet infrastructure and developing the services it carries, it will be crucial to ensure that security requirements are met at every level so as to guarantee optimum levels of privacy and protection of personal data. It is important here to prevent any unauthorised tracking of personal information and profiling <sup>(8)</sup>;

35. calls for extensive training for all staff, particularly aimed at specialist technicians (e.g. networks, systems, security, privacy, etc.), staff working directly with security procedures involving different methodologies and staff generally or indirectly involved in innovation and modernisation drives (e.g. teaching digital literacy to consumers) on trust and security related issues;

36. strongly emphasises the responsibility of content producers and the fact that the fight against illegal and harmful content must be conducted without imposing restrictions on the free flow of information (content filtering, which is used by several Member States, also blocks content it is not meant to block, and typically lacks a transparent and accountable process). Ways must be devised of protecting vulnerable users in particular. Similarly, ways must be found of monitoring harmful content and removing it from the internet at source;

### **Fast and ultra fast internet access**

37. recalls that local and regional authorities have a key role to play in helping to ensure equal and affordable broadband access in areas for instance where the market fails, in leading pilot projects aimed at bridging the e-Accessibility gap, and in developing new approaches towards people-centred public eServices <sup>(9)</sup>;

38. proposes that funding and other support measures should favour the implementation of open access broadband networks that are based on a horizontally layered network architecture and a business model that separates physical access to the network from service provision. The existing optical fibre networks should be opened to competition;

39. recalls that effective information society infrastructure must be guaranteed to all members of the population regardless of where they live. Fast and operationally reliable communication links, complemented by efficient wireless mobile services, play a key role in promoting regional competitiveness, accessibility and equality between people;

40. stresses the importance of guaranteeing the availability of radio spectrum for wireless broadband services in remote and sparsely populated areas and welcomes the Commission's commitment to coordinate the technical and regulatory conditions applying to spectrum use and harmonise spectrum bands to create economies of scale in equipment markets and allow consumers to use the same equipment and avail themselves of the same services across the EU;

<sup>(7)</sup> CdR 10/2009 fin.

<sup>(8)</sup> CdR 247/2009 fin.

<sup>(9)</sup> CdR 5/2008 fin.



### Enhancing digital literacy, skills and inclusion

41. acknowledges the ongoing transformation of the education system, where changes, even radical ones, are needed. It is no longer the job of education to provide a vast amount of information. Rather, the essence of education is learning to learn, i.e. helping people to improve their learning skills, thus enabling them to acquire and process information themselves. Here digital literacy assumes pivotal importance;

42. underlines that one of the main goals of the Digital Agenda for Europe is to promote accessibility and usability of public information and eServices. The Digital Agenda for Europe should be the driver for full integration of ICT in education and training. Digital literacy, e-skills and e-competencies require specific activities and effective learning settings for all;

43. believes that creating e-skills exchange mechanisms in Europe has the potential to engage and re-skill many additional audience groups that in some cases are currently little addressed by existing commercial or academic e-skills learning facilities. ICT-enabled possibilities for flexible work arrangements and remote working offer significant potential for new ways of employment for these citizen groups. Such initiatives will require public-private partnerships, in particular as commercial services and learning offerings need to be specifically adapted to the needs of individual groups;

44. emphasises the need for European regional and local pioneers in tackling the challenge of demographic ageing by applying new ICT-assisted systemic solutions and calls for innovative ICT-assisted concepts for Europe to be able to take the lead in active ageing in digitalised world;

45. stresses that libraries provide a useful and effective way of providing comprehensive information services to the general public regardless of social status. Best European practice is seen where libraries have been developed as digital cultural and information service centres and are located in places where people pass by on a daily basis, e.g. shopping centres. In view of this, the content of the new services and the new digital media must not only be planned on the basis of economic criteria but must be developed according to social and cultural needs;

46. stresses that effective implementation is only possible if it is acknowledged that the cultural and creative industries provide the content for ICTs and in this way contribute to their further development. The Digital Agenda has a key role in capitalising on the potential of these sectors and in creating a single and secure market for online content and services of a cultural and creative nature. If Europe's cultural heritage is to be better used, there has to be active support to digitalise it;

### ICT-enabled benefits for EU society

47. recommends that high priority be given to developing ICT-assisted concepts and methods to disseminate and implement the results of R&D in relation to real-life processes. A good example of this kind of activity is the Competitiveness and Innovation Programme CIP, which is an excellent platform for promoting the roll-out of future internet applications. CIP should be enhanced by giving substantial additional funding for the dissemination and implementation of the results of successful projects at the local and regional level;

48. believes that using digital technology methods as a means of promoting citizen involvement is important. For example, digital discussion and working environments should be created at local and regional level where citizens could participate in the development of everyday services close to them;

49. highlights the fact that the Digital Agenda for Europe has enormous potential to act as an incentive to regions and municipalities to reform their own service and production processes in a framework of European cooperation. Regions and municipalities across Europe should overhaul their own structures, working methods and processes on the basis of benchmarking and cooperation with each other, as well as with universities and businesses. Cooperation and financing at EU level would also permit much bolder risk-taking. The EU must adopt a new purposeful approach based on the idea that some LRAs are pioneers, active researchers, experimenters and decision-makers who develop new solutions for the future for the benefit of all;

50. strongly emphasises the importance of revamping the service processes in both the public and the private sector to reap the benefits of ICT-enabled process re-engineering. Speeding up e-Invoicing and e-Identification requires pioneers, cooperation and standardisation;

## Research and innovation

51. underlines the importance of the European Institute of Innovation and Technology (EIT) and acknowledges that its thematic priorities – the future information and communication society, climate change and sustainable energy – are key to the EU 2020 Strategy. The EIT can have a practical impact on the local and regional level in developing and promoting new concepts and new practices for regional and local innovativeness. This requires that some LRAs be prepared to invest sufficiently in developing their own regions to become test-beds for the EIT and Living Lab activities in which different groups of citizens and communities make an active user-oriented contribution;

52. points out that even small institutions at regional and local level can produce knowledge of worldwide interest in restricted specialist areas, especially when they participate in global networks and collaborate with knowledge-based businesses <sup>(10)</sup>;

53. encourages the Commission to further develop the concepts of the Knowledge Triangle and Living Labs, which increase synergies between different activities, have a strong relevance to real-life challenges and problem-solving and in which the regional dimension is a natural part;

54. confirms the willingness of local and regional authorities to play an increasingly active role in promoting the applications of science, technology and innovation policy, provided that an approach is adopted across all EU programmes and projects in which key funding criteria are the mapping of existing top-level global knowledge in the field of the project and its effective utilisation;

55. suggests that lessons for innovation from university-industry forefront developments need to be applied effectively to strengthen the necessary broad competence base of knowledge professionals throughout Europe;

## International aspects of the Digital Agenda

56. agrees that there is a need to promote the internationalisation of internet governance and global cooperation to maintain the stability of the internet, on the basis of the multi-stakeholder model, and concurs with the Commission in its support for the continuation of the Internet Governance Forum beyond 2010;

## Implementation and governance

57. believes that the Committee of the Regions, as a representative of LRAs and with close links to the latest developments and good digitalisation practices around Europe, should be accorded a pro-active role, along with LRAs and their representative associations, in the European Digital Agenda Governance Cycle (for instance in expert groups and in the annual Digital Assembly). LRA players and organisations representing them should be given a strong and prominent role;

58. notes that the Digital Agenda is also crucial to the success of the other flagship initiatives. For that reason, cooperation which cuts across different DGs and programmes must be increased substantially and funding for the implementation of the Digital Agenda must be channelled, in particular, through already existing programmes.

Brussels, 6 October 2010.

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

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<sup>(10)</sup> CdR 247/2009 fin.

**Opinion of the Committee of the Regions on ‘Combating homelessness’ (own-initiative opinion)**

(2011/C 15/08)

THE COMMITTEE OF THE REGIONS ISSUES THE FOLLOWING RECOMMENDATIONS

- Homelessness is an extreme form of poverty and social exclusion, and should therefore be paid more attention in the EU’s Social Protection and Inclusion Strategy. It is wrong for the European Union to have high levels of homelessness. The European Year 2010 on fighting poverty and social exclusion is a good moment to raise awareness for this persistent problem, which risks becoming worse in the context of the economic crisis. Any initiatives to tackle this problem should of course be conceived in a long-term perspective, reaching beyond the year 2010 and the current crisis.
  
- The Committee points to the key role of local and regional authorities when it comes to taking practical and vigorous action to combat homelessness. They bear the real responsibility and also have substantial experience, and in many cases effective methods and programmes geared to both pre-emptive and acute and long-term measures. This increases the need for a clearer division of responsibilities between the various authorities and levels of government. It is also worth noting here that homelessness can be concentrated in certain regions of a country or in certain countries. European-level and national mechanisms are therefore needed to provide financial support for regions where homelessness is particularly acute not least in the interest of territorial and social cohesion.

**Rapporteur:** Tore Hult (SE/PES), Vice-president of Alingsås Municipal Council, Sweden

## I. POLICY RECOMMENDATIONS OF THE COMMITTEE OF THE REGIONS

### Background and premises

1. The Committee notes that it will be impossible to achieve economic, social and territorial cohesion, which is a cornerstone of EU policy, if some of the EU's population are homeless and therefore do not have the means to develop personally and professionally. The Committee stresses that homelessness is a particularly serious issue for children and young people.

2. Homelessness is an extreme form of poverty and social exclusion, and should therefore be paid more attention in the EU's Social Protection and Inclusion Strategy. It is wrong for the European Union to have high levels of homelessness. The European Year 2010 on fighting poverty and social exclusion is a good moment to raise awareness for this persistent problem, which risks becoming worse in the context of the economic crisis. Any initiatives to tackle this problem should of course be conceived in a long-term perspective, reaching beyond the year 2010 and the current crisis.

3. The basis for discussion must be that the EU Member States are facing a shared problem. Homelessness afflicts individuals regardless of their level of education, cultural background or previous economic circumstances, and it occurs in all the EU Member States. We therefore need joint measures to prevent and reduce homelessness.

4. Homelessness is the cause of major personal tragedies, and also has significant social costs. If the number of homeless people were reduced, those social costs would also fall, more people would be integrated into society, and thus Europe would progress.

5. The Committee points out that homelessness is caused by a conjunction of circumstances and should therefore not be seen as being caused exclusively by personal issues.

6. The Committee stresses that homelessness is caused by a combination of factors such as a lack of affordable housing, low-paid work, substance abuse, deficiencies in the substance abuse rehabilitation system, mental health problems, sickness, domestic violence, unemployment, problematic personal relationships, poverty, release from prison and re-integration into society, as well as changes and cuts in welfare support. A particularly important factor is property owners' view of the

homeless and the extent to which they can help to find ways of providing accommodation for the homeless. Coordination and a combination of different measures are needed in order for efforts to succeed.

7. There is a need to understand much better why homelessness arises and what mechanisms cause it to persist. Such an understanding is the basis for adopting effective measures in different policy spheres.

8. The Committee regards homelessness as a serious problem and believes that efforts are needed at several levels, partly preventive and awareness-raising measures but also, and not least, measures to improve incentives to build housing.

9. The Committee points to the key role of local and regional authorities when it comes to taking practical and vigorous action to combat homelessness. They bear the real responsibility and also have substantial experience, and in many cases effective methods and programmes geared to both pre-emptive and acute and long-term measures. This increases the need for a clearer division of responsibilities between the various authorities and levels of government. It is also worth noting here that homelessness can be concentrated in certain regions of a country or in certain countries. European-level and national mechanisms are therefore needed to provide financial support for regions where homelessness is particularly acute not least in the interest of territorial and social cohesion.

10. The Committee believes that a general homelessness strategy requires that the EU institutions be more active in supporting progress and monitoring measures taken. The subsidiarity principle must nevertheless be respected and the key role of local and regional authorities recognised.

11. The Committee notes that international declarations and national laws demonstrate an increasing wish to raise awareness of homelessness as a major social problem. The right to housing is enshrined in many countries' constitutions.

12. Many of the proposals and measures outlined here are based on this important shared principle and the existing framework, which means that the most pressing issues surrounding homelessness can be addressed without creating new legal instruments.

13. There is no common European definition of homelessness, and the Committee would therefore urge the Member States as far as possible to use the ETHOS typology (European Typology of Homelessness and Housing Exclusion). This should make it possible to compare situations in the Member States and results of different initiatives. Homelessness is defined in this typology as:

- *being without a roof over one's head* (no shelter of any kind, sleeping in the street);
- *having no fixed abode* (e.g. living in temporary accommodation for the homeless, hostels, other shared accommodation for certain groups of people, supported housing);
- *insecure housing* (accommodation without a secure lease or lodging with family or friends because one has no accommodation of one's own);
- *living in substandard accommodation* (e.g. in a hovel, a dwelling without sanitary facilities or that is condemned under national law, a caravan or cabin that is not intended for year-round habitation, or overcrowded accommodation).

14. The Committee believes that combating homelessness must remain a priority among the EU's social inclusion policy measures. One important reason for this is that the Social Protection Committee (SPC) identified homelessness and housing exclusion as its thematic focus for 2009. In particular, 2010 as the EU Year for Combating Poverty, is an excellent occasion to step up efforts to combat homelessness, as the most extreme form of exclusion.

15. Good-quality, affordable accommodation is a primary personal good and right. The Member States must therefore make every effort and adopt measures to help find housing for everybody who is entitled to such support under national law.

16. In addition to the obvious social consequences for the victims of homelessness, it is necessary to mention the socio-economic benefits that result from people having housing and work.

17. The Committee draws attention to the direct and indirect economic costs of homelessness for the local and regional authorities of the Member States. Most relevant are obviously the direct costs in the form of specific or general resources needed to deal with homelessness. Another cost is the loss of tax revenue from gainful employment. To sum up, homelessness is an obstacle to economic growth in many countries and to the sustainable society we want to create that is also described in the Europe 2020 strategy.

18. Statistics on these economic implications support the use of prevention programmes, which are inexpensive when set against the total costs of homelessness.

#### Committee of the Regions recommendations

19. The Committee thinks that the Member States should recognise the significance of this social problem and that further steps are necessary to intensify ongoing efforts. A basic prerequisite for the success of efforts to combat homelessness is coordination between the initiatives of all levels of government involved (local, regional, national and intergovernmental).

20. The main difficulty in combating homelessness is that a wide range of policies have to be pursued and responsibility shared between different public authorities. To be effective, the fight against homelessness must include, inter alia, urban planning policy, housing construction, social policy, employment and health, including mental health. This means encouraging contractual and regional agreements between the authorities responsible for financing housing, for issuing building permits and for social support arrangements.

21. The Committee stresses that pre-emptive, acute and future measures must be provided for so as to ensure that the situation improves.

22. The Committee believes that current knowledge about the causes of homelessness does not allow policies to be drawn up which give full consideration to the diversity of people who are homeless and the different ways in which they can end up on the street. Furthermore, systems for dealing with these people often result in individuals being assigned to artificial categories based on whether they fit one or other profile. The ability of homeless people to participate fully in society is undermined by this lack of knowledge.

23. The Committee of the Regions believes that it is necessary now to get beyond this view of things and adopt a human and personalised approach based on each individual's own lifecourse, so as to provide appropriate responses. This means implementing programmes to combat homelessness as closely as possible to the people concerned. The local and regional authorities therefore have a key role to play.

24. The Committee of the Regions therefore sees the need to optimise and expand statistical tools. Data harmonisation at European level must be promoted by extending the work on the ETHOS typology and more generally supporting comparative approaches between the Member States. It is also necessary to encourage reform of existing tools so as to favour lifecourse-based approaches, taking account of the factors that have resulted in a person being homeless, that create the on/off phenomenon and that contribute to definitive resolution of the problem.

25. The Committee calls on local and regional authorities to organise a wide cooperative effort and institutional coordination in different areas in order to improve overarching measures and monitoring of homelessness. What is needed is long-term cooperation between different local and regional authorities and long-term strategies, which together can eradicate the problem and its causes, because short term or ad hoc measures will not suffice.

26. Many Member States lack both reliable official data on the extent of homelessness, as well as information on effective measures to tackle the problem. The Committee of the Regions urges the Member States to work together through the EU in order to develop an overarching, integrated homelessness strategy and then to ensure that such a strategy is underpinned by the national policy-framing that is needed in order for it to be effective.

27. Housing is a primary personal good and a basic prerequisite for an individual's integration into society and the labour market. The Committee of the Regions therefore urges the Commission to consider more closely the principle of the right to adequate accommodation and how such a right could be formulated.

28. The Committee sees a need for robust measures to combat homelessness. A common political position on homelessness is necessary to create the foundation for future efforts. Otherwise there is a risk that measures will be fragmented and poorly coordinated. Existing initiatives in many local and regional authorities should be further developed and publicised. National and international models and methods are needed to prevent homelessness. General measures to raise public awareness are also critical to promoting a joint effort.

29. The Committee stresses the need to counter the view in society that homelessness is a matter that concerns only the individual affected. More nuanced views of the causes of homelessness are needed and its consequences for society must be examined. It would therefore be appropriate for the Commission to take measures to create a more nuanced picture.

30. The Committee urges local and regional authorities to consider the right to housing as one of the primary personal goods, and to get involved in research on the causes of homelessness, and on its consequences and costs. A better understanding of homelessness should form the basis for efforts and preventive measures, which will then make it possible to assess whether what has been done has had an effect.

31. In the Committee's view, the total expertise accumulated so far is thinly disseminated and poorly used by public authorities. A more strategic plan should be drawn up on how information can reach the right level.

32. The economic arguments for combating homelessness must be further elaborated. It should be possible to prepare a

number of new reports over the next few years. The growing expertise can then be the basis for further efforts.

33. The Committee recommends that a permanent system for identifying good practice be set up at EU level. It stresses the need for local and regional authorities to exchange examples of good practice in relation to awareness-raising initiatives, preventive measures, staff training and targeted support for different categories of homeless people.

34. The Committee has a very positive view of the initiatives and projects that are being organised by local and regional authorities to combat homelessness, but notes that exchange of good practice must be stepped up. This could be done through a quality programme for exchanging staff who work directly on homelessness in the different Member States. Such an exchange programme should be adequately funded and it should be possible to develop it into a new type of exchange service within the Union.

35. The Committee points to the need for a better understanding of the prevalence and patterns of homelessness in the EU. For example, it would be useful to have data broken down by gender, age, nationality, social conditions and other key indicators. Without such information it will be difficult to frame the economic and social strategies that are needed to address homelessness. The Committee recommends that statistics be based on the definition of homelessness approved by FEANTSA. The Commission should be asked to address this issue soon.

36. The Committee believes that homelessness, by affecting a primary personal good, violates the fundamental rights of the individual and their human dignity and right to control their own life. Homelessness is most serious in the case of children, who have often no power to change their situation. The Commission should therefore look into options for the Member States to introduce some form of guarantee at national level that homelessness will be eradicated for children under 18. An assessment should be made as to whether to include the disabled under these provisions.

37. It cannot be emphasised enough that lack of housing is a problem in itself. More consideration should be given to the positive results of experiments with the Housing First approach, provided that homeless people are offered not only housing but also support, in order to address the other problems that go hand in hand with homelessness.

38. Various initiatives and information campaigns must be undertaken with property owners. A fundamental principle in combating homelessness should be the shared concept of universal and equal human dignity and people's wish to improve their situation and contribute to social development. Property owners are particularly important in efforts to avert lack of housing. Incentives should be created to provide accommodation for homeless people.

39. The Committee points out that more emphasis must be placed on training and upskilling among those working on homelessness. In countries that provide special training for professionals working in schools, the legal system, healthcare, mental health, the social services and the police, significant progress has been made towards strengthening efforts to combat homelessness at an early stage. More resources should be earmarked for training when planning for the next Structural Fund period.

40. The Committee stresses the importance of the preventive work done by local and regional authorities, but points out that emergency relief is also needed. Temporary accommodation must be available. After all, it is unacceptable for homeless people to remain stuck in the shelter system. Certain countries have adopted a strategy to close all general shelters for the homeless, who instead are to be immediately offered solutions adapted to their needs. Preventing evictions is of crucial importance here.

41. Local and regional authorities should improve their support for the voluntary sector. Homelessness is a structural and policy problem that all public authorities must engage with, but where voluntary organisations also play an important role. Thought should be given to how the European Union can help voluntary organisations to play a more prominent role. The European Year of Volunteering 2011 should be used as an opportunity to raise awareness and explore new forms of cooperating with voluntary organisations on this important issue.

42. The Committee recommends that special economic programmes be introduced at EU level designed to underpin national and local/regional efforts to combat homelessness, as well as developing quality criteria. Exchanging experience must be encouraged in order to optimise the impact and application of resources. The Committee therefore recommends that more

account be taken of this issue in the context of future EU funding.

43. The Committee proposes that local and regional authorities be given the opportunity to draw up programmes to integrate homeless people into society and the labour market by introducing incentives for employers to recruit them. In the same way, local and regional authorities can encourage integration through training initiatives designed to strengthen homeless people's place in society. The positive experience with such measures must be more widely publicised.

44. Measures intended to promote information about homelessness must be more structured.

45. The Committee suggests that a European homelessness centre be set up as the coordinating body that is currently lacking. Its main tasks would be to ensure coordination, but it would also help to build knowledge and develop joint strategies. The Committee urges the European Commission to look into the possibility of setting up such a body, which would also be responsible for monitoring the situation of homeless people in the Member States. The role of the centre should be to coordinate and support reforms in the Member States, for instance through exchange of best practice. It is worth noting that efforts at EU level could have real added value if the open coordination method for social protection and social inclusion is used.

46. The Committee considers that female homelessness is continuously on the rise, and that the particularly vulnerable situation of homeless women needs to be taken into account in its socio-economic and work-related aspects, and with regard to the problems that continue to exist in access to services. This matter needs to be dealt with specifically by the Member States.

Brussels, 6 October 2010.

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

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**Opinion of the Committee of the Regions on ‘The implementation of the European neighbourhood policy and in particular the Eastern partnership initiative: modernisation, reforms and administrative capacity of the local and regional authorities of the Republic of Moldova’ (own-initiative opinion)**

(2011/C 15/09)

THE COMMITTEE OF THE REGIONS

- welcomes the launch of the programme of ambitious reforms designed to strengthen democracy, market economy and the principles of the rule of law, the start of new association agreement negotiations and the opening of the dialogue on liberalising the visa regime;
- notes that it would make sense to extend CoR participation to the two other platforms as they cover activities directly involving LRAs (especially, Platform 2 – Economic integration and convergence with EU policies);
- recommends to consult and involve LRAs in the new association agreement negotiations, in developing regional development pilot programmes, and in monitoring and assessing implementation of regional development policy. Therefore, the CoR also wishes to play a constructive role in the negotiation and conclusion of a memorandum of understanding between DG REGIO and the Ministry for Construction and Regional Development;
- notes that consolidating financial autonomy of LRAs will be crucial for future management of European funds and for stepping up regional and cross-border cooperation;
- highlights the importance of continuous exchange of experiences by making twinning agreements between institutions and communities, teaching, study visits and participation of Moldovan LRAs in the EU regional bodies (as either members or observers) standard practice.



**Rapporteur:** Mr Alin-Adrian Nica (RO/ALDE), Mayor of Dudeștii Noi

## I. POLICY RECOMMENDATIONS

### THE COMMITTEE OF THE REGIONS

1. notes that, following the early parliamentary elections of July 2009 and the change in government, the Republic of Moldova has launched a programme of ambitious reforms designed to strengthen democracy, the market economy and the principles of the rule of law and, implicitly, to bring the country gradually closer to the EU; The new political situation and the approach taken by the Moldovan Government to reforms to align the country with European standards are opening up new opportunities for cooperation between local and regional authorities in the EU and Moldova;

2. welcomes the launch in January 2010 of negotiations on the new association agreement which will underscore the importance of cooperation between the EU and Moldova and bring the two sides closer together. The new agreement will be ambitious, going beyond the traditional forms of cooperation between the EU and Moldova and helping further political dialogue and economic development and improve the well-being of people in Moldova. The association agreement will include the establishment of a comprehensive free trade area which will promote the economic integration of Moldova into the EU market by stepping up trade relations and investment, which in turn will boost cooperation between economic actors at local and regional level;

3. welcomes the opening of dialogue on liberalising the visa regime, which could enable Moldovan citizens to travel without visas in the Schengen area; similarly, applauds the signing of the small border traffic agreement between Romania and the Republic of Moldova, which entered into force in March 2010. This agreement will enable Moldovan citizens living within 50km of the border between Moldova and Romania to travel the same distance into Romania; considers that this will help improve contacts between people as well as between local administrations along the EU's external border with Moldova, and is an important step in overcoming administrative barriers to the development of cross-border partnership;

4. supports the introduction of the 'Rethink Moldova' programme launched on 24 March in Brussels, which entails a strategy to reform key sectors in the Republic of Moldova and sets mid-term development priorities (2011-2013) on the basis of three pillars: responsible governance, economic recovery and development, and investment in human capital;

5. notes that the European Commission has invited the Committee of the Regions to take part in the activities of Platforms 1 (Democracy, good governance and stability) and 4 (Contacts between people). However, it would make sense for these consultations to be extended to the other two platforms as well since they include activities in which local and regional authorities are directly involved. One pertinent example is cooperation with Moldova in the field of regional policy based on best practices in EU cohesion policy (Platform 2 – Economic integration and convergence with EU policies);

6. would like this own-initiative opinion to contribute to promoting local and regional democracy in Moldova and to bring new impetus to the tangible efforts in the context of the European Neighbourhood Policy and, particularly, the Eastern Partnership. This opinion focuses on opportunities for identifying solutions to common problems by stepping up regional and cross-border cooperation between the regional and local authorities of the EU and Moldova;

7. points out that local and regional authorities in the Republic of Moldova enjoy greater competitive advantages in their relationship with the EU than do other members of the Eastern Partnership, owing to the country's proximity to the EU, its size and the central government's openness to European territorial cooperation. In line with the traditions formed when European Neighbourhood Policy instruments were implemented, such as the Moldova-Romania-Ukraine cross-border cooperation programme (2007-2013), given the limited size of the country, all of the Republic of Moldova and its local and regional authorities are eligible for cross-border partnership projects. These traditions have naturally been extended to initiatives under the Eastern Partnership aiming to achieve territorial cohesion along the external borders of the EU;

8. welcomes that fact that the decentralisation of power and guarantee of local self-government is one of the five strategic priorities of the Moldovan Government's Action Plan on European integration: freedom, democracy and well-being for 2009-2013; hopes that decentralisation will represent an irreversible policy option on Moldova's domestic reform agenda;

9. considers it important that the local general elections announced for the summer of 2011 be held in accordance with the European principles of European local democracy, to ensure an appreciable and gradual improvement in the performance of the government and electoral authorities compared to the local elections of 2007, which the international community deemed free but only partly fair;

### **The decision-making process and key priorities at local and regional level**

10. notes that the Moldovan Government is reviewing what is needed in terms of the modernisation and reform of local and regional autonomy; awaits with interest efforts to ensure genuine, well-functioning administrative and fiscal decentralisation, improve policies for financial equalisation and the allocation of resources at local and regional level, extend the tax base of local administrations, promote public-private partnerships in the development of public services and consolidate the administrative capacities of subnational authorities;

11. in light of recent developments in relations with the EU, recommends that local and regional authorities be formally consulted and involved in the negotiations on the new association agreement between Moldova and the EU. This consultation could take the form of non-hierarchical, structured, permanent dialogue with associations of local and regional authorities during the negotiations on each chapter of the future association agreement in which the local tier of public administration is directly involved (chapters on domestic reform, tourism, agriculture and rural development, education, teaching and youth, cross-border and regional cooperation, institutional capacity-building, etc.). Currently, local and regional authorities and their associations are not included in the jointly agreed establishment plan's list of institutions participating in the negotiations;

12. welcomes the fact that, on 20 May 2010, a special parliamentary committee was set up to amend and complete the legislative framework concerning the process to decentralise and strengthen local self-government, with the specific remit of furthering measures to implement the constitutional principles of local self-government and the decentralisation of public services, in strict compliance with the European Charter of Local Self-Government; supports this committee's aim of conducting a comprehensive assessment of the legal framework covering all aspects of activity by local and regional authorities, which will enable decentralisation to be fully implemented, including at sectoral level, in the fields of education, health, social protection, the environment, law and order, etc.; expresses the hope that the reform measures to strengthen local self-government will be implemented in a timely fashion, so that all the implementation mechanisms can be operational by the time of the local general elections in the summer of 2011;

13. considers that, in order to reach a consensus among all stakeholders on the proper approach, an open and systematic dialogue is to be held with the national associations of local and regional authorities; praises the efforts that have recently been made to unite the local and regional authorities of Moldova in one single apolitical national association which would represent local and regional communities vis-à-vis the central authorities; urges the authorities of the Republic of Moldova to consider granting local and regional authorities the right of legislative

initiative; recommends that efforts to reform the central public administration be harnessed to efforts to reform local and regional authorities; this would be an appropriate time to decide which competences should remain in the hands of the central government and which, flanked by the necessary funding, can be delegated or, insofar as administrative capacities permit, transferred to the local and regional authorities;

14. notes that the lack of systematic, robust autonomous management of local finances inevitably reduces local and regional authorities' ability to take full responsibility for managing European funds, which requires adequate administrative and planning capabilities and enough funds to cover the local financial contribution; points out that, with regard to the growing role of programmes aimed at local and regional communities in the EU's neighbouring countries, consolidating the financial autonomy of local authorities is a key part of the process to identify solutions for common problems through regional and cross-border cooperation between local and regional authorities in the EU and Moldova;

15. awaits with interest the implementation of a transparent, fair, credible system of local public finances, in which there would no longer be rigid practices and clientelism supporting an unbalanced system of discretionary distribution of budget resources to local communities; it would no longer be possible to influence the structure of revenues accumulated by other administrative levels; greater independence would be given to the local budget process, guaranteeing adequate revenues and enabling the collection of own taxes, which would allow resources to be managed independently and, indirectly, would make it possible to design local economic development policies; powers would be delegated by the State to local communities, accompanied by the necessary financial resources; procedures for financial equalisation would become true instruments to support disadvantaged communities; resources would be allocated transparently, enabling predictable financial management by all local communities; local financial autonomy would be protected from the interference of public authorities at other levels;

16. points out that the lack of any clear delimitation of responsibilities among local and central authorities is preventing the decentralisation process from moving forwards, and the overlapping responsibilities of different levels of public administration are having a negative effect on the quality of public services; hopes that the reforms in this area will ensure that resources are proportionate to the powers assigned; highlights that the delegation of powers to local authorities can only take place under conditions of equality between the parties, with full coverage of costs and legal protection of local autonomy; considers that the administrative oversight of the implementation of powers delegated to local authorities by the State should not degenerate into the surveillance of local authorities by the central government;

### Cross-border and regional cooperation

17. shares the opinion that the Republic of Moldova should closely monitor the recent discussions on the future of the European spatial development policy occasioned by the entry into force of the Lisbon Treaty, which explicitly refers to a new concept of territorial cohesion. This policy – a symbiosis between the EU's territorial and cohesion policies – is expected to have an impact on and boost extra-regional cooperation between European Neighbourhood Policy partner countries after 2013;

18. notes with satisfaction that the Republic of Moldova recently completed the process of establishing the legal and institutional framework for regional development, along the lines of the system in place in the EU Member States; welcomes the establishment of the development regions, functional territorial units which form a framework for the planning, assessment and implementation of regional development policy under the EU's nomenclature of territorial units for statistics, NUTS; applauds the creation of the national council for regional development coordination and the national fund for regional development which receive 1 % of the State budget each year (approximately EUR 8 million in 2010); highlights the fact that money is distributed by the fund on the basis of a transparent and sustainable mechanism for financing regional development;

19. awaits with interest the role that will be played by the regional development councils set up recently in the development regions in order to coordinate development activities at regional level and to implement regional development projects aimed at sustainable economic growth at regional level; recommends building the operational capacity of the regional development councils, which accord equal status to representatives of local and regional authorities on the one hand and representatives of the private sector and civil society on the other, and highlights the importance of fully involving local and regional authorities in monitoring and assessing the implementation of regional development policy;

20. recommends, given that Moldova has a system and an institutional framework for regional development compatible with European standards, developing pilot programmes for regional development, structured around the interconnection of energy and transport (including rail) networks with those in the EU, local needs in terms of infrastructure, human capital and small and medium sized enterprises and modelled on EU cohesion policy; highlights that it would be beneficial for these projects to be geared primarily towards disadvantaged areas and regions that have greater need for economic growth and development;

21. since the regional development institutions are fully operational, recommends that part of the EU's 2010 rural devel-

opment funds for the Republic of Moldova be allocated to the national fund for regional development;

22. considers that a major source of funding for regional development projects are cross-border cooperation initiatives either carried out under the aegis of the European Neighbourhood Policy (Moldova-Romania-Ukraine cross-border cooperation programme 2007-2013 and the joint operational programme in the Black Sea basin 2007-2013) or conducted jointly with the euroregions to which Moldova belongs: Lower Danube (Romania-Moldova-Ukraine), Siret-Prut-Dniester (Romania-Moldova) and Upper Prut (Romania-Moldova-Ukraine). In order to boost confidence, steps have recently been taken to set up a Dniester euroregion (Moldova-Ukraine) which would include local authorities from the left bank of the Dniester river, areas which are not governed by Chişinău. With some exceptions, the boundaries of the Central, North and South development regions correspond to the boundaries of the Moldovan administrative and territorial units which belong to these three euroregions. The problems requiring attention from the perspective of cross-border partnerships include administrative barriers (taxation, visa regime) and the limited local and regional capacity to identify and develop high-quality projects;

23. believes that the overall agenda for immediate local and regional administrative reform must be accompanied by continuous exchange of experience, so that the best practices of EU local and regional authorities can be adopted. Contacts must be stepped up with a view to transferring knowledge through specific cooperation projects between local and regional authorities: these would include twinning agreements between institutions and communities, teaching, study visits and the participation of national associations of Moldovan local and regional authorities in assemblies of representatives of EU regional bodies, as either members or observers. Although such activities have been organised recently on an ad hoc basis, they should be made standard practice through a broad programme of institutional capacity-building and assimilation of best practices by local and regional authorities. The initiative to draft a framework agreement for cooperation between Moldovan and EU local and regional authorities, based on the provisions of the new association agreement, also deserves praise;

24. encourages the negotiation and conclusion of a memorandum of understanding between the European Commission's Directorate-General for Regional Policy and the authority implementing regional development policy in Moldova (Ministry for Construction and Regional Development) in order to promote the dialogue on regional policy and regional cooperation (in the context of the Eastern Partnership) and build administrative capacity in the field of regional development at national and regional levels;

25. encourages institutional capacity-building and the development of an institutional twinning scheme between Moldova's recently created regional development agencies and similar agencies in the EU, and within non-governmental bodies (European Association of Regional Development Agencies) and associations of local and regional authorities, such as the

recently established congress of local authorities CALM (Congress of the Local Authorities from Moldova); proposes looking into the possibility of giving Moldovan local and regional authorities observer status on some EU institutions dealing with regional policy (Committee of the Regions, Economic and Social Committee).

Brussels, 6 October 2010.

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

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

(2011/C 15/10)

THE COMMITTEE OF THE REGIONS

- considers that political stability, economic development and a high standard of living for the people of Georgia are of huge importance to the EU. However, building stronger mutual relations has become even more important in the context of the Black Sea Synergy programme;
- welcomes the signing of visa facilitation agreement with Georgia, as it is EU's message of openness to the Georgian citizens;
- urges the Georgian government to amend its legislation in line with the *European Charter of Local Self-Government* and to revamp its regional system of government, so that it can serve as a basis for development. It is particularly important to legally define the functions of the region as a territorial unit in Georgia and to establish the competences of regional authorities;
- calls for action enabling the participation of Georgian local and regional representatives alongside central government representatives as early as possible in work on the formulation of agreements, reports and action plans drawn up within the framework of EU-Georgia bilateral relations;
- proposes developing a truly territorial dimension for the Eastern Partnership and, accordingly, urges the EU Member States and its partner countries, including Georgia, to sign a multilateral agreement enabling the implementation of a European Grouping of Territorial Cooperation (EGTC) in the Eastern Partnership region, which includes Georgia. An EGTC can help strengthen cooperation and foster cross-border relations, the exchange of experiences as well as 'people-to-people' contacts between local and regional authorities in Georgia and the EU Member States.

**Rapporteur:** Mr Jacek Protas (PL/EPP), Marshall of the Warmińsko-Mazurskie region

## I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

### Strategic challenges in EU-Georgia relations

1. confirms that the EU's main objective in Georgia is to promote peaceful, safe and stable governance, which can contribute to the development of good neighbourly relations and stability in the region, share European values and shape institutional and legal inter-operability in the region of the Southern Caucasus and in its relations with the EU;

2. confirms that support at both national and local level for democratic reform, the rule of law and effective governance is a matter of priority in EU-Georgia relations;

3. considers that political stability, economic development and a high standard of living for the people of Georgia are of huge importance to the EU. However, building stronger mutual relations has become even more important following the EU's most recent phase of enlargement, which saw the accession of Romania and Bulgaria, both of which share a common sea with Georgia, and particularly in the context of the Black Sea Synergy programme;

4. welcomes the signing of visa facilitation agreement with Georgia, as it is EU's message of openness to the Georgian citizens;

5. welcomes the inclusion of Georgia in the European Neighbourhood Policy (ENP), the European Neighbourhood and Partnership Instrument (ENPI) and its integration into the Eastern Partnership (EaP) and notes that this initiative will make it possible to deepen EU-Georgia relations;

6. stresses the importance of the Eastern Partnership initiative within the ENP. The Committee endorses the objectives of compliance with the principles of the rule of law, good governance, respect for and protection of minorities, acceptance of the rules of the market economy and sustainable development;

7. welcomes the fact that the European Commission has invited the Committee of the Regions to take part in the Eastern Partnership, in particular in the work on the thematic platforms on *Democracy, good governance and stability* and *People-to-people contacts*;

8. underlines that the ENP was set up to help cross over the line which divides Europe through the gradual expansion of the area of democracy, prosperity and safety;

9. calls on the EU and Georgia to draw on the extensive knowledge and experience gained by the new EU Member States during their period of economic and social reform through twinning, secondment and other available support programmes;

10. stresses the need to coordinate the various initiatives and programmes and to link together all operational projects and instruments in order to avoid any duplication of EU action;

11. in light of the local elections held in May 2010, welcomes the progress towards meeting international standards but certain shortcomings remain to be addressed; in particular, while overall the elections were organised in a transparent, inclusive and professional manner and there were significant improvements which demonstrated that the authorities are attempting to address previous shortcomings, concerns remain with regard to voter mobilisation, the lack of an even playing field for some candidates, and a sometimes unclear boundary between state funded, government activity and party political activity;

### Priorities for the development of local government

12. highlights that local and regional authorities have a vital role to play in implementing the ENP's objectives in Georgia. This role primarily involves their contribution to local development, the improvement of local economic relations, respect for human and fundamental rights, facilitating mobility and their support with setting up mutual contacts;

13. recommends drawing up agreements, establishing direct cooperation and exchanging experiences and mobility between Member States' local and regional governments and Georgian local government in order to exchange knowledge and assistance in the field of development at local and regional level;

14. emphasises that the strengthening of local government in Georgia is a priority issue. Considers that more resources should be allocated to improving administrative capacity at local level. This may be achieved under the EaP with the help of Comprehensive Institution-Building Programmes (CIB) which comprise: twinning programmes, high level consultations, training and staff exchange programmes, internships, and bursaries for vocational training. It is also vital to support Georgia in the process of establishing an academic base in the area of research on local government and regional development;

15. recommends that Georgia modernise the administrative standards of its local authorities and upgrade their administrative capacity with practical assistance from the EU. This can be achieved by strengthening and deepening political dialogue, people-to-people contacts and twinning instruments as well as through the exchange of best practices between EU and Georgian partners involved in carrying out political and social reform;

16. urges the Georgian government to amend its legislation in line with the *European Charter of Local Self-Government* and to revamp its regional system of government, so that it can serve as a basis for development. It is particularly important to legally define the functions of the region as a territorial unit in Georgia and to establish the competences of regional authorities;

17. welcomes the fact that the Georgian authorities have achieved many successes during the four years' existence of the new form of local government. It has been possible to elaborate a more effective and transparent method for financing local government, to continue reconstructing local infrastructure and to promote more active local communities. Yet, in spite of these successes, much remains to be done;

18. urges the Georgian authorities to consider introducing a lower tier of local government in the future as and when local governance becomes more established in Georgia, or to increase the existing number of municipalities. The Committee believes that local government action at the lowest tier can ensure that local problems are resolved more effectively and more quickly, that local people get more involved and can also encourage a greater sense of responsibility for joint projects. Also calls for thought to be given to the idea of establishing regional-level government;

19. welcomes the fact that the new legislative measures that will come into effect after the 2010 local elections have increased the importance of councils as local representative bodies, chosen through local elections, at the expense of mayors;

20. encourages the Georgian authorities to improve the mechanism for the transfer of funds to local government and for the country's regional development needs. Calls on the Ministry of Regional Development to play a greater role within this mechanism and to stem the exclusive competences of the Ministry of Finance in this area, as it is unable to take account of the regions' needs as well as a department specialised in this domain;

21. notes the need to decentralise financing in Georgia. Most local authorities are over 90 % dependent on budget subsidies for their revenue;

22. urges the Georgian authorities to amend the country's Electoral Code to allow the participation of independent candidates in the country's local elections. This will reduce the politicisation of local government in Georgia and admit local leaders into its ranks;

23. urges the Georgian authorities to devise mechanisms to enable local government representatives to get more involved in framing and implementing the Regional Development Strategy and other state documents on the development of individual local authorities;

24. calls for action enabling the participation of Georgian local and regional representatives alongside central government representatives as early as possible in work on the formulation of agreements, reports and action plans drawn up within the framework of EU-Georgia bilateral relations, in particular as part of the ENP and the preparation and implementation of the National Indicative Programme – NIP;

25. calls on the Georgian government to establish mechanisms for dialogue and consultations with local government, the social partners and civil society by integrating them into EU cooperation procedures;

26. recommends involving local and regional authorities in the implementation of projects in the four key areas outlined in the Cross-border Cooperation Strategy Paper 2007-2013:

— economic and social development;

— environmental protection, health protection and the fight against organised crime;

— cross-border movement issues;

— people-to-people contacts;

encourages action via smaller scale projects, where priority will be given to projects to improve overall standards of living;

27. stresses the role of local NGOs and local media, who act as watchmen and inspectors monitoring the proper operation of local authorities, the transparency of their activity and the results of their work. The media and NGOs play a hugely important role in analysing the specific problems of local communities and authorities and discussing possible solutions and their implementation;

28. urges the European institutions to give more support to local NGOs and the local media in Georgia;

### Priorities for regional development

29. is delighted to note that the European Commission has recognised regional development and support for the agricultural sector as an important area for continued or even increased assistance for Georgia as part of the NIP for the years 2011-2013;

30. welcomes the creation of a Ministry for Regional Development and Infrastructure in Georgia in 2009, which has become a key partner for the EU;

31. welcomes the fact that the Georgian authorities have made regional development one of their political priorities, with the aim of boosting the country's economy. The Committee values Georgia's efforts and successes in this area. At the same time, it draws attention to the fact that much remains to be done particularly in terms of developing a bottom-up approach;

32. urges the Georgian authorities to continue the 'Georgia without poverty' programme begun before the 2008 conflict and to further develop the health insurance system for those most in need. Poverty remains a serious problem in Georgia, which should be addressed using EU assistance;

33. encourages the Georgian authorities to use EU assistance to launch an active and determined fight against unemployment, which remains a serious problem, particularly in rural areas. Also urges the creation of institutions tasked with monitoring and combating unemployment. It is vital to resolve the problem of the gulf which exists between people's education and skills and the actual needs of the labour market;

34. draws attention to the need to continue with the reform and development of Georgian agriculture. Urges the Georgian authorities to agree the final details of the country's Agricultural Development Strategy and to adopt the document and increase government investment and encourage more private investment in the agricultural sector. This is vital as rural areas are home to the largest group of Georgian citizens living below the poverty line;

35. values Georgia's efforts to improve the quality of its statistical research and to adopt a new law on statistics, which provides for the setting up of a Statistics Agency. Calls on the EU institutions and the Member States to assist with implementing this legislation;

36. urges the EU institutions and the EU Member States to assist Georgia with preparing and carrying out statistical research and with compiling the results of such work. There can be no effective regional policy or regional development without detailed and specialist data at regional level;

37. calls for EU support for the formulation of a spatial management plan for Georgia;

38. notes the huge importance of the issue of environmental protection in Georgia. Natural resources – water, forests, coastal areas, mountains, air and others are of enormous significance for the country's economy. Recommends that Georgia continue its work on a natural environment strategy and an Environmental Protection Code. Urges the development of an environmental protection and sustainable development policy in Georgia, with the active help of the EU;

39. notes the need to support innovation within Georgia's science sector and the economy. Urges the EU institutions to give attention to this issue;

40. encourages the Georgian authorities to adopt a firm policy on local economic development and the development of SMEs at regional level. Investments in local infrastructure and in low-interest loans could help this process;

### Regional cooperation

41. notes that regional and cross-border cooperation are an essential part of the process of resolving common problems e.g. in the area of water management, the fight against organised crime, transport, foreign investment, energy, environmental protection and climate change;

42. encourages local authorities in Georgia to take action to encourage cooperation among Georgia's regions and to promote their involvement in international cooperation networks. Accordingly, encourages central government to regulate the issue of the country's territorial division, the definition of a region and the competences of regional authorities;

43. welcomes the launch of the implementation of the South Caucasus Integrated Border Management, and the new management board of the Regional Environmental Centre for the Caucasus Environment. Encourages the continuation of the South Caucasus Anti-Drug Programme. All of these initiatives represent a very important means of promoting regional cooperation and stability in the South Caucasus;

44. proposes developing a truly territorial dimension for the Eastern Partnership and, accordingly, urges the EU Member States and its partner countries, including Georgia, to sign a multilateral agreement enabling the implementation of a European Grouping of Territorial Cooperation (EGTC) in the Eastern Partnership region, which includes Georgia. An EGTC can help strengthen cooperation and foster cross-border relations, the exchange of experiences as well as 'people-to-people' contacts between local and regional authorities in Georgia and the EU Member States;



45. in accordance with the recommendations of the European Commission will take firm action to develop a blueprint for regular dialogue and closer cooperation between regional and local authorities (RLAs) of the Member States and the Eastern Partnership countries (EaP), notably by organising an annual conference of EU and EaP RLAs;

46. endorses the European Commission's call for closer multilateral cooperation building on the Northern Dimension and the Black Sea Synergy. Urges the coordination of multilateral initiatives under the ENP, such as the Black Sea Synergy and the Eastern Partnership, with a view to developing bilateral EU-Georgia relations;

#### **The specific situation of regions inhabited by national minorities**

47. welcomes the adoption by the Georgian authorities of a National Integration Strategy, the aim of which is, inter alia, to improve infrastructure in regions inhabited by national minorities. Despite these efforts, notes that the issue of the rights of national minorities and their integration continues to be a cause for concern;

48. welcomes the efforts of the Georgian authorities to improve knowledge of the national language among members of minority groups and to translate school textbooks used in the official educational curriculum in Georgia into minority languages. This is a significant step towards standardising education across the whole country. There is a need for continued and more extensive action in this field as the lack of Georgian language skills among members of minority groups continues to present a significant problem;

49. encourages the EU institutions to pay special attention to cases of discrimination on ethnic or religious grounds in Georgia and to provide all assistance (including technical, specialist and financial assistance) needed to identify legal and institutional solutions which promote respect for the rights of minorities and their integration within society and as citizens;

50. encourages the EU institutions and other international organisations engaged in Georgian affairs to promote educational information which raises awareness of legal, political and public citizenship issues among members of national and religious minorities in Georgia;

51. calls on the Georgian national authorities to devise appropriate mechanisms to prevent the exclusion of members of minority groups from the country's social, political and public life;

52. encourages the Georgian authorities to chart out a policy that would make it possible to identify the actual problems experienced by minorities and to resolve them promptly and effectively with the active involvement of all stakeholders. These would primarily comprise representatives of central government, local government and minority groups, along with civil society organisations, the private sector, local communities and international organisations;

53. stresses that a sense of joint responsibility and coordinated action by government, local authorities and NGOs towards national and religious minorities in Georgia are of key importance;

#### **The specific situation of regions affected by conflict**

54. welcomes the EU's involvement in terminating the Russia-Georgian war of August 2008 and dealing with the effects of this conflict, as well as the creation of an EU Monitoring Mission in Georgia (EUMM) and the provision of post-war assistance for Georgia;

55. appreciates and emphasises the significance of the EU's active participation, alongside the UN and the OSCE, in the Geneva talks, launched in 2008 as a forum for dialogue and a platform for the conflict resolution process;

56. welcomes the continuing cooperation between NATO and Georgia on democratic, institutional, and defence reforms, with the aim of preparing Georgia for eventual membership in the Alliance and further stability in the region;

57. emphasises that the EU continues to recognise the territorial integrity of Georgia and the inviolability of its borders and firmly supports the peaceful resolution of conflicts;

58. recommends that both the EUMM and the Special EU Representative for the Southern Caucasus continue to closely monitor how events unfold in regions affected by conflict;

59. calls on Russia to comply with the terms of the August 2008 agreements terminating the conflict of which it is a signatory and to pull back its military forces to the positions held prior to the commencement of hostilities and to end their blockage of EUMM access to the territories of Abkhazia and South Ossetia;

60. welcomes the adoption and implementation by the Georgian authorities of a National Strategy for Internally Displaced People for the years 2009-2012, which embraces all internally displaced people – IDP);

61. welcomes the positive development which saw the adoption by the Georgian government in January 2010 of a *State strategy on occupied territories: engagement through cooperation*, as well as its intention to amend the *Law on occupied territories*, regarding which the Council of Europe had expressed serious reservations;

62. strongly advocates continued assistance to regions affected by the recent conflict. Considers that additional resources should especially be allocated to providing assistance to refugees, internally displaced persons, the reconstruction of housing and infrastructure, support for dialogue among local communities and trust building measures;

#### **Final comments**

63. emphasises that only six years have elapsed since the 'Rose Revolution' which triggered a period of transformation and reform in Georgia, during which time the country has experienced both conflict and the effects of the global economic crisis. Yet in spite of this short timeframe and the difficulties encountered along the way, Georgia has managed to achieve significant progress on the road to democracy, development and a market economy;

64. draws attention to the huge importance of EU support for local government in Georgia, which is situated in a region that is politically unstable, susceptible to frequent changes of government and which has witnessed at least a dozen cases of armed or frozen conflict since the fall of the Soviet Union. Georgia lies in a region which is highly diverse ethnically, linguistically, religiously and historically, and which does not as yet have any democratic traditions along the lines of the European model. It is for this reason that investments in regional development and action to strengthen local government in Georgia are of pivotal importance both in terms of improving people's standard of living as well as for the democratisation process in Georgia. EU support can also help promote European values and build up the Georgians' trust in the EU;

65. notes that Georgia's political and economic development is of key importance to the European Union. It is located in the EU's immediate vicinity, in a region that is strategically important due to its energy supply routes and its close proximity to politically unstable regions. Support for Georgia in its efforts to move closer to the EU should be one of the EU's priorities.

Brussels, 6 October 2010.

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

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