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<u>Notice No</u>	<u>Contents</u>	<u>Page</u>
	I <i>Resolutions, recommendations and opinions</i>	
	OPINIONS	
	Committee of the Regions	
	91st plenary session held on 30 June and 1 July 2011	
2011/C 259/01	Opinion of the Committee of the Regions on 'Common Strategic Framework for EU Research and Innovation Funding'	1
2011/C 259/02	Opinion of the Committee of the Regions on 'The White Paper "Roadmap to a Single European Transport Area"'	6
2011/C 259/03	Opinion of the Committee of the Regions on 'The role of regional and local authorities in promoting sustainable water management'	13
2011/C 259/04	Opinion of the Committee of the Regions on 'Europe 2020 Flagship Initiative Innovation Union' ...	19
2011/C 259/05	Opinion of the Committee of the Regions on 'Climate change mainstreaming and the future EU budget' (outlook opinion)	26
2011/C 259/06	Opinion of the Committee of the Regions on 'protecting and developing historical linguistic minorities under the Lisbon Treaty'	31

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(Continued overleaf)

<u>Notice No</u>	Contents (continued)	Page
2011/C 259/07	Opinion of the Committee of the Regions on 'The Agenda for new skills and jobs'	34
2011/C 259/08	Opinion of the Committee of the Regions on 'Reform of the EU State aid rules on services of general economic interest'	40
2011/C 259/09	Opinion of the Committee of the Regions on 'Energy infrastructure priorities for 2020 and beyond'	48
2011/C 259/10	Opinion of the Committee of the Regions on 'The EU LIFE programme — the way forward'	54
2011/C 259/11	Opinion of the Committee of the Regions on 'Enlargement Strategy and Main Challenges 2010-11'	62
2011/C 259/12	Opinion of the Committee of the Regions on 'The EU Internal Security Strategy'	70



I

(Resolutions, recommendations and opinions)

OPINIONS

COMMITTEE OF THE REGIONS

91ST PLENARY SESSION HELD ON 30 JUNE AND 1 JULY 2011

Opinion of the Committee of the Regions on ‘Common Strategic Framework for EU Research and Innovation Funding’

(2011/C 259/01)

THE COMMITTEE OF THE REGIONS

- considers it vital to, on the one hand increase the Community research budget and on the other, to better integrate national programmes and the European Research Framework Programme;
- states that industrial, social and environmental innovation, together with innovation in services, is crucial for leveraging European competitiveness which will help to strengthen territorial cohesion;
- recognises that starting points on innovation vary greatly across Europe, and that regional policies with their own specific characteristics could complement EU research policy in line with smart regional specialisation strategies;
- welcomes the efforts made to simplify procedures, such as the publication and update of a ‘Practical Guide’ setting out possibilities for accessing EU funding;
- calls for local and regional authorities to be closely involved in the preparation of legal frameworks and funding programmes related to public procurement;
- calls for local and regional players to be usefully involved in technology platforms;
- notes the potential role of the European grouping of territorial cooperation (EGTC);
- emphasises that cooperation between clusters in the EU is absolutely crucial, but that inter-cluster collaboration at international level should also be encouraged.

Rapporteur	Claude GEWERC (FR/PES), President of Picardie Regional Council
Reference document	Green paper: From Challenges to Opportunities: Towards a Common Strategic Framework for EU Research and Innovation Funding COM(2011) 48 final

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

A. Key messages

1. welcomes the fact that this Green Paper launches a public debate on the key issues to be taken into account for future EU research and innovation funding programmes;

2. acknowledges that a common strategic framework to fund research and innovation in the EU must be based on joined-up strategic objectives which are clearly shared by all stakeholders;

3. recommends that this common framework should coordinate the relationship between the different functions of research, development and innovation, without blurring the specific role of each;

4. highlights the fact that an ambitious EU innovation strategy needs a strong science base as well as a robust industrial policy; therefore welcomes the Commission's flagship initiative on 'An industrial policy for the globalisation era' and 'An Innovation Union' and refers, in this context, to the relevant CoR opinions ⁽¹⁾;

5. underlines the fact that regional and local authorities are well-placed to create synergies between research and innovation policies and cohesion policy, which would have an impact on economic and industrial activity as well as on social policy action;

6. stresses that at present the results of European research efforts are not applied quickly enough or sufficiently widely. The Commission should change the guidelines and rules so that regions would make far more use than now of the Structural Funds and other financial instruments for the innovative application of the results of the Framework Programme, by adopting a decentralised approach that gives a greater role to the regions, allowing better promotion and marketing of the technologies generated under the Framework Programme, and other research activity;

7. repeats that social and environmental innovation is crucial for both the public and private sectors;

8. underlines the need to promote the concept of innovation as part of our daily lives – in education systems for example and in the workplace;

9. highlights the research and innovation programmes that operate across regions with different levels of innovation performance (RIS), which are beneficial for all stakeholders: there is a need to increase regional involvement in the European Research Area Network scheme for example;

10. stresses that the current Community research budget of only 4 % of that of publicly funded research in Europe is inadequate; considers it vital to, on the one hand increase the Community research budget and on the other, to better integrate national programmes and the European Research Framework Programme;

11. would in particular draw the Commission's attention to the situation faced by innovators and individual inventors not operating within the university system, large companies or public authorities, administrations or enterprises. Ongoing work in this field should include strategies that provide innovators and individual inventors with the support and scope they need to take advantage of joint EU funding on a level playing-field;

12. requests adequate consideration of the fact that 97 % of economic activity in the EU27 still is low and medium technology-intensive; believes therefore that the development of the knowledge-based society cannot be focused only on developing the most advanced technologies but that there must be a role for an innovation model enabling knowledge to be absorbed and circulated; highlights the opportunity opened up by the revision of the public procurement Directive ⁽²⁾; underscores the opportunities and challenges associated with including R&D in public procurement ⁽³⁾;

13. notes that the Green Paper as it stands does not appear to raise any issue regarding its compliance with the principle of subsidiarity; stresses, however, that a close follow-up of the developments leading to funding of and legislation on future EU research and innovation should be performed in order to ensure compliance with the subsidiarity principle;

14. notes, furthermore, that the requirement proposed in the Innovation Union for Member States and regions to set aside dedicated budgets for innovation-related public procurement could have far-reaching impacts on municipalities and regions; underscores that the upcoming follow-up should include a careful assessment of the possible financial and administrative burden on local and regional authorities as well as the social effects and other benefits;

⁽¹⁾ CdR 374/2010 fin and CdR 373/2010.

⁽²⁾ CdR 70/2011 fin.

⁽³⁾ CdR 58/2008 fin.

15. considers that support should be given to launching more two-stage procurement procedures, whereby in the first stage tenderers only have to submit a list of their associates and an outline of the application, which will be developed further only if the first assessment stage is passed. This would be of particular benefit to SMEs, which would consequently have a greater incentive to take part in these procedures, for which the initial work required would not be so considerable;

B. Generating synergies between cohesion policy and innovation policy

16. states that industrial, social and environmental innovation, together with innovation in services, is crucial for leveraging European competitiveness which will help to strengthen territorial cohesion;

17. agrees that funding for research and innovation needs to feature among the broadest of the EU's policy objectives: for example the implementation of an industrial policy, as requested in the Committee of the Regions' opinion on the industrial policy flagship initiative;

18. suggests that regional and local authorities should be recognised as the preferred level for linking up national and European strategies on research and innovation and also cohesion. A single document at regional level could bring these strategies together;

19. recognises that starting points on innovation vary greatly across Europe, and that regional policies with their own specific characteristics could complement EU research policy in line with smart regional specialisation strategies;

20. as in the previous research framework programmes, cooperative research, and in particular collaborative research projects, should be a priority for future European research support, with funding set at least at present levels. Collaborative research projects give universities, research institutions and businesses from all European regions an opportunity to participate. They enable the requisite transparency and simplification, thus benefiting users;

21. stresses that a true challenge for the Commission and the regions is to create synergies between different funding instruments to be able to implement the Europe 2020 strategy. The results of European research efforts are not applied quickly enough or sufficiently widely. The Commission should change the rules and criteria of cohesion funding instruments so that regions use the results of the Framework Programme and other research activities in implementing innovation applications regionally;

22. notes that the next framework programme should extend the programmes aimed at developing regional capacities and facilitating the involvement of regional and local authorities whose research and development activities go well together. This could be achieved, for example, by introducing a scheme enabling competent partners from regions which are lagging behind on research to be involved in projects and programmes

led by scientists who are better known and well-recognised, as stated in the CoR opinion on 'Simplifying the implementation of the research framework programmes' ⁽⁴⁾;

23. welcomes the efforts made to simplify procedures, such as the publication and update of a 'Practical Guide' setting out possibilities for accessing EU funding;

C. A regional dimension for clusters (centres of competitiveness etc.)

24. states that the regional dimension is an intrinsic part of clusters;

25. repeats that although excellence is one of the characteristics of clusters, not all clusters can achieve the same level of excellence or attract the same level of international attention. Clusters require a very high level of scientific expertise, but this is not enough to attain excellence. Clusters attain excellence gradually over time, through specific financial resources, a good structure, good governance and a successful 'ecosystem' that brings together businesses, training, research and innovation;

26. notes that the desire of many clusters to develop activities in their own region is not incompatible with the exploitation of the considerable opportunities presented by the exchange of information and good practice with neighbouring clusters in other Member States. In fact a cluster which is firmly rooted in a region can quite easily have an international profile and reach;

27. stresses that, parallel to cluster-based innovation hubs, and in some respects even more important than these, is the need which has emerged in recent years to understand the complex workings of regional innovation ecosystems and create conditions conducive to development in the desired direction. Therefore the Commission should allocate economic and operational support particularly for the development of open innovation activity in the regions so that they can help to create the necessary conditions for a reform of public administration and for entrepreneurial activity aimed at generating growth and new jobs;

28. one concrete manifestation of regional ecosystems is the concept of edge markets and their development. Edge markets have been noted to be strongly related to local know-how and culture and their interactive independent regeneration. In previous opinions (CdR 11/2009 and CdR 83/2007), the Committee of the Regions drew attention to the need to strike a balance between competitive funding, which is what funding of the big EU flagship initiatives represents, and institutional funding for research communities. The Committee of the Regions stresses the importance of institutional funding, which enables research communities to set up studies on their own initiative and prompted by other communities, particularly in the interests of the grand societal challenges, as well as convergence and cohesion;

⁽⁴⁾ CdR 230/2010 fin.

D. Reforming public procurement

29. reaffirms its belief that the European Research Area (ERA) could be strengthened if the procurement of research and development services were to be included in public procurement procedures; recalls the CoR opinion on the Green Paper on the procurement market⁽⁵⁾ and the CoR opinion on pre-commercial procurement⁽⁶⁾, provided this does not result in these services being exposed to competition;

30. calls for local and regional authorities to be closely involved in the preparation of legal frameworks and funding programmes related to public procurement;

31. reiterates its support for the business world and governments to be actively involved in innovation funding plans, and has reservations about the potential impact on local and regional authorities of a system in which the public sector alone shoulders the risk of untested products and services;

32. points out that the public procurement market continues to be fragmented and only rarely operates across borders, and urges the Commission and Member States to develop a more transparent framework which could open up public procurement markets in the European Union;

33. repeats that the European Commission should provide a clear and detailed guide on procurement processes, as well as training opportunities, for contracting local and regional authorities;

E. The regional implications of funding measures

34. acknowledges that funding the entire innovation cycle, from research to the market, requires a wide range of instruments; therefore supports efforts to encourage private-sector funding, for example through plans to share risks, loans, or venture capital;

35. agrees that public-sector funding has a role in boosting private investment; and underlines the fact that robust and transparent risk management are essential when both public and private funds are involved;

36. welcomes the efforts to boost private sector funding for SMEs' innovation investments, and therefore calls for incentives (tax arrangements, reduction of administrative constraints) to be promoted and, if necessary, for regulatory frameworks to be revised to strengthen and broaden the range of measures to support and recognise the role of SMEs as frontline actors in promoting the culture of innovation; in this regard also emphasises the need to strengthen tools for mediation between SMEs and R&D stakeholders;

37. calls for local and regional players to be usefully involved in technology platforms (TPs), with a view to drawing up research and innovation strategies for creating new TPs and

ensuring that platforms which are already active are in line with the needs of regional stakeholders, taking account of the opportunities provided by global markets and the involvement of SMEs;

F. Cross-border cooperation

38. recognises that the Research Framework Programme makes a unique contribution to collaborative research involving players in Member States and local and regional authorities;

39. underlines the importance of EU legislation (on venture capital and research infrastructure for example); also notes the potential role of the European grouping of territorial cooperation (EGTC);

40. emphasises that cooperation between clusters in the EU is absolutely crucial, but that inter-cluster collaboration at international level should also be encouraged;

G. Background

41. The EU 2020 strategy, via the flagship initiatives 'Innovation Union' and 'Industrial Policy' in particular, recognises the key role of research and innovation in making the EU more competitive and highlights the need to ensure that innovation has a higher profile in policy. The document gives European regions and cities a key role in implementing the strategy. The Committee of the Regions therefore wishes to support this role and contribute to the development of the European Research Area in the regions, as the regions and cities fund research programmes, participate in European research projects, and actively support the involvement of regional players in European research projects;

42. The Committee of the Regions welcomes the increase in funding between the 6th (2000-2006) and the 7th (2007-2013) Framework Programmes for Research and Development and the establishment of the European Research Council. The Committee of the Regions also welcomes the European initiatives that foster exchanges and collaboration between regional authorities and academic, economic and scientific players, particularly under the budget heading 'Regions of knowledge', the COFUND section of the 'Capacities' programme, and measures such as the networks of excellence and the European Research Area Network Scheme;

43. The Committee of the Regions also looks forward to the forthcoming assessments of the impact of the 'Regions of Knowledge' and 'Research Potential' programmes. As these programmes mature and develop clearer objectives, the CoR calls for strengthening their role in providing support to highly competent regions with a potential to develop excellent features, for example through mentoring⁽⁷⁾, partnering or other schemes;

⁽⁵⁾ CdR 70/2011 fin.

⁽⁶⁾ CdR 58/2008 fin.

⁽⁷⁾ CdR 230/2010 fin.

44. The Committee of the Regions values the fact that the Framework Programme for Competitiveness and Innovation gives a prominent role to regional clusters and initiatives that facilitate the development of information and communication technologies, energy efficiency, renewable energy and eco-innovation. The Committee of the Regions therefore recommends that these initiatives are continued and adapted in line with the challenges that the EU is facing, or will face in the future.

Brussels, 30 June 2011.

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

Opinion of the Committee of the Regions on ‘The White Paper “Roadmap to a Single European Transport Area”’

(2011/C 259/02)

THE COMMITTEE OF THE REGIONS

- believes that the objectives of the White Paper (WP) should be broken down into more short-term goals in order to give politicians a clear orientation framework on the measures to be taken during their term of office;
- advocates the full internalisation of external costs across all modes of transport by means of harmonised taxation, the revenue from which is allocated to establishing an integrated and efficient transport system;
- stresses that the Commission’s goals with regard to a modal shift from road to rail, inland waterway and maritime transport do not go far enough, and calls on the Commission to propose a more ambitious programme;
- is in favour of the idea of a ‘Blue Belt’ as a first step towards the creation of a solid system in maritime services that should be complemented by reviving the Motorways of the Sea, and regrets that the 2011 White Paper is less ambitious than the 2001 edition in terms of maritime transport policy;
- advocates incentives for preparing sustainable urban mobility plans and urges that better account be taken of the link between transport policy and spatial planning;
- supports the proposal of using Eurobonds as instruments to finance the transport infrastructures required to establish the TEN-T;
- notes that the internalisation of external costs, the elimination of tax distortions and unjustified subsidies and free and undistorted competition should be part of the future European transport model, based on aligning market choices with sustainability needs.

Rapporteur	Mr Antonio COSTA (PT/PES), Mayor of Lisbon
Reference document	White Paper: Roadmap to a Single European Transport Area — Towards a competitive and resource efficient transport system COM(2011) 144 final

I. GENERAL RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

General remarks

1. considers that the 2011 White Paper entitled *Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system* addresses the main issues that are key to the future of European transport policy and the continent's transport systems. With this in mind, the Committee believes that the proposed transport policy should include the more general goals established within the European Union under the EU 2020 strategy and the environmental sustainability goals designed primarily to fight climate change, and strengthen social and territorial cohesion across the European Union;

2. notes that local and regional authorities have important policy duties in relation to transport; they not only share responsibility for matters such as maintenance of the road network, parking policy, accessibility and public transport, but also oversee environmental standards on such things as air quality, and must therefore be involved on the basis of multilevel governance;

3. where the White Paper talks about cities, suggests that urban areas and/or conurbations should be mentioned in addition; in a number of Member States it is not so much municipalities that are the basis for mobility policy but conurbations;

4. believes that the 2011 White Paper is a highly ambitious document, even more so because, not surprisingly, none of the 2001 White Paper's main objectives has been fully attained. Some of its ambitious long-term objectives should be broken down into more short-term interim goals in order to give a clear orientation framework to national and regional politicians on the measures to be taken during their term of office;

5. notes that the development of visions of the future is necessary and justified, because decisions taken today will have a decisive bearing on transport for decades to come. However, it should not be forgotten that visions of the future in several decades time can only be very fuzzy ones;

6. believes that the balance between transport modes is inextricably linked to the issue of the internalisation of external costs and directly influenced by charging policies for the use of transport infrastructure; clearly supports the vision of the

White Paper for a transparent and generally applicable model for the calculation of infrastructure charges that apply across all modes of transport, advocates the full internalisation of external costs and calls for all revenue generated from implementing the EU legislation aimed at better integrating external costs (such as the Eurovignette Directive) to be allocated to the establishment of an integrated and efficient transport system, ensuring that account is taken of the specific characteristics of the outermost regions and islands;

7. in this context, and in particular where air and maritime transport modes are concerned, believes that a balance must be sought between rigorous environmental protection and the enormous additional cost that this entails for islands and the outermost regions, which are entirely dependent on these modes of transport while, at the same time, being highly committed to cutting emissions;

8. welcomes the fact that the Commission is, in effect, encouraging a modal shift from road to rail, inland waterway and maritime transport, while also insisting on the full internalisation of the external costs of all modes of transport, such as air pollution, congestion and noise;

9. notes that the Commission has previously stated that the external costs of accidents are already effectively internalised through insurance premiums. The Committee questions that view and therefore calls on the Commission to produce calculation models that can be used for the internalisation of accident costs in which all the costs of accidents are taken into account;

10. welcomes the fact that the White Paper also includes measures to promote more sustainable travel behaviour, foster the willingness to adopt new travel modes and new technologies and secure acceptance for the full internalisation of externalities in the total cost of mobility. The EU has the important task of creating understanding and acceptance of the measures that local and regional authorities have to take to solve traffic problems in conurbations;

11. regrets that the accessibility and mobility of people and the fundamental concept of territorial cohesion in transport have not been adequately addressed by the White Paper, particularly with regard to outlying, outermost and island regions. A single European transport area will not be achieved unless businesses and individuals can be guaranteed fair access conditions across Europe's regions;

12. notes that the political work of the CoR during the last decade takes a clear position on the principles and policies that should guide today's European transport policy; therefore, it is of the opinion that proper consideration to this wealth of knowledge should be given when formulating the European transport policy for the years to come;

13. notes, as a matter of principle, that an efficient sustainable system of mobility with low emissions is an individual's right and, at the same time, is an essential underpinning for the economy, prosperity and quality of life. In order to develop infrastructure more effectively, simplified planning laws should be encouraged;

II. POLICY RECOMMENDATIONS

A vision for a competitive and sustainable transport system

14. welcomes the analysis presented in the White Paper on the trends and related challenges affecting the transport sector in the decades to come. A solid diagnosis of the trends affecting the transport sector is a necessary pre-condition for devising the right transport policies. In this matter, the White Paper reflects most of the conceptual fault lines that need to feed into the debate on the future of Europe's transport system;

15. while transport is indeed of key importance to the EU's competitiveness, would seek, however, to nuance the Commission's assertion that 'curbing mobility is not an option'. Clearly, transport must meet the demands of individuals and businesses as regards mobility and trade. However, companies in particular should be made even more aware of the need to group journeys together more and take advantage of methods and technologies that help to optimise transport use (e.g. telecommuting, video conferencing, location optimisation);

16. supports the ten goals for a competitive and resource-efficient transport system identified by the White Paper and their use as benchmarks for achieving the 60 % GHG emissions reduction target; thus the Committee recommends that this general target should also be included as part of the list of goals identified in the White Paper. Furthermore, it suggests that the proposed goals should be complemented by additional goals focusing on the reduction of the dependency on oil, the diminishing of noise and the mitigation of atmospheric pollution;

17. supports the goal to halve the use of 'conventionally-fuelled' cars in urban transport by 2030, phase them out in cities by 2050 and achieve almost CO₂-free city logistics in major urban centres by 2030, in part through tax measures, although it does consider this measure very ambitious. Therefore considers that intermediate goals should be set that would enable a roadmap for implementing the measures to be established, implementation to be monitored, and the results to be evaluated;

18. welcomes the Commission's goal of moving towards full application of the 'user pays' and 'polluter pays' principles and thus eliminating distortions prejudicial to fair competition between modes of transport based on the internalisation of all external costs; supports the full internalisation of social and environmental costs (including accidents, air pollution, noise and congestion) by means of harmonised taxation across all modes of transport, and the revenue from which is allocated to establishing an integrated and efficient transport system;

19. is pleased that several of the proposals made by the CoR in its most recent opinions on urban mobility have been included in the White Paper. In this regard the Committee supports the Commission's objective of creating incentives to optimise and minimise journeys by conventional cars and trucks within cities and agrees that large fleets of urban buses, taxis and delivery vans are the perfect test bed for the introduction of clean vehicles. The Commission rightly points out that the development and early deployment of clean vehicles can have immediate benefits in terms of reducing oil dependence, as well as health benefits in terms of improved air quality in cities;

20. also supports the idea of shifting the balance towards the most environmentally friendly modes of transport while maintaining that the overall efficiency and interoperability of all transport modes should be improved. Nevertheless, active policies that discriminate in favour of a particular mode should be carefully assessed and considered against the background of a fair and transparent model for the allocation of transport funds; otherwise there is a risk of promoting low-efficiency transport solutions. Moreover, using alternative modes of transport presupposes the existence of appropriate infrastructure and services, so that current demand can be met;

21. despite the above comments, believes that the ten goals for a competitive and resource-efficient transport system identified by the White Paper are clearly very ambitious; therefore believes that intermediate milestones and targets should also be defined, with input from local and regional authorities, taking into account complementary strategic goals already defined by the European Commission. These intermediate goals should be part of a monitoring process to guarantee the success of the vision set out in the White Paper;

22. points out, above all, that EU transport policy should be underpinned by the concept of the general interest (equal access to transport for all, upholding social rights, integration of external costs, etc.);

23. notes that point 137 of the working document (SEC(2011) 391) accompanying the White Paper (but published in only one language) announces, in relation to the follow-up to Regulation 1370/2007 on public service obligations in the area of transport, that '*the Commission will propose an initiative for the introduction of competitive tendering for public service contracts, aimed at ensuring the efficient provision of high quality services*'. This initiative must respect local

and regional authorities' scope to deliver, subject to certain conditions, 'in-house'-type services without competitive tendering;

24. encourages the European Union to carry through a thorough and genuine integration of the transport policies of the 27 Member States (assimilating national structures, ensuring respect for competition in accordance with the principles of the general interest, harmonising taxation and establishing a new regulatory framework applicable to the different levels of subsidiarity) in compliance with multi-level governance;

A Single European Transport Area

25. would emphasise the need to reduce the fragmentation of the European rail market in order to create an efficient rail network which offers a quality service in terms of journey times, reliability and capacity. In this regard, a sustainable and cost-effective solution should be devised with a view to the creation of a competitive European rail freight network, which caters to the specific needs of this type of traffic. Furthermore, crucial technical barriers, related for example to the railway gauge, should be overcome. In addition, it is clear that rail freight and short sea shipping, and in particular the complementary use of both modes, have the potential to contribute to the integration of regional economies situated in outlying regions. To this end, and in order to ensure the smooth functioning of these sustainable modes of transport, links to logistical hubs must also be developed, providing optimum intermodal exchange and overall system efficiency, while avoiding a proliferation of logistical installations lacking the features that can steer the transport system towards intermodality and co-modality;

26. supports the idea of reinforcing a European transport policy that is underpinned by a clear, coherent, comprehensive and stable set of rules for users and operators, the deployment of advanced transport technologies and solutions, and the building or upgrading of adequate infrastructure. This would require the completion of the internal market for transport services and the removal of regulatory, administrative and technical barriers in all modes of transport, as well as consistent enforcement of competition rules, improved service standards and reinforced users' rights;

27. believes it is important not just to consider long-distance transport routes, but also to include basic regional networks, while also paying particular attention to border regions that face specific problems such as differences in payment systems, technical links, schedules and legislative frameworks;

28. on the other hand, points out that the opening-up of the market for rail services has not yet progressed sufficiently. It is therefore felt that the technical and legal rules governing the rail transport market should be improved and standardised. At the same time, possibilities for co-financing should be introduced;

29. reiterates that, when they take place, the liberalisation of the market and the arrival of new entrants must be accompanied by provisions allowing for an increased market share for rail (relating in particular to the role of European agencies in standardising equipment, traffic conditions and safety norms on the networks), this being the only way to foster creativity and develop more diversified services for the benefit of consumers and a real modal shift;

30. stresses that, with regard to the modal shift from road to rail, inland waterway and maritime transport, the White Paper's targets for reducing the share of freight transported over 300km by road (i.e. a 30 % reduction by 2030 and a 50 % reduction by 2050) are not ambitious enough; urges, therefore, that the European Commission propose an ambitious programme to create rolling road links across the whole of Europe. Only this type of infrastructure will be capable of eliminating long-distance road freight transport, while at the same time strengthening territorial cohesion, particularly with outlying countries;

31. supports the full implementation of the Single European Sky initiative and the completion of the internal market for rail services. It is also in favour of the idea of a 'Blue Belt' as a first step towards the creation of a solid system in maritime services that should be complemented by the concept of Motorways of the Sea, including a new vision of the importance of ships as real mobile infrastructures;

32. considers that connecting the EU's outermost regions to the European mainland and neighbouring third countries should be given special consideration covered by specific rules; the lack of accessibility traditionally suffered by these regions penalises them and prevents them both from playing a full part in the single European market and from developing their economies within their regional setting;

33. regrets that the 2011 White Paper constitutes a step backwards in terms of pro-maritime transport policy, in relation to the 2001 edition (which gave rise to the Motorways of the Sea), and in particular that the list of initiatives appended to the White Paper gives no information either on the future of the Motorways of the Sea or on the Marco Polo programme;

34. considers that regions which, due to their geography, are far more seriously affected by traffic emissions (such as mountain regions) need to have their own rules and regulations in order to reduce the volume of traffic and the related side-effects to such an extent that harm to human health and the environment can be excluded;

35. considers that additional efforts should be made to promote better and more efficient transport solutions that improve connections between the European mainland and its island and outermost regions, and with regions situated beyond the EU's external borders;

36. would also stress that, in addition to strengthening links between eastern and western Europe, it is essential to promote, for reasons of both cohesion and competitiveness, efficient connections between central Europe and Europe's external borders and regions situated further away that link Europe with the Mediterranean and Atlantic areas. In this matter, the CoR would like to emphasise the crucial importance of ports and airports, together with their inland connections, in the integration of the EU in the global market, namely with African, American and Asian regions, as well as the strategic potential of the Atlantic islands as logistic transport platforms;

37. notes that special efforts are also being made to develop in a focused way the five major transport axes identified by the European Commission in the context of the guidelines for transport in Europe and the neighbouring regions. In this respect, the central axis will require greater efforts from the EU and the states situated on it. Welcomes the objective of making the central network being developed in the context of TEN-T more flexible. This will require transparent assessment methods that guarantee both the security of the investments made and ongoing updating and extension of TEN-T;

38. welcomes the proposal for revising the slot regulation to favour more efficient use of airport capacity. However, it is vital to give careful consideration before taking any final decisions on new operating schedules, especially for airports located within urban areas where environmental impacts are more critical;

39. stresses the importance of aligning competitiveness and the social agenda, building on social dialogue, in order to prevent the social conflicts that have been a proven cause of significant economic losses in a number of sectors;

40. welcomes the initiatives proposed to improve security through a comprehensive approach combining policy, legislation and monitoring of air and maritime transport security. In particular, promoting improved screening methods that makes it possible to check a higher number of passengers with minimum fuss, while also fully respecting passenger's fundamental rights, is of utmost relevance;

41. shares the Commission's 'zero-deaths' goal on road safety while recognising the many challenges it poses and the level of ambition it involves; a differentiated approach should be adopted here, for instance by considering the relationship between congestion and the number of traffic accidents. There are wide disparities between cities and regions with respect to the number of road fatalities and measures taken. A universal standard would create a disproportionate burden for cities and regions that have already taken effective measures to reduce the number of road accidents. Achieving road safety is not solely dependent on technology but also on human behaviour. In this matter, the CoR recommends that periodic vehicle inspections should be harmonised and that road safety education should be included as part of the driving schools programmes in Europe. Such harmonised inspections could also be applied in other areas, e.g. to greenhouse gas emissions; equally, a change in human behaviour patterns may lead to a reduction in traffic and thus make a significant contribution to greater traffic safety;

42. considers that traffic safety measures should be based on good practice and that latitude should be granted for integrating and adapting measures to suit local circumstances; also points here to its earlier opinion on the policy orientations on road safety 2011-2020;

43. as regards rail transport, believes that the ERTMS (European Rail Traffic Management System) must be employed systematically on all railway tracks; particular attention must be paid here to cross-border sections, where different safety systems still produce bottlenecks;

44. in this regard, restates its support for the idea of harmonising the various definitions of a major injury, so that the effectiveness of road safety policy can be better monitored and assessed. Furthermore, it proposes the provision of access to, and the interoperability of, road traffic offence registers in order to make it possible to apply sanctions with due account taken of infringements committed in other Member States;

Innovating for the future – technology and behaviour

45. strongly supports the vision presented by the White Paper for a European Transport Research and Innovation Policy which provides for joint combined research efforts; also agrees as to the areas that need to be addressed, namely, vehicle efficiency through new engines, materials and design; cleaner energy use through new energy sources and propulsion systems; and better use of the network and safer and more secure operations through information and communication systems;

46. welcomes the proposal presented in the White Paper to define appropriate standards for CO₂ emissions of vehicles in all modes, establish rules on the interoperability of charging infrastructure for clean vehicles and draw up guidelines and standards for refuelling infrastructures; all this should be done with the involvement of local and regional authorities;

47. emphasises the importance of EU policy addressing vehicle problems at source, by means of standards on greenhouse gas emissions and on atmospheric and noise pollution, together with standards to strengthen active and passive vehicle safety. It is essential here that the introduction of significant technical advances in vehicle technology is linked with the observance of emission limits for noise and air pollution control;

48. considers that travel and driving behaviour are key issues for the full accomplishment of the goals set by the White Paper; therefore, welcomes all initiatives included in the White Paper to promote awareness of the availability of alternatives to individual conventional transport, and measures designed to improve driving behaviour; nonetheless considers that more needs to be done in the field of travel behaviour, in

particular in preparing the European public of the future to adopt new attitudes towards mobility but also in adapting proper transport infrastructure;

Urban mobility

49. welcomes the proposals on Urban Mobility Plans included in the White Paper. The development of sustainable urban mobility plans for, at least, the larger cities was a key demand of the CoR in its opinion in the Green Paper;

50. draws attention to the Commission's view that a large part of the transport system's external effects occur mainly in heavily built-up areas. The local and regional authorities know best how to solve these problems and so it is important that they have the necessary tools. The subsidiarity principle must be respected, but the EU can support the work of local and regional authorities by encouraging collaboration and exchange of experience and by promoting a change in attitudes;

51. advocates incentives for preparing sustainable Urban Mobility Plans and Urban Mobility Audits, but with decisions remaining with the local and regional authorities concerned in full respect of the subsidiarity principle; and reiterates its previous opinion for the introduction of a new financial instrument within the 2014-2020 financial perspectives enabling co-financing of Urban Mobility Plans. Submitting an application for Urban Mobility Audits could for example contribute to the process for the establishment of a European prize to reward outstanding and transferable transport initiatives. This prize could, in turn, form part of the equivalent of an EU-wide 'Blue Flag Scheme' awarded to areas with low levels of environmental pollution and congestion as proposed in the past by the CoR;

52. believes that well planned-cities that adopt more efficient production processes and eliminate superfluous transportation solutions promote higher accessibility to goods, people and services; therefore, recommends that urban planning and mobility planning should be addressed in a more integrated way;

53. eagerly awaits local initiatives to introduce urban road user charging and access restriction schemes and supports the introduction of common technical standards to ensure interoperability, with a view to preventing these local initiatives from creating new technical barriers to free movement within the European Union;

54. emphasises the key role of technical and organisational solutions such as information technologies in supporting new mobility patterns based on the combined use of all modes of transport for travel and freight (e.g. intermodal electronic ticketing systems, intermodal freight documentation, electronic routing, cargo tracking, real time delivery information) in order

to make optimum use of existing light transport (through co-ownership of vehicles, greater use of electric vehicles for short distances, car-sharing, car-pooling, the design of travel and transport interchange plans and giving priority to buses and trams), governance of local and regional transport systems being a major issue, which is overlooked in the White Paper;

55. advocates defining a strategy for moving towards 'zero-emission urban logistics', bringing together aspects of land planning, rail, sea and river access, charging and vehicle technology standards through the promotion of joint public procurement for low-emission vehicles in commercial fleets (delivery vans, taxis, buses, etc);

56. urges that better account be taken of the link between the urban dimension of transport policy and the broader concept of spatial planning not only to improve urban transport and infrastructure but also to combat urban sprawl and rethink the relationship between cities and their direct (urban/rural) environment; particular attention should be paid to strengthening short-distance public transport;

Modern infrastructure, smart pricing and funding

57. as part of the ongoing TEN-T policy review, supports the establishment of a core network of strategic European infrastructure integrating all the regions of the European Union, together with the main reference points for transport and logistics, and shaping a Single European Transport Area where provision should be made for the removal of bottlenecks and for appropriate connections with the global market;

58. notes that the objectives stated in the White Paper cannot be fully realised if the appropriate funds are not in place, bearing in mind the regional specificity of cohesion of the different Member States and the commitments under the Stability and Growth Pact. It should be noted that the White Paper avoids the subject of the budgetary and non budgetary resources to be attributed to EU transport policy and to infrastructure. In this connection, the CoR supports the proposal of using a European loan or Eurobonds as major instruments to finance the transport infrastructures required. The CoR notes that this large-scale investment will have to be backed by genuine political will at the highest level, or the objectives of the European transport policy, so vital to regional competitiveness, will be so many empty promises;

59. notes that cohesion policy has its own goals as part of a regional development integrated approach and that it is not desirable that its budget should be used to finance European policy on the transport network. On the other hand, it will be necessary to foster consistency between the infrastructure projects financed by cohesion policy and the objectives of European transport policy;

60. insists on the need to review the resources earmarked for transport infrastructure proposed in the future EU budget and to further encourage private-sector commitment in a more transparent way. In addition, the Committee is also in favour of promoting new financing instruments for the transport sector, particularly through the EU project bond initiative;

61. notes that the internalisation of externalities, the elimination of tax distortions and unjustified subsidies and free and undistorted competition should be part of the future model that is based on aligning market choices with sustainability needs; therefore, the Committee supports a smart pricing and taxation approach that seeks the full and mandatory internalisation of the external costs of road and rail transport, local pollution and noise in ports and airports, and in relation to air pollution at sea, and advocates examining mandatory application of internalisation charges on all inland waterways on EU territory. The lack of alternatives in transport to and from the island and outermost regions must be taken into account when setting the charges on the internalisation of transport externalities;

62. nevertheless stresses that account must be taken of the specific constraints of outlying regions in future measures to internalise external costs (the Eurovignette road toll and follow-up). Any arrangement that did not take account of the distance

handicap would in practice penalise economic agents and players in remote areas;

63. underlines that, despite the importance of this measure, the goals set for 2016 and 2020 seem to be very ambitious and, based on previous and current experience (e.g. the Eurovignette legislation), very difficult to implement;

The external dimension

64. fully supports the external dimension strand of the White Paper; in this regard, highlights the importance of extending internal market rules through work in international organisations, promoting European safety, security, privacy and environmental standards worldwide through bilateral and multi-lateral cooperation, and reinforcing transport dialogue with main partners;

65. urges the European Commission to further develop the concept of the international dimension of Europe's transport system, and to integrate fully the Mediterranean and Atlantic dimension of the transport network, which undoubtedly has an impact on the development of transport in the European Union as well as being a key means of strengthening vital cooperation between the two shores of the Mediterranean and competitive and sustainable integration into the world market.

Brussels, 30 June 2011.

The President
of the Committee of the Regions
Mercedes BRESSO

Opinion of the Committee of the Regions on ‘The role of regional and local authorities in promoting sustainable water management’

(2011/C 259/03)

THE COMMITTEE OF THE REGIONS

- calls for EU policy guidelines to be strengthened and new EU regulatory instruments to be adopted that set out clear, precise efficiency targets for each water dependent area of activity, to be defined at river-basin level by each Member State;
- asks for the Commission’s Water Efficiency in Building initiative to be integrated with the Energy Performance of Buildings Directive, whilst leaving the possibility to target selectively geographical areas with water shortages;
- calls for legislation which defines uniform, Europe-wide levels of quality which will ensure appropriate recovery and reuse of water resources for each different sector of activity, while taking account the different characteristics of the Member States;
- urges regional and local authorities to see conscious risk management as the most effective instrument to respond to extreme events. Future investments aimed at curbing their effects should be channelled primarily into building green infrastructure;
- highlights the pivotal role regional and local authorities have in collecting environmental data and proposes that the current European Drought Observatory be converted into a European water observatory;
- proposes, not least in relation to the requirements ensuing from implementation of Directive 2000/60/EC, that sustainable water management should have a specific, verifiable target for 2020: 1) a 20 % increase in water-saving in all sectors of use; 2) a 20 % increase in the number of water courses being renaturalised, *inter alia* in order to reduce flood risk; 3) a 20 % increase in the volume of water re-used and/or recycled in farming and industry; to that end, calls for direct involvement of the Covenant of Mayors.

Rapporteur	Mr VENDOLA (IT/PES) President of the Puglia Region
Reference document	Hungarian Presidency letter of 29 October 2010

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

General points

1. welcomes the fact that the Hungarian Presidency-in-office of the EU has consulted it on *The role of regional and local authorities in promoting sustainable water management*, and hopes to be more widely involved in the future in policy and planning decisions related to sustainable water management as the body representing the institutions that are best placed to implement them and to protect natural resources in general, given the role of these institutions in defining sustainable development models;

2. endorses the UN Resolution of 28 July 2010, which states that water is a universal, inalienable human right that is a natural, logical extension of the right to life: 'recognises the right to safe and clean drinking water and sanitation as a human right that is essential for the full enjoyment of life and all human rights' ⁽¹⁾;

3. believes that water resources, as a limited asset of humankind that is essential to the survival of living beings and natural ecosystems, should not be made subject to market principles or competition rules, and that it is the conscious responsibility of every human being to respect and protect this asset for future generations;

4. recognises the eco-ethical dimension of water and, therefore, the need for respect for the intrinsic right of every moral community, whether living or not, to have their water needs met, and believes to be essential the definition of participatory models for water management – which is a key public service of general interest – that ensure full sustainability and consistent integration with all other policies having sustainable development as an objective;

5. notes that local and regional authorities are responsible for the management of public spaces. This means that they have responsibility for policy areas that are relevant for sustainable water management, including spatial planning, infrastructure, mobility policy, licensing, agriculture and landscape

management, adaptation to climate change, flood protection and tourism. Local and regional authorities are also responsible for synergies between these policy areas, and they thus, by definition, work in an integrated way, taking into account a territorial planning context, that also implies an adequate social and economic development of the regions. Many of them, in several European countries, are responsible of the public supply of water resources and of management of the wastewater, too. It is therefore vital for local and regional authorities to be closely involved in future European water policy;

6. agrees that there is a need for the EU to launch a new European period of action on water, calling for local and regional authorities to be directly involved in redefining, coordinating and harmonising existing directives and strategies (*Water Framework Directive (WFD)*, *Groundwater Directive*, *Floods Directive (FD)*, *Water Scarcity and Droughts Strategy*) and those being drawn up (*EU climate change adaptation proposals and goals*), as from the drafting period for the *Blueprint to Safeguard European Waters*, so as to ensure wide public participation;

7. believes that greater pressure from human action on water resources, the effects thereof and the factors exacerbating them (disappearance of ecosystems, loss of biodiversity, reduced soil water retention capacity, soil degradation, climate change, etc.) call for management and protection measures to be adopted that involve the entire spectrum of EU policies, concerning water, energy, agriculture, transport, waste, tourism, and fighting and adapting to climate change, moving from a sectoral to a joined-up approach;

8. calls on the Member States, with the support of regional and local authorities, to draw up a clear water pricing policy with due regard for national and local prerogatives, taking into account differences in geography and climate together with the related social and environmental aspects. This policy should be based not just on the polluter pays principle, which already features in the WFD (2000/60), but also, where appropriate and with progressive pricing, on the over-user pays principle, as this is the way to restore lost environmental availability. A measure of this kind, which, if flanked by an appropriate environmental education campaign, leads users to be more aware of their water, also with regard to the use of highly polluting products (such as medicine, cosmetic and pesticide residues etc), and could give rise to generally more efficient and effective water management, not least from a financial perspective;

⁽¹⁾ UN Resolution A/RES/64/292 of 28.7.2010.

9. recognises that scientific knowledge and technological innovation play a key role in defining cutting-edge water cycle management practices, which are a pre-requisite for planning new infrastructure measures. At the same time, research and innovation can be significant drivers of growth and jobs in green industry;

10. believes that the water issue needs to be situated in a broader context: it covers not only water scarcity and floods, but also other known water-related threats resulting from climate change, such as precipitation intensity and rising sea levels as well as hitherto unknown ones;

The water cycle as the focus of climate change adaptation policies

11. points out that to date, in the climate change debate, water has yet to be defined as a fundamental part of the ecosystem whose preservation and protection is a prerequisite for all measures to fight and adapt to climate change, and confirms the desire of regional and local authorities to play a responsible, proactive part in defining and implementing mitigation measures ⁽²⁾;

12. is aware that the effects of climate change on water budget will have significant social and economic implications for the EU as a whole, with more severe, frequent extreme events. An integrated, mutually-supportive approach is needed to curb this, involving the entire spectrum of Community policies, over and above the geographical, economic and social aspects of the entity or sector concerned. To this end, European, national and regional scientific cooperation needs to be stepped up in order to investigate the cause and effect relationship that makes climate events (floods and drought) in Europe so extreme;

13. is aware of the different effects that climate change produces in terms of water resources within the regions of the EU. This results in significant differences between the regions in the European Union in terms of the problems they experience with water, with regard to quantity (excess or scarcity) and the times of the year when problems arise (spring floods or summer droughts). Adaptation measures, that have to take into account the different geographical, economic and social characteristics of the EU regions, should be flexible and launched with rigorous implementation of the subsidiarity principle ⁽³⁾;

14. is aware that climate change will alter and shape water availability in Europe's regions, although to varying degrees, and

will as a consequence generate more disputes between the various users and, quite probably, an increase in migration, particularly in the outermost regions, which are located in very vulnerable areas;

15. considers, when assessing the EU's endeavours in global policies to fight climate change caused by human action, that proper management of water resources is an essential, effective instrument when it comes to continuing to reduce CO₂ production and promoting sustainable growth models that encourage the efficient use of natural and energy resources;

16. believes that identifying reliable procedures for estimating water availability is a key rational process in the proper definition of European water and environment policies, being aware of the need to integrate results from Europe-wide climate models and results from regional and local water models;

17. calls on the EU and the Member States to increase production of green power, making every useful endeavour to set up hydroelectric plants with zero CO₂ emissions, where the morphological, economic and environmental conditions, in particular aquatic ecology, and the requirements of the Water Framework Directive and the navigability of the bodies of water allow;

18. calls on the EU and the Member States to take the necessary steps to limit thermal pollution of water and to reduce as far as possible the use of water as a coolant in industrial and energy plants, especially where this causes problems either with the availability of water, or with biodiversity or public health;

19. believes, with reference to measures to temper the effects of water crises, that only where demand more or less matches availability can new investment in a region's water infrastructure be considered an adaptation measure, in that various new technological or management options appropriate to the local conditions can help increase availability without the need to resort to further abstraction;

20. is aware of the role that regional and local authorities have to play to raise awareness of the key nature of the water cycle in the determination of water management strategies, with a view to identifying effective, consensual solutions for climate change adaptation and encouraging exchange of expertise among the various local entities;

⁽²⁾ CoR Opinion on the White Paper – Adapting to climate change: Towards a European framework for action, CdR 72/2009 fin.

⁽³⁾ White Paper – Adapting to climate change: Towards a European framework for action, COM(2009) 147 final.

A balance between water supply and demand that respects environmental needs and is in line with the WFD

21. believes that planning of initiatives to improve water resource management must of necessity be a process with multiple goals which takes into account the variety of stakeholders directly or indirectly concerned and be based on the principles of the public nature of water resources, fairness, environmental quality, public health, water's social role, and security for society;

22. is aware that an appropriate use of water resources that respects the environmental ethic can be achieved by implementing best practices for water abstraction, distribution and use, where available and economically feasible, using a robust, flexible management model to strike a balance in the medium term between environmental demands and the demands of economic and social development;

23. calls for EU policy guidelines to be strengthened and new EU regulatory instruments to be adopted for the sector that set out clear, precise efficiency targets for each area of activity (domestic, industrial, agricultural, fish farming, aquaculture, tourism and hydroelectric power), to be defined at river-basin level by each Member State;

24. believes that water use planning in the form of River Basin Management Plans (RBMP), even with different priorities in terms of timing in line with the individual situations of the Member States, is part of an indispensable process whereby regional and local authorities can generate synergies in a spirit of mutual support and sustainability, in line with the WFD, achieving the greatest possible number of environmental functions without sacrificing long-term replenishment capacity or diminishing accessibility for legitimate uses and uses needing protection;

25. believes that water transfer between river basins, with priority given to transfer within Member States, must be seen as part of an overall regional management strategy to be drafted in line with hydrological, hydrogeological, environmental and socioeconomic sustainability and as seeking to ensure fair distribution of a limited commodity and must be the subject of in-depth impact assessments;

26. considers, with a view to drawing up appropriate strategies to adapt to the growing demand for water and specific regional situations, that familiarity with water systems in their entirety is essential, from the hydrological cycles of natural water bodies to assessing the efficiency of extraction, transportation and usage systems;

27. calls for new investment programmes to be introduced as part of the EU Multi-annual Financial Perspectives (2013-2020), which, by giving preference to long-term

measures, allow Member States to adopt new water infrastructure development plans only once they have adopted and implemented a structured programme of water-management measures; furthermore, desalination processes, which are energy-intensive, should be considered as an option in circumstances where their benefits outweigh their high environmental impact. The Committee recommends that a multilevel governance structure be used here, in order to optimise the involvement of local and regional authorities in the development of national programmes;

28. agrees that achieving water efficiency should be a priority in water-saving measures (water hierarchy⁽⁴⁾) and welcomes the Commission's *Water Efficiency in Building* initiative, which should be integrated with the Energy Performance of Buildings Directive⁽⁵⁾ in order to promote urban centres and building based on environmental sustainability principles. It must be possible to target the requirements for water efficiency in buildings selectively at geographical areas with water shortages;

29. undertakes to facilitate the use of non-conventional water resources by promoting a culture of reuse and recycling in all areas, taking account of the various characteristics and objectives of the Member States in this regard, with the creation and customisation by regional and local authorities of financial and tax instruments to support sustainable production activities and also to reduce, where necessary, use of groundwater;

30. believes it is necessary to include in the new common agricultural policy (CAP) cross-compliance principles for disseminating effective water management procedures which require cropping systems and irrigation practices to be developed that are in harmony with the region's water availability;

31. proposes that part of the funds available in the new CAP be used to encourage water-saving in agriculture, with the adoption of financial and tax instruments encouraging the cultivation of crops with high water efficiency (more crop per drop), and to promote measures for the conservation and environmental regeneration of arable land so as to facilitate woodland and wetland conservation and limit soil degradation and erosion, thus curbing desertification and saltwater intrusion into coastal groundwater;

32. believes it is no longer possible to put off adoption of legislation which, in embracing efficiency and effectiveness goals in water use to be achieved through recovery and reuse, defines uniform, Europe-wide levels of quality which will ensure appropriate reuse for each different sector of activity, in all cases; this would ensure an approach to recovery and reuse of water

⁽⁴⁾ Communication on water scarcity and droughts in the European Union - COM(2007) 414 final.

⁽⁵⁾ Directive 2010/31/EU of 19 May 2010 on the energy performance of buildings.

resources which would be fully in line with the objectives, while taking account of the fact that the different characteristics of the Member States mean that not all of them are required to take the same action;

Management of extreme events, including using new kinds of measure

33. urges regional and local authorities to see conscious risk management as the most effective instrument to be used to respond to extreme events, moving beyond the culture that sees optimising crisis management as the goal to be pursued (from crisis management to risk management);

34. calls on Member States and regional and local authorities, each according to their own prerogatives and remits, in line with Article 7 of the Floods Directive (2007/60), to encourage better coordination between civil protection operational technical structures and those of environment departments and/or agencies concerned with hydraulic risk prevention and management, with a view to exchanging and sharing knowledge and skills; also urges local and regional authorities as much as possible to initiate cross-border cooperation projects (between Member States, and between Member States and non-EU countries), in accordance with Article 8 of the Floods Directive (FD) (2007/60), with respect to international river basins;

35. believes that water policy must be based on three elements – storage, containment and drainage – that aim to reduce peaks in the water cycle. This enables surplus water to be discharged naturally, while ensuring that enough remains available for times when water is scarce;

36. believes it is essential to give priority to measures aiming to prevent and curb the effects of extreme events through enhancement and recovery of the natural environment, aware that this kind of measure, which preserves biodiversity and restores natural river hydraulics, is also extremely effective in containing the growing problem of soil sealing and in tempering the effects of climate change;

37. believes that one such preventative measure would be to make more space for the water system. This could include the creation of new bodies of open water, but also the introduction of multiple land use, whereby water is given a place in combination with another type of land use, such as residential, employment, mobility, recreation or nature. Local and regional authorities have a key role to play here;

38. calls on the EU and the Member States to give the European Union Solidarity Fund due importance as an essential economic and social support instrument for extreme

events, adapting access rules and management procedures to ensure that it can be fully exploited;

The role of regional and local authorities as regards governance and strengthening international cooperation

39. believes, in line with the WFD and the FD, that the river-basin planning method, using the river basin as the basic unit for environmental, regional and economic analysis, is the right approach to ensure a uniform level of protection of water resources throughout the EU;

40. believes that local and regional authorities, which express the demands and needs of local communities, should, in the context of River Basin Management Plans and participatory, consensual water resource management, play a planning, operational and monitoring role, leaving the European Union and the Member States, each according to their prerogatives, the task of defining policy guidelines and management priorities;

41. stresses the role of regional and local authorities in the process of monitoring the state of implementation of European water policy, in that only direct, participatory involvement of local authorities guarantees the success of protection and preservation measures giving rise to a sense of belonging to the region and conscious respect for the natural resources it contains;

42. calls for the use of existing or imminent legal and financial instruments (*River Basin Management Plans, rural development and cohesion programmes, Structural Funds, etc.*) that provide direction for river-basin district 'governance', assessing every related aspect (quality and quantity of water, navigation and transportation, energy) from an integrated, interdependent perspective, including the joint management of transboundary water resources;

43. believes the recent EU Strategy for the Danube Region, which is a transnational cooperation and water management model that can be replicated, to be in line with the WFD and fully sustainable in socioenvironmental terms, and calls for regional and local authorities to be directly involved in its implementation;

44. highlights the pivotal role regional and local authorities have in collecting environmental data⁽⁶⁾ (to which the GMES programme should make a key contribution) and proposes that the current European Drought Observatory be converted into a European water observatory, with a wider remit that includes validating and ensuring the uniformity of available information on the condition of European water resources;

⁽⁶⁾ CoR Opinion on The role of local and regional authorities in future environmental policy, CdR 164/2010 fin.

45. believes that, in order to give ecosystem services a social and economic dimension and effectively introduce an EU environment strategy that goes *beyond GDP*, coherent, transparent, reliable information and indicators on the condition of the environment and water resources must be guaranteed (7);

Conclusions

46. hopes, with reference to the Resource Efficiency Europe flagship initiative, through the work of its Europe 2020 Monitoring Platform, to be able to contribute, as regards defining both the approach and operational instruments, to the European Commission's action in the area of water resources, energy and waste, aware that the related environmental aspects are very closely interconnected;

47. recalls that policies connected with water quality affect the quantities available and their possible uses and therefore asks that this aspect not be neglected. In this context, it is helpful to take action at the earliest possible stage, in particular as regards product policy, so that the impact of products on water quality can be examined through lifecycle analysis and environmental impact assessments;

48. undertakes to make every endeavour to ensure that future investment, both European and national, aimed at curbing the effects of extreme events (floods and drought), including those caused by climate change, is channelled primarily into building *green infrastructure* (controlled flood plains, natural water retention basins, upland conservation and reforestation measures, recovery of protected areas and wetlands, slope maintenance and stabilisation, etc.) in order to protect the region from floods while also preserving biodiversity, recovering natural resources and providing new

tourism and job opportunities. Where green infrastructure measures are unsuitable, or where local circumstances make them impossible, *grey infrastructure* measures (artificial barriers, overflow channels, embankments, etc.) will be necessary to protect the land, people and economy from floods;

49. calls for the encouragement under the EU Framework Research Programme of science and technology transfer measures to foster the development of new technologies that can not only boost European competitiveness but also secure efficiency and innovation in water resource management;

50. reiterates its comments on the possibility of local and regional authorities having direct use of financial resources coming from greenhouse gas emission limits to fund local programmes to fight climate change (8), undertaking to use a share of these resources to launch initiatives to raise individuals' awareness of the intrinsic value of water, both by introducing a water footprint for products and by encouraging the eco-management of water-intensive production processes (EMAS) and launching information and environment education campaigns starting as early as nursery school;

51. proposes, not least in relation to the requirements ensuing from implementation of Directive 2000/60/EC, that sustainable water management should have a specific, verifiable target for 2020: 1) a 20 % increase in water-saving in all sectors of use; 2) a 20 % increase in the number of water courses being renaturalised, *inter alia* in order to reduce flood risk; 3) a 20 % increase in the volume of water re-used and/or recycled in farming and industry; to that end, calls for direct involvement of the Covenant of Mayors.

Brussels, 30 June 2011.

The President
of the Committee of the Regions
Mercedes BRESSO

(7) European Commission Third Follow up Report to the Communication on water scarcity and droughts in the European Union, COM(2011) 133 final.

(8) CdR 164/2010 fin.

Opinion of the Committee of the Regions on 'Europe 2020 Flagship Initiative Innovation Union'

(2011/C 259/04)

THE COMMITTEE OF THE REGIONS

- reiterates its support for reaching targets on competitiveness and innovation by 2020 and recognises that in order to achieve these targets, continued investment in education and training needs to be maintained;
- recognises the importance of balancing technological, social and public sector innovation;
- recalls that it is absolutely vital for all jobs skills to be upgraded and matched to labour market requirements;
- underscores the role which university partnerships must play in bringing research results to the market through integration of higher education, research and business; notes in this regard the importance of a supportive local and regional environment;
- appreciates the key role of research infrastructures in knowledge-based innovation systems; welcomes in this respect the new concept of Regional Partner Facilities;
- draws attention to: the potential of cross-border cooperation, including inward investment to and outward investment from the EU;
- reiterates that, in order to take full advantage of the leverage effect of the Structural Funds, the regions and Member States be rigorous in establishing adequate coherence between local and regional strategies, National Reform Plans, National Strategic Reference Frameworks and Operational Programmes implemented under European cohesion policy, in keeping with the European common strategic framework for research and smart regional specialisation strategies.

Rapporteur	Roger KNOX (UK/EA), Depute Provost of East Lothian Council
Reference document	Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on Europe 2020 Flagship Initiative Innovation Union COM(2010) 546 final

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

1. welcomes the intention, expressed by the European Commission (COM) in the communication on 'Europe 2020 Flagship Initiative Innovation Union' to adopt a much more strategic approach to innovation as an overarching policy objective, from a medium- to longer-term perspective, and with EU, national, regional and local policies closely aligned and mutually reinforcing;

2. recognises, in this regard, the importance of identifying most promising areas of comparative advantage as a basis for defining smart regional specialisation strategies; acknowledges, at the same time, that some regions may be able to stand out in more than one single area;

3. welcomes that the European Parliament resolution of 12 May 2011 on the Innovation Union strongly emphasises that regional and local authorities are key partners in implementing the priorities of the Innovation Union. They are the closest to citizens, businesses – especially SMEs – and knowledge institutions and are therefore able to establish and coordinate a mix of policy instruments to promote knowledge that is best suited to local and regional conditions;

4. calls for a clear and widely accepted definition of innovation and excellence;

5. stresses the need to better understand the role of regions in developing visions and setting objectives, in addition to delivering EU policies;

6. appreciates the reference to social innovation, including public sector innovation; acknowledges the often excellent efforts made by public bodies and by the social economy sector (cooperatives, mutual societies, associations and foundations) throughout the EU to innovate their practices in the wake of recent financial constraints to meet needs which are not taken into account by the market and by the conventional forms of entrepreneurship; Calls for increased consideration of social innovation in funding and support programmes such as the European Social Fund, the Framework Programmes (FPs) and the Competitiveness and Innovation Framework Programme (CIP);

7. calls for exploring possibilities to use territorial pacts to achieve key priorities of the Innovation Union and stresses the importance of close cooperation between those responsible for the Innovation Union and the Committee of the Regions;

8. stresses the crucial role of eco-innovation and supports the European Parliament call for the adoption of an ambitious Eco-innovation Action Plan proposing measures to introduce eco-innovation at all steps of the value chain, including design and increasing funds for initiatives in this field through the Competitiveness and Innovation Framework Programme;

9. regrets that the presentation of the flagship initiative on the Innovation Union has not been accompanied by an assessment of the budgetary impact of the measures proposed;

10. welcomes the Communication on regional policy contributing to smart growth in Europe 2020 (COM2010 553) and its accompanying document (SEC2010 1183) addressing the regional dimension of the Innovation Union flagship initiative;

11. considers that with 34 proposed commitments there should be a prioritisation of actions in the Innovation Union, in order to assist implementation, achieve concrete results and inject a sense of urgency for action. In this regard, would suggest: (a) synergies between cohesion and innovation policies; (b) innovation partnerships recognising the role of regions; (c) knowledge base and smart specialization; and (d) bringing ideas to the market;

12. would in particular draw the Commission's attention to the situation faced by innovators and individual inventors not operating within the university system, large companies or public authorities, administrations or enterprises. Ongoing work in this field should include strategies that provide innovators and individual inventors with the support and scope they need to take advantage of joint EU funding on a level playing-field;

Regarding, synergies between cohesion and innovation policies, the CoR

13. agrees with the Council and European Parliament on the importance of strengthening synergies between EU policies supporting research and innovation and those supporting cohesion;

14. calls for strengthening the coherence, harmonisation and complementarity of policies for education, research and innovation, with due consideration of regional characteristics;

15. reiterates that, in order to take full advantage of the leverage effect of the Structural Funds, the regions and Member States be rigorous in establishing adequate coherence between local and regional strategies, National Reform Plans, National Strategic Reference Frameworks and Operational Programmes implemented under European cohesion policy⁽¹⁾, in keeping with the European common strategic framework for research and smart regional specialisation strategies;

16. recalls that cohesion policy plays a special role in supporting innovation activity in the regions; therefore the European Regional Development Fund (ERDF) can also be used for funding business incubators and science parks (infrastructure and connections). Clusters are particularly useful for SMEs, as they provide a context which encourages links with universities and large businesses, and enables them to access international trade networks⁽²⁾;

17. believes 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 regional competences and the necessary range. The potential of bodies carrying out research in specific internationally significant areas at regional and local level must also be recognised, as well as the potential based on the recognition, in business, inter alia, of practice-based innovations. In this way, the necessary range to promote the aims of the flagship initiative at a variety of regional levels will be developed;

18. believes that the challenge is to identify which aspects of innovation can be delivered by integrated territorial development plans;

19. reiterates its opposition to the establishment of a single monothematic innovation fund which, relying mainly on resources currently allocated under the structural funds, would group together all the EU financial instruments used to fund innovation. Not only could the 'transfer' of funds result in a net loss of resources allocated to innovation, but it could also call into question the integration of innovation projects in regionalised development strategies;

20. proposes as a possible demarcation criteria between EU innovation Policy and Cohesion that the latter can support the

innovation aspects most closely related to the wider sustainable economic development of a given area, such as clusters, vis-à-vis those aspects of innovation policy that by definition cannot be territorialised and should be delivered by thematic EU funds, open to EU-wide calls, rather than via Cohesion in which block grants are allocated to regions;

21. recognises that the research and innovation landscape is very diverse in Europe, and calls for a mix of policies that effectively support excellence as well as cohesion in Europe's regions; recognises that innovation can apply equally to new ways of working and delivering services as well as to new products; calls for more attention to reviewing what already exists and how it could be done more effectively and efficiently; stresses the need to make opportunities for and recognition of innovation more open, particularly to the grassroots and outlying regions by facilitating access to knowledge and communication through improved physical and virtual structures;

22. recalls that the next programmes for research and innovation funding could entail greater synergies with programmes aimed at developing regional capacities and facilitating participation by regions in R&D activity, as part of a common strategic framework. While upholding the principle of research and innovation excellence, this could be done, for example, by a scheme which includes creating opportunities for mainstreaming the participation of competent partners from research-lagging regions in projects and programmes led by their better known, excellent peers, through mentoring schemes or other means; notes, in this regard, the potential of local and regional actors to nurture 'hubs of competence' linked to 'poles of excellence'. In this regard, the CoR encourages dissemination and exchange of good practice examples;

23. reiterates its willingness to ensure the co-ordinated use of FP7 [and its successors], Structural Funds, CIP, EARDF and the European Fisheries Fund, as this is essential for EU competitiveness and synergies between cohesion, industry, research, higher education and innovation policies at national and regional level⁽³⁾;

24. welcomes efforts at simplifying procedures, as well as the publication of the 'Practical Guide' to EU funding opportunities⁽⁴⁾; particularly appreciates ongoing efforts towards allowing different programmes to finance different phases of projects in an ongoing perspective; would welcome evolution of this Practical Guide into a comprehensive yet accessible digital gateway to information and resources on relevant research and innovation programmes;

⁽¹⁾ CdR 118/2006 fin.

⁽²⁾ CdR 157/2009 fin.

⁽³⁾ CdR 157/2009 fin.

⁽⁴⁾ CdR 230/2010 fin.

25. endorses the proposal by the European Parliament to introduce a 'one-stop shop' or one (service) counter where SMEs, researchers, universities, research centres, regions, businesses etc. can apply for European, national, regional or local funding of research and innovation; stresses that a proposal at EU level would need to be replicated at regional and local levels;

Regarding innovation partnerships (EIPs), the CoR

26. endorses the approach of addressing the entire chain 'from research to retail';

27. emphasises that the EIPs should contribute to a streamlined approach, without adding yet another instrument to the myriad of existing ones; highlights the views expressed by the CoR in a recent opinion on research simplification⁽⁵⁾, particularly as regards: the need to consolidate research funding instruments in addition to mainstreaming the participation of research-lagging regions; building of research capacities and absorption potential across all territories of the EU and; ensuring that the new instruments acknowledge the commonalities and differences between science, technology development and market diffusion;

28. welcomes the pilot partnership on active and healthy ageing, looks forward to the following partnerships and calls for involvement of the CoR in issues effecting local and regional authorities; the Committee considers that more attention should be given to the governance of the initiative if it is to be successful, particularly given the multiplicity of organisations and thematic domains related to healthy ageing;

29. calls for the Smart Cities/Smart Regions Innovation Partnership to be started, because prompt and effective measures are critical here in producing the new and bold solutions needed to address the economic crisis and climate change and adapting these to municipal practices; it is particularly important to step up cooperation between regions with pioneering enterprises and institutions, and to provide them with the resources to effectively disseminate their findings for implementation in other regions;

30. calls for involvement of local and regional stakeholders in the conception, implementation and governance of the EIPs; cautions, however, that this should not entail an increase in the already existing and often confusing plethora of information and service providers already in place (such as Business Gateways, Interfaces, Knowledge Exchanges and so on); cautions that lack of clarity could make it increasingly difficult for universities, businesses and the voluntary sector to know how best to proceed; is also concerned that setting up additional structures might encourage ever-fiercer competition for limited and shrinking resources;

31. draws attention to: the potential of cross-border cooperation, including inward investment to and outward investment from the EU; the importance of supportive framework conditions and; the fact that recognition of the global nature of innovation would add to the cross-border dimension of innovation;

32. underscores, in this regard, the potential role of schemes such as EGTCs and territorial pacts;

33. highlights the existence in many places of regional and local innovation and knowledge transfer partnerships, often made up by the local or Regional Authority, the local academic and business stakeholders; notes the importance of a collaborative approach also amongst local and regional universities, for example through research pooling and participation initiatives;

34. outlines that, reflecting the principles of partnership and smart specialisation, such partnerships could conceive and manage, where applicable, regional innovation programmes funded by the structural funds – with rules being changed to allow the Management Authority to subdelegate; stresses that such new approaches will make it possible to substantially accelerate the transfer of research findings to local and regional practices; it is important to adequately involve relevant stakeholders in the conception, implementation management, and evaluation of such programmes, so their specific needs are accounted for where feasible;

Regarding knowledge base and smart specialization, the CoR

35. reiterates its support for reaching targets on competitiveness and innovation by 2020 and recognises that in order to achieve these targets, continued investment in education and training needs to be maintained, particularly during times of economic uncertainty⁽⁶⁾;

36. highlights the strategic importance for Europe to introduce the concept innovation into the education system;

37. recalls that thousands of workers in the Member States have already lost their jobs over the course of the ongoing economic crisis; the emergence of new markets and the relocation of businesses to countries where manufacturing costs are lower will further exacerbate this problem. It is absolutely vital for all jobs skills to be upgraded and matched to labour market requirements⁽⁷⁾; so that innovation does not lead to net job losses;

⁽⁵⁾ CdR 230/2010 fin.

⁽⁶⁾ CdR 231/2010 fin.

⁽⁷⁾ CdR 85/2009 fin.

38. stresses, in this regard, that business and employment infrastructure need to be brought up to speed with the innovation of products, of services or of delivery, so that the local community can benefit from local innovation;

39. underscores the role which university partnerships must play in bringing research results to the market through integration of higher education, research and business; notes in this regard the importance of a supportive local and regional environment, with whom universities will work in partnership; stresses that research should be seen in its broadest sense and not as merely being about product development; also underscores the importance of: encouraging researchers to link their work to the wider public; involving the public in shaping and designing projects and particularly; disseminating the outcomes;

40. recalls that defining smart specialisation on a given area depends not only on an appreciation of a region's own strengths and weaknesses, but also on an appreciation of threats and opportunities in other regions and continents, which in turn calls for a comprehensive overview of worldwide developments in potential areas of interest; also acknowledges that potential spontaneous, market-driven developments in a region should not be prevented from coming to fruition because they lie outwith the identified priorities of that region;

41. cautions against any intention to use smart specialisation as a way of prioritising already leading regions or local authorities while leaving other areas not or under-supported. This would be against the overriding principle of EU Territorial Cohesion. A European map showing regions according to their level of innovation is thus needed: this classification can then be used to establish specific support instruments for the lagging regions through the provision of ad hoc funds to help them catch up with the most innovative regions. One way of increasing cooperation between different regions is to introduce procedures whereby less-developed regions can access and use relevant research knowledge and applications from different parts of Europe, for instance with support from the structural funds;

42. appreciates the key role of research infrastructures in knowledge-based innovation systems; welcomes in this respect the new concept of Regional Partner Facilities⁽⁸⁾ and partnership between research infrastructures, and acknowledges their potential to contribute to a more balanced development of the European Research Area by engaging smaller or less experienced countries and regions in competitive research and innovation performance;

43. recalls that further development of virtual infrastructures based on information and communication technologies is vital

for the whole of Europe and in particular for facilitating connections between geographically dispersed and particularly remote areas, such as islands and the outermost regions;

44. calls for involvement of local and regional authorities in the smart specialisation platform;

45. requests that local and regional authorities are involved in the review of operational programmes (OPs) co-financed by the Structural Funds; also calls for due consideration of local and regional concerns in the National Reform Programmes;

46. welcomes the European Commission's intention to align the OPs with priorities fixed under Europe 2020, and calls for a focus on a narrower set of priorities and practical implementation taking consideration of regional situation;

47. while aspiring in the longer term to a single, internationally compatible indicator to measure progress, CoR supports the development of an integrated indicator system (as called for by the European Parliament), ideally including the use of the Innobarometer for public administration and services; stresses that such indicators should be as simple as possible while not overlooking the rich diversity of European regions; requests to be kept informed about and involved in the preparatory work for the development of such a system;

Regarding bringing ideas to the market, the CoR

48. recognises the importance of balancing technological, social and public sector innovation; it is particularly important to promote societal innovations, where the operational and structural changes being pursued are achieved by combining different subsectors of innovation activity, e.g. linking the development of technology, art and design, culture and heritage, and services to users' own activities;

49. appreciates mention of cultural and creative industries in the Communication, in view of their potential role in linking creativity and innovation; stresses, with regard to enhancing and promoting innovation, the importance of thinking creatively on how to bring previously disparate disciplines together to see if new ideas can emerge;

50. emphasises that innovation is becoming increasingly complex and systemic. Apart from being research-driven, innovation is increasingly demand- and opportunity-driven, solving real world problems and addressing major societal challenges. In implementing the Innovation Union, policy-makers and researchers should be actively encouraged to create new open innovation concepts, thus creating true win-win situations for all stakeholders and mobilising existing resources irrespective of their origin;

⁽⁸⁾ ESFRI European Roadmap for Research Infrastructures Implementation Report 2009.

51. recognises the vast purchasing power of public procurement, accounting for 17 % of EU27 GDP, and acknowledges the crucial role of public procurement as an innovation driver and obvious engine for increasing of (social, environmental ...) standards;

52. supports active involvement of business and government in innovation-support schemes; cautions, however, on the potential impact on local and regional authorities of having solely the public sector taking the role and risks of a lead customer for unproven products and services;

53. welcomes initiatives aimed at sharing of best practices on innovative procurement schemes;

54. is concerned, however about how local and regional authorities may be impacted by requirements for Member States and regions to set aside dedicated budgets for pre-commercial procurements and public procurements of innovative products and services; willing regions should be encouraged to undertake pilot projects, e.g. through funding and sufficiently flexible rules;

55. calls for close involvement of local and regional authorities in the preparation of legal frameworks and programmes related to research, demonstration and funding of innovative public services and procurement;

56. believes that to frame a territorialised dimension of the Innovation Union an useful criteria would be to distinguish between high end innovation and excellence programmes, that by their own nature need to be supported by thematic innovation programmes and the more practical, ready to market parts of innovation that could be supported by local and regional innovation partnerships with the private sector; would encourage starting from 'ready to market parts of innovation', which have more potential for shorter-term results and straightforward agreements between parties at a local level;

57. recalls that EU Public procurement Directives already allow procurement officials to use selection criteria favouring the purchase of innovative goods and services, and in recent years the Commission has provided various types of guidance related to this issue, including advice relevant to the pre-commercial stage;

58. notes that the European Commission is concerned about the severe obstacles to the use of selection criteria for innovative procurement and instead encourages the spread of innovation-friendly public procurement practices;

59. warns, however, that often EU procurement rules are inconsistent and add red tape to domestic programmes, often testing the limits of the Treaty conferral and of subsidiarity by setting procurement criteria for domestic policies, often tying such provisions to seemingly unrelated legislation or being proposed by different Commission departments;

60. stresses the call from Local and Regional authorities for legal certainty, predictability, consistency and a centralised definition, across European Commission services, of all EU procurement rules as a prerequisite for any additional procurement proposal concerning the Innovation Union;

61. stresses the need to simplify access of SMEs to funding programmes which could benefit their participation in the economy, given that the complexity and differing rules of current programmes often precludes the participation of SMEs, as they have neither the inclination nor the time to try and understand the opportunities offered by such programmes and strongly supports the significant role played by SMEs in driving forward innovation;

62. welcomes the proposal by the European Commission of a Common Strategic Framework (CSF) between all EU funds with a territorial dimension (CF, ERDF, ESF, EAFRD, EFF); calls, furthermore, for coherence with the proposed new CSF on innovation;

63. strongly supports that the CSF also includes synergies with 'thematic' EU funds insofar they entail a territorial element – such as sustainable rural development through broadband provision, TEN-T transport fund, research, or new 'thematic' local initiatives such as 'Smart Cities';

64. recalls that state aid rules are frequently very complex and calls on the forthcoming review due for 2011 to provide clarity on which forms of innovation can be properly supported; notes that such clarity can lead to the opening of opportunities to support innovative companies within given areas;

65. supports the practitioners' call for reduced administration of the EU innovation programme by increasing the number of open calls for proposals and by establishing of fixed dates for call publication, as practitioners believe that such measures would add predictability to the funding applicants and reduce management costs; underscores, in this regard, the importance of administrative predictability;

66. demands a better balance between risk and cost of control in the EU programmes as this often results in an over controlling approach; requests a proportionate audit and reporting mechanism, for example for those bodies that have an audited track record of robust management and reporting practices; calls for a 'science and technology' or 'science and innovation' based approach, rooted in sound scientific/technical quality criteria ⁽⁹⁾, rather than a focus on regularity of expenditure as is still the case in most EU programmes.

Brussels, 30 June 2011.

The President
of the Committee of the Regions
Mercedes BRESSO

⁽⁹⁾ CdR 230/2010 fin.

Opinion of the Committee of the Regions on 'Climate change mainstreaming and the future EU budget' (outlook opinion)

(2011/C 259/05)

THE COMMITTEE OF THE REGIONS

- reiterates that local and regional authorities have a key role to play in the implementation of the Europe 2020;
- stresses that energy efficiency of buildings is a key concern;
- believes that increased transparency is needed to guide investments. Statistics for energy use and production should be public along with statistics of emissions;
- proposes that at least one separate specific priority line of the 2014-2020 Structural Funds should be dedicated to sustainable use and production of energy, giving this objective all the visibility and importance it deserves;
- calls for a specific urban strand of the Cohesion Policy which should provide support for the development of Sustainable Energy Action Plans, improvement and expansion of district heating, CHP, energy production and use of RES, public lighting, public transport and soft modes, energy efficiency in buildings, etc.) and create supporting services for local authorities such as local and regional energy agencies;
- reiterates that the ESF should focus on building human capacities at local level that will be crucial for the development of low energy cities in the future and will boost the local economies;
- supports more efficient funding mechanisms which could foster public private partnerships. In this area it would be e.g. low/none interest loans, bank guarantees, local revolving funds and other innovative financial engineering tools, which in accordance with the principle of additionality should be used in combination with the funding provided at the local and regional level from the Structural Funds.

Rapporteur	Rapporteur-general: Ilmar REEPALU (SE/PES) Member of Malmö Municipal Council
Reference document	Letter from European Commission on 14 February 2011

I. INTRODUCTION

THE COMMITTEE OF THE REGIONS

EU policy priorities, local and regional possibilities and needs

1. is acutely aware of the fact that climate change is a huge global challenge with significant differences in regional and local impact. In solving the climate challenge there is a need to focus on both local and regional circumstances and opportunities with smart local and regional solutions. Climate change challenges are too large for any single member state to address on their own and this is where the European Union can add value;

2. stresses that within the context of the Europe 2020 Strategy, the objectives of employment, innovation, education, social inclusion and climate/energy are closely inter-linked and are all essential elements to achieve the overarching goal of social and territorial cohesion. Key measures in order to reach the EU 2020 targets are built on smart, sustainable and inclusive growth;

3. points out that the 'EU biodiversity strategy to 2020 - Our life insurance, our natural capital' ties in with the fight against climate change in that it provides for essential sustainability and climate change adaptation measures;

4. reiterates that local and regional authorities have a key role to play in the implementation of the Europe 2020 Strategy and progress towards low carbon economy by reducing energy consumption, decentralising energy supply, increasing the use of renewable energy and ensuring ecosystem resilience to climate change, and maintaining and increasing CO₂ sinks;

5. considers that unpredictable climate threatens public health, infrastructure, agriculture, biodiversity, water security, food security and economic development and needs to be addressed through better design, practices and technologies in our cities and rural economies;

Climate action as an economic driver

6. is convinced that climate action can have positive impacts in terms of economic development, green jobs, resilience, social cohesion and quality of life, built on smart growth; it is

therefore necessary to identify the sectors that might benefit and the advantages deriving from climate change that might lead to opportunities for economic development;

7. believes that local climate-related procurement and investment can stimulate fair, inclusive and sustainable growth. Integrating economic development, social cohesion and environmental financing can stimulate a transition to a low carbon economy;

8. believes that EU investment in smart local specialisation can support regions in innovative solutions to harness local conditions and opportunities to develop low carbon economies;

9. is convinced that investments in creating sustainable European cities and regions can strengthen the position of European businesses in a growing global market;

10. considers it necessary to involve the business sector in developing sustainable economies, with the help of policies and strategies that include social and environmental concerns in its commercial transactions, and make it accountable for the consequences and effects of its actions;

II. THE NEED FOR FURTHER ACTION AND INVESTMENT

11. stresses that climate friendly actions requires significant long-term financing. The transition to a low carbon and climate resilient economy will require a focus on investments in energy efficiency, buildings, renewables, clean transport and other smart systems' solutions for better use of resources; both urban and rural areas across the EU urgently need support to be stepped up for local and regional climate change mitigation and adaptation efforts; notes that the Commission has estimated that to make the transition to a low-carbon economy the EU would need to invest an additional EUR 270 billion or 1.5 % of its GDP annually, on average, over the next four decades and that by stepping up climate action 1.5 million additional jobs could be created by 2020;

12. calls for a substantial strengthening of the Covenant of Mayors initiative which should be provided with the appropriate means to support cities and regions in the operational preparation of climate actions plans and to elaborate, in cooperation with international partners such as the US Conference of Mayors, joint standards for the carbon footprint;

13. reiterates in particular that support schemes should be made available to renewable energy producers at all scales, since the tapping of the potential of local and regional decentralised energy is indispensable for the achievement of the EU's 20-20-20 targets;

14. stresses that for climate change mitigation at the local and regional level, energy efficiency of buildings is a key concern, since the buildings sector – i.e. residential and commercial buildings - is the largest user of energy and CO₂ emitter in the EU and is responsible for about 40 % of the EU's total final energy consumption;

15. stresses the need for intensified work for sustainable transport systems, changing people's transport habits and clean fuel vehicles are essential for increased efficiency, decreased emissions and improved air quality. The CoR emphasises the significance of environmentally focused public transport in metropolitan areas and calls for the Structural Funds investments in clean public transport and decarbonisation to be stepped up;

16. points out the importance of promoting development and enhancement of carbon sinks, which help reduce the carbon dioxide concentration in the atmosphere, particularly in regions with the most appropriate geological and/or natural resources;

17. stresses that the EU must live up to international climate finance commitments; shares the view that finance from the international carbon market should also be amongst the sources to support projects in developing countries;

18. believes that it is essential that the population be made more aware of the unsustainability of current patterns of resource use;

19. believes that the exchange of knowledge between the scientific community and the political community should be enhanced, with a view to improved decision-making based on scientific evidence;

III. PRINCIPLES FOR CLIMATE ACTION AND FINANCING

20. believes that the subsidiarity principle, the partnership principle, and multilevel governance are fundamental prerequisites for successful implementation of the Structural Funds and reiterates that local and regional authorities should in particular participate in the design, negotiation and implementation of the partnership contracts under the Common Strategic Framework of the EU funds. This should be seen as a substantial and unique opportunity for the EU to ensure greater coherence of its spending across policy areas and levels of governance;

21. reiterates its opposition to the establishment of a single monothematic climate change fund which, relying mainly on resources currently allocated under the structural funds, would group together all the EU financial instruments used to fund the fight against climate change. Not only could the 'transfer' of funds result in a net loss of resources allocated to the fight

against climate change, but it could also call into question the integration of climate-change related projects in regionalised development strategies;

22. proposes that local and regional responses to climate change should be seen as a complement to international, European and national policies, while building on exchange and cooperation between regions faced with similar threats and opportunities;

23. believes that a multi-level governance approach should be further developed, since climate change mitigation and adaptation can only be successful when all levels of government become involved. In this context, the CoR has called on the European Commission and the Member States to apply the subsidiarity principle;

24. stresses therefore the importance to avoid administrative obstacles at all levels in the EU. This calls for coordinated actions between local, regional, national authorities and the European Commission;

25. reiterates that sectoral or cross-sectoral energy and climate 'alliances' between regions and companies should be encouraged to promote innovation and the rapid transition to the low carbon and climate resilient economy. Such public-private partnerships should be explicitly aimed at the development and application of low carbon technologies development and enhancement of carbon sinks and climate change adaptation measures, and should for this purpose receive specific support from the Structural Funds;

26. believes that increased transparency is needed to guide investments. Statistics for energy use and production should be public along with statistics of emissions and, in particular, statistics relating to changes in the physical parameters of the climate and tracking of climate-related EU budget expenditure should be put in place so that the EU is able to set out clearly how much of its spending relates to climate action;

IV. PRIORITY AND INTEGRATION

27. considers that climate change adaptation and mitigation and energy policy should be included among the top priorities of the EU budget;

28. stresses that the EU budget should support the principles of multi level governance and all EU actions should be based on a horizontal approach, combining measures to combat and adapt to climate change, where the division of the political and financial roles and responsibilities between the local, national and EU levels of governance and also between different policies are clearly specified, in order to avoid gaps, inconsistency and duplication of policy responses;

29. considers that the EU legislation and conditionality of EU expenditure are the key elements in order to achieve EU 2020 targets, considering that climate actions should be mainstreamed in all relevant sections of expenditures including the structural funds, the funds for agriculture and rural development, research and innovation and external cooperation; 'Mainstreaming' means reprioritising existing policies to promote sustainability, recognising that the same action can and should pursue different objectives at once;

30. considers that efficient allocation and effectiveness of limited budgetary resources can be best ensured if climate action and energy efficiency are included as a transversal priority within the Structural Funds, the CAP and the Framework Programmes for Research and Technological Development (the future FP 8). In addition, the future Life+ instrument for environment and climate action should complement the mainstreaming by making more funds available for climate action and test new approaches for climate adaptation and mitigation;

31. supports a ten year budget period that could provide a substantial stability and predictability for the funding programming and will lead to a more dedicated focus;

32. regrets the absence of additional specific commitments in the 'Energy Strategy 2011-2020' concerning the financing and funding of local and regional sustainable energy investment, in spite of the fact that the Commission has stressed the role of local and regional authorities;

V. PROPOSALS FOR FINANCING FROM VARIOUS SOURCES

Cohesion Policies and Structural Fund

33. proposes that at least one separate specific priority line of the 2014-2020 Structural Funds should be dedicated to sustainable use and production of energy, giving this objective all the visibility and importance it deserves;

34. notes that the concept of a sustainable city is changing in the direction of local energy production installations, rise in electric mobility, use of smart grids and other systems' solutions for better use of resources, and calls for a specific urban strand of the Cohesion Policy which should provide support for the development of Sustainable Energy Action Plans, improvement and expansion of district heating, CHP, energy production and use of RES, public lighting, public transport and soft modes, energy efficiency in buildings, etc.) and create supporting services for local authorities such as local and regional energy agencies;

35. reiterates the European Commission's intention to promote local energy solutions and further develop the 'smart cities' (i.e., smart metering and smart grids) initiative to promote

clean and energy efficient investments and calls on the European Commission to reflect this good intention within the framework of the Structural Funds 2014-2020;

36. requires that regional development/cohesion policy funding spent on the improvement of domestic homes energy efficiency should be increased to at least 5 % corresponding to at least 15 % within the ERDF on average across the EU;

37. stresses the key role of the structural funds in supporting the development of knowledge, innovative solutions and public awareness about the challenges and opportunities presented by the need to combat, mitigate and adapt to climate change;

38. believes it is important to promote participatory approaches and knowledge platforms that include all the sectors concerned by climate change, to determine research needs on the basis of policy;

Research and Development

39. calls on the budgetary authority for adequate funding to be ensured and spending increased for research and innovation in the area of the effects of climate change, carbon dioxide emissions mitigation and climate change adaptation, particularly with regard to energy and implementation of the Strategic Energy Technology Plan not only at the EU and national level, but also at the local and regional level, including the promotion of clusters and innovative SMEs;

40. stresses the importance of mainstreaming sustainable technologies and innovation funding needed for new smart technologies, by fully integrating climate change issues and actions in all EU programmes and strategies;

41. stresses the importance of disseminating smart solutions, top innovations as demonstration projects in order to change attitudes, strengthen green growth and support the Europe 2020 strategy;

European Social Fund

42. stresses that the European Social Fund can be used to promote sustainable practice in existing professions and to develop new skills in greener technologies and greener services as the ESF is a tool for helping workers and businesses to adjust to new economic realities;

43. reiterates therefore that the ESF should focus on building human capacities at local level that will be crucial for the development of low energy cities and regions in the future where effective climate change adaptation and/or mitigation measures can be put into practice, and that will boost the local economies;

Common Agricultural Policy

44. stresses the importance of supporting urban rural interaction and development e.g. in energy efficiency, environmentally friendly public transport, safeguarding environmental services, water management, attractiveness through an integrated approach;

45. believes that the Common Agricultural Policy should reward farmers and land managers for the delivery of public goods such as production of renewable energy, preservation of areas which are important because of their role as carbon sinks, reduction of greenhouse gas emissions and climate adaptation;

46. believes there could be more room for increased conditionality or greening of the CAP (Pillar I and Pillar II of the CAP);

47. stresses that the Rural Development Fund (Pillar II of the CAP) continues to be a vital method of helping farmers to innovate and supporting the diversification of rural economies, and that it should therefore expand its current role in relation to mitigating climate change, adapting to it, and tackling other key resource challenges such as water, biodiversity and soil management;

New investment mechanisms

48. reiterates that it has welcomed 'the reallocation of unused appropriations under Chapter II of Regulation (EC) 663/2009 which have been made available for the local and regional authorities for sustainable energy projects' and stresses that this new European Energy Efficiency Facility should be considered an important precedent to be followed in the future;

49. reiterates that 'a close relationship exists between recovery plans and investment in energy efficiency and renewable energy in the context of the current crisis';

50. stresses that since the development of low carbon and climate resilient economy at the local and regional level will improve Europe's overall competitiveness in the area of green economy, it should be possible to co-finance it by project bonds to be issued by the EIB;

51. supports more efficient funding mechanisms which could foster public private partnerships. In this area it would be e.g. low/none interest loans, bank guarantees, local revolving funds and other innovative financial engineering tools, which in accordance with the principle of additionality should be used in combination with the funding provided at the local and regional level from the Structural Funds;

52. supports the idea that new financing should be made available by allocating at least one third of the incomes of the emissions trading system to local and regional level. The precise allocation key for the revenue should be set in each Member State within the context of the national climate strategy, so that proper account is taken of the very different division of responsibilities for climate protection in the Member States. The Committee calls for an increased use of carbon tax throughout Europe and for the local and regional level to receive new financing from this, too, in accordance with the above-mentioned framework; considering that cities and regions are for the time being under-served by the current carbon markets, strongly encourages the OECD's call for local and regional authorities to set up their own GHG-reduction projects financed via the emissions trading system.

Brussels, 30 June 2011.

The President
of the Committee of the Regions
Mercedes BRESSO

Opinion of the Committee of the Regions on ‘protecting and developing historical linguistic minorities under the Lisbon Treaty’

(2011/C 259/06)

THE COMMITTEE OF THE REGIONS

- emphasises the positive effects of minority languages and linguistic diversity in Europe, both for the social and cultural sphere in general and, in particular, on the people and their communities, also helping to foster creativity and innovation in the context of promoting all types of cultural heritage, to the benefit, not least, of economic development;
- underlines the growing awareness of this issue in Europe, as evidenced inter alia by the evolution of Community law, in particular the Lisbon Treaty which has introduced respect for the wealth of cultural and linguistic diversity as a key element in safeguarding and enhancing Europe’s cultural heritage, and the Charter of Fundamental Rights which prohibits any form of discrimination on the basis of language or membership of a national minority;
- points to its own fundamental role, the CoR being an assembly where best practices in safeguarding and promoting minority languages and, more broadly, the culture of each linguistic minority as an expression of Europe’s cultural pluralism can be collated and disseminated, to the benefit of all the historical linguistic minorities;
- calls, finally, on the Commission and the Council to take more account of the need for a specific policy on linguistic minorities that is adequately funded and underpinned by a firmer legal basis.

Rapporteur Luciano CAVERI (IT/ALDE), Regional Councillor of the Autonomous Region of Valle d'Aosta

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

General comments

1. would state first and foremost that the European Union has a wealth of historical linguistic and national minorities (also referred to as indigenous or traditional) who speak languages other than those of the state to which they belong;
2. points out that in all EU Member States local and regional governments are playing an ever increasing role, in keeping with the principle of subsidiarity, in upholding and promoting this cultural and linguistic diversity, for example across all forms and levels of education, in culture and the media, and in regional development;
3. emphasises the positive effects of minority languages and linguistic diversity in Europe, both for the social and cultural sphere in general and, in particular, on the people and their communities, also helping to foster creativity and innovation in the context of promoting all types of cultural heritage, to the benefit, not least, of economic development;
4. notes that over recent decades, there has been a progressive enhancement of the legal instruments that safeguard and develop these minority languages through international law, such as the United Nations' 1992 Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities and the many declarations, conventions and recommendations issued by UNESCO throughout its existence, the most recent being the 2005 Convention on the Protection and Promotion of the Diversity of Cultural Expressions;
5. pays special tribute to the Council of Europe for the key role it has always played in the field of language policy, and in particular the crucial European Charter for Regional or Minority Languages in 1992 and the 1995 Framework Convention for the Protection of National Minorities;
6. also notes the recent resolution of the Congress for Local and Regional Authorities of the Council of Europe of 18 March 2010 (301/2010), entitled *Minority languages – an asset for regional development*, which outlines the positive contribution of these languages to regional development;
7. underlines the growing awareness of this issue in Europe, as evidenced inter alia by the evolution of Community law, in particular the Lisbon Treaty which has introduced respect for the wealth of cultural and linguistic diversity as a key element in safeguarding and enhancing Europe's cultural heritage, and the Charter of Fundamental Rights which prohibits any form of discrimination on the basis of language or membership of a national minority;
8. notes that even before the system of protection was put on a more solid footing by this legal basis, the various Community institutions had recognised the presence of some aspects of protection in the principles enshrined in the existing Treaties (the *acquis communautaire*). This was demonstrated at the time of enlargement, when, with the Copenhagen principles, they called for active policies to protect linguistic minorities, in part as a result of the evolutive interpretation in this area by the European Court of Justice;
9. reiterates, however, that although legal developments have provided for greater protection, with due regard, of course, for the constitutional principles of the individual Member States, they do not yet constitute for the Commission a sufficient legal basis to warrant specific budget headings for historical linguistic minorities;
10. takes note of the efforts currently being made by the various institutions, including the CoR, to protect multilingualism in political life and administrative work, including the gradual introduction of minority languages, as illustrated by the agreements with Spain and the United Kingdom;
11. welcomes the Commission's cooperation with a number of organisations working throughout the Union to support linguistic minorities, pointing in particular to the wide-ranging work carried out by the Network to Promote Linguistic Diversity (NPLD) and past cooperation with the European Bureau for Lesser-Used Languages (EBLUL), before its dissolution, and with the Mercator network, all of which have for many years been addressing the different implications of minority languages and cultures;
12. acknowledges that many European programmes (such as MEDIA, the Culture programme, initiatives to help SMEs, the Structural Funds, development of new technologies) have already funded measures in favour of minority languages, sometimes taking account of policies covering a vast geographical area, such as the Danube strategy and the Alpine Convention (in the context of which the Alpine Space programme has operated);
13. points out, on a negative note, that a 2008 European Parliament study revealed that funding for linguistic diversity had decreased in relation to the growing number of Community languages;

Measures needed

14. points to its own fundamental role, the CoR being an assembly where best practices in safeguarding and promoting minority languages and, more broadly, the culture of each linguistic minority as an expression of Europe's cultural pluralism can be collated and disseminated, to the benefit of all the historical linguistic minorities;

15. urges the European Commission to continue working to promote linguistic diversity by supporting the teaching of languages, particularly minority or regional ones, under various headings;

16. calls on the Community authorities to promote the use of these languages in direct contacts between the European institutions and the general public, as a further means of demonstrating that the Union stands alongside its historical linguistic minorities, with particular reference to the EU's websites and online communications;

17. also encourages local and regional democratic institutions to use information campaigns to familiarise local people and Europeans as a whole with the rights of linguistic minorities and the wealth and diversity of its own cultures;

18. calls on the Commission to support local and regional institutions in Europe in terms of developing teaching, by means of various materials and tools such as teacher training tailored to the needs of each individual linguistic community;

19. recommends that minority or regional languages become an integral part of Union policies, programmes and cross-cutting priorities, with special reference to policy on the audio-visual sector, education at all levels, the cultural sector and language learning, together with policy on territorial cooperation, regional development, the tourism sector and youth exchanges;

20. proposes to the Commission and consequently to the Council that, in the forthcoming programming period,

minority and regional languages play an appropriate part, in the context of regional policy, in the next framework programme on research, in the Culture and MEDIA programmes, and in programmes in the cultural, educational and training sectors, and in particular in the action programme on lifelong learning (LLP), and that the same should apply in areas such as the Structural Funds, the Digital Agenda and everything that touches upon helping individuals and communities to achieve their maximum;

21. alerts the Commission to the need to have an overall, regularly up-dated framework of measures in support of the historical linguistic minorities (including by revising the Euro-mosaic studies). This should include providing opportunities for exchange and mutual knowledge, in the interests of robust cultural cohesion within the overall blueprint for European integration, viewing the significant contribution by regional and minority languages as a further piece in the 'European jigsaw';

22. calls, finally, on the Commission and the Council to take more account of the need for a specific policy on linguistic minorities that is adequately funded and underpinned by a firmer legal basis;

23. recommends that Member States, who have a key role to play in language policy, show sensitivity to the linguistic diversity that exists in their countries and take the approach of developing their historical linguistic communities, in the knowledge that giving recognition to cultural heritage and all the other values they represent (history, language and cultural wealth) is conducive to peaceful coexistence and a richer European identity.

Brussels, 30 June 2011.

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

Opinion of the Committee of the Regions on ‘The Agenda for new skills and jobs’

(2011/C 259/07)

THE COMMITTEE OF THE REGIONS

- strongly encourages all Member States to set quantitative national targets for all of the Europe 2020 headline targets, in particular those directly related to the New Skills and Jobs Agenda, in order to give greater ownership of the National Reform Programmes, demonstrate political ambition for the policies being pursued and to allow for a transparent assessment of policy effectiveness;
- advocates an approach to skills and jobs that: (a) empowers local/regional partners to design interventions and direct resources to meet local/regional employer needs and focus on identified target groups in the labour force; and (b) establishes a framework for joining up services at the point of delivery and devising tailored solutions to tackle specific local/regional problems;
- recalls Article 174 (TFEU) on Territorial Cohesion and underlines the need to take regional differentiation fully into account, as significant disparities exist across the European Union and the challenges that regions face in meeting the Europe 2020 targets vary considerably. These challenging circumstances have been clearly set out in the Fifth Report on Economic, Social and Territorial Cohesion (*please see point 6 on pages 3-4*);
- calls for greater consideration to be given to the timing of the phasing out of the current crisis-related labour market measures and the implications of this on market confidence, the public finances, individual employment prospects of vulnerable workers and overall levels of long term unemployment; considers that the early success or otherwise of the Agenda for New Skills and Jobs will depend on the effectiveness and lasting impact of the crisis measures in assisting the labour market through the economic crisis. Nonetheless, the basic principle must be for the crisis measures to be phased out quickly.

Rapporteur	Henk KOOL (NL/PES), Alderman: member of the executive council of the city of Den Haag
Reference document	Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on An Agenda for new skills and jobs: A European contribution towards full employment COM(2010) 682 final

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

1. welcomes 'An Agenda for New Skills and Jobs' as one of the seven flagship initiatives of the Europe 2020 strategy for smart, sustainable and inclusive growth; recognises that it is complemented by other flagship initiatives and underlines that the Agenda will only be achieved by adopting a coherent, multi-level and integrated approach to implementation;
2. strongly encourages all Member States to set quantitative national targets for all of the Europe 2020 headline targets, in particular those directly related to the New Skills and Jobs Agenda, in order to give greater ownership of the National Reform Programmes, demonstrate political ambition for the policies being pursued and to allow for a transparent assessment of policy effectiveness;
3. welcomes that the Commission makes some reference to regional aspects in the flagship but considers that greater importance should be accorded to the distinct role that local and regional authorities play as employers, service providers, and regulators, in the promotion of growth and cohesion, and in coordinating strategic partnerships between educational institutions, enterprise agencies and enterprises in their respective regions;
4. advocates an approach to skills and jobs that: (a) empowers local/regional partners to design interventions and direct resources to meet local/regional employer needs and focus on identified target groups in the labour force; and (b) establishes a framework for joining up services at the point of delivery and devising tailored solutions to tackle specific local/regional problems;
5. furthermore, considers that there are a number of proposals for action set out in the flagship that would benefit from a stronger local/regional dimension and would urge the European Institutions and Member States to support action on: local skills strategies; a sub-national dimension to the EU Skills Panorama; local measures on the integration of those who encounter serious difficulties in obtaining jobs, such as migrants, for example, into the labour force; local action on early school leaving, adult literacy and numeracy and lifelong learning strategies; enabling conditions for job creation; local/regional level social dialogue on labour and employment policies; regional centres of excellence for tomorrow's jobs; and actions on the future supply of workers in key sectors, such as health;
6. recalls Article 174 (TFEU) on Territorial Cohesion and underlines the need to take regional differentiation fully into account, as significant disparities exist across the European Union and the challenges that regions face in meeting the Europe 2020 targets vary considerably. These challenging circumstances have been clearly set out in the Fifth Report on Economic, Social and Territorial Cohesion ⁽¹⁾, in particular:
 - (a) less than one in every three regions has achieved the employment rate of 75 %, and nearly one in five regions has a rate below 65 %;
 - (b) over 20 % of regions have 40 % or more of their population with a low level of educational attainment;
 - (c) less than one in six regions has achieved the target rate for tertiary education;
 - (d) rates of participation in lifelong learning vary considerably, with over 22 % of regions having a very low participation rate of 5 % or less;
 - (e) the population is ageing rapidly and the age dependency ratio is becoming skewed;
7. highlights the potential negative effects for some regions from policies that pursue EU wide aggregate improvements or national targets, with little or no reference to the territorial dimension, and urges the European Commission and Members States to consider the consequences of such an approach, particularly for those regions with serious structural weaknesses;
8. notes the huge disparity in terms of participation levels in lifelong learning and training at regional level across the

⁽¹⁾ COM(2010) 642 (9.11.2010).

European Union and is concerned that, notwithstanding the myriad of targets related to this set over many years, there remains a large failure to ensure that the laggard Member States and regions catch up on the EU average;

9. regrets that the presentation of the flagship initiative on the Agenda for New Skills and Jobs has not been accompanied by an assessment of the budgetary impact of the measures proposed;

10. calls for greater consideration to be given to the timing of the phasing out of the current crisis-related labour market measures and the implications of this on market confidence, the public finances, individual employment prospects of vulnerable workers and overall levels of long term unemployment; considers that the early success or otherwise of the Agenda for New Skills and Jobs will depend on the effectiveness and lasting impact of the crisis measures in assisting the labour market through the economic crisis. Nonetheless, the basic principle must be for the crisis measures to be phased out quickly;

11. requests that, at both the EU and Member State levels, mechanisms are established to coordinate efforts for achieving the objectives of the New Skills and Jobs Agenda and the other flagships, in particular, the 'Youth on the Move' and the 'Platform Against Poverty' flagships;

Towards a New Momentum for Flexicurity

12. welcomes the recognition by the European Commission that within a loose labour market, in the context of high structural unemployment levels, labour supply measures alone are insufficient to tackle the unemployment problem and that these need to be complemented by actions with a focus on incentivising labour demand, but calls for greater balance to be accorded to these two sets of policy prescriptions;

13. acknowledges that national flexicurity arrangements do need to be strengthened and adapted to the new social and economic context and welcomes the inclusion of the flexicurity guidelines in the work of the Council, and reminds the Commission that it should always involve the social partners when considering changes that may have an impact on the labour market. The Commission is asked to spell out in greater detail the implications for job security, existing employment rights, working time and modes of working organisation from the suggested changes to open ended contractual arrangements;

14. recalls that the European Union has been the catalyst for progressive changes to national employment law systems through previous EU directives and highlights the importance of maintaining these standards; believes however that continued efforts and encouragement of structural change towards further social stability is necessary;

15. supports the emphasis placed by the European Commission on the crucial role of SMEs in job creation and economic competitiveness and recalls the recommendations in its opinion on the Small Business Act ⁽²⁾, especially in terms of access to finance and implementing the 'think small first' principle;

16. reminds of the uneven pace of progress and diverse interpretation of a number of existing EU employment directives in their transposition into Member State law, with the consequence that a single EU labour market does not exist and there is no level playing field, but also notes that the Commission's right to obtain feedback from the Member States regarding the incorporation of EU law into national law, ensures that national variations are kept within acceptable limits. To get some idea of how wide such variations can be, it is suggested that a comparative analyses be carried out of how some of the directives have been implemented in the Member States;

Equipping People with the Right Skills for Employment

17. acknowledges the succinct assessment presented by the European Commission of the main challenges facing the labour market of the European Union; agrees that there exists a deficiency of appropriate skills for future labour market needs, insufficient supply and demand for training opportunities at particular skills levels and that there needs to be better matching and management of migrant workers' skills and experience;

18. cautions, however, that the European Commission currently holds too narrow an interpretation of the skills problem and appears to underestimate the challenge in managing the changing sectoral composition of the economy and its implications for age gender, and people with disabilities, as well as, in certifying prior experience, in formalising the skills associated with growing elementary occupational sectors such as ancillary healthcare, in recognising the growing share of older workers and the associated issues of continually upskilling them, in managing an unemployment rate amongst third country nationals which is over twice the rate for nationals within individual Member States and in recognising the need for a specific set of policies to counter the growing number of youths in NEET - neither in education, employment or training;

19. considers that greater emphasis should be placed by the European Commission on the need for greater localisation of service delivery and strategic planning in terms of labour market profiling, forecasting and industrial policy formation and greater personalisation in the design and planning of direct interventions with local employers, social partners and employment services, in areas of granting enterprise supports and proactive early identification mechanisms of the training needs of workers within firms under threat of closure;

⁽²⁾ CdR 246/2008 fin.

20. supports the concept of an EU Skills Panorama to improve transparency for jobseekers, workers, companies and/or public institutions, but believes that there is a necessity for a more localised form of this tool to complement the information compiled nationally, particularly in those Member States with very centralised administrated systems. It is at the sub-national level that the most accurate and timely information on regional labour markets can be sourced and where local and regional authorities can play a significant role in identifying skills mismatch providing appropriate re-training and vocational training programmes and incentivising investment in response to local demand;

21. supports the development of stronger business-university linkages and in particular the integration of 'credit bearing' work placements in all university programmes in order to strengthen the technical, business and soft skills set of graduates and enhance their employability in the modern labour market;

22. considers that digital literacy and competence should be a key component of future skills anticipation and mapping and that investment in ICT infrastructures must be accompanied by appropriate schemes to raise digital competences of the workforce, particularly the low-skilled, vulnerable groups and the unemployed;

23. suggests, given that 2011 is the European Year for Volunteering, that the New Skills and Jobs Agenda should take into account the value of volunteering in expanding a person's range of skills; further requests that existing certification schemes recognising skills, knowledge and experience acquired through volunteering should be linked with the Europass CV scheme to facilitate EU-wide recognition of relevant volunteering experiences and employability;

24. believes that the existing services already provided by many local and regional authorities in the provision of mentoring and counselling services and in incentivising and assisting companies, particularly SMEs, should be explicitly acknowledged and that their role in co-investing and facilitating academic-commercial linkages should be highlighted and further supported;

The EU agenda for the promotion of labour mobility

25. notes that only 15 % of labour market mobility is due to internal EU cross-border movement and that the share of working age migrants arriving from third countries is twice as high as the share of migrants from other Member States; believes that mapping of the skills profile of third country nationals as proposed by the European Commission is to be welcomed and stresses that it should place emphasis on social

and economic integration and involve national, regional and local authorities. However, any such mapping must be undertaken with great care, and with respect for personal integrity;

26. recognises that the European Commission supports labour mobility as an adjustment mechanism to inter-regional market imbalances but notes that this has implications for the principle of Territorial Cohesion; urges greater consideration of 'brain-drain' effects and the disparate impacts of labour mobility on both the 'home' and 'receiving' regions, as the pursuit of such a policy risks that short term gains to overall employment levels across the EU will give rise to longer term costs within some peripheral regions. Ultimately, calls for a major debate on the migration experience amongst Member States and their constituent regions and on the implications for the long-term growth potential of individual regions;

Improving the Quality of Work and Working Conditions

27. welcomes the proposal to undertake a large scale evaluation of the present legislative 'acquis' on quality of work and working conditions, but urges the European Commission to include in its considerations the uneven implementation of EU directives to date across Member States;

28. highlights the significant programmes of rationalisation and tightening of budgets that are on-going in local and regional authorities across a number of EU Member States at this time and points to the possible difficulties for authorities in managing this alongside a progressive programme for the treatment of their workers. In their bid to preserve the standard of front line services with fewer financial and human resources, there is a worrying potential for local and regional authorities to encounter difficulties in complying with the Working Time Directive. Productivity increases alone are likely to be insufficient to meet the volume of service targets and there will be inevitable pressure on the reduced number of staff to work longer hours. Once realistic improvements in productivity have been realised, a trade-off between fewer manpower resources and the volume of services that can be provided is to be expected. Local and regional authorities must be supported in setting an example in complying with labour employment rules and they are urged to adopt realistic targets for service delivery;

29. recognises that Member States retain control over the legislative enforcement of such protective laws, but suggests that the EU could establish an information collation and dissemination tool, particularly with regard to the application of health and safety rules – a 'Health and Safety Monitor', to allow for exchange of information about anomalies in implementation across Member States;

30. notes that the New Skills and Jobs Agenda makes reference to in-work poverty but regrettably fails to make any specific proposals in terms of quality work, sustainable employment and adequate income to directly address this persistent issue;

Supporting Job Creation

31. supports the view that SMEs will be the engine of future employment growth and that there will need to be higher entrepreneurial activity levels across the EU economy to support a growing working age population and in order to depart from high dependency levels on foreign direct investment in certain regions, but calls for a broader approach to entrepreneurship training and adaptation to the new sectoral composition of the economy. A greater emphasis is necessary on entrepreneurship in education systems, but it also needs to filter into the training and reskilling of older workers, both public and private, to encourage greater innovation within existing workplaces;

32. welcomes the emphasis on the 'think small first' principle, which should be applied across all pillars of the flagship; further underlines that supports should not only be confined to start-ups, new SMEs and hi-tech enterprises but also to those undergoing development and re-structuring, to ensure the long-term sustainability of all enterprises;

33. agrees that efforts must be made to push jobs from the informal into the formal sector and highlights that regulation of particular domestic and care activities will be necessary to achieve this, calls for a proposal from the European Commission on the detail on the types of incentives to advance this as soon as possible;

34. considers that, when executing their public procurement contracts, government authorities can also contribute to the recruitment of the long-term unemployed, people with disabilities and trainees. Thus government can include a requirement in their call for tender to the effect that the successful bidder must earmark a given percentage of the value of the contract for the recruitment of these target groups. The scope for doing this is not being fully used at the moment. The Committee therefore recommends, in accordance with its opinion on the modernisation of EU public procurement policy, the promotion at EU level of social procurement and the recruitment of the long-term unemployed, people with disabilities and trainees when executing public procurement contracts;

EU Financial Instruments at the Service of New Skills and Jobs

35. would welcome greater clarity on how the objectives of the New Skills and Jobs flagship are to be addressed by the

relevant EU programmes during the current programme period but would caution against radical changes in operational programmes at this stage in the implementation process;

36. supports the call for better use of, and greater synergy, between EU funds, as proposed in the Budget Review⁽³⁾ to support the objectives of the New Skills and Jobs Agenda. Considers, however, that this can be best achieved through;

Place-based approaches – improved coordination between sectoral and territorial policies via a multi-fund approach (Common Strategic Framework) and in particular a stronger territorial dimension of the ESF (which is implemented through broad national programmes only in some member States). Member States and regions should retain sufficient flexibility to define their own priorities and draw up mixes of appropriate policy responses to national/regional specificities;

Multi-level governance approach – to provide a greater alignment between Europe 2020 objectives and the ambitions of Cohesion Policy the establishment of Development and Investment Partnership Contracts is welcome. These contracts should be developed in conjunction with all levels of governance to ensure regional programming does not simply become a tool determined by national priorities;

A Results-based approach – monitoring of progress in terms of quantitative and qualitative indicators to support evaluation and policy-making. This would help to reinforce actions towards priorities and also link with the country specific recommendations in the framework of Europe 2020 (Article 148 TFEU). The development of a common impact evaluation framework at EU level is required, in order to achieve this;

37. would welcome consideration of stronger links between reporting obligations under Europe 2020 and the National Reform Programmes and those for Cohesion Policy, with a view to avoiding duplication and achieving more effective results;

38. recognises the need for better use of EU funds to achieve reforms in the fields of employment, education and training, but rejects proposals for contractually binding 'conditionality' to be applied to funding, as there should be no punitive link between a region's entitlement to Cohesion Policy funds and the effectiveness of Member States' institutions and macro-economic policies;

39. suggests that, based on the experiences of implementing some funds, such as the European Globalisation Adjustment Fund (EGF), there needs to be better coordination between all EU funds addressing skills and jobs;

⁽³⁾ COM(2010) 700, 19.10.2010.

40. wishes to assist the European Commission in monitoring the implementation of the Europe 2020 strategy and its flagships by local and regional authorities through its Europe 2020 Monitoring Platform.

Brussels, 1 July 2011.

The President
of the Committee of the Regions
Mercedes BRESSO

Opinion of the Committee of the Regions on 'Reform of the EU State aid rules on services of general economic interest'

(2011/C 259/08)

THE COMMITTEE OF THE REGIONS

- reiterates that the legislative package on State aid in the form of public service compensation should be revised in strict compliance with the principle of subsidiarity and with a view to ensuring freedom of choice and of administration for local and regional authorities as regards methods of organising, funding and carrying out their public service prerogatives;
- underlines that, in order to implement the wide discretion to which regional and local authorities are entitled under the Lisbon Treaty, a legal basis of secondary legislation is needed, which – on the basis of a set of definitions – would ensure the utmost flexibility in the application of competition rules to services of general economic interest (SGEI);
- opposes the introduction by the Commission of any requirement to assess economic efficiency in SGEI compensation;
- feels that objective criteria should also be taken into consideration which in principle offset any risk of affecting intra-Community trade such as the limited territorial remit of certain operators governed by authorisation schemes, the limited functional scope of other public or private operators set up specifically to provide a particular public service in a given area and not carrying out any commercial activity on the market, and the not-for-profit nature of certain social undertakings;
- suggests to the Commission that the *de minimis* ceiling should be raised to EUR 800 000 a year specifically for public service compensation. This would exclude from the scope of State aid control all local public services relying on the local voluntary sector and local social micro-enterprises.

Rapporteur-general	Karl-Heinz LAMBERTZ (BE/PES), First Minister of the Belgian German-speaking Community
Reference document	Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions — Reform of the EU State aid rules on services of general economic interest COM(2011) 146 final

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

1. welcomes the Commission's decision to launch a debate with stakeholders and institutions on the revision of the legislative package on State aid in the form of public service compensation, drawing on the conclusions of the evaluation report drawn up following its broad consultation of Member States and numerous stakeholders;
2. considers this revision to be a major political initiative for local and regional authorities and the public in that it must aim to frame new rules that are clear and proportionate on the compatibility with the internal market of the various forms of funding public services and thus bring the legal certainty and predictability needed for the development of public services in the EU and for ensuring that the basic needs of the European people are genuinely met;
3. notes with interest that the review of the legislative package ties in with the Commission's wider objectives in the area of public services and the internal market, and particularly with proposal No 25 of the *Single Market Act* ⁽¹⁾, in which the Commission has undertaken to adopt, by 2011, a communication and a series of measures on public services, underlining that the EU and its Member States must ensure that public services are easier to operate at the appropriate level, adhere to clear financing rules, are of the highest quality and are genuinely accessible to all;
4. reiterates that the package should be revised in strict compliance with the principle of subsidiarity and with a view to ensuring freedom of choice and of administration for local and regional authorities as regards methods of organising, funding and carrying out their public service prerogatives, in accordance with the provisions of national or regional legislation;
5. affirms that local and regional authorities are particularly well placed to play an active role in the process of revising the legislative package, being close to the grassroots and involved day-to-day in framing, organising, funding and delivering public services, in response to the ever changing and more varied basic needs expressed by the people in the areas where they live, whether in terms of employment, housing, transport, education, health, and childcare, or with regard to dependent elderly people, culture, sport, leisure activities, etc.;
6. welcomes the Commission's recognition of the vital role that public services occupy in the shared values of the EU, pursuant to Article 14 TFEU. It is vital that Member States together with local and regional levels are in a position to ensure access to certain basic services under reasonable conditions. Such services strengthen social and territorial cohesion, foster the well-being of the people, play a role in redistribution, combating inequalities and ensuring social justice, and make a substantial contribution to the development of the EU, in line with the 2020 strategy; in this respect, European policy on public services also depends on implementing Article 9 TFEU;
7. therefore points out that developing quality services of general economic interest must be an ongoing and crosscutting priority for the Commission; in this respect, considers that the Commission should have explicitly highlighted services of general economic interest, and particularly social services of general interest, as part of the EU 2020 strategy as they are essential for achieving the stated goals; moreover regrets that the Commission did not wish to make it one of the 12 major priorities for re-launching the single market when it actually recognised their vital role in overcoming people's lack of interest in the single market;
8. shares the Commission's view that the objective of this reform of the rules on State aid for services of general economic interest must be to boost the contribution of these services to the EU's economic recovery, and the restoration of the social fabric;

⁽¹⁾ Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions – Towards a Single Market Act. For a highly competitive social market economy. 50 proposals for improving our work, business and exchanges with one another, COM(2010) 608 final.

9. points out that, now more than ever, people need quality and accessible services of general economic interest to overcome the economic and social effects of the crisis; therefore feels that implementing programmes to reform and combat public deficits which the Member States have begun should not lead to restricting the scope and quality of the services provided or financed as services of general economic interest;

10. calls for the adoption of more balanced provisions, better tailored to the nature of public service, to its local, cross-border and EU dimensions, to the wide variation in its forms of organisation and stakeholders, proportionate to the real level of risk of affecting intra-Community trade and of actually distorting competition within the internal market;

Taking account of the Lisbon Treaty's innovations on public services in the revision of the legislative package on State aid

11. agrees with the Commission's analysis of the new provisions of the Lisbon Treaty concerning public services as part of the shared values of the EU, whereby it refers to: *a high level of quality, safety and affordability, equal treatment and the promotion of universal access and of user rights; and the wide discretion of national, regional and local authorities in providing, commissioning and organising [public services];*

12. emphasises that Article 14 TFEU, which is part of the provisions of general application of the Treaty, provides a new legal basis for the European Parliament and the Council to establish – by means of legislation – the principles and conditions, particularly economic and financial conditions, enabling services of general economic interest to perform their particular tasks;

13. reminds the Commission that it alone is able to propose that the European Parliament and the Council implement the major democratic step forward taken by the Lisbon Treaty which is described in Article 14 TFEU, and that it bears full political responsibility for not making use of it;

14. regrets that the Commission's failure to act in this regard has forced the European Court of Justice to rule, on the basis of specific cases, on matters which would warrant clarification by the legislator in accordance with the principle of democratic responsibility and in the spirit of the Lisbon Treaty;

15. points out that Protocol No 26 on services of general interest recognises both the specific nature and the diversity of public services, and the primary competence of Member States and local and regional authorities to provide, carry out, fund and organise them;

16. underlines, however, that, in order to implement the wide discretion to which regional and local authorities are entitled under the Lisbon Treaty, a legal basis of secondary legislation is needed, which – on the basis of a set of definitions – would ensure the utmost flexibility in the application of competition rules to services of general economic interest for local and regional authorities;

17. points out that, under Article 106(2) TFEU, undertakings entrusted with the operation of public services are subject to the rules on competition and, in particular, the rules governing the prohibition and control of State aid, only insofar as the application of those rules does not obstruct the performance, in law or in fact, of the particular tasks assigned to them by national, regional and local public authorities;

18. points out that access to compensation for the net cost of delivering public services is among the economic and financial conditions necessary for undertakings entrusted with the operation of public services to perform the particular tasks assigned to them by public authorities properly, especially in these times of economic and financial crisis, in which public services are playing a vital role as an automatic stabiliser, protecting the most vulnerable sections of the public and thus helping to mitigate the social impact of the crisis;

Efficient allocation of public resources, economic efficiency in public service compensation and public service productivity at a time of economic and budgetary crisis

19. would remind the Commission that local and regional authorities have always been committed to meeting local needs and respond to changes in these needs over time. To this end, they strive in their day-to-day management to make the best possible use of public funds so as to ensure the quality, accessibility, security and continuity of public services in their area. Points out that the current crisis has underlined this need for efficiency, which is part of their primary political responsibility in the eyes of the voting public;

20. would emphasise here that development of public-public cooperation, by pooling resources, offers great potential for increasing efficiency in the use of public resources and modernising public services to meet the new needs of people in their local areas;

21. opposes the introduction by the Commission of any requirement to assess economic efficiency in SGEI compensation; in the Committee's view, neither Article 106 nor a unilateral decision or directive of the Commission, on the basis of paragraph 3 thereof, provide a sufficient legal basis for any such legislative proposal;

22. in this respect affirms that the measure of economic efficiency in public service compensation could, in any event, be only one of the components of a more general framework for assessing the quality of public services which must include purely qualitative (accessibility, continuity of service, response time, user satisfaction ...) and not just economic indicators, and that it alone could not warrant reducing the scope of the service provided;

23. states clearly that the remit of the Commission, as the European competition authority, by no means extends to the conditions for the efficient allocation of public resources by Member States' public authorities, nor to the conditions for the effective contribution of public services to the EU's economic, social and territorial cohesion, and to growth and jobs; these matters go way beyond the scope of the principle prohibiting any over-compensation likely to distort competition within the internal market;

24. points out that this exclusive role exercised by the Commission, under the supervision of the European Court of Justice, is limited to ensuring the conformity of public service compensation that does not meet the conditions laid down by the Court in its Altmark judgment and thus falls under the rules governing the prohibition and control of State aid;

Pursuing the process of clarifying the key concepts involved in classifying public service compensation as State aid

25. welcomes the fact that the Commission deems it necessary to pursue and place on a formal footing the process of clarifying the key concepts as regards implementing the control system for State aid for public services. This process has been underway for several years on an informal basis (being non-binding on the Commission) with the publication of staff working documents on frequently asked questions ⁽²⁾, the Guide to services of general economic interest ⁽³⁾ and the establishment of the interactive information service concerning services of general interest ⁽⁴⁾; calls on the Commission to place the process of clarifying the concepts, which are not set out in the Treaty, on a formal footing with a proposal for a regulation of the Council and of the European Parliament, based on Article 14 TFEU and not by means of an interpretative communication which would be non-binding on the Commission;

⁽²⁾ *Frequently asked questions related to Commission Decision of 28 November 2005 on the application of Article 86(2) of the EC Treaty to State aid in the form of public service compensation granted to undertakings entrusted with the operation of services of general economic interest, and of the Community Framework for State aid in the form of public service compensation. Accompanying document to the Communication on 'Services of general interest, including social services of general interest: a new European commitment'* COM(2007) 725 final SEC(2007) 1516.

⁽³⁾ SEC(2010) 1545, 7.12.2010.

⁽⁴⁾ http://ec.europa.eu/services_general_interest/index_en.htm.

26. is concerned that the absence of legislatively consolidated definitions for public services for the internal market is leading the European Commission in its negotiations under the General Agreement on Trade in Services (GATS) to include, a priori, all the services in the negotiations, with no consideration for the specificity of services of general interest;

27. suggests that the interactive information system on services of general interest also include a data simulator allowing regional and local authorities to check the categorisation of aids;

28. believes that one of the reasons for the low level of implementation of the 2005 Commission Decision by local and regional authorities, besides the ensuing transaction costs, is the difficulty of defining local situations in terms of the EU concepts and terminology used in the Decision, particularly unhelpful terms such as 'activities that are economic in nature', 'undertakings', 'affecting intra-Community trade', 'economic advantage', 'act of entrustment', 'typical undertaking, well run and adequately provided with means of transport' and 'reasonable profit';

29. underlines that this real difficulty for local and regional authorities in taking ownership of these concepts is compounded by the fact that they are not uniformly applied to a given type of public service; rather, their application is directly dictated by the chosen form of organisation and contractual arrangements, which vary from one authority to the next, even within the same Member State;

30. calls on the Commission to present, at the same time that it puts forward its revised draft Decision, an indicative non-binding EU Register of public services, as defined by the Member States and local and regional authorities; proposes that this Register, which could be developed in collaboration with the Committee of the Regions, should specify, for each form of organisation, the economic and non-economic nature of the activity and should be updated annually, so as to provide a practical illustration for local and regional authorities of the scope of these concepts and the objective reasons for classifying activities as economic or non-economic, and how this evolves over time;

31. calls on the Commission to extend this clarification exercise to the shared values of the EU in respect of public service, as defined by the Lisbon Treaty, i.e. a high level of quality, safety and affordability, equal treatment and the promotion of universal access and of user rights, and particularly the shared EU value of universal access as applied to the area of public social services, regrets the narrow view the Commission has developed

in recent decisions as regards the compatibility of State aid granted to social housing bodies in a growing number of Member States, and in particular in the E 2/2005 and N 642/2009 cases on social housing in the Netherlands, in which the Commission questions the principle of the social mix in social housing by using the single criterion of very low income thresholds. Calls on the Commission to reconsider its position in the context of the appeal currently before the European Union's Court of Justice;

32. states in this regard, that it is up to the Member States and local and regional authorities to define the specific tasks assigned to social public services and the nature and content of the resulting public service obligations and that consequently it is not within the Commission's remit to intervene in the conditions for allocating these social services to beneficiary households nor in identifying the categories of household whose basic social needs cannot be met by market forces alone;

33. calls on the Commission to include in its review process and proposals all of the forms that public service compensation can take given the wide discretionary power of local and regional authorities as regards funding public services, including compensation in the form of long-term investment aid as required for funding local public service infrastructure (hospitals, social housing, accommodation centres, cultural centres, etc.), to not limit its compatibility rationale to annual operating subsidies, which can be carried over from one year to the next in the event of overcompensation, and to clarify the conditions for assessing the absence of overcompensation in the case of long-term investment aid, particularly in property and land infrastructure;

Separating the issue of preventing and monitoring possible overcompensation from the question of the choice of procedure applicable to the selection of the operator by the organising public authority

34. calls on the Commission to separate the issue of the prevention, monitoring and reimbursement of any overcompensation, which comes under the principle of prohibiting State aid and ensuring undistorted competition, from the issue of the conditions for public authorities as regards contracting arrangements and the selection of undertakings to be entrusted with the operation of public services, which, depending on which kind of arrangement is chosen by the public authority, fall under either the general Treaty principles of non-discrimination, equal treatment and transparency – in the case of service concessions, for example, or the granting of exclusive or special rights – or the directive's provisions on public procurement;

35. reiterates that use of the tender procedure to select the undertaking(s) to be entrusted with the operation of a public

service is only one of several possible arrangements, constituting a public purchase of the external delivery of public services for a price, and not an exclusive means of securing exemption from State aid classification;

36. calls on the Commission to clarify that carrying out tender procedure in accordance with EU law also always precludes overcompensation for the purposes of rules on state aid; but also points out that tenders do not always take account of how the net cost of delivering the public service may change over time if the price is the result of a power struggle and a market situation at a specific moment in time. Depending on operators' market penetration strategies, the circumstances determining the price set for a given tender may also lead to structural under-compensation which is likely, in time, to undermine the principles of public service financial continuity and affordability;

37. points out that, besides the additional transaction costs that tendering entails for local and regional authorities, some public services do not lend themselves to its rigidity because they are liable to change or for reasons of financial continuity or the general-interest need to provide rules for undertakings via an authorisation scheme where there is an information imbalance between service users and providers, particularly for reasons of protecting the vulnerable set against the need to satisfy basic social needs such as health, housing, or employment, reasons to do with granting exclusive or special rights, or simply the lack of a cross-border dimension to the delivery of local and social public services;

38. thus suggests to the Commission that the revision of the legislative package be accompanied by a proposal for an explanatory communication in the form of a 'toolbox' aimed at local and regional authorities, clarifying the law applicable to the various forms of public service provision, ranging from direct provision, provision via public-public cooperation by pooling resources, to direct provision by an in-house body, public purchase of the external delivery of a public service for a price, transfer of operating risk to an external operator with or without remuneration, granting exclusive or special rights in the form of authorisation schemes or providing financial support to a not-for-profit project in the general interest;

39. welcomes the fact that, the European Court of Justice has simplified and clarified conditions for direct service provision and, most recently, public-public cooperation between local authorities; calls on the Commission to propose an amendment to the legislation on public procurement in order to establish a definition of direct provision geared to local autonomy and to the need for efficient use of public resources at a time of economic and budgetary crisis;

40. points out that public-public cooperation among local and regional authorities offers great potential for economic efficiency, for ensuring optimal allocation of public resources and for modernising public services in response to changes in the basic needs of people in their local areas;

41. calls on the Commission to consider administrative cooperation between local and regional authorities and between bodies governed by public law as a domestic, organisational matter not covered by public procurement law, in line with the principles of the Treaty on the Functioning of the European Union;

A diversified and proportionate response to actual effects on intra-Community trade

42. supports the Commission in its desire to reduce the administrative and financial burden on local and regional authorities and undertakings entrusted with public service provision as regards regular checks on overcompensation, which currently determine the exemption from notification and the *a priori* compatibility of public service compensation;

43. supports the method proposed by the Commission, in line with the proportionality principle laid down by the Treaty, to diversify the procedures for monitoring possible overcompensation, to provide a more tailored response to the exclusively local nature of certain local public services, particularly social public services which have, at the current stage of the internal market's development, no impact, or a very low risk of impacting on intra-Community trade, and to focus its attention on public services with an EU or cross-border dimension, which have a greater impact on the internal market because of their regulation by sectoral liberalisation directives or the European or cross-border structure of their operators;

44. thus believes that a distinction should be made between: 1. situations in which *de minimis* public service compensation does not affect intra-Community trade and is thus not comparable to State aid; 2. compensation for local public services that exceeds the *de minimis* thresholds but which, because of the way they are organised and the current state of internal market development, does not affect intra-Community trade to an extent that would be detrimental to the EU's interests; and 3. compensation for other public services with an EU or cross-border dimension, governed by sectoral directives or regulations or where the undertakings have a supra-national structure;

45. feels that other objective criteria should also be taken into consideration which in principle offset any risk of affecting intra-Community trade, distorting competition or cross-subsidisation, such as the limited territorial remit of certain operators governed by authorisation schemes, the

limited functional scope of other public or private operators set up specifically to provide a particular public service in a given area and not carrying out any commercial activity on the market, and the not-for-profit nature of certain social undertakings which re-invest any surpluses into funding the public service that they operate, such surpluses being deducted from future compensation. These objective characteristics, linked to the particular nature of the operator and to the fact that it is locally based, offset any risk of distorting competition or affecting intra-Community trade;

46. calls on the Commission, with regard to the regular checks on overcompensation, which currently determine the exemption from notification of public service compensation and the prevention of possible overcompensation, to make the decision more flexible, and to entrust responsibility for defining the practical procedures for prevention and the frequency of checks to the relevant public authorities and, by the same token, to simplify the procedures open to undertakings where overcompensation is detected;

47. calls for particular attention to be given to the specificity of the local and social public services run by local and regional authorities on a relatively small and limited scale and not affecting trade between Member States; calls for provision to be made, in such cases, for simplified procedures and rules for exemption from State aid rules, given the local and small-scale nature of these public services, especially in the most isolated and remote regions such as the outermost regions, islands and upland regions; nevertheless feels that this small and limited scale cannot be verified solely on the single criterion of the population of a given authority, but must be based on a range of indices that take account, in particular, of the geographical location of an authority and the range of the potential public service users involved;

48. notes that the first two criteria of the Altmark judgment, namely that the public service obligation with which the recipient undertaking is entrusted must be clearly defined, and that the parameters on the basis of which the compensation is calculated must be established in advance in an objective and transparent manner, require local and regional authorities to endeavour to explain their public service obligations; is concerned that the requirements for the entrustment act should not lead to any unintended VAT liabilities for local and regional authorities, and therefore calls for the criteria to be brought into line with the provisions of the European VAT directive;

49. believes that this endeavour will lead to greater transparency and democratic accountability in the management of public services, provided that it is proportionate and reasonable, does not entail an excessive administrative burden for public authorities and undertakings and does not go against the principle of public service adaptability to changes in collective

needs. Proposes that the Commission, in line with the principle of transparency laid down by the Treaty and in response to the need to demystify public services for the people, make each of these decisions on public service compensation conditional on the existence of a 'public service contract' in place of the current 'act of entrustment', which remains a rather obscure concept to public authorities and individuals;

Constructive, balanced proposals to ensure, in line with the principles of proportionality and transparency laid down in the Treaty, that the development of public services within the EU maintains full legal certainty for public authorities, the undertakings entrusted with the services and the people who benefit from them

50. would like to submit to the Commission concrete, constructive, balanced proposals for simplifying and clarifying the currently applicable regulations and for ensuring that local and regional authorities apply them properly in the interests of legal certainty and predictability. Its proposals are founded on the principles of proportionality and transparency laid down in the Treaty;

51. suggests to the Commission that the *de minimis* ceiling of EUR 200 000 ⁽⁵⁾ over three years below which public aid is not regarded as State aid should be raised to EUR 800 000 ⁽⁶⁾ a year specifically for public service compensation. This would exclude from the scope of State aid control all local public services relying on the local voluntary sector and local social micro-enterprises, including those relating to local social development such as social inclusion, combating exclusion, community work, promoting cultural, sporting and socio-educational activities, and such like. This proposal is based on the fact that there is no risk of this kind of local public service affecting intra-Community trade and that it would be physically impossible for local and regional authorities to subject this kind of local operator to State aid control, because there are so many of them;

52. suggests to the Commission that compensation exceeding EUR 800 000 a year granted by local and regional authorities to undertakings that manage local public services – including public social services – should be subject to a new, simplified decision concerning *a priori* compatibility with the rules on State aid, based on the very low risk of affecting intra-Community trade, given the current state of development of the single market. This low risk of affecting trade is due to the purely local nature of the public service, to its sectoral

organisation and, not least, to the resultant specific characteristics of operators in the sector, who tend to be locally based and not to have an EU or cross-border dimension;

53. feels that the implementation of the simplified decision should depend on the following objective criteria, as they ensure, given the current state of the single market, that there is a very low risk of affecting intra-Community trade: (1) the compensation must be granted by a local and/or regional authority, by a group of local and/or regional authorities or by any body mandated to do so by a local and/or regional authority; (2) it must be granted for providing a local or regional public service that is limited to a given geographical area and meets the specific needs of people in that area; and (3) it must be granted to undertakings whose territorial remit is, *de facto* or *de jure*, limited to the area where the public service is delivered or that exclusively provide public services and undertake no other, commercial, activities, and that were created specifically to meet these basic needs or return any surpluses into funding the public service they operate, such surpluses being deducted from future compensation;

54. suggests that, in accordance with the subsidiarity and proportionality principles set out in the Treaty, the simplified decision concerning the *a priori* compatibility of local and/or regional public service compensation should make it incumbent on the public authorities granting the compensation to take all necessary steps to prevent, detect and offset any overcompensation, given that it is directly in the interests of the local and regional authorities to prevent any such situation. By the same token, the procedures open to undertakings where overcompensation is detected should be simplified;

55. suggests that, in the case of public services with an EU or cross-border dimension, governed by EU directives or regulations (for example the regulation on public service obligations in land transport ⁽⁷⁾), and other public services that are not governed by EU law but do not fit the criteria set out in the new simplified decision (for example because the operators have an EU or cross-border structure), issues surrounding the compatibility of public service compensation (including the net cost of delivering such services), the efficiency of operators and any rules on reasonable profits should be approached from a sectoral, not cross-cutting, point of view that is compatible with the specific features of each public service, and that such issues should be dealt with in codecision between the European Parliament and the Council. Pending the revision of existing directives and regulations and the adoption

⁽⁵⁾ Commission Regulation (EC) No 1998/2006 of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to *de minimis* aid.

⁽⁶⁾ This corresponds to the average net operating costs of a local public service, excluding a reasonable profit, for an association with 20 to 25 employees.

⁽⁷⁾ Regulation (EC) No 1370/2007 of the European Parliament and of the Council of 23 October 2007 on public passenger transport services by rail and by road and repealing Council Regulations (EEC) Nos 1191/69 and 1107/70.

of new sectoral directives and regulations, the current EU framework must be retained, taking account of the proposed simplifications in terms of *de minimis* public service compensation and the revision of the decision concerning the *a priori* compatibility of local public services;

56. suggests to the Commission, in line with the transparency principle laid down by the Treaty and the provisions of Articles 14 and 106(2) TFEU, that the application of these three provisions should be conditional, firstly, on the existence

of a 'public service contract' ⁽⁸⁾, i.e. of any official document (1) acknowledging that the task performed by the operator is a service of general interest and falls within the scope of Articles 14 and 106(2) TFEU and Article 2 of Protocol 26, (2) setting out the nature of the specific obligations arising and the geographical area concerned, and (3) setting out the parameters for calculating the public service compensation, and, secondly, on this public service contract being published in the *Official Journal of the European Union* in a specific register set up for this purpose.

Brussels, 1 July 2011.

The President
of the Committee of the Regions
Mercedes BRESSO

⁽⁸⁾ As defined in the aforementioned Regulation (EC) No 1370/2007.

Opinion of the Committee of the Regions on 'Energy infrastructure priorities for 2020 and beyond'

(2011/C 259/09)

THE COMMITTEE OF THE REGIONS

- requires that any initiative adopted at European level concerning infrastructure must take account of how these questions are managed at regional and local level;
- stresses that the role and needs of local and regional authorities must be taken into account during the examination of any project to develop energy infrastructure, ensuring careful evaluation of the costs/benefits that implementation of such projects might generate at local, regional or even macro-regional level;
- considers that the evaluation of energy infrastructure projects should measure the impact of these projects on energy security, the environment and landscapes, as well as on socio-economic development;
- strongly supports the priority given by the European Commission to developing technologies linked to the creation of smart networks. Such networks will prove to be crucial in ensuring that the energy market operates smoothly by facilitating more effective and efficient use of resources;
- is concerned for the fact that the European Commission is unable to propose a comprehensive and detailed plan for financing the programme to develop energy infrastructure;
- requires that the CoR be heard on such crucial matters as the budgeting of the energy infrastructure investment programme, planned financing methods and the levels of contribution which will fall on each of the stakeholders, especially local and regional authorities but also all consumers.

Rapporteur	Mr LEBRUN (BE/EPP), Member of Parliament of the French Community
Reference document	Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions — Energy infrastructure priorities for 2020 and beyond — A blueprint for an integrated European energy network COM(2010) 677 final

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

1. is pleased to see the European Union fully committed to this immense and crucial task of simultaneously developing a European energy supergrid, efficient interconnections and decentralised smart networks. The Committee of the Regions is delighted that, under this initiative, outlying regions are finally to be given appropriate consideration and integrated into these networks. Territorial coherence and interregional solidarity will be strengthened by putting in place these structures, on the express condition that all concerns and interests are heard and taken fully into account at the time these projects are developed;

2. therefore welcomes the fact that, in its communication on *Energy infrastructure priorities for 2020 and beyond*, the European Commission notes the importance of ensuring that local and regional authorities participate throughout the decision-making process concerning modernisation of European energy infrastructure and in developing the future integrated supergrid. The Committee of the Regions stresses the fact that they should be involved from the very beginning;

3. underlines that local and regional authorities have a major role to play in ensuring the success of projects put forward by the European Commission given their skills and responsibilities in a number of areas linked to planning, granting permits, investments, public procurement, production, transport, distribution, control of energy consumption and improving energy efficiency and the treatment and storage of energy waste. In this respect, any initiative adopted at European level concerning infrastructure must take account of how these questions are managed at regional and local level;

4. welcomes in particular the attention paid to regional cluster mechanisms. In addition to facilitating and even accelerating the planning, financing, implementation, follow-up and monitoring of planned projects, the systematic creation of specialised regional platforms will prove vital in ensuring the full cooperation and support of local and regional stakeholders affected by new energy infrastructure;

5. calls for special attention to be paid to timely and systematic information to citizens about new infrastructure. It is vital that local and regional authorities, which are in direct

contact with citizens, have at their disposal the means and structures enabling them to inform and consult the public in a satisfactory way with a view to ensuring their support and backing for the project. The Commission should also ensure that the modelling used to gauge energy infrastructure needs is more transparent, that competition is introduced between these modelling frameworks and that local and regional authorities can grasp the parameters and methods of calculation used to establish these models;

Key messages

6. concurs with the European Commission in recognising that the European Union will be able to reach its objectives on renewable energies, reducing greenhouse gas emissions, cutting energy consumption and security of supplies only if it agrees to major investments aimed at developing a highly energy-efficient economy, which involves modernising trans-European networks, developing interconnections and prioritising the integration of renewable energies into these networks, and also the extensive development of medium- and low-voltage networks as a precondition for achieving dispersed production from renewable energy sources;

7. draws the Commission's attention to the Committee of the Regions' recent resolution on *The consequences of the natural catastrophes in Japan and the consequences of the nuclear disaster: lessons for the European Union* and specifically to points 14 to 16 thereof, and calls for these views to be taken into account in future energy infrastructure. It also calls for the targets in the area of reducing greenhouse gas emissions by 2050 to be duly taken into account. It is especially important to check closely whether all countries achieve or exceed their goals with regard to reduction of emissions from fossil fuels such as coal, oil or natural gas;

8. stresses the need to identify, according to their relative importance, where existing infrastructure could be enhanced or upgraded and where new major infrastructure is needed;

9. stresses the need to set out additional measures to manage demand, along with the measures required to achieve the objectives set for energy savings and energy efficiency for 2020. The needs for energy infrastructure will depend on our ability to engage in more rational consumption;

10. draws attention to the fact that appropriate national and European policies will enable the future European supergrid to become the engine for completing the European internal market in electricity and natural gas, creating real competition in this area. The Committee of the Regions believes that accomplishing an effective single market and creating an efficient integrated European energy network are absolutely necessary in order to ensure the levels of prosperity and cohesion as presented in the EU 2020 objectives;

11. recognises the importance of having efficient gas infrastructure to foster diversification and security of supply and to reduce the energy dependency of certain regions, and stresses the need to introduce rules governing gas infrastructure to ensure increased flexibility, particularly to enable reverse flows, so as to free certain regions from their dependence on a single supply source, and deems it important to develop gas infrastructure taking full account of the contribution of liquefied natural gas (LNG) and compressed natural gas (GNC) terminals;

12. feels that the measures proposed by the European Commission communication complement the third package since they are designed to respond to the demand for investment in the area of energy production and transport;

13. recognises in this connection the role of energy market regulatory agencies as a guarantee of the appropriateness and effectiveness of investments in energy infrastructure, whether centralised or decentralised;

14. strongly supports the priority given to developing technologies linked to creation of smart networks. Such networks will prove to be crucial in ensuring that the energy market operates smoothly by facilitating more effective and efficient use of resources. The Committee of the Regions calls for a consultation, information and exchange platform to be set up on the subject of the future smart network;

15. considers energy efficiency a powerful and cost-effective tool for achieving sustainable energy in the future, and that it may go some way towards reducing the need to invest in energy infrastructure;

16. is concerned that the European Commission is unable to propose a comprehensive and detailed plan for financing the programme to develop energy infrastructure. It therefore laments that it cannot make its voice heard on crucial matters, such as the budgeting of the programme, planned financing methods, and the levels of contribution which will fall on each of the stakeholders, especially local and regional authorities, but also all consumers;

17. supports the European Commission's idea to create a European infrastructure fund that will provide financing for all major infrastructure projects of European interest, in the field of energy, broadband and transport, including TEN networks;

18. is also disappointed that quantified objectives have not been drawn up on the benefits expected from this strategy;

19. therefore strongly advocates that comprehensive and detailed information be established and circulated as soon as possible concerning the methods and means of financing being considered by the Commission and that it be given the opportunity to express its views on these matters in future;

20. calls for the role and needs of local and regional authorities to be taken into account during the examination of any project to develop energy infrastructure. It is vital to proceed systematically with a careful evaluation of the costs/benefits that implementation of such projects might generate at local, regional or even macro-regional level. This evaluation should measure the impact of these projects on energy security, the environment and landscapes, as well as on the socio-economic development of the regions. Objections from the general public are known to be a major obstacle to the development of energy infrastructure. Demonstrating the potential benefits for local communities of developing energy infrastructure, as well as its impact on the environment could help considerably in removing such objections;

21. recognises that the national level retains a vital role in coordinating investments in networks and interconnections. However, the Committee of the Regions reiterates the fact that a substantial proportion of renewable energy production and of reduction in energy consumption, in buildings especially, stems from initiatives taken at local and regional level;

22. notes that developing electricity transport infrastructure between the EU and third countries may increase, or, even give rise, in certain cases, to the risk of carbon leakage, and calls the Commission, therefore, to urgently identify the changes that need to be made to the European market in allowances in order to avoid any such carbon leakage. A variety of options, such as a carbon inclusion mechanism, should be considered;

The role of regional and local authorities

23. recognises the economic, environmental and social importance of the project to modernise European energy infrastructure, making it possible to attract industries and create new ones in the area of energy and to support the creation of new jobs in this sector. Local and regional authorities could be the first beneficiaries of these positive outcomes;

24. stresses the importance of integrating sources for producing renewable energy from regional and local networks into trans-European energy networks, which will enable the latter to benefit from transport and distribution capacities and thus to develop;

25. in particular, calls for the necessary changes to the infrastructure to enable smart intergrids so that small and medium sized businesses and cooperatives can generate their own green energy and share it peer-to-peer across regions; calls on the

European Commission to convene a special conference with local and regional authorities and relevant stakeholders to kick-start the transformation of Europe's energy production;

26. considers there is a need to highlight the opportunities for technological innovation and development provided in this strategy as regards the leadership and competitiveness of European businesses in the equipment sector (especially in the field of electricity, such as the production of renewable energy, high-efficiency smart networks, new systems for storing electricity and the enhancement of electric vehicles), and calls for the European strategy on energy technology and the R&D framework programmes in this field to be strengthened;

27. notes that, without more efficient, smarter network infrastructure, no improvement can be expected in consumer prices, innovation and security of energy supplies, especially in those regions which are economically less advantageous for businesses, such as outlying regions, sparsely populated areas or those which are weaker economically;

28. reiterates that centralised energy production in large-scale power-generating installations remains important to the functioning of the European internal energy market; it must, however, be substantially boosted by decentralised energy installations and smart control and transport systems. Consequently, the Committee of the Regions stresses that cities and regions should be encouraged more strongly to develop systems and technologies for decentralised energy production, as this also mitigates against monopolies developing in the energy sector and can help secure greater involvement of the grassroots public, which in turn boosts acceptance of more sustainable energy management;

29. stresses that decentralisation of energy production towards small centres of production in environmentally compatible areas at local and regional level will be an effective way – for cities and regions – of developing non-polluting renewable energies and thus protecting the environment and tackling climate change;

30. adds that development of decentralised production sources will also enable the European Union as a whole to free itself gradually from its external energy dependency and thus to strengthen its security of supply;

31. urges that it be involved in developing the methodology for establishing specific projects of European interest as well as the necessary means for implementing these priorities in a way that is flexible and adapted to specific local and regional circumstances as regards market conditions and the technological options available;

32. supports the establishment of specialised platforms at macro-regional level with a view to facilitating implementation of the priorities identified. These platforms should be involved from the very beginning of the project and should participate in every stage of implementation, including the development and budgeting of funding plans;

33. in that connection explicitly welcomes the Offshore Grid Initiative launched by the EU North Sea countries and Norway to better coordinate the development of offshore wind energy and infrastructure in the northern seas, since wind energy will play a crucial role in achieving the EU's energy and climate objectives;

34. calls for the role of regional energy initiatives to be strengthened significantly by making specialised bodies responsible for technical and financial planning and for evaluating the impact of these projects. The implementation of ad hoc regional structures is also highly desirable provided that they have at their disposal efficient and effective working methods and decision-making mechanisms;

35. welcomes the very encouraging outcomes of the creation of high-level groups in this area of interregional and international cooperation. However, the Committee of the Regions is very anxious to ensure that the voice of smaller local and regional authorities can be clearly heard in this type of configuration;

36. concurs with the Commission in lamenting the current slow pace of procedures for granting energy infrastructure permits and calls for them to be streamlined, better coordinated and improved. However, it would be unacceptable to see local and regional authorities – which have primary responsibility for and bear the brunt of the impact that certain energy projects could have on populations – excluded from this allocation process;

37. welcomes the proposal to create a contact point in the form of a one-stop-shop, a kind of interface between the promoters and the relevant competent authorities at national, regional and/or local level. The Committee of the Regions stresses the fact that the competences acquired by local and regional authorities should not be adversely affected;

38. calls for the adoption of adequate maximum periods for granting permits, so as to provide a complete and appropriate evaluation of projects to ensure the participation of stakeholders while at the same time facilitating infrastructure planning and development;

39. reiterates its desire to see citizens involved in the decision-making process from the very beginning of a project. This participation should be clear, open and specific, with all the necessary transparency to ensure public support for a common project. The timetable itself should be publicised as widely as possible so that everyone can have their voice heard and obtain answers to their questions;

40. wishes to play an active role in drawing up guidelines designed to improve the transparency and predictability of this process of granting permits. The aim is to ensure that these guidelines satisfy the objectives on publicising the positive and negative effects of projects, transparency, consideration of opinions issued, follow-up of projects and monitoring of public opinion;

41. calls for special attention to be paid to informing the public about the advantages of developing infrastructure and smart networks for consumers and citizens, in terms of security of supply, reducing greenhouse gas emissions and energy efficiency. However, this information should be balanced, while not concealing the disadvantages to be encountered by the population. Only comprehensive and transparent information will help people understand the scale of the challenge and accept more readily the negative effects. This information should also be adapted to each specific situation, providing everyone with precise and relevant information;

42. calls for the establishment of effective, accessible and fair systems for compensating the people who will be particularly affected by the adverse impact of projects. This compensation should be sufficient to enable local and regional authorities to offset this impact and to ensure, if not support, then at least acceptance by the public;

43. supports the idea of creating advantages and incentives for regions which facilitate rapid authorisation of projects of European interest, as long as they are not encouraged to bypass the necessary precautionary rules, such as impact evaluation and public consultation. The Committee of the Regions also calls for these incentives to be extended to local authorities;

44. shares the Commission's view that it would be very worthwhile to extend this system of incentives to any project initiated at local and regional level concerning production of renewable energies but also their transport and distribution;

45. would like to be involved in the creation of a project support tool to help regions and national authorities with infrastructure planning and project development. In this connection, it will be vital to take account of the environmental and also socio-economic impact of projects at regional and local level;

46. is concerned that, of a total budget of EUR 200 bn of investment estimated by the European Commission, there remains a deficit of more than 60 billion;

47. strongly backs the use of private investment by adopting rules to settle the question of sharing the costs of major projects which are technologically complex or of a cross-border nature. Several macro-regional projects currently at risk as a result of a funding gap could benefit directly from these new legislative rules;

48. supports the Commission initiative to optimise the leverage effects of public and private sources by mitigating the risks for investors. Optimum benefits, security of

investments and the positive impact on society will lead local and regional authorities to invest in the projects most suited to them;

49. laments the lack of precise and concrete information on budgets and financial frameworks which could be provided for this incentive. The Committee of the Regions calls for the financial mechanisms under consideration to meet the criteria of flexibility, adapting to the various types of current risk, and taking account of the specific financial needs of each project;

50. urges in particular that the Commission consider ways in which the various stakeholders, including local and regional authorities, could participate financially in the development of energy infrastructure. This would, first and foremost, act as catalyst for the launch and development of the projects concerned. In addition, the prospect of the financial benefits generated by future use of infrastructure could unify public opinion around the project;

51. calls for priority to be given to investment in any project which helps to achieve the 20-20-20 goals, such as development of smart networks, inclusion of renewable energies in the European supergrid, and linking up all outlying regions to the supergrid and interconnections;

52. highlights the significant role of smart networks in promoting individual responsibility for energy consumption. Smart networks, smart electricity meters and corresponding consumption appliances capable of providing not only energy but also information concerning the level and type of consumption can offer energy-saving potential. They could thus help to reduce greenhouse gas emissions and improve energy efficiency. For that reason, action is needed to foster the further development and introduction of technologies of this kind. Supported by national plans and European programmes, there is a need for local and regional authorities to carry out pilot projects on smart networks before 2020, focusing on projects involving border regions;

53. calls for the priorities concerning financing and support for projects to modernise energy infrastructure to be based on the following criteria: development of production and distribution of local, renewable energies, completion of the single market in electricity and natural gas, and support for consumers by helping them to participate more effectively in the market. The latter can be achieved not only by making their consumption more efficient but also by enabling them to develop as local or even individual producers and to sell any surplus produced. With a view to achieving the 20-20-20 targets it is also important to try and improve efficiency by replacing and upgrading existing networks, thus reducing conversion and transformation losses;

54. calls for support to be given to developing self-supply systems based on renewable sources of energy and high-efficiency cogeneration, by ensuring that energy networks are designed to prioritise self-supply systems.

Brussels, 1 July 2011.

The President
of the Committee of the Regions
Mercedes BRESSO

Opinion of the Committee of the Regions on ‘The EU LIFE programme — the way forward’

(2011/C 259/10)

THE COMMITTEE OF THE REGIONS

- confirms that the LIFE programme has proved its worth many times over and should therefore be extended to the next financing period, with particular emphasis on the ‘biodiversity’ component;
- requests to simplify the administration modalities, to increase the maximum co-financing rate, to make costs of a successful project preparation eligible for LIFE funding, and to allow that local and regional authorities once again can count their personnel costs in full as own resources;
- calls for the future LIFE Biodiversity component to cover a wider concept of biodiversity. In order to play a significant role in financing Natura 2000, it should allow funding of recurring site management activities;
- proposes that the future LIFE Environment component continues to be a decisive incentive for local and regional authorities for compliance promotion upstream of EU environmental legislation entering into force, as well as for going beyond legislative requirements and applying innovative environmental solutions, with the projects having a high replication potential for public-sector oriented eco-innovation;
- supports, in order to increase the effectiveness of LIFE, the Commission proposal of larger-scale ‘Integrated LIFE Projects’, which provide an effective way to make the most of LIFE’s catalytic value by establishing a structured relationship with other EU funds;
- stresses that the new LIFE programme continues to support communication and information projects, with an increased focus on education and promoting projects which involve local and regional authorities and have significant impact at EU level.

Rapporteur	Daiva MATONIENĖ (LT/EA) Member of Šiauliai City Council
Reference document	Communication from the Commission on the Mid-term review of the LIFE+ Regulation — COM(2010) 516 final

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

A. General

1. believes that protecting the environment and preserving biodiversity is an essential prerequisite for quality of life in Europe and is therefore not just a responsibility for national governments, local and regional authorities (hereinafter LRAs) or EU institutions, but also be a matter of concern for every European;

2. underlines that one of the objectives of the European Union is to promote sustainable, non-inflationary growth while taking environmental objectives into account and that bio-diversity loss may have an adverse impact on this; the EU itself, however, has growing competences in the field of environmental protection, what is reflected in the Article 192 TFEU, which establishes the EU competence on environment;

3. recognises that the LIFE programme, introduced by Regulation (EEC) No 1973/92 and subsequently updated, as the EU's specific environmental funding instrument, so far provided EUR 2.2 billion of funding for 3 115 environmental projects ⁽¹⁾, and therefore constitutes an important instrument in helping fund local and regional environmental policies and projects with a European added value ⁽²⁾;

4. warns against overestimating the possibilities of the LIFE programme, while recognising and appreciating what it does. The EUR 340 million or so which is available each year under the LIFE programme can indeed support a range of projects, many of which offer great potential for being good examples and stimuli for positive approaches to environmental policy. However, this sum, which corresponds to roughly 0.2 % of the EU's annual budget, is not sufficient to solve all the problems caused by underfunding for other environmental programmes or EU funds;

5. acknowledges that the LIFE+ programme has substantially contributed to adopting and implementing environmental management plans, restoring valuable habitats, enabling populations of important species to recover and developing the Natura 2000 network. LIFE+ has also helped to create partnerships, thus strengthening cooperation structures and facilitating the exchange of experience and information between stakeholders and political decision-makers;

6. calls for the development of local partnerships which are best placed to combine the resources of LIFE with other sources of domestic and EU funds;

7. stresses that new environmental challenges, continuing biodiversity loss and the EU's development are presenting European environmental protection with new challenges, for which an effective solution must be found as soon as possible and implemented in the context of the new financial perspective;

8. believes that the European LRAs have an indispensable role to play in implementing EU environmental legislation and making eco-innovations and best practices better known to a wider audience;

9. recommends that preserving biodiversity should be given top priority in all fields of EU environmental policy. As the protection of biodiversity is a cross-cutting issue, steps must also be taken to ensure that it is taken into account in all key policy areas;

10. urges the EU's environmental policy to address the new challenges linked to rapid GMO development and its impact on native species, which has not been researched in-depth;

11. sees that under certain conditions a conflict can arise between the objectives of biodiversity policy and those of other elements of sustainable development. Therefore in view of such possibly conflicting objectives, it is very important to ensure more flexible coordination between differing environmental objectives of sustainable development and ensure coherence between all measures taken so that rules and measures in one area do not lead to deterioration in another area or even poorer solutions across-the-board;

12. stresses that, while LIFE projects have clearly an environment objective, they all have a potential to deliver socio-economic benefits to local communities, including ecosystem services of LIFE Nature & Biodiversity projects. The CoR welcomes the description of such potential benefits in the application forms for LIFE projects, as started already this year. This should result in reporting by the European Commission on a comprehensive set of socio-economic result indicators for the whole LIFE programme;

⁽¹⁾ The latest Financial Instrument for the Environment (LIFE+) was established by Regulation (EC) No 614/2007, OJ L 149, 9.6.2007.

⁽²⁾ European Commission, DG Environment 2010: LIFE Focus 'LIFE and local authorities'.

13. believes that the 'Nature & Biodiversity' component of the LIFE+ programme has significantly contributed to implementing the Birds and Habitats Directives, and at least some of the objectives set out in the Communication on 'Halting the loss of biodiversity by 2010' have been achieved. However, LIFE+ only covers some of the measures provided for in the Birds and Habitats Directives, and biodiversity loss remains one area in need of particular attention;

14. requests that for this reason, the LIFE+ programme must remain a key part of EU environmental policy, with particular emphasis on the 'biodiversity' component, and all possible efforts made to achieve the objectives on halting biodiversity loss set for the period till 2020;

15. draws attention to the specific situation of the outermost regions, which are the largest net contributors to biodiversity in the whole EU, with over 200 sites of Community importance in the Natura 2000 network: these regions are vital for the objective of halting biodiversity loss;

16. welcomes the Commission proposal to introduce 'Natura 2000 Prioritised Action Frameworks' (PAFs) for financing Natura 2000, as the macro management plans at regional or national level, providing a clear and binding framework for other EU funds and national contributions to finance the conservation of Natura 2000 sites and priority species in a defined territory ⁽³⁾;

B. Recommendations for the mid-term review of the LIFE+ programme

17. stresses that recent economic and financial crisis has also caused multiple challenges for local and regional authorities' plans in the field of providing co-financing various initiatives, including those of biodiversity preservation. In this regard the CoR invites national authorities and EU institutions to share and implement best practices in the field, e.g. the Polish model of good practice, where the national government has created a national fund that guarantees match funding to successful LIFE project applications ⁽⁴⁾;

18. welcomes the introduction of indicative national allocations introduced in LIFE+, especially if this measure will be used as on a temporary basis, aimed to increase the number of approved applications from the new EU member states. At the same time, it expresses the need to clearly indicate the temporary nature of this measure and urges the European Commission to continue its efforts to provide training

support to National Contact Points and Member States with lower uptake, as well as call upon these Member States, to increase the capacity of their National and Regional Contact Points for active support for their applicants;

19. stresses the need to assure sufficient attention to the interests of local and regional authorities, to be affected by this regulation as well as to retain sufficient flexibility in prioritisation of PAFs as well as providing the possibility for regional authorities to be in charge of PAFs programmes and thereby become beneficiaries of this new measure;

20. calls upon the European Commission to continue on improving the contribution of the LIFE+ Environment policy & governance component to fund compliance promotion projects, which identify, upstream of legislative process, the resources required to implement new EU legislation, green procurement pilot projects, which test the feasibility for large scale green public procurement programmes in towns or regions, as well as demonstration projects for resource efficiency, green growth and sustainable production;

21. underlines that additional possibilities should be created for funding NGO environmental initiatives, thus enabling effective civil society involvement in implementing EU environmental law, raising public awareness of environmental protection through closer involvement in the setting of new objectives, and gathering best practices and know-how;

22. draws attention to the fact that so far many of the initiatives, supported by the 'Nature' component have focused solely on species at risk of extinction, with extensive media coverage - e.g. brown bears (*Ursus arctos*), the fire-bellied toad (*Bombina orientalis*) and the marsh fritillary (*Euphydryas aurinia*). On the other hand, many other endangered species have been entirely overlooked. Improvements to LIFE+ should also look at ways of using the programme to protect other, less visible species;

23. reminds that current requirements require projects under the 'Nature' component to be exemplary and/or innovative. However in many cases protecting biodiversity is not about innovation but about continuing work that has already begun as well as collecting and disseminating accumulated good experience. For projects coming under this component it is therefore very important to have the option of placing less emphasis on having an exemplary and innovative character and more focus on particular needs of Natura 2000 areas and the issues of biodiversity preservation in a certain geographical area. It should be enough for projects to operate on the basis of exemplary procedures which can be applied to other regions;

⁽³⁾ According to Article 8 of the Habitats Directive. European Commission, LIFEnews feature 2010 'LIFE Nature and Biodiversity: what common future?'

⁽⁴⁾ European Commission, LIFEnews feature 2010 'LIFE Nature and Biodiversity: what common future?'

24. underlines that in view of the challenges facing LRAs and societies in the new Member States in adapting to the conditions of EU membership, it is vital to provide more active support for the implementation of the LIFE+ programme and other specific programmes in these countries;

25. stresses that in order to achieve maximum synergy, efforts should be made in already this financing period to coordinate the LIFE+ programme wherever possible with other EU programmes directly or indirectly linked with environmental protection, for example the Seventh Research Framework Programme, the Competitiveness and Innovation Framework Programme, the European Agricultural Fund for Rural Development, Structural and Cohesion Funds;

26. notes the benefits of promoting private sector involvement in biodiversity initiatives and of supporting the view that the objectives of the LIFE+ programme promote sustainable and socially responsible economic development;

27. notes the benefits of higher involvement of academia in LIFE activities and would encourage its cooperation with the principal beneficiaries of the Programme, with scientists contributing the latest scientific findings and providing new perspective to common challenges;

C. The LIFE programme in the new financing period

28. stresses the importance of appropriate funding in the new financing period for environmental initiatives in Europe in order to protect biodiversity while providing ordinary Europeans with a high-quality environment and raising the environmental awareness of people world-wide;

29. reminds that practise shows the unlimited number of environmental challenges and usual scarcity of resources to address them. For this reason, measures aimed at protecting the environment and biodiversity need to be particularly efficient. One of the main conditions for an efficient Europe, which lives up to the idea of 'unity in diversity', is the flexible use of resources, enabling stakeholders in various European countries and regions to get the greatest added value from EU funding, taking into account local conditions;

30. reassures that local and regional authorities have, and will continue to play a key role to play in ensuring that Europeans can live in a high-quality environment rich in biodiversity. Priority must therefore be given to ensuring that LRAs can also make use of the various instruments for environment protection, with maximum involvement in shaping and improving them;

31. confirms that the LIFE programme, introduced in 1992, has proved its worth many times over. It should therefore be

extended to the next financing period, while making maximum use of the positive and negative experiences of the current financing period;

Priorities in the development of new LIFE programme

32. takes note of the results of the impact assessment consultation on the future of the LIFE programme ⁽⁵⁾, which indicates that LRAs have identified raising awareness of the environmental problems and the need for solutions amongst different actors, as well as promoting innovation in techniques that enable improved environmental management, especially by competent authorities, as the two most effective ways of improving local environmental policy and its implementation; therefore urges the Commission to maintain the strengthening of LRAs administrative capacities and raising public awareness as the key priorities in any reforms of LIFE;

33. expresses firm belief that the LIFE programme shall remain the key financial instrument for the protection of nature and biodiversity also during the new programming period, characterized by cost-effectiveness as well as a high quality of projects and programmes. Therefore any development of the programme should focus on simplifying application and administration procedures and opening it to a wide range of eligible applicants;

34. asks that local and regional authorities and other public-law organisations be allowed once again to count their personnel costs in full as own resources in the new LIFE+ funding period, so that they can make even better use of the LIFE programme;

35. underlines, that the full achievement of the goals of LIFE programme has possibly also been halted by slow administrative procedures and low co-financing rate (usually 50 % with possible exceptions for LIFE+ Nature). Therefore the programme shall see ways how to simplify the administration modalities (application, implementation, eligibility of smaller projects) as well as increasing maximum co-financing rate;

36. notes the still remaining differences in information levels and financial capacities between the old and new Member States and therefore, in order to ensure the availability of the programme, recommends to develop special respective mechanisms to support applicants and beneficiaries from the newer Member States. This assistance shall aim towards project proposal development and administration issues and could be organized by strengthening the system of National Contact Points or by setting up regional contact points where these do not yet exist;

⁽⁵⁾ Report 'Assessment of Territorial Impacts of the EU Life+ instrument', prepared by the Secretariat of the Committee of the Regions, May 2011.

37. proposes that the procedures of application shall take into account the concerns of sustainability and to exploit available IT possibilities. Namely online-based project application, evaluation, management body-applicants communication procedures shall be developed, including online applicants' registration and data provision system;

38. calls for essential attention to be paid to the assessment process of project applications, which currently takes about one year and a half from the call for proposals and the start of a project. In this regard best management examples could be used from best-performing territorial cooperation programmes' Joint technical secretariats;

39. indicates that while facilitating the application procedures and following the practices of territorial cooperation programmes, the costs of project preparation shall be made eligible for LIFE funding, or compensated through a lump sum (e.g. depending of total project budget), in case the project is approved;

40. notes that the new LIFE implementation procedures should be simplified as far as possible to ensure that projects funded by the programme can focus primarily not on accountancy but on targeted environmental protection and information activity;

41. reminds that civil society organisations will continue to play a no less important role in initiatives to protect the environment and biodiversity. The new LIFE programme should therefore include a strong component geared to non-governmental organisations and public information. At the same time, it is important to ensure that small local NGOs and scientists can also benefit from the programme;

42. stresses the importance that any changes in the LIFE+ programme should also take into consideration the major contradiction between biodiversity protection measures on the one hand, and the tangible results on the other: projects are often short-term whereas results only become apparent after a longer period. Appropriate evaluation methods must therefore be used;

43. calls on LIFE+ to be defined according to more identifiable and attainable targets. This requires more emphasis on outcomes rather than on assessing success on the basis of regularity of expenditure;

44. proposes that as the programme is oriented towards long-term goals, the applicants shall be encouraged to implement and/or finance the activities, necessary for ensuring the effective follow-up after the termination of the project, which includes monitoring of the long-term effects of the project. Such encouragement could be foreseen as additional evaluation scores for those applicants, foreseeing the system of follow-up in their applications and committing to support it with own resources;

45. indicates that the new LIFE+ programme must also include identification of projects which are in line with the objectives of regional strategies such as the Baltic Sea Strategy;

46. based on practical experience, is convinced that project funding (action grants) are the most effective mechanisms and should remain the main instrument of LIFE support to assist local and regional authorities in their environmental activities and investments. The use of innovative financial instruments could also be considered, especially in the environmental area of the LIFE programme, but these tools should only be used, if at all, in addition to, and not in place of, direct project financing;

Management of the programme

47. considers that current centralized management of LIFE programme has proved its efficiency, characterized by relatively low share of programme funds being attributed to administration, therefore the CoR, repeating its already expressed opposition to 'renationalisation' of the instrument⁽⁶⁾, recommends to continue the future LIFE programme with a centralised management system run by the European Commission;

48. indicates that in view of the fact that during project implementation it can be very difficult to achieve specific results in relation to an ecosystem, in the new EU financing period, project evaluation under the LIFE+ programme should also be carried out taking this into account. However, attention should focus on measures envisaged by projects, their extent and possible long-term impact, rather than the results achieved in the course of the reporting period;

49. calls for the new LIFE programme to be made sufficiently flexible and be coordinated with other support instruments which have environmental components, even if they are not necessarily directly linked to environmental protection;

50. considers that there is a need to promote a common, coherent strategy incorporating both nature conservation and rural development, especially for the regions covered by the Natura 2000 network which have a significant agricultural and livestock land-use component, and highlights the need to ensure effective coordination with the future instruments of the CAP, which is likely to target environmental competitiveness;

51. welcomes the idea of regional authorities being in charge of Natura 2000 Prioritised Action Frameworks (PAFs) as well as stresses the need to assure sufficient space for latter changes in the priorities of the PAFs;

⁽⁶⁾ CdR 253/2004 fin.

Structure of the new LIFE programme

52. supports the Council, which has highlighted the *need for all its components* and the importance of reflecting LIFE in the future EU financial framework, *bearing in mind the synergies with other EU financial instruments that contribute to achieving the EU environmental objectives* ⁽⁷⁾;

53. calls on LIFE to be, as a minimum, formally linked with the new Common Strategic Framework;

54. suggests the future LIFE programme to retain the structure similar to the present one, which would consist of three components: *LIFE Biodiversity* (including the current LIFE+ Nature & Biodiversity strand), *LIFE Environment*, and *LIFE Governance* (including the current LIFE+ Information & Communication strand);

LIFE Biodiversity

55. calls the future LIFE Biodiversity strand not be limited only to Natura 2000, but to cover a wider concept of biodiversity. Biodiversity has become a wide concept, covering aspects like ecosystem services, green infrastructures, invasive alien species, etc. Though many of these aspects can be addressed under Natura 2000, which shall remain the core concept, there are aspects that are only partially covered or not at all, thus indicating a need of employment of wider concept of biodiversity;

56. indicates that in order to play a significant role in financing Natura 2000, the LIFE should also allow funding of recurring site management activities, not only limiting to best practice or innovative projects as indicated in Article 3 of the LIFE+ regulation; however, in the interests of maintaining a high level of quality for the projects and activities receiving support, the LIFE programme should include minimum standards for proposed projects, arrangements for monitoring them and a requirement that results be communicated to the public;

LIFE Environment

57. proposes that Environment component of the new LIFE programme should continue to be a decisive incentive for local and regional authorities, wishing to go beyond legislative requirements and applying innovative technologies and environmental solutions. This component could cover the upfront investment, thus opening the way to long-run benefits ⁽⁸⁾;

58. reminds that as funding is limited, LIFE support may continue only in limited number of LRAs only, whereas the challenge of implementing the *acquis* concerns a majority of

municipalities and regions. Thus, future LIFE projects should have a high replication potential for public-sector oriented eco-innovation ⁽⁹⁾, whereas the increase of visibility of the LIFE Environment component shall be also among the priorities;

59. underlines, that the future LIFE Environment component should focus on more than just a few thematic issues ⁽¹⁰⁾, thus being open to the unique challenges and opportunities of the places it covers. Awarding criteria should be based on a mixed recognition of the programme's strategic objectives, and local priorities of potential beneficiaries. In order to remain sustainable LIFE could set for each theme biennial priorities, linked to those of EU's;

60. calls for LIFE Environment to support projects on integrated environmental management by local and regional authorities, also for compliance promotion upstream of EU environmental legislation entering into force;

61. notes the ongoing debate about the effectiveness of retaining two separate instruments to finance eco-innovation ⁽¹¹⁾, both of which are managed by DG Environment. It therefore calls the European Commission to assess this aspect in its impact assessment for the future LIFE programme, taking into consideration that both instruments currently serve different purposes and reach different beneficiaries ⁽¹²⁾. Therefore, any decision, taken in this debate shall ensure that LRAs will remain among the beneficiaries, as those who play an indispensable role in bringing environmental best practices to a wider audience, being in close contact with the public, thus being able to raise awareness and encourage changes in behaviour;

LIFE Governance

62. calls for a future LIFE Governance component to include the promotion of knowledge sharing on the implementation and enforcement of EU environmental law by supporting networks, training, and best practice sharing projects at European level, such as IMPEL or the LIFE+ European Capitals of Biodiversity project ⁽¹³⁾;

63. calls for a review of the funding for environmental NGOs under LIFE Governance component, to more effectively support their role in contributing to a balanced stakeholder involvement in the EU policy process. This includes the change from annual to multiannual operating grants, as well as an increase in the number of Member States, covered by the partnership of particular project, thus providing necessary networking and field experience;

⁽⁷⁾ Environment Council Conclusions of 20 December 2010 on Improving Environmental Policy Instruments (5302/11).

⁽⁸⁾ CdR 164/2010 fin.

⁽⁹⁾ CEMR 02/2011: Response to the consultation on a future EU financial instrument for the environment.

⁽¹⁰⁾ CdR 253/2004 fin.

⁽¹¹⁾ The eco-innovation component of the Competitiveness and Innovation Programme (CIP) and the LIFE+ Environment policy & governance component.

⁽¹²⁾ European Commission, LIFEnews feature 2010 'The evolution of LIFE Environment: past, present and future'.

⁽¹³⁾ CdR 164/2010 fin, CdR 112/2010 fin.

64. reiterates its call upon the European Commission 'to examine whether the concept of the Covenant of Mayors could be extended to other key EU environmental policy areas such as biodiversity, waste and water, noise and air pollution and land use'⁽¹⁴⁾, namely by the future LIFE programme financing of the extension of the concept of the Covenant of Mayors from energy efficient to resource efficient and environment-friendly cities;

Larger scale programmes

65. supports, in order to increase the effectiveness of LIFE, and to reduce administrative costs, the Commission proposal on the possibility of larger-scale 'Integrated LIFE Projects' or 'LIFE Action Programmes', as a new category of LIFE projects. Projects of this type could be used to address a wide variety of problems, notably in the fields of freshwater management, nature and biodiversity conservation as well as sustainable resource use and waste management⁽¹⁵⁾. However, traditional standalone LIFE Projects should be maintained, as they enable smaller local NGOs, stakeholders and authorities to become beneficiaries;

66. considers that the Integrated Projects could foresee the possibility of support for a specific theme, or a large portion of the territory of a region or a Member State (e.g. wetland restoration projects in a river basin, activities for a threatened species along its migration route, development of sites management plans and their implementation, for all or similar Natura 2000 sites in a region, within a Natura 2000 Prioritised Action Framework);

67. proposes that the Integrated Projects could include the framework and guidance for development of individual LIFE and of other projects, including a plan explaining how other EU, national, regional, local and private funding is combined to finance the activities proposed; these projects could also establish permanent working groups involving teams from different countries to review medium- and long-term results on similar experiences with LIFE projects which have already been implemented, by setting up networks using meetings, conferences, online platforms and other forms of communication;

68. calls for public authorities, NGOs and stakeholders working at a regional or national level, and partnerships working between these groups, to be eligible as beneficiaries of Integrated Projects. These projects should also be of a longer duration (e.g. 5-10 years), during which individual related LIFE projects can be developed and implemented;

69. notes the added value of such integrated projects in particular in the major role they give to regional authorities as potential lead beneficiaries, which are also often the competent authorities in charge of Rural Development Funding, the Operational Programmes for Structural Funds, and the future Natura 2000 Prioritised Action Frameworks.

Moreover, such projects provide an effective way to promote complementarities, and to make the most of LIFE's catalytic value: they establish a structured relationship with and develop project pipelines for the other EU funds, thereby promoting the mobilisation of their much larger contributions made for meeting environmental objectives. This could also help to address the current underspending by the EU Structural Funds in the fields of biodiversity and environment, a problem which the CoR addressed in earlier Opinions⁽¹⁶⁾;

Territorial scope of the new LIFE programme

70. calls for LIFE+ programme to take into account the fact that biodiversity challenges often transcend the EU's external borders. Therefore the provisions could be made for extending certain activities to the EU's immediate neighbours;

Information, dissemination and promotion measures

71. deems satisfactory the results of the mid-term evaluation of LIFE+, where public authorities and development agencies were the most common group of beneficiaries for all three LIFE+ components (42 % of lead beneficiaries in 2007 and 2008, with these indicators rising up to 51 % in Nature and Biodiversity)⁽¹⁷⁾ and further stresses the need to promote active involvement of LRAs in environment protection and biodiversity conservation;

72. calls for information policies at national level to be improved in order to raise awareness among potential participants of the opportunities offered by the LIFE+ programme. To this end, taking into account the subsidiarity principle and the obvious differences between individual Member States, information policy should be decentralised in such a way as to develop national information centres and in some cases to promote information campaigns on the programme at regional level too;

73. calls for the future LIFE programme to provide operating grants for networks of local and regional authorities, which engage in the active promotion of the LIFE towards municipalities and regions⁽¹⁸⁾;

74. stresses that the new LIFE continues to offer support for communication and information projects, with an increased focus on education and promoting projects which involve local and regional authorities and have significant impact at EU level;

75. notes that in order to achieve additional added value from the communication, the programme should foster stronger focus on targeted and thus more effective ways of communication activities in each LIFE project. In particular, such activities should aim primarily at capacity building and training for, and involvement of, key stakeholders, rather than merely informing the general public through brochures or signposts;

⁽¹⁴⁾ CdR 164/2010 fin.

⁽¹⁵⁾ Report 'Assessment of Territorial Impacts of the EU Life+ instrument', see above.

⁽¹⁶⁾ CdR 112/2010 fin.

⁽¹⁷⁾ SEC(2010) 1120 final.

⁽¹⁸⁾ CEMR 02/2011.

76. reminds that NGOs initiatives to disseminate information on the LIFE+ programme to date have focused on funding merely European NGOs, based in Brussels. In 2007, 30 NGOs from the whole EU were funded in this way, compared to 33 in 2008 and 32 the year after. Despite the fact that most of these organisations have networked structures, this is clearly not enough. It is therefore very important to provide stronger support for organisations active in the Member States, particularly at local level, as they are usually best aware of local needs;

77. recommends that in order to ensure by the required effect of NGOs' publicity campaigns, these organisations must be able to focus on their actual environmental and information

activities, rather than on funding applications and accountancy. It would also be useful if the Commission agreed to conclude long-term agreements with a duration of at least two to three years;

78. commits to continue to disseminate the information on the possibilities offered by the LIFE+ programme, to promote the involvement of local applicants in the programme, to gather the views of European LRAs and to provide the Commission with recommendations based on practical experience on how to improve the programme and on the potential for the EU to develop additional instrument for 'nature and biodiversity', running in parallel with the new LIFE instrument.

Brussels, 1 July 2011.

The President
of the Committee of the Regions
Mercedes BRESSO

Opinion of the Committee of the Regions on 'Enlargement Strategy and Main Challenges 2010-11'

(2011/C 259/11)

THE COMMITTEE OF THE REGIONS

- stresses that one of the main political priorities of the Committee of the Regions is to secure the success of the EU enlargement process;
- considers visa liberalisation for some countries of the Western Balkans to be a good example of how much can be achieved when imposing strict conditions is combined with granting specific advantages;
- has not overlooked the fact that in most countries a whole series of challenges remain, the solution to which will in part be very slow and long drawn-out; it sees a need for reform particularly in nation-building, the rule of law and expansion of administrative capacities at all levels, particularly at regional and local level, and also in better governance, reform of the judicial system and efforts to combat corruption and organised crime at every level of government;
- stresses that accession countries must continue to receive support for their efforts in the form of subsidies from the instrument for pre-accession (IPA) and loans from the European Investment Bank and other international financial institutions;
- is firmly convinced that without properly prepared and trained political and administrative representatives at regional and local level, enlargement efforts cannot be carried through to a successful conclusion.

Rapporteur	Mr Franz SCHAUSBERGER (AT/EPP), Delegate of the Land of Salzburg in the Committee of the Regions
Reference document	Communication from the Commission to the European Parliament and the Council on the Enlargement Strategy and Main Challenges 2010-2011 COM(2010) 660 final

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

Relevance of the document for local and regional authorities and the Committee of the Regions

1. stresses that one of the main political priorities of the Committee of the Regions is to secure the success of the EU enlargement process;

2. underlines that the local and regional authorities represented on the Committee of the Regions (CoR) have a key role to play in dialogue with the candidate countries and potential candidate countries, all of which have very different forms of decentralisation hallmarked by their particular backgrounds and cultures;

3. acknowledges the need to build up a decentralised information and communications policy at regional and local level for the enlargement process and declares its readiness to support regional and local authorities in this sphere, so as to help prepare them for their future responsibilities and to foster cooperation with the relevant European institutions;

4. through its external relations strategy, promotes political dialogue and economic as well as cultural cooperation between local and regional authorities in the candidate countries, potential candidate countries and EU Member States;

5. is making considerable efforts to improve the capacities of local and regional authorities in legal, financial and administrative spheres by pursuing direct institutional contacts and organising public events, specialised conferences and working groups;

6. refers gratefully to the opinions and information of the Congress of Local and Regional Authorities of the Council of Europe and to the important contributions of the delegations of the enlargement countries, their associations of municipalities and various NGOs;

General comments and suggestions

7. welcomes the fact that – as indicated in the Commission communication – the EU enlargement process has gained new impetus since adoption of the latest progress reports, despite many other challenges, including the financial and economic crisis; with that the Lisbon Treaty's entry into force will ensure that the dynamics of the European integration process will be maintained;

8. welcomes the fact that, thanks to progress in the accession negotiations with Croatia and those launched with Iceland in July 2010, a sixth round of EU enlargement is now within reach;

9. nevertheless emphasises the need for preparing thoroughly for any new accession by ensuring that conditions are properly met;

10. firmly believes that the accession process offers a unique opportunity for political and economic reform in the enlargement countries to bring these countries up to European standards, help cope with the financial and economic crisis and put the 2020 reform agenda into practice;

11. points out that the enlargement countries, especially in the Western Balkans, have very different political and administrative structures and traditions – also in part at local and regional level – and display great diversity in development; these factors ought to be properly taken into account in the enlargement process;

12. proposes that targeted measures be taken to strengthen SMEs at regional and local level in the countries of the Western Balkans with a view to creating jobs and thus decreasing the incentives for young people to migrate, in particular from underdeveloped peripheral regions;

13. considers visa liberalisation for some countries of the Western Balkans to be a good example of how much can be achieved when imposing strict conditions is combined with granting specific advantages;

14. welcomes the fact that, since the last progress report, breakthroughs have been achieved on long-standing bilateral conflicts, and dialogue has been able to be launched, whereby accession countries have themselves begun to take on more responsibility for regional cooperation;

15. has not, however, overlooked the fact that in most countries a whole series of challenges remain, the solution to which will in part be very slow and long-drawn-out; it sees a need for reform, particularly in nation-building, the rule of law and expansion of administrative capacities at all levels, particularly at regional and local level, and also in better governance, reform of the judicial system and efforts to combat corruption and organised crime at every level of government;

16. stresses that accession countries must continue to receive support for their efforts in the form of subsidies from the instrument for pre-accession (IPA) and loans from the European Investment Bank and other international financial institutions;

17. sees a need in most of the countries of the Western Balkans and Turkey to take concrete measures to counter all forms of discrimination and to step up the protection of human rights, particularly the rights of women and children and the Roma people; with regard to Turkey in particular, the Committee sees the need to restore the human rights of all Cypriots, place a moratorium on settlements, secure the immediate return of Famagusta to its rightful inhabitants, in accordance with the resolutions of the UN Security Council, and apply the Ankara Protocol, which is an EU condition;

18. is firmly convinced that without properly prepared and trained political and administrative representatives at regional and local level, enlargement efforts cannot be carried through to a successful conclusion;

19. would encourage the accession countries in their efforts to further decentralise and regionalise; this also makes decentralised information and communication policy easier, as well as civil and political dialogue between the European Union and the people of the enlargement countries;

20. points out that there is a need to build up the capacity of local and regional institutions in the legislative, financial and administrative spheres and, in keeping with the subsidiarity principle, to transfer as many powers as possible to regional and local level and ensure the financing thereof;

21. welcomes the fact that European macro-regional strategies provide important means of accelerating the integration process, not least by enhancing the role of regional and local authorities and sees new possibilities for regional cooperation, including with enlargement countries, in the EU strategy for the Danube area, and in the future EU strategy for the Adriatic and Ionian macro-region;

22. notes that since 2000 the Adriatic and Ionian Initiative (AII) has been pursuing the objective of securing peace, security, development and cooperation in the EU-western Balkans area, and that the Adriatic and Ionian Council is committed to backing the EU strategy for the Adriatic-Ionian region within the European institutions and with the involvement of national, regional and local institutions;

23. requests the relevant Member States and the European Commission to examine to what extent interconnections and synergies could be generated between the various EU strategies for macro-regions;

24. calls on the European Commission to explore how to tap into the potential of existing European Groupings of Territorial Cooperation (EGTC) active in the Western Balkans and Mediterranean Basin region with a view to enabling the local and regional authorities of the Western Balkan states and Turkey to adapt to the Community acquis;

25. suggests above all to the countries of the Western Balkans and Turkey that measures be taken to increase significantly the number of women in regional and local representative bodies;

26. recommends that the Commission go into greater detail in its future enlargement strategy reports about the regional and local self-government situation and the standard thereof in relation to the important role they play in transposing EU policies, and also do more to point out to enlargement countries the need for regionalisation and decentralisation reform;

Country specific recommendations

A) Candidate Countries

Croatia

27. welcomes the fact that Croatia made such good progress in the accession negotiations with the EU in 2010 and 2011 that these negotiations were able to be officially closed on 30 June 2011 and that the country will probably be able to join the EU as its 28th member state on 1 July 2013;

28. nonetheless also considers it absolutely vital for Croatia now to take the necessary time to meet the outstanding benchmarks in chapter 23; these include full cooperation with ICTY, consistent combating of corruption and organised crime at the highest level of government, an efficient and independent judiciary, and respect for and protection of minorities, including refugee return;

29. points out that further efforts are needed to reform public administration and that regional and local administrations absolutely must be involved in this process in order to do away with current cumbersome administrative procedures and excessive politicisation, and build up the capacity, efficiency, independence and reliability of administration at all levels;

30. calls for the speedy implementation of the new law on local and regional authority employees' pay and of the '2009-2013 National Training Strategy for Regional and Local Government Officials and Staff' so as to improve the provision of decentralised services for the public and build up a modern, efficient public administration;

31. suggests that, despite progress in regional policy and structural fund coordination, further measures will have to be taken to involve regional and local authorities more in the implementation of EU cohesion policy and, by thoroughly training and preparing administration employees and regional and local politicians, offer regions and municipalities the possibility of developing projects suitable for EU fund support. This would serve to tackle the differences in development between Croatian regions, thereby boosting territorial cohesion;

32. recommends that a decentralisation strategy be implemented which would inter alia improve the financial situation of regional and local authorities and enable regional and local representatives also to participate in the legislative process; also recommends that the Guidelines for Functional Decentralisation and Territorial Organisation adopted in July 2010 be implemented;

33. welcomes the many independent local policy initiatives launched by regions and municipalities for attracting investors, such as efforts to cut back red tape and provide assistance, which can lead to an increase in the number of companies established locally, as well as more jobs; it does however hope that legal uncertainty about property issues can be cleared up by means of new legislation;

34. points out that the recent improvement in bilateral relations between Croatia and other accession countries such as Serbia, and neighbouring EU Member States such as Slovenia, could still be significantly consolidated through cross-border regional and local cooperation;

35. suggests that further progress be made on minority rights, cultural rights, minority protection and the return of refugees by means of more involvement for those responsible at regional and local level and that steps be taken to boost targeted regional support for the return of refugees, above all to those regions which were left empty - and have remained so to a considerable extent - when people were displaced during the war in former Yugoslavia; in this connection, welcomes the improvements in cooperation with Serbia and the UNHCR;

The former Yugoslav Republic of Macedonia

36. is pleased to note that the former Yugoslav Republic of Macedonia still meets the political criteria and also achieved further progress in 2010; it would however point out that further efforts need to be undertaken and a general willingness to carry out reforms is needed in most areas of the political criteria, such as independence of justice, public administration reform and freedom of expression in the media; also considers that a key element for bringing FYROM and the EU closer is the maintenance of good neighbourly relations, especially at cross-border regional and local level. This includes a negotiated, mutually accepted solution to the name issue under the aegis of the United Nations;

37. urges that dialogue on inter-ethnic relations be consolidated and calls for regular meetings of the competent parliamentary committee to implement the Ohrid Agreement objectives;

38. welcomes the fact that decentralisation, one of the basic principles of the Ohrid framework agreements, has continued, that the Inter-Ministerial Working Group on Decentralisation has met regularly and that the programme and action plan for implementing decentralisation (2008-2010) been brought up to date;

39. welcomes the fact that other municipalities have entered the last phase of the financial decentralisation process: 77 out of 85 are now in this phase;

40. likewise welcomes the fact that the law on financing local self-government has been overhauled to ensure that the share of value added tax earmarked for the municipalities is increased from 3 % to 4.5 %, although that might still not be enough for municipalities to be able to carry out satisfactorily the tasks delegated to them;

41. sees as positive the fact that the strategy on transferring administration responsibilities for land located on government property to municipalities as of 2011 has been completed and now expects this strategy to be implemented as quickly as possible;

42. notes that, despite the fact that several municipalities have expanded monitoring of financial matters, further capacity-building programmes are necessary to boost the municipalities' capacity in tax administration, staff career development and financial monitoring, and laments the fact that the reforms agreed at the monthly meetings of the High Committee for Public Administration have not been systematically or effectively implemented;

43. suggests that decentralisation and greater financial and budget policy capacity at local level be accelerated through special involvement of the relevant ministry; regrets the fact that the inter-ministerial committee for monitoring the funding of municipalities has only met once and that in national government funding for municipal projects there is neither enough transparency nor adequate coordination for balanced regional development;

44. laments the serious delays in implementing the regional development work programme, as well as the continuing lack of technical capacity in ministries and local administrations for preparing and implementing projects;

45. calls for fair criteria to be drawn up for allocating state investment fund resources to the municipalities, so that they do not appear to be awarded on a party political or ethnic basis and discrimination against ethnic minorities can be prevented;

46. underlines the need for legal guarantees for minorities to be safeguarded at all levels and for the integration of ethnic communities, especially the Roma, to improve; it calls on the government to ratify the European Charter for Regional and Minority Languages and boost the status of the committees on inter-ethnic relations;

47. notes that the law on local self-government does transfer key powers to local authorities, although it is limited in its effect by other legal provisions and not enough financial resources have been made available for its implementation;

Iceland

48. welcomes the fact that in June 2010 the European Council decided to launch accession negotiations with Iceland; is satisfied to note that Iceland meets the political criteria, and that it is a smoothly operating parliamentary democracy with strong institutions, a stable constitutional and legislative system, well-established judicial system and efficient public administration;

49. welcomes the fact that Iceland has efficient local self-government, but does however recommend that there be further decentralisation and transfers of tasks to the municipalities, in keeping with the subsidiarity principle;

50. sees an opportunity to counter rural depopulation from small outlying municipalities and prevent the amalgamation of existing municipalities, by devising targeted regional development projects with support from EU funds;

51. welcomes the involvement of working groups on regional policy in the accession negotiation team and recommends that local government representatives be closely involved;

52. recalls that, under the EU Treaties, all EU citizens have the right to stand and vote in local elections in their country of residence under the same conditions as nationals of that state [Art 40 of the Charter of Fundamental Rights]; therefore encourages Iceland to align its voting rights in local elections with these provisions;

53. notes that there is considerable scepticism about and/or opposition to EU accession amongst the population and various political groups in Iceland, and that considerable efforts are needed to provide Icelanders with comprehensive information on the effects of EU membership, recommending to this end that local authorities be closely involved;

54. recommends that, in keeping with the subsidiarity principle, a clear distribution of powers between central and local government be established by means of appropriate legislative measures and that a legislative instrument be put in place allowing local authorities to challenge decisions should these contravene the principles of local self-government;

55. sees a problem in the fact that 26 out of the 76 Icelandic municipalities have fewer than 500 inhabitants; moreover municipalities are sometimes located very far from one another, so that a further reduction in their number could create a situation where people might have to travel long distances to reach municipal services and representations; therefore recommends that cooperation be stepped up significantly between smaller municipalities to secure their continued existence and enable them to work together to devise and implement EU-sponsored projects;

Turkey

56. hopes that the current Constitution could be replaced by a civilian Constitution based on the most wide-ranging consultation of diverse groups and segments of society, including

local/regional levels, as well as all ethnic minorities and religious communities. In this respect welcomes the adoption of the constitutional reform package and the associated democratisation and liberalisation efforts, and hopes that on this basis the political climate will improve and there will be a greater willingness amongst the political parties and institutions to enter into dialogue and compromise; therefore calls for a speedy implementation of constitutional reform from now on and for broad support for this from political parties and civil society;

57. acknowledges the reforms introduced so far and the intention to implement further ones, which should also have a positive impact on regional and local administrations;

58. encourages the Turkish government, despite welcome progress to date in this area, to continue efforts to ensure respect for religious freedom, women's rights and the basic rights to freedom of expression and press freedom; calls on Turkey to take additional measures and, if necessary, adopt new legislation in order to secure freedom for non-Muslim religious minorities to exercise their rights without impediment and carry on their activities without restriction;

59. is happy to note that progress has been registered in regional policy and the coordination of structural policy instruments, and that sub-national players have been more involved in the preparations; it does however point out that at national level improvements are needed to boost the effectiveness of the administrative bodies dealing with these matters, so that resources can be deployed more efficiently and so that Turkey is properly prepared at all levels for using the Structural Funds;

60. is convinced that a resolution to the hitherto largely unresolved Kurdish question, in particular in the east and southeast of the country, can be helped by strengthening regional and local self government, and recommends the Turkish authorities to continue the efforts to strengthen regional and local self-government by means of a longer term decentralisation strategy; and encourages the Turkish authorities to provide more resources to the local self-governance;

61. suggests examining how far existing best practices and good examples of regional/federal power-sharing structures within the EU and the application of the principles of subsidiarity and decentralisation may be helpful in finding a solution to the problems;

62. calls on Turkey to show its willingness, in the current negotiations, to resolve the Cyprus question and to implement the UN Security Council resolutions relating to Cyprus;

63. deplores the lack of progress in implementing the second Additional Protocol to the Association Agreement (the so-called Ankara Protocol) extending the customs union with Turkey, which has been in place since 1996, to ten new Member States, including Cyprus;

64. supports the efforts launched by the European Commission in 2010 to build up project partnerships between the EU Member State municipalities and Turkey in order to provide Turkish municipalities with support for developing, building up and extending waste management, environmental protection, transport, social services, energy provision, tourism and culture;

65. would welcome it if Turkish municipalities and provinces were given the opportunity to strike up relations with regions and municipalities in other countries without requiring prior authorisation from the Ministry of Interior, and encourages regional and local institutions in EU countries to step up cooperation with Turkish regions and municipalities;

66. highlights the need to involve regional and local authorities early on in the accession process, since a large part of EU legislation will have to be implemented at local and regional level, and deems it specially important to consolidate administrative capacity at local and regional level;

67. is willing to be part of a joint consultative committee together with the representatives of regional and local bodies in Turkey in order to support the decentralisation process in the country even further and make concrete contributions to building up institutions and strengthening administrative capacity at regional and local level;

68. recommends a gradual reduction of the governors' influence on the work of regional self-government;

69. suggests creating a legal structure which makes consultation of regional and local authorities mandatory wherever their interests and powers are affected;

70. points out that Turkey is a country where there are still major regional disparities, which creates serious regional policy and structural development challenges for gradually reducing these disparities and therefore calls for a comprehensive strategy to be devised for narrowing the development gap between rural and urban areas;

71. recommends starting as quickly as possible on opening Chapter 22 in particular, in the Community *acquis* on regional policy and structural policy instruments;

72. recommends enacting legislation on regional and local authority funding as quickly as possible, in order to make adequate financial resources available to sub-national authorities so they can carry out their duties and tasks;

73. points out the important role Turkey plays as a regional actor in relation to the EU-Black Sea strategy and recommends a firm commitment from Turkey on this issue, also with the involvement of those regions directly bordering on the Black Sea;

B) Potential Candidate Counties

Albania

74. welcomes Albania's efforts to comply with the European Union's political criteria, particularly by carrying out the commitments set out in the Stability and Association Agreement;

75. notes that Albania still has to put significant regional policy measures in place in order to come up to European standards; this relates in particular to the lack of NUTS-2 equivalent territorial units and to the need for uniform, coordinated legislation for implementing regional development projects;

76. laments the still inadequate structures for the financial management of local and regional authorities, especially with regard to the possibility of collecting financial resources, limited expenditure possibilities and sluggish implementation of both decentralisation measures and administration autonomy, together with the associated transfer of powers to sub-national levels;

77. notes that there are still not enough properly trained staff at all levels for dealings with EU programmes to be efficient;

78. calls for the consolidation of democratic structures in Albania, especially with regard to political institutions and cross-party dialogue, so that there is more political stability in the country and the government can shape administrative activities more efficiently, without which the necessary reforms are impossible; in this connection, it highlights the absolute necessity of the opposition participating in parliamentary work;

79. recommends that direct elections for regional councils be introduced and new legislation on local self-government be drawn up;

80. suggests, with a view to strengthening local and regional authorities, reforming the role of the prefects and in this way limiting their monitoring rights and securing a clear definition of their responsibilities vis-à-vis regional councils;

81. calls for adoption of the electoral reform recommended by the OSCE, with a view to ensuring that elections at all levels comply with European and international standards; takes note of the report by the OSCE and the Congress of Local and Regional Authorities of the Council of Europe, according to which the municipal elections held on 8 May 2011 were carried out largely transparently, fairly and calmly; calls particularly for clear rules to be drawn up concerning the validity of submitted ballot papers and hopes that the political parties will return to ordinary political life;

82. highlights the most recent violent conflicts and expects Albania to take all possible measures urgently to secure political stability at national, regional and local level;

83. strongly recommends that municipal representatives be involved in the negotiation process with the EU;

Bosnia and Herzegovina

84. regrets the fact that in 2010 Bosnia and Herzegovina did not secure much progress in implementing major reforms and that inconsistencies remain between the constitution and the European Human Rights Convention, despite the judgement of the European Court of Human Rights;

85. calls for an urgent overhaul of the constitution and an improvement in the efficiency and operation of all state bodies so that the country can be in a position to take over, transpose and implement EU legislation and regulations;

86. deems it unacceptable for the constitution of Bosnia and Herzegovina to continue to stipulate that citizens who not describe themselves as belonging to one of the three communities (Bosnian, Croat or Serb) may not run for the presidency or for parliament; underlines the judgement of the European Court for Human Rights, according to which these provisions are incompatible with the general principles of human rights;

87. considers it important that the Council of Ministers adopted an action plan on 10 March for implementing the judgement of the European Court of Human Rights and set up a working group; it does, however, lament the fact that this group has not yet reached any agreement;

88. regrets the fact that the last elections in 2010 were also subject to ethnicity and residency-based limitations on suffrage rights, which blatantly contravene democratic principles and the right to equal treatment without discrimination;

89. regrets to report that the prerequisites for closing the Office of the High Representative (OHR) are still far from being met; these include reasonable apportionment of property between the State and the other administrative levels; it likewise regrets that the work of the executive and legislative bodies at all state levels is still almost exclusively organised along ethnic lines and suffers from a severe lack of coordination;

90. regrets the fact that Bosnia and Herzegovina is the only country not to take part in the 2011 census because to date no census law has been passed;

91. notes that limited progress has been secured in matters pertaining to the judicial system, although further improvements are needed in the (sub-national) entities and cantons;

92. laments the fact that only limited progress has been made in fighting corruption, that legal proceedings in corruption cases only proceed at a very slow pace and that only a small number of prominent cases have gone to court; this is also rooted *inter alia* in inadequate implementation of legislation and in coordination problems between entities;

93. welcomes the fact that the number of schools divided along ethnic lines has fallen and in most schools a common nine-year school curriculum has been introduced; it does, however, criticise the fact that there is still ethnic division of pupils within schools;

94. regrets that Bosnia and Herzegovina, although receiving financial support from the IPA, has not yet been in a position to build up the structures necessary for decentralising the administration of EU funds to the proper extent;

95. highlights particular problems in the Bosnian and Herzegovinian Federation where the powers of the entities, cantons and municipalities overlap, because to date there has been a failure to harmonise legislation at the different levels;

96. firmly rejects the repeated challenges to the territorial unity of the state, its institutions and its powers, above all from the Republika Srpska, strongly criticises the Republika Srpska's most recent attempts to cast doubt, in a referendum, on the legitimacy of the high representative and of the national courts, and advocates consolidation of the powers of the whole of the Bosnian and Herzegovinian state in certain areas and the establishment of a single economic space, to this end urging politicians at the country's entity and canton level to be willing to do this, in line with the interim agreement (IA);

97. notes that local authority resources are at present exceedingly limited, the matter of public property has not yet been adequately clarified and the ethnic criteria for exercising political rights at regional and local level require urgent reform;

98. considers that reform of public property at all levels is urgently needed;

99. urges those responsible at all levels of government to strengthen cross-border cooperation with neighbouring countries;

Serbia

100. is pleased to note that Serbia has moved further ahead with its political reform agenda and has continued to make noticeable progress in meeting the requirements of the stabilisation and association agreement; nonetheless notes that further efforts are still needed;

101. is likewise happy to note that Serbia has taken major steps towards greater reconciliation in the whole of the Western Balkans region and is continuing its constructive cooperation with the International Criminal Tribunal for the former Yugoslavia;

102. warmly welcomes the start-up of direct talks between Serbia and Kosovo, as well as the fact that it has already been possible to achieve a little convergence, and urges both sides to pursue these talks in a constructive fashion;

103. welcomes the fact that the new statute of the autonomous Vojvodina province came into force on 1 January 2010 and urges the Serbian government to finalise and implement some as yet undefined provisions of the statute as soon as possible, such as the transfer of public property to the Vojvodina province;

104. particularly welcomes the boost in efforts and initiatives in 2010 to decentralise government in Serbia;

105. urgently recommends that representatives of the autonomous province of Vojvodina and of the Assembly of Serbian Towns and Municipalities be included in Serbia's committee for negotiating with the EU;

106. suggests establishing legal provisions stipulating mandatory consultation by national government of regional and local institutions whenever their interests and powers are affected;

107. recommends creating legal requirements and incentives for better communication between municipalities in order to improve the performance of public administration and ensure available resources are used more sparingly;

108. notes that Serbia still has an exceedingly high number of refugees awaiting a solution to their situation; this requires above all comprehensive measures at municipal level;

Montenegro

109. welcomes the fact that solid progress has been made in fulfilling the political criteria and conditions of the stabilisation and association process, but would point out that further efforts are needed here;

110. underlines the importance of transparent, reliable administration at local level and of the further decentralisation of responsibilities and financial resources;

111. calls for adoption of the law on regional organisation and supplements to the law on local finances;

112. is pressing for better cooperation between the government and minority councils in order to ensure that minorities are represented in public administration, state organisations and local self-government bodies;

113. encourages Montenegro to continue expanding its administrative capacity in all areas, particularly at local level, to increase the professionalism of the civil service and to depoliticise public administration;

Kosovo

114. is satisfied to note that the decentralisation process in Kosovo has clearly moved forward, cooperation with EULEX has been stepped up and some progress has been achieved in implementing the European agenda and reform policy;

115. is pressing for full, early clarification of the accusations levelled at high representatives of Kosovo in the resolution adopted by the Parliamentary Assembly of the Council of Europe on the basis of the Marty Report;

116. notes with concern that there is considerable lack of dialogue and reconciliation between the different communities, as well as inadequate protection and integration of minorities, particularly Kosovan Serbs;

117. is most worried about the irregularities, illegal practices and electoral fraud seen at the last elections, which recurred in the subsequently necessary by-elections, and views this unfortunately as a clear indication that democratic maturity is lacking;

118. encourages Kosovo to pursue and complete the decentralisation process and local government reform; welcomes the establishment of a working group at the Ministry for Local Self-Government specifically to deal with northern Kosovo; points out that decentralisation can only be achieved when the local population is involved;

119. is also concerned to see that there have been recurring violent incidents in the Mitrovica region of northern Kosovo, precisely in connection with elections, and that there has to date been no success in securing peace for this region.

Brussels, 1 July 2011.

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

Opinion of the Committee of the Regions on ‘The EU Internal Security Strategy’

(2011/C 259/12)

THE COMMITTEE OF THE REGIONS:

- hopes that the strategy at EU level will indeed provide real added value, vis-à-vis the equivalent initiatives of individual Member States, in relation to the increasingly cross-border nature of the issue to be addressed;
- points out the urgent need for internal security and public safety requirements, particularly with regard to protecting privacy, to go hand in hand, when the proposed measures are implemented, with the parallel requirement to respect fundamental rights;
- proposes that the EU should also promote the possibility of setting up one-stop contracting shops involving institutional coordination at regional level, the aim being to harmonise award procedures within a given geographical area, which would also make it possible to cut the number of public bodies with contracting powers via public procedures for works, services and supplies;
- supports the Commission’s decision to announce forthcoming legislation to strengthen the EU legal framework on confiscation and recommends that the legislative proposal in the pipeline should specify, in preference to other possible solutions, the municipality in which the confiscated property is located as the natural recipient of the right of ownership thereof;
- is pleased that provision is made for partnership with the Committee of the Regions in the planned (for this year) creation of an EU radicalisation-awareness network;
- wishes to be involved in the process of reviewing the financial instruments in the home affairs and security field for the years beyond 2013 and to play a significant part in shaping the possible financing instruments.

Rapporteur	Giuseppe VARACALLI (IT/ALDE), Mayor of Gerace (RC)
Reference document	Communication from the Commission — The EU Internal Security Strategy in Action: Five steps towards a more secure Europe COM(2010) 673 final.

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

General comments

1. notes that the Communication from the Commission to the European Parliament and the Council entitled The EU Internal Security Strategy in Action⁽¹⁾, adopted in the context of the 2009 Stockholm Programme and the five-year work programme for justice and home affairs, contains a comprehensive strategy for internal security and sets out a proper four-year action plan;

2. considers that developing and implementing a European internal security strategy is a challenge that, notwithstanding the diversity of roles and competences, must be faced together by the European institutions, the Member States, local and regional authorities and civil society;

3. points out that the Commission's intervention comes at a historic moment that is particularly important to the balance of powers between the institutions of the European Union, especially following the strengthening by the Lisbon treaty of the European Parliament's powers, as a result of which the responsibilities of each institution in the area of internal security have been more clearly defined;

4. warmly welcomes the overall thrust of the communication, which offers a detailed and precise analysis of Europe's numerous internal security issues, notwithstanding the obvious requirement for this type of document to give a broad overview;

5. nevertheless, emphasises at the same time that the particular activities of local and regional authorities generally offer citizens a high level of security. This high standard should be further developed in the context of the rules governing established basic rights and the guarantees offered by the rule of law. Protection of privacy must be taken into particular consideration. The European Union should also consider these requirements when concluding agreements with third countries in view of the resulting implementing measures;

6. notes that for each of the five strategic objectives there are clearly identifiable, measurable actions that are limited in number and therefore more easily achievable, and supports the methodology used, which it considers to be objectively appropriate;

7. reaffirms its own commitment, stated in earlier opinions, to a coordinated approach to this issue from every institutional level, obviously starting with local and regional authorities, which naturally and inevitably have an interest in any security problem that occurs in a particular area;

8. points out, in particular, that in recent years analysis of the security issue has increasingly taken on a supranational dimension due to the ever more apparent cross-border nature of many types of threats to security;

9. therefore stresses that the security problems of individual countries cannot be isolated from a European internal security policy that also provides a coordinating momentum, whilst respecting national prerogatives, of those activities where a supranational approach has proved more effective and more appropriate;

10. therefore hopes that the strategy at EU level will indeed provide real added value, vis-à-vis the equivalent initiatives of individual Member States, in relation to the increasingly cross-border nature of the issue to be addressed;

11. points out that bottom-up activity involving cooperation with regional and local authorities, which represent the communities most directly impacted by criminal activity, should also be promoted as the mirror image of those activities that need to be carried out at supranational level;

12. points out, however, that before undertaking any actions concerning the initiatives in the strategy, it will be necessary to evaluate the current legal framework and to analyse compliance with the subsidiarity principle. Such analysis should actively involve the Committee of the Regions and national and regional parliaments;

13. points out, whilst broadly welcoming the strategy as a whole, that there appears to be generally no impact assessment of the proposed actions at this time. That is why the assessment called for above, including consultation with regional and local authorities, is necessary. The Committee of the Regions is willing to cooperate fully in the drafting phase;

⁽¹⁾ COM(2010) 673 final.

14. points out the urgent need for internal security and public safety requirements, particularly with regard to protecting privacy, to go hand in hand, when the proposed measures are implemented, with the parallel requirement to respect fundamental rights and to reinforce the procedural rights of suspects or defendants as part of the guarantee of a fair trial. This is important not least in view of the entry into force of the Charter of Fundamental Rights of the European Union and the forthcoming accession of the EU to the European Convention for the Protection of Human Rights, which means that the European institutions will come under the jurisdiction of the European Court in Strasbourg;

15. therefore emphasises its readiness to continue its cooperative relationship with the EU Fundamental Rights Agency, FRA, to better protect fundamental rights and particularly to help regional and local authorities in the difficult task of finding the right balance between improving security, protecting privacy and respecting individual and collective fundamental rights when implementing the strategy;

16. expresses serious reservations concerning the importance of 'a strong EU security sector' put forward by the Commission in its communication. It is much more appropriate to emphasise the State's monopoly on the use of force. A public and effective licensing and supervisory system should be used to ensure that the legal rules governing the activities of private security undertakings and the guarantees for citizens' fundamental rights in particular are always respected. Moreover, private sector intervention should not be used to circumvent the legal tenets of the rule of law;

17. stresses that whilst the broad thrust of the objectives and actions stated in the communication contain aspects of interest in general terms to regional and local authorities, there are a few specific points that appear to be of more direct interest;

Administrative approach

18. considers that, with regard to Objective 1, Action 2 (Protect the economy against criminal infiltration) seems to be particularly relevant to the work of local and regional authorities. This is all the more true of policies to engage 'governmental and regulatory bodies responsible for granting licences, authorisations, procurement contracts or subsidies (the "administrative approach")';

19. points out the importance, in that context, of the Commission providing practical assistance to the Member States by setting up 'a network of national contact points to develop best practices' and sponsoring 'pilot projects on practical issues'; considers it absolutely essential, as a matter of urgency, for these initiatives to provide, formally and organically, for the direct involvement of regional and local authorities, and notes that effective steps to heighten security must inevitably include ongoing, rigorous checks in the territories themselves on how public funds are used, as these often attract the attention of organised criminals;

20. proposes, with regard more specifically to the extremely delicate issue of awarding public contracts and grants, that the EU, whilst further and more effectively pursuing the establishment of national contact points, should also promote the possibility of setting up one-stop contracting shops involving institutional coordination at regional level. The aim here is to harmonise award procedures within a given geographical area, which would also make it possible to cut the number of public bodies with contracting powers via public procedures for works, services and supplies ⁽²⁾;

Confiscation of goods

21. also considers that Action 3 under Objective 1 is even more important to Europe's internal security. This deals with the confiscation of criminal assets, which is indubitably an important avenue for combating any kind of crime right across the board, as it is proven beyond doubt that a direct attack on property acquired through illegal activities is possibly the most effective deterrent in the crime-fighting armoury;

22. on this subject, supports the Commission's decision to announce forthcoming legislation to strengthen the EU legal framework on confiscation. Particularly significant in this context are the specific references to broadening the scope of the instrument, especially as regards third-party confiscation, extended powers of confiscation and mutual recognition between Member States of confiscation orders not based on a previous conviction: the subjective and objective extension of public powers in this area through the progressive streamlining of the implementing procedures will certainly make the fight against illicit gains more effective and tangible by turning the package of measures implemented by the institutions into a genuinely integrated system;

23. is concerned, however, with specific reference to the mutual recognition of confiscation orders, about the state of implementation of framework decision 2006/783/JHA of the Council ⁽³⁾. The Commission states that the transposition of this into Member States' national laws is clearly unsatisfactory, particularly as by the end of February 2010, fifteen months after the deadline had expired, only thirteen Member States had implemented the instrument ⁽⁴⁾;

⁽²⁾ See the model of concentration of competences in the area of assigning procurement contracts established by the recent Italian law no. 136 of 13.8.2010 ('Wide-ranging anti-mafia plan. Counter-measures in the area of public procurement'; see in particular Article 13) which, among other things, provides for the agreement of the Joint Conference (which includes representatives of local authorities) when establishing the implementing provisions of the legislation (see first indent of Article 13 mentioned above).

⁽³⁾ Council Framework Decision 2006/783/JHA of 6 October 2006 on the application of the principle of mutual recognition to confiscation orders, OJ L 328 of 24.11.2006, pp. 59-78.

⁽⁴⁾ COM(2010) 428 final, Report from the Commission based on Article 22 of the Council Framework Decision 2006/783/JHA of 6 October 2006 on the application of the principle of mutual recognition to confiscation orders.

24. supports, on this subject, the Commission's call to the Member States to implement the decision;

25. supports the timetable for the initiatives on confiscation that the Commission proposes to launch and considers that the proposed four-year timeframe (from the current year to 2014) is an appropriate reference period for implementing the programme;

26. considers it absolutely essential, with specific regard to the initiative to establish 'Asset Recovery Offices' by 2014, for local and regional authorities to be active stakeholders on the basis of uniform principles and criteria to be established at European level, right from the setup stage of these bodies, through the formal participation of their own representatives, in their establishment at both policy and operational level;

27. strongly believes, moreover, that regional and local authorities should have sufficient scope to participate in the two information flows suggested by the Commission for 2013, i.e. the development of 'common indicators' for evaluating the functioning and the results of the offices, and establishing the 'best practice guidance' to avoid criminal groups regaining possession of confiscated goods: the Committee considers it necessary that local institutions be involved in both initiatives through a formal partnership right from their launch;

28. recommends that the legislative proposal in the pipeline should specify, in preference to other possible solutions, the municipality in which the confiscated property is located as the natural recipient of the right of ownership thereof. This would establish a sound institutional starting point for the subsequent phase of re-using the property. The Committee recommends that this should be done for a socially useful purpose, such as giving it to charities and cooperatives, not least because local communities bear the highest cost of the activities of organised criminals and the social re-use of confiscated property has a high value in terms of compensating communities affected by this serious issue; points out the need for a sound legal basis for dealing with confiscated property, and stresses that, should further actions be undertaken with a view to reinforcing or amending the existing legislative framework, account should also be taken of the fact that local communities are seriously affected by the activities of organised criminals;

29. points out, however, that if each item of confiscated property is to be reused, resources need to be available to make this possible in practice, since such property often becomes unusable;

Radicalisation and recruitment

30. welcomes the fact that Action 1 (Empower communities to prevent radicalisation and recruitment) under Objective 2 (Prevent terrorism and address radicalisation and recruitment) states, among other things, that prevention 'requires close cooperation with local authorities'. Direct interaction with regional and local authorities is therefore rightly addressed in the communication;

31. points out that attention must be paid to the specific risks in the event of violation of fundamental rights by these measures, especially counter-terrorism measures;

32. is therefore pleased that, in consequence, provision is made for partnership with the Committee of the Regions in the planned (for this year) 'creation of an EU radicalisation-awareness network', which could help share experiences, knowledge and good practices for raising awareness of the risk of radicalisation and to develop communication techniques to combat the rhetoric of terrorist groups;

33. points out that the network's proposed composition, which includes many figures involved in various ways in combating crime, would form an excellent basis for practical and sustainable cooperation between the Committee of the Regions and the European Commission. It would also be both a permanent and informal forum for interested parties, in which they could put forward ideas to stimulate the strategic debate, and a test bed for pilot projects;

34. consequently expresses its intention to participate actively in the launch of the proposed on-line forums and conferences within the EU, highlighting the need for the partnership to be put into practice promptly through immediate contacts between the relevant Committee and Commission bodies;

35. also calls on the Commission to launch similar contacts to expand the partnership to the involve the ministerial conference planned for 2012 and the drafting of the handbook of actions and experiences that will be useful to support the activities of the Member States: the subsequent partnership could serve to establish an even more organic set of joint initiatives that would help give the European public an accurate picture of the heavy involvement of regional and local authorities in an issue of such great relevance at the present time;

36. offers its support and cooperation in identifying critical infrastructure as part of efforts to prevent terrorist attacks;

Transport

37. is greatly interested, still with reference to Objective 2, in Action 3 (Protect transport), in the context of which, as well as welcoming the subsequent development of the EU regime for aviation and maritime security, it supports plans for a more active European approach to land transport;

38. therefore supports, with reference both to local and regional rail and to high-speed rail, the welcome proposal to establish a standing committee on land transport security. It recommends, as a matter of operational necessity, an appropriate presence – which could be flexible depending on the subject to be addressed – on the committee of regional and local authority representatives;

39. thinks it has been proven beyond doubt that the many, familiar security problems related to rail transport have a very heavy impact on local communities' rights to mobility. For this reason, the direct involvement of representatives of local institutions in European bodies working on this subject is absolutely necessary;

40. refers to the numerous opinions criticising the use of passenger name records and proposes that these be taken into account when the planned legislation on collection of passenger data is drafted;

Cybercrime

41. wishes above all to take on, with reference to the actions included in Objective 3 (Raise levels of security for citizens and businesses in cyberspace), a key role in raising awareness among the public and local businesses of the ever increasing need to combat the growing threat and attacks against IT systems, while also taking account of the new methods used to commit such crimes;

42. expresses support for the strong commitment that emerges from the communication to address the problem, focusing on the fundamental issue of the security of computer networks as an essential prerequisite for the functioning of the information society. These computer networks are largely concentrated in urban areas, as are their hubs. The Committee therefore recommends that the Commission, in cooperation with local and regional authorities, should come up with a supportive policy that monitors the security and management of computer network hubs in urban areas;

43. believes that it can cooperate in the proposed measures to boost Europe's ability to tackle the problem, and notes the importance of the creation of a cybercrime centre by 2013 within the existing structures, working closely with the European institutions, such as CEPOL, Europol and Eurojust. The Committee could also contribute to the feasibility study into this, which is planned for this year;

44. points out that it is also necessary to improve local skills in this area and that appropriate investment in training measures at local authority level would also be helpful;

Border management

45. stresses the importance, with regard to Objective 4 (Strengthen security through border management), firstly, of the clear reference in the communication to the 'spirit of solidarity' and the 'sharing of responsibility' (Article 80 TFEU), which principles are essential to an effective approach to the problem; also calls for these principles to be put into practice through concrete measures to support Member States and their regions most exposed to this problem;

46. also argues, in broad terms, the strong need to balance as far as possible the undoubted requirement to strengthen the means of combating the existing problems, which have recently

been getting worse, with the parallel need to appropriately safeguard the processes of cross-border cooperation with non-EU partners: keeping in mind the complementarities of the two requirements, the Committee is committed to supporting any activity that will help increase the extent to which these are achieved;

47. stresses the urgent need – with reference to the social dimension of ever-increasing migration – for a European immigration and asylum policy that has been coordinated with local and regional authorities and is based on respect for human rights, solidarity and responsibility; protecting the privacy of individuals who cross borders must be especially highlighted. It must, however, also be stressed that more countries will have to be required to admit more people in order to meet the demographic challenge of Europe's shrinking population and its correspondingly shrinking workforce;

48. points out, with general reference to the package of measures proposed on the movement of persons, that these fulfil an integrated criterion for action that we support in that they aim to increase the use of new technologies for border controls and border surveillance (Eurosur system, regarding which the communication quite rightly refers to a specific legislative proposal planned for this year) and to enhance coordination between Member States through Frontex, for which the communication provides for specific action to enhance its information management capacity;

49. stresses that even the new border security measures (e.g. body scanners) used for checks on people must be suitable and appropriate for the intended purpose and guarantee the fundamental rights of those concerned, especially human dignity, the protection of privacy and the right to freedom of movement; in light of recent incidents welcomes plans to subject all cargo to a risk analysis. These measures should be designed in such a way that the limited technical possibilities for checks can be geared towards each individual case, while ensuring that goods are transported quickly, which is important for the economy;

Crises and disasters

50. is committed, with regard to Objective 5 (Increase Europe's resilience to crises and disasters), to supporting any initiative for a European response to crises and disasters, and considers that it can make a significant contribution in view of the skills and experience that, by their nature, the local institutions it represents possess. This may concern risk or threat assessments, organisational aspects of awareness-raising activities, or the operational phase of dealing with emergencies, as provided for in the communication;

51. underlines in this connection its willingness to help improve coordination and the exchange of information primarily at local, regional and cross border level as regards reactor safety and protecting the population against the threat of radioactivity;

Financial resources

52. in conclusion, considers it essential, for the reasons outlined above, that its own, indispensable involvement in the process of improving Europe's internal security must go hand in hand with an adaptation of the capacities and competences of regional and local authorities. It is therefore necessary to invest in further research and to carry out innovations in fields such as cyber security, forensics, the protection of vital infrastructure and urban security and that the European Commission promotes this in line with the increased need to address ever more specific and complex problems;

53. therefore wishes to be involved in the process of reviewing the financial instruments in the home affairs and security field for the years beyond 2013 and to play a significant part in shaping the possible financing instruments so as to help ensure, based on local institutions' experience on the ground, that proposals for resource allocation are sensible and efficient.

Brussels, 1 July 2011.

The President
of the Committee of the Regions
Mercedes BRESSO

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