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I

(Resolutions, recommendations and opinions)

RESOLUTIONS

COMMITTEE OF THE REGIONS

92TH PLENARY SESSION HELD ON 11 AND 12 OCTOBER 2011

Resolution of the Committee of the Regions on 'The Road to Durban: Towards the 17th United Nations Conference on Climate Change'

(2012/C 9/01)

THE COMMITTEE OF THE REGIONS

Climate change has not gone away; sub-national governments reaffirm their commitment

1. points out that there is incontrovertible scientific proof of climate change and its consequences; timely, coordinated, ambitious and internationally binding measures must therefore be adopted, without delay, in order to tackle this global challenge;

2. urges European and international leaders to remain focused on the mitigation of and adaptation to climate change and to dedicate the necessary resources to these goals despite the sovereign debt crisis; underlines in this context that investment in infrastructure to mitigate and to adapt to climate change, as well as a more general move to a green economy, may well be the only way to overcome the current problems;

3. reaffirms its commitment to ambitious targets and measures in order to limit global warming to a maximum of 2 degrees as expressed in a resolution on the Cancún Climate Summit and in an opinion on international climate policy of 2010, as well as the Council Conclusions ⁽¹⁾;

4. stresses the urgent need, consistent with European commitments, to reach an internationally legally binding agreement in Durban succeeding the Kyoto Protocol under

⁽¹⁾ Council Conclusions of 14 March 2011 on the follow-up to the Cancun Conference, and IPCC's Special Report on Renewable Energy. Sources and Climate Mitigation of 9 May 2011.

the remit of the United Nations and calls for the international agreement to build upon the advances of the Cancún conference which gave recognition to the crucial role of sub-national government, encouraging and supporting action at local and regional level to build a low-carbon 'green' economy;

5. believes that the investments required will not only help to mitigate climate change, but will also contribute significantly to generating sustainable economic growth in Europe, create jobs, provide much needed income, and thus help to reduce public debt;

6. welcomes, therefore, the timely report by the European Commission's Joint Research Centre ⁽²⁾ which calls for sustained policies and long-term programmes of investment in low-carbon power generation in order to achieve a substantial decrease of greenhouse gas emissions;

7. in this respect, as agreed at the Cancún summit, calls on the Parties to make operational the Green Climate Fund and the Adaptation Committee, and to grant an easy access to civil society and local and regional authorities to these instruments;

8. welcomes the ambition to increase the proportion of climate related expenditure to at least 20 % in the context of the EU's Multiannual Financial Framework beyond 2013, and encourages international leaders to take similar measures;

⁽²⁾ **LONG-TERM TREND IN GLOBAL CO₂ EMISSIONS – 2011** joint report by the European Commission's Joint Research Centre and PBL Netherlands Environmental Assessment Agency.

The power of partnership

9. recognises that global climate change goals can only be achieved if, on the one hand, future emissions reductions are distributed fairly across the whole of the international community, with due consideration to the different capabilities and starting positions of countries and regions, and, on the other hand, a worldwide consensus for decisive action is established, backed by common standards for regular monitoring, reporting and verification (MRV); welcomes the introduction of the Mexico City Pact and the carbon Cities Climate Registry as the global response of sub-national governments to MRV climate action;

10. strongly welcomes the recognition of local and regional governments as key 'governmental stakeholders' in global climate change efforts at the COP16 in Cancún and calls for an equal recognition in the post-Kyoto Protocol agreement, and therefore asks for them to be empowered and equipped with resources and given access to funding;

11. calls for climate policy goals to be factored into social development at the earliest possible stage, providing financial support, climate partnerships, development of human capital and know-how to generate low-carbon economic growth, combat desertification and develop sustainable forestry management; in this regards, calls for further action to be taken concerning the implementation of the REDD+ (Reducing Emissions from Deforestation and Degradation) programme;

12. notes that urban areas produce 75 % of carbon emissions and underlines that effective global action requires a multi-level governance approach involving a coordination of efforts between the local, regional, national and supra-national levels of government based on the principle of subsidiarity; in this respect, emphasizes that a 'Territorial Pact of Regional and Local Authorities on the Europe 2020 Strategy' as proposed by the EU's Committee of the Regions is a very important tool in tackling climate change;

13. therefore urges all sub-national governments in the world to invest in the fight against climate change, raise public awareness, mobilise public political support, increase the ownership of the process, enhance business investment and new business models, mobilise funding sources, and motivate the producers and consumers to change their behaviour to create a resource-efficient society and a more climate friendly economy;

14. highlights the efforts of cities and regions across Europe that have adopted local or regional climate and energy strategies with specific climate mitigation targets and, for example, signed up to the Covenant of Mayors, aiming to reduce the CO₂ emissions by at least 20 % by the year 2020;

15. also highlights the efforts of island regions which have agreed to draw up an energy action strategy under the Covenant of Islands aimed at attaining or even exceeding the EU targets for sustainable energy and combating climate change;

16. believes that the expertise of the EU's local and regional authorities in this area should be made available to sub-national government in other parts of the world;

17. recalls the Memorandum of Understanding signed with the U.S. Conference of Mayors, reaffirms its commitment to developing further this particular transatlantic cooperation, and is ready to consider similar types of cooperation with counterparts in other parts of the world;

18. considers that it is absolutely essential to raise awareness of the challenges posed by global warming and to involve the citizens in programmes to promote renewable energy. The success of these programmes require both citizens' awareness and ownership, as well as broad information that will lead to the largest mobilisation of public opinion; a good example here might be involving citizens in programmes to promote renewable energy at an early stage;

Towards a sustainable world

19. stresses that the vision of a resource-efficient low-carbon economy requires a new industrial revolution involving all levels of government, individuals, businesses, universities, and research centres, and encourages these actors to share their ideas and experience across national borders to foster a bottom-up approach;

20. calls for mainstreaming of environmental policy and climate change action priorities into other policy areas to maximise synergies between them, recognising that the same actions can and should pursue a variety of complementary objectives;

21. points out that we need a holistic approach to climate change mitigation and adaptation which requires transformations in many sectors such as mobility, buildings, food, waste management, recycling and reuse of products, and the use of land and urban spaces, financial incentives for low-carbon investments, a new focus on the ecological footprint over the life-cycle of products and services, and integration of sustainable behaviour patterns into education and training;

22. calls upon the Parties to give greater attention to climate related Research and Innovation activities and programmes, and urges the Member States to make sure all sub-national governments dispose of adequate financial means to address this challenge;

23. asks therefore for appropriate conditions to be put in place in order to implement the necessary changes to the energy infrastructure swiftly and to enable smart grids so that, for example, depending on the situation locally, individual households, small and medium sized businesses, local authorities 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 and distribution, thus providing a framework for others to follow;

24. supports emission trading schemes as a means to address climate change; in the EU context encourages Member States to use the full revenues of the EU scheme to support low carbon research and green investments;

The CoR in Durban

25. recalls that the EU, in order to be a credible force for change, must lead by example, including the adoption and implementation of ambitious and binding targets such as those for the reduction of CO₂ emissions, renewable energy and energy efficiency;

26. sees in the results from Cancún a role for the local and regional level and assumes responsibility here;

27. offers to bring its specialist expertise and know-how to the negotiation process in Durban and to play an active role in shaping it;

28. expects to be regularly consulted on European and international climate negotiations and will therefore seek a close cooperation with the European Commission, Parliament and Council;

29. calls on the relevant Parties to ensure the coherence between the decisions to be taken at the Durban climate conference and the Rio+20 conference;

30. instructs the CoR President to submit the present resolution to the President of the European Council, the European Parliament, the European Commission, the Polish Presidency of the Council of the EU and the UNFCCC.

Brussels, 12 October 2011.

The President
of the Committee of the Regions
Mercedes BRESSO

OPINIONS

COMMITTEE OF THE REGIONS

92TH PLENARY SESSION HELD ON 11 AND 12 OCTOBER 2011

Opinion of the Committee of the Regions on ‘Towards a European agenda for social housing’

(2012/C 9/02)

THE COMMITTEE OF THE REGIONS

- calls on the Member States to ensure that all citizens can afford housing by basing rent increases on an objective system which ensures moderate increases in property prices and adapting tax policy to limit speculation;
- welcomes the fact that the Commission, as previously called for by the Committee of the Regions, on 19 September 2011 proposed a new approach to enlarging the scope of the local and social services of general economic interest - including social housing - exempted from the notification requirement; points out in this connection that it is up to the Member States and local and regional authorities to define services of general interest in the context of social housing policy, and the way in which they must be made available; and also stresses that it is not within the Commission’s remit to establish the conditions for allocating social housing or to define the categories of household whose basic social needs cannot be met by market forces alone;
- therefore calls for energy-related housing renovation in the context of social cohesion to remain eligible for European Union structural funds, while giving each region greater flexibility in terms of the amount of funding allocated to this activity; also believes that the Structural Funds must make effective use of the partnership principle and that the Member States must be encouraged to cooperate with local and regional authorities to set priorities and determine how the funding should be used;
- emphasises that inadequate housing conditions have a significant impact on health and that providing better housing means that residents do not have to suffer the adverse effects of overcrowded, damp, cold and poorly ventilated housing; adds that a lack of housing is a source of both stress and distress adversely affecting the quality of life, health and wellbeing for individuals, families and society.

Rapporteur Alain HUTCHINSON (BE/PES), Member of the Brussels-Capital Regional Parliament

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

1. reiterates its support for the Europe 2020 Strategy for smart, sustainable and inclusive growth;

2. is interested to note that the balance in housing markets has been recognised as one of the potential indicators of the macroeconomic surveillance scoreboard in the framework of the new European semester, given the importance of housing markets for increasing financial and economic stability at European level;

3. notes that high-quality, affordable housing is a basic necessity for all citizens of the European Union, and that very often it is local and regional authorities that are people's main contact for meeting this need;

4. therefore stresses that, even if the European Union has no specific competence in housing policy, it is necessary to explain the impact that European policy can have on housing, in view of i) the importance of housing in meeting the European Union's major policy objectives as set out above (economic stability, efforts to combat climate change, and social inclusion), ii) the horizontal social clause laid down in Article 9 of the Treaty on the Functioning of the European Union and iii) Article 34 of the Charter of Fundamental Rights;

5. moreover, under Article 14 of the Lisbon Treaty and protocol 26 thereto, national, regional and local authorities must retain full control in establishing their own housing policies – particularly regarding social housing – in order to ensure that housing policy, making full use of all available financial resources, continues to meet the needs of the population, with a view to maximising the ability of local and regional authorities to deal with the major challenges facing the whole EU;

6. underlines the importance of Member States taking on responsibility for housing policy and of EU policies providing a framework to achieve this objective;

7. welcomes, in this respect, the fact that the energy-related renovation of social housing and work to improve housing conditions for marginalised groups are now eligible for support from the European Union structural funds; therefore calls for this to be maintained beyond 2014;

8. welcomes the fact that the Commission, as previously called for by the Committee of the Regions⁽¹⁾, on 19 September 2011⁽²⁾ proposed a new approach to enlarging the scope of the local and social services of general economic interest - including social housing - exempted from the notification requirement; points out in this connection that it is up to the Member States and local and regional authorities to define services of general interest in the context of social housing policy, and the way in which they must be made available; and also stresses that it is not within the Commission's remit to establish the conditions for allocating social housing or to define the categories of household whose basic social needs cannot be met by market forces alone;

The need for affordable, universally accessible housing in the interests of economic stability

9. agrees with the Commission that it is necessary to avoid housing bubbles forming in future, due to their impact on both social and financial stability. In this regard, the Commission's new proposed rules for a single market for mortgages, which extend to the period before the signature of the contract and aim to create an adapted framework for market actors involved in the granting of loans, should provide better protection for consumers, especially for low-income households, without making it impossible for them to access housing. Models for (supported and monitored) access to social housing already exist, and form an integral part of social housing policy that this new directive must not cut back⁽³⁾;

10. emphasises that the economic imbalances caused by the prohibitive cost of housing are not restricted to the financial world – they also have a significant impact on household consumption patterns. Low-income households in Europe spend on average 40 % of their income⁽⁴⁾ on housing and heating, and this percentage is increasing steadily;

11. calls on the Member States to ensure that all citizens can afford housing by basing rent increases on an objective system which ensures moderate increases in property prices and adapting tax policy to limit speculation;

12. calls for investment in social housing to be supported, and therefore for risk assessments for residential property investment to take account of the specific nature of social housing, which does not present the same risks as the rest of the real-estate sector;

⁽¹⁾ CdR 150/2011

⁽²⁾ http://ec.europa.eu/competition/index_en.html

⁽³⁾ Proposal for a Directive of the European Parliament and of the Council on credit agreements relating to residential property (2011/0062 (COD)).

⁽⁴⁾ EUSILC 2009, Eurostat.

13. feels that the European Investment Bank (EIB) needs to increase its investment in this sector considerably, as high-quality, energy-efficient and affordable housing is a form of infrastructure for local economic development, particularly in those Member States where there is no State housing bank; it also needs to improve the terms for the loans issued, taking into account the particular need to establish a significant rental housing bank in some regions, in order to meet the requirements of the neediest members of the population who have no way of becoming property owners;

An ambitious policy to promote energy efficiency in housing, in order to achieve the energy reduction goals for 2020

14. points out that the residential sector causes 40 % of greenhouse gas emissions and is therefore a high priority in the fight against climate change; adds that to meet these objectives it is vital to improve the conditions of the housing stock built over 30 years ago, which in some European regions accounts for 70 % of the existing total; also stresses that the energy-related renovation of four dwellings creates the equivalent of one job, and therefore that the sector has a significant positive structural effect on employment, economic growth and the environment at local level;

15. therefore calls for energy-related housing renovation in the context of social cohesion to remain eligible for European Union structural funds, while giving each region greater flexibility in terms of the amount of funding allocated to this activity; also believes that the Structural Funds must make effective use of the partnership principle and that the Member States must be encouraged to cooperate with local and regional authorities to set priorities and determine how the funding should be used;

16. welcomes the European Commission's energy-saving and energy-efficiency priorities and believes that the European energy efficiency directive⁽⁵⁾ needs to be consolidated with due regard for the subsidiarity principle; urges the European Parliament and the Council to ensure that requirements to reduce energy consumption and fuel poverty have a positive impact on vulnerable households and that measures to promote renovation are specifically focused on reducing energy poverty by setting up specific national or regional funds;

17. also stresses that technical assistance facilities such as ELENA (support for drafting local energy efficiency plans) and specialised funds such as JESSICA (support for integrated urban development, making use of the structural funds) are two key tools in implementing the Covenant of Mayors (which the CoR helped to establish) and need to be renewed and boosted during the next programming period;

18. supports the Commission's approach of aiming to reduce the environmental impact of our lifestyle and economic activities, as set out in the 'resource-efficient Europe' flagship

initiative (COM(2011) 21 final), and notes that housing and spatial planning and urban regeneration policies need to play a more active role in achieving this objective;

Smart growth to meet major social challenges by adapting today's cities and housing

19. welcomes the Commission's willingness to invest in modernising the economy and giving everyone access to information and communication technologies (ICT), which are tools for active participation in society;

20. draws attention to the increasing demand for social housing from all age and demographic groups and the pressures placed on local and regional authorities in meeting the needs of varied population groups, and calls for services being developed to meet the needs of an ageing population to be closely aligned with the needs of this sector of the population and to be technically and economically affordable; notes that poverty among older people throughout Europe is increasing, and therefore calls for the new European Innovation Partnership on active and healthy ageing, which coordinates research in the field, to include a specific strand devoted to developing affordable solutions to enable older people to remain in their own homes for as long as possible, taking into account that improving conditions for access to the existing housing stock is a reasonable, viable way to reduce the need for assistance, helping people to remain in their places of residence and making it easier for them to regain a social life by boosting their personal independence;

21. reiterates that people need to be placed at the centre of pilot programmes developing the 'smart cities' of tomorrow, by including a social inclusion element and encouraging users to participate in the projects. This acknowledges their key role in transforming cities, which must guarantee social cohesion in order to be sustainable;

22. feels that more extensive programmes should be developed to encourage users to feel more 'ownership' of the technologies for constructing passive buildings and that European funding should support not only technological research but also such measures to raise the profile of these technologies and to take on board the views of users/consumers;

23. welcomes the advances in information technology and tele-care which support elderly and disabled residents in their homes;

Universal access to decent housing and living conditions to facilitate full participation in society and safeguard the fundamental rights of all Europeans

24. supports the European Union's poverty-reduction target for 2020, which requires Member States and local and regional authorities to develop ambitious implementation programmes;

⁽⁵⁾ European Commission proposal of 22 June 2011.

25. emphasises that inadequate housing conditions have a significant impact on health and that providing better housing means that residents do not have to suffer the adverse effects of overcrowded, damp, cold and poorly ventilated housing; adds that a lack of housing is a source of both stress and distress adversely affecting the quality of life, health and wellbeing for individuals, families and society;

26. calls for the housing dimension to be a mainstay of these implementation programmes and to be backed up by investments and policies to increase the supply of decent, affordable housing, including both ownership and tenancy;

27. calls for the Eurostat indicators (price, quality) on the housing element of social inclusion to be published regularly so that progress in the field can be evaluated, and for these indicators to be supplemented by regional and local statistics;

28. believes that a solution to the issue of homelessness⁽⁶⁾ must be found as a matter of urgency and that, to this end, it is necessary to coordinate the application of all policies with an impact on homelessness; in this context welcomes the Resolution of the European Parliament on *An EU Homelessness Strategy*⁽⁷⁾ and calls on the Commission to implement this without delay;

29. calls for social innovation to be supported both by the platform against poverty and by the research framework programme in order to test new forms of governance for policies aiming to improve access to housing and reduce homelessness⁽⁸⁾;

30. is interested to note the recommendations of the jury of the Consensus Conference on homelessness held under the Belgian presidency of the European Union, and draws attention to the key role of local and regional authorities in developing partnerships with the stakeholders involved and in increasing the supply of affordable housing, which is a necessary, but insufficient, condition for success in reducing homelessness;

31. maintains that a variety of housing solutions need to be developed to meet the burgeoning variety of needs, and that option to bridge between rental and private ownership should be provided, such as cooperatives, shared equity, land trust communities and such like; also urges Member States to

support local and regional authorities in maintaining and increasing the diversity of the housing supply, taking into account the mechanisms needed to update the housing stock without promoting access to ownership to the detriment of other forms of access to housing;

32. stresses that the Commission communication on social entrepreneurship due to be published in late 2011 must identify the options provided by social enterprises for increasing the supply of affordable housing;

33. emphasises, that it is important to prevent and reduce harmful differentiation in residential areas via urban and social policy measures;

34. notes that, in addition to the option of using European Union structural funds for housing for marginalised groups – a measure that should continue in the next programming period as it responds to the imperative that accommodation unfit for habitation be eradicated – the European Union structural funds also need to be better integrated (ESF/ERDF) in order to promote sustainable development in disadvantaged areas⁽⁹⁾; draws attention to the fact that the redevelopment of run-down neighbourhoods must not go hand in hand with gentrification, and that social diversity programmes should be established to promote social cohesion;

Better governance to create positive interaction between European policies and housing policies

35. urges Member States to ensure that the informal meetings of housing ministers continue to act as a forum for exchanging information and improving understanding of national policies and contexts but also for adopting positions on subjects with a major impact on national housing policy, especially its financing;

36. suggests that Eurostat be asked to produce a specific Eurobarometer on housing conditions and prices, given the importance of housing in the daily lives of citizens of the European Union;

37. suggests that the European Parliament's Urban Housing Intergroup hold regular meetings with the Committee of the Regions on the housing element of European policies, particularly in terms of urban policy.

Brussels, 11 October 2011.

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

⁽⁶⁾ CdR 18/2010.

⁽⁷⁾ B7-0475/2011.

⁽⁸⁾ CdR 402/2010.

⁽⁹⁾ CdR 129/2011.

Opinion of the Committee of the Regions on 'Territorial cooperation in the Mediterranean through the Adriatic-Ionian macro-region' (own-initiative opinion)

(2012/C 9/03)

THE COMMITTEE OF THE REGIONS

- stresses that the macroregional strategy cannot operate in all areas, but must focus on challenges and issues of this particular macroregion that the partners identify in a joint assessment; it notes that, being functional areas, macroregions have no predefined borders, but are very much shaped by the shared challenges chosen to be tackled;
- maintains that this approach can give substance to the territorial objective;
- stresses that an important added value of the AI macroregional strategy is to underline the EU's attention towards the Western Balkans, constituting a significant factor in reconciliation between territories and so contributing to their EU accession;
- notes that the area covered takes in three EU Member States (Italy, Greece and Slovenia), two candidate countries (Croatia and Montenegro) and three potential candidate countries (Albania, Bosnia and Herzegovina and Serbia); further notes that, alongside the maritime dimension, the macroregional approach will have to take into consideration every major issue facing the area (environmental protection and conservation, energy, climate change, research and innovation, etc.);
- recalls that the European Commission's 'three no's' (no new regulation, no new institutions and no additional funding) should be matched by 'three yeses': application and monitoring of existing rules in the macroregion, creation of a platform, network or EGTC and agreed use of existing Union funding.

Rapporteur Mr SPACCA (IT/ALDE), President of the Marche Region

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS,

General comments

1. welcomes the fact that since the European Council adopted the European strategy for the Baltic Sea macroregion in October 2009, a number of European regions have already recognised (or are recognising) macroregional strategies as a possible response to the challenge of achieving balanced and sustainable development;

2. recalls its role in developing EU macroregional strategies from the very outset since they promote the involvement of regional and local entities, provided they show an EU added-value;

3. is pleased that many of Europe's regions confirmed their interest in the idea at the forum entitled 'Europe's Macroregions: Integration through Territorial Cooperation', held by the Committee of the Regions on 13 April 2010. It is clear from the discussion at the event and the further exploration it provoked that macroregions have the makings of a new mode of territorial cooperation at the interregional and transnational level capable of i) bolstering the coherence and coordination of political action in various sectors, ii) making sound use of financial resources, and iii) boosting the role of regional and local authorities in line with the principles of multilevel governance, while at the same time ensuring substantial involvement of civil society organisations;

4. maintains that the nature and scope of the macroregional approach can tie in with other EU strategic policies, such as the Europe 2020 strategy, cohesion policy and the integrated maritime policy;

5. stresses that, by its very nature, the macroregional strategy cannot operate in all areas, but must focus on challenges and issues of this particular macroregion that the partners identify in a joint assessment, wedding principles of cooperation with the principle of subsidiarity;

6. notes that, being functional areas, macroregions have no predefined borders, but are very much shaped by the nature and number of shared challenges chosen to be tackled; therefore their setting should be based on concrete criteria (based on geographical interconnectedness) for cooperation on solvable issues. This should ensure better links with other areas such as central Europe, the Alps and the Danube area;

7. maintains that, seen in these terms, they can become a prime way of giving substance to the territorial objective so robustly espoused by the Treaty of Lisbon and bolster the EU

accession process of candidate countries and potential candidate countries by drawing on the shared interests of regions in both 'old' and 'new' Member States and in third countries, as the European Union's strategies for the Baltic Sea region and the Danube region are already demonstrating;

8. stresses that an important added value of the AI macroregional strategy is to underline the EU's attention towards the Western Balkans, as happened in the past with the integration of territories in eastern and central Europe;

9. points out that the AI macroregional strategy is a significant factor in reconciliation between territories to the east of the Adriatic and Ionian seas, while at the same time acknowledging and rediscovering the values that have for centuries united the two regions;

10. points out that a further value of the macroregional strategy is the opportunity to strengthen the regional cooperation in these territories – which are also part of the greater Mediterranean area – and to contribute to their progress towards EU accession;

11. stresses that macroregions are not an extra institutional tier within the European Union, but a network, a *modus operandi* or, rather, a form of joint action that involves various European, national, regional and local players, various policies and various funding programmes. Flexible and non-bureaucratic networking of all stakeholders, instruments and initiatives is therefore desirable;

A European Union strategy for the Adriatic-Ionian region: background

12. notes that the territories of the Adriatic and the Ionian seas form an international sea basin and an international region. Whether viewed historically, geographically, economically, environmentally or socially, the interactions between countries have always been one of its key features. The Adriatic and the Ionian seas are major maritime and marine (eco)regions in Europe, contiguous and flowing into the central Mediterranean Sea, which is a semi-enclosed sea with a low water renewal rate;

13. points out that the Adriatic-Ionian Macroregion (AIMR) includes coastal EU Member States and candidate and potential candidate countries. It is a highly heterogeneous area in economic, environmental and cultural terms. Within the ongoing accession process of countries in the Western Balkans, the Adriatic and the Ionian seas will not just share a common heritage, but will be even more affected by the free movement of people, goods and services;

14. notes that the geographical area covered by the strategy takes in three EU Member States (Italy, in particular, with its regions bordering the Adriatic and Ionian seas; Greece and Slovenia), two candidate countries (Croatia and Montenegro) and three potential candidate countries (Albania, Bosnia and Herzegovina and Serbia). The area, excluding waters, extends to just under 450 000 km² and has a population of around sixty million. By its very nature, a region that extends beyond the sea basin and is a link between territories, a connecting hub between people and institutions, is better equipped to work out a joint strategy capable of creating opportunities for sustainable development and to optimise the exchange of ideas, people, goods and services;

15. stresses that the Adriatic-Ionian basin is a 'semi-closed sea' and is set to increasingly become a European Union 'internal sea'. It has something in common with the Baltic area, both being seas with similar difficulties and challenges. Both are 'lynchpins' between Member States and third countries and, at the same time, the natural maritime outlet of the Danube area;

16. points out that all of Europe's areas are interconnected, so that linking the Baltic and Danube areas with the Adriatic and Ionian area would be desirable and constitute their natural extension, while strengthening European territorial cooperation policy;

17. notes that the Adriatic-Ionian region has been involved since the end of the 1970s in various organisations and initiatives, of which the more important are:

- the Association Forum of Adriatic and Ionian Cities and Towns, where interest focuses on sharing a common administrative model in order to bring about a more balanced development of the (around fifty) administrative areas;
- the Forum of the Adriatic and Ionian Chambers of Commerce (around thirty members), where socio-economic issues and the protection of resources take on particular importance;
- the UniAdrion network of universities (around thirty-two members), where the ambition is to achieve a permanent link between universities and research centres of the Adriatic and Ionian seas to create joint multimedia products;
- the Adriatic and Ionian Initiative (AII) (members: Albania, Bosnia and Herzegovina, Croatia, Greece, Italy, Montenegro, Slovenia and Serbia), which was set up in Ancona in May 2000 following the conflicts in the former Yugoslavia with the specific goal of guaranteeing security and cooperation in the Adriatic and Ionian seas;

- the Adriatic Euroregion, which brings together institutions, usually at the immediate subnational level, on both sides of the Adriatic Sea to discuss and align their planning priorities.

To these can be added numerous networks for infrastructure (such as the North Adriatic Port Association – N.A.P.A.), culture, education and training;

18. notes that the area also benefits from major European Union schemes funded from thematic programmes (transport, energy, environment, etc.), from national and regional programmes of European cohesion policy (objectives 1 and 2) and from European territorial cooperation programmes such as Adriatic IPA CBC programmes and the equivalent programmes for cross-border cooperation (e.g., Italy-Slovenia, Greece-Italy) and transnational cooperation (central Europe programme – CE; south-east Europe programme – SEE; Mediterranean programme – MED and Alpine Space), from ERDF funds and the Instrument for Pre-Accession Assistance (IPA). The urgency and the added value of a European strategy for macroregions lies precisely in the benefits of close interlinkage between these programmes and those carried out at national, regional and local level, as well as the investment by the European Investment Bank, the local credit system and private stakeholders. It should be stressed here that a process of this kind must go beyond an intergovernmental approach and requires the immediate application of the political and institutional leverage and technical expertise of the EU institutions;

19. stresses that this vast network of affiliations is an important reference point and the necessary basis for fostering the European dimension of local and regional policies. Supporting cross-border, transnational and inter-regional partnership systems acquires strategic importance at territorial level and helps structure mechanisms of dialogue and collaboration between local and regional bodies and central administrations, in line with the Treaty of Lisbon;

20. argues that, because of the features that distinguish it, and especially because of the interest its member countries have in maritime waters and coastal issues, the Adriatic and Ionian Initiative (AII) is well equipped to operate in the Mediterranean dimension. At the same time, by virtue of its geographical location and the concerns intrinsic to this, it is destined to provide an added value to the stabilisation processes in the area and, more particularly, to the dynamics of integration in the European ambit, without duplicating the work of other institutions, which have different competences and scope;

21. notes that, meeting in Ancona on 5 May 2010, the Adriatic Ionian Council, made up of foreign ministers from the (AII) member countries, adopted a declaration endorsing the proposal for a macroregional strategy for the Adriatic-Ionian area and called on its member countries in the EU (Italy, Greece and Slovenia) to work for its adoption by the Community institutions;

22. stresses that the Adriatic-Ionian Council adopted a further declaration, on 23 May this year in Brussels, in which it welcomed the decision of the European Council of 13 April (which called on the Member States to press ahead with work on macroregions) and reasserted its own commitment to supporting the macroregional strategy for the Adriatic and Ionian seas, to be implemented in cooperation with the European Commission and with the involvement of national, regional and local institutions;

23. notes that at their eighth and ninth conferences, held respectively in Bari (Italy) on 29 April 2010 and in Budva (Montenegro) on 11 April 2011, the speakers of national parliaments in the Adriatic and Ionian Initiative (AII) adopted specific final declarations by which the parliaments committed themselves to redoubling their efforts to contribute to the EU accession process for all AII members in the Western Balkans and called on the EU institutions to draw up for south-east Europe a macroregional strategy for the Adriatic-Ionian basin;

24. notes that the activities of the territories involved in the strategy naturally gravitate towards either the Adriatic Sea or the Ionian Sea, where the landscape and environmental differences between the two coasts and interiors of the Adriatic basin are important because of their geomorphologic characteristics, the high pressure of urban development and demographic differences. The area also shares strong connections and influences with parts of Austria and the central and eastern Mediterranean;

25. points out that some coastal areas are affected by a high level of urbanisation, with peaks around manufacturing areas as well as areas with a high rate of tourism. Excessive pressure of productive use, localised demand and the consequent transformations of coastal habitat have caused widespread congestion and a constant reduction of the natural environment. There are nonetheless excellent environmental sites and national and regional protected areas;

26. points out that some coastal areas present a continuity of landscape and an environmental heritage now increasingly threatened by development. Challenges evident in these areas include a lack of sewage and waste disposal systems, increasing urbanisation of the coast, continuing atmospheric emissions of pollutants from transport, industrial processes and energy production;

27. stresses that, on a broader scale, the European Union's Adriatic-Ionian macroregion strategy is intended to be a valuable asset not only for the areas concerned, but for the EU as a whole, since it is fully geared to pursuing the EU's strategic aims of smart, sustainable and inclusive development and, in particular, the EU 2020 strategy. A start on planning the AIS must be scheduled for 2012–2013, which will allow time for the alignment referred to above and assure maximum

coherence with the priorities of the next multiannual financial framework, the related common strategic frameworks and the operational programmes;

28. maintains that, if a mission for the AI strategy was to be defined, it would be 'connecting and protecting': connecting the territories of the macroregion to foster its sustainable development while protecting the fragile maritime, coastal and inland environment. The two EU macrostrategies for the Baltic Sea and the Danube, together with the EU Strategy for the Adriatic-Ionian Macroregion and future EU strategies⁽¹⁾, are capable of creating those interconnections and synergies, including infrastructural ones, called for in point 18 of the conclusions of the General Affairs Council of 13 April 2011. These should create an ideal axis from the north to the south of Europe, the Adriatic-Ionian macroregion serving to improve and free up Europe's south-eastern gateway to the world and also bring in the area of the central and eastern Mediterranean through the extension of the Baltic-Adriatic corridor, as provided for by Commission Communication COM(2011) 500 of 29 June 2011 and its connection with the intermodal networks. Given the possibility of large territorial overlaps between the AI strategy and the Danube strategy, the European Commission should provide for appropriate coordination mechanisms;

Sea, coast and interior: a macroregion to connect, protect and develop

29. maintains that a sea basin is by definition a common resource connecting the countries and regions bordering it, as well as a common asset for them to safeguard. Yet the sea also needs joint interventions in order to generate wealth and development. It is also a fragile system and this is particularly true of the Adriatic and the Ionian seas, which are sea basins with a low water renewal rate, connected to the Mediterranean, itself also a semi-enclosed sea. Marine strategies should be incorporated into the AIS to preserve the Adriatic and Ionian environment;

30. points out that, from this perspective, the AIMR can be seen as a maritime community. The strategy will therefore produce not only planning documents, but actions – concrete, visible actions to overcome the challenges facing the region. States, regions and the other stakeholders will take responsibility as lead partners for specific priority areas and flagship projects inspired by an integrated approach to maritime, transport and port policy in relation to the Pan-European Corridors;

31. notes that, alongside the maritime dimension, the macroregional approach will have to take into consideration every major issue facing the AIMR today, from environmental protection and conservation to energy, from climate change to research and innovation, from preservation of underwater areas to cultural resources, competitiveness and job creation, trade, logistics and the training of public sector managers in the Adriatic-Ionian area;

⁽¹⁾ Strategies currently being drawn up include those for the North Sea-Channel area, the Alpine Space, the Atlantic Arc and the Black Sea.

32. recalls the position of the European Commission stating that macroregional strategies should currently take into account the principle of 'three no's' – no new regulation, no new institutions and no additional funding; thinks, however, that there should also be 'three yeses': jointly agreed application and monitoring of existing rules in the macroregion; creation – for which EU bodies should be responsible – of a platform, network or territorial cluster of regional and local authorities and Member States which also brings in stakeholders; agreed use of existing Union funding for developing and implementing macroregional strategies;

33. insists that the European Council should task the European Commission with drawing up an AI macroregional strategy by 2012–2013 (by which time debate will have shown this to be a responsible decision on the part of the Community institutions), so that a consensus and a practical approach can be found regarding the three pillars of the macroregional strategy in the 2014–2020 programming period;

34. points out, on the matter of subsidiarity and proportionality: It is possible – for the Adriatic-Ionian area as for the Baltic Sea and the Danube – to hit upon a European strategy that i) capitalises on the many cooperation networks already in existence and on the array of initiatives, programmes and projects already in train, ii) adapts and coordinates the instruments available to different players, and iii) contributes to consolidating the integration process, both between and within states, through greater involvement of civil society in the decision-making process and in the implementation of particular measures;

35. stresses that, if this is achieved, the macroregional strategy for the Adriatic-Ionian area will be seen as an excellent example of multilevel governance in practice, since it creates the context for qualifying and defining the cooperation and interaction of all the stakeholders grappling with the major challenges in this area;

36. points out that, at this stage, in which most of the measures rest on legal bases relating to EU and Member State spheres of competence, the Commission will initially have to restrict itself to supporting agreed initiatives. All levels of government involved will then cooperate to pursue these in line with their respective competences and responsibilities, after which the Commission will assume a role of coordinating, monitoring and facilitating the strategy's implementation and follow-up. To fulfil this task, it should as far as possible make use of suitable existing structures;

Conclusions

37. notes that, in the light of the declarations adopted by the Adriatic-Ionian Council (foreign ministers of the AII) and given the pressing problems and the current challenges, a start must

be made immediately on drawing up a strategy for the Adriatic-Ionian area. It therefore asks the European Council to task the European Commission with drafting this strategy;

38. calls on the European Parliament, in the light of the declarations of the conference of the presidents of the national parliaments in the Adriatic and Ionian Initiative (AII) and given the strategic value for the completion of EU accession, to take a resolute political initiative to set in train a European Union strategy for an Adriatic-Ionian Macroregion;

39. calls on the European Parliament, which is currently drafting important documents on the implementation of the integrated maritime policy, on the management of territorial waters and on transport policy, to take on board the Adriatic-Ionian Macroregion dimension;

40. emphasises that the AI macroregional strategy is perfectly compatible with the development of Euro-regions focusing on cooperation between border regions or the development of European structures in the context of cross-border, transnational and interregional projects assuming the legal form of a European Grouping of Territorial Cooperation (EGTC);

41. recommends that the macroregional strategies be fully incorporated into the policies of the European Union and, in particular, the territorial cooperation dimensions of the post-2013 cohesion policy, especially where crossborder and transnational cooperation is concerned, so that regional operational programmes in the next programming period (2014–2020) can be deployed to assist the macroregional strategies' effective implementation;

42. calls on the Commission, in line with point 21 of the conclusions of the General Affairs Council of 13 April 2011, in line with the conclusions of the European Council of 23–24 June 2011, and in view of the fact that national and local institutions have been at work for some time now on a draft macroregional strategy, to immediately conduct detailed monitoring of strategic projects being carried out, approved or in the process of approval in the Adriatic-Ionian area, and again urges the European Commission to adopt 'three yeses' as referred to in point 32 above;

43. considers it necessary and urgent that the role and functioning of macroregions be further examined and defined in a green paper, as it has already requested in its resolution on the European Commission's legislative and work programme 2010;

44. stresses that the strategy for the Adriatic-Ionian area is based on the application of the subsidiarity principle. It will address a range of issues and problems that cannot be solved at local, regional and national levels alone;

45. notes that the drafting of this strategy must be accompanied by a broad public consultation exercise. This must be conducted in the light of experience with the EU strategies for the Baltic Sea and Danube regions and in close collaboration with existing networks and organisations in the area, with the Committee of the Regions as the representative of local and regional authorities, and with other key partners;

46. points out that, in keeping with the recommendation of the General Affairs Council of 13 April 2011 on transparency, visibility and the exchange of good practices between macroregional strategies, the Adriatic-Ionian Macroregion partnership

conducted an analysis of macroregion issues at the 2011 Open Days. This looked especially at the proposal for a macroregional strategy for the Adriatic-Ionian area, with a debate between representatives from the thirteen regions and cities in the partnership and a workshop of public and private partnerships and the presentation of projects currently being implemented;

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

Brussels, 11 October 2011.

The President
of the Committee of the Regions
Mercedes BRESSO

Opinion of the Committee of the Regions on 'Smart regulation'

(2012/C 9/04)

THE COMMITTEE OF THE REGIONS

- believes that smart regulation should entail a reduction in bureaucracy and administrative burdens not only for citizens and stakeholders but also for local and regional authorities; rejects, however, a purely quantitative approach to regulation;
- notes the increased references to the local and regional dimension of smart regulation, and to the related activities and capabilities of the CoR, as recognition of the role Europe's local authorities and regions have in EU policy making and the implementation of legislation;
- calls on the European Commission and other EU institutions to pay closer attention to local and regional government when designing legislation, assessing its impacts or devising ways to implement EU policies and objectives;
- feels that, in addition to the European Union's objective of territorial cohesion (Art 3 TEU), both the horizontal clauses in the Lisbon Treaty on social (Article 9 TFEU) and environmental (Article 11 TFEU) requirements together with the triple focus of the Europe 2020 strategy require impact studies taking a balanced look at the impact of regulation in territorial, economic, social and environmental terms;
- states its readiness to assist the EU institutions with impact assessment endeavours, if data from local and regional authorities is needed, whilst recalling its limited resources and core mission;
- considers that there should be a common approach to impact assessment by the EU institutions, and that the CoR should be involved in the formulation of any such approach;
- endorses plans to review the Cooperation Agreement between the CoR and the European Commission, taking into account the institutional changes brought by the Lisbon Treaty, the necessity to implement multi-level governance and the evolution of the political role of the CoR, while making provision for the improvement and development of cooperation on impact assessment as well as for establishing a mechanism for a CoR contribution to the annual report on better lawmaking.

Rapporteur	Lord Graham TOPE (UK/ALDE), Member of the London Borough of Sutton
Reference documents	Communication from the Commission on Smart Regulation in the European Union COM(2010) 543 final Report from the Commission on Subsidiarity and Proportionality (17th Report on Lawmaking covering the year 2009) COM(2010) 547 final

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

A. *Smart regulation*

1. welcomes the concept of smart regulation which confirms and expands on the idea of a EU policy cycle where legislation is constantly reviewed and adapted to new challenges and circumstances, based on thorough evaluation and the concrete experience of implementation;

2. **believes** that smart regulation should entail a reduction in bureaucracy and administrative burdens not only for citizens and stakeholders but also for local and regional authorities; rejects, however, a purely quantitative approach to regulation since political priorities cannot take second place to considerations regarding the overall volume of legislation; therefore calls for impact studies which, among other things, would discuss the costs of not having European rules in place;

3. regrets that smart regulation tools do not appear to apply to delegated and implementing acts ('comitology'). There is not enough clear oversight or transparency regarding these procedures;

Role of local and regional authorities

4. notes the increased references to the local and regional dimension of smart regulation, and to the related activities and capabilities of the CoR, as recognition of the role Europe's local authorities and regions have in EU policy making and the implementation of legislation;

Consultation

5. records that concerns have been expressed in most CoR opinions concerning the level of consultation or involvement of local and regional authorities in the preparation of EU initiatives. Opinions frequently call for more involvement of local and regional authorities in the preparation of new policies and legislation, in the evaluation of their potential impact and in their implementation;

6. calls on the European Commission and other EU institutions to pay closer attention to local and regional government when designing legislation, assessing its impacts or devising ways to implement EU policies and objectives;

7. welcomes therefore the intention to review current consultative procedures and to extend the period for response;

8. believes that the results of consultation should be published and analysed, e.g.: how were submissions used in drafting or modifying the proposal, what input was not used, etc.;

9. reiterates its concern that open consultations favour well-organised and well-resourced respondents or minority special interests; therefore continues to place high value on the responses of representative associations of local and regional government, as well as other responses;

Administrative and financial burdens

10. notes the activities of the High Level Group on Administrative Burdens ('Stoiber Group');

11. reiterates its concern that this Group and the European Commission focus almost exclusively on the direct burden of EU law upon small businesses. Whilst recognising this as an important impediment to economic growth, recalling that burdensome reporting obligations for national/regional/local authorities ultimately translate into administrative burdens for citizens and companies on a national or subnational level, considers that the burden on local and regional bodies must also be addressed and mitigated;

12. welcomes its current initiative of identifying good practice in implementing new laws in a less burdensome way, and recalls the CoR's active contribution, via a dedicated report and its permanent observer in the Stoiber group, to the collection of local and regional best practices in this regard, underlines, however, that the EU's focus should be on preventing excessive administrative burdens from arising in the first place;

13. takes note of the European Commission's Subsidiarity and Proportionality Report for 2010 (18th report on better lawmaking) and recognises the report as an indication that the European Commission takes the subsidiarity analysis performed by the CoR into account;

Impact assessment

14. recalls that, arising from the Lisbon Treaty, every EU draft legislative act has to contain an assessment of its potential impact, taking also into account the local and regional levels;

15. reiterates the significance of both *ex ante* impact assessment and *ex post* evaluation in policy-making and legislation, whilst welcoming an enhanced role for *ex post* evaluation;

16. recognises that efforts to simplify and improve European legislation involve striking a balance between conducting *ex ante* impact assessments and *ex post* evaluations while at the same time ensuring that such exercises do not impose additional administrative burdens on the various tiers of government;

17. notes the Annual Report of the Impact Assessment Board (IAB) for 2010. Considers that the IAB has an important role to play, but would benefit from greater independence from the European Commission;

18. believes that it shows that the impact assessment process and the role of the IAB provoke and sustain a closer monitoring of the subsidiarity principle on behalf of the services of the European Commission. A clear indication of this is where the report points to cases where data collected in the process of an impact assessment led the Commission Directorate-General to change its mind with regard to the necessity and possible added value of legislation;

19. notes that the IAB report identifies a tendency to perform and publish impact assessments on final legislative proposals, as opposed to early-stage policy communications. Calls for high-profile and high-impact policy initiatives to be accompanied by an impact assessment at an early stage, especially if the objective of such proposals is to inform decision-makers on the range of specific policy options at a later stage;

20. notes that the IAB report refers to the necessity to include an assessment of social impacts and administrative costs in the Impact Assessments prepared by the individual Directorates-General, however no reference is made to the assessment of specific territorial impacts and to the potential role of the CoR in assisting the European Commission in the process of Impact Assessment. Calls on the European Commission to address this, and for the IAB to report on progress made in its 2011 report;

21. deems it desirable that DG REGIO, as the directorate-general with the greatest understanding of the territorial dimension, be fully involved in the IAB;

22. feels that, in addition to the European Union's objective of territorial cohesion (At 3 TEU), both the horizontal clauses in

the Lisbon Treaty on social (Article 9 TFEU) and environmental (Article 11 TFEU) requirements together with the triple focus of the Europe 2020 strategy require impact studies taking a balanced look at the impact of regulation in territorial, economic, social and environmental terms;

23. feels that high-quality impact analyses and monitoring the implementation of legislation require time and significant human resources to ensure both expertise and an overall vision;

24. wishes to express its reservations regarding the trend of commissioning impact assessments from 'independent' bodies, in other words, externalising this task to designated consultancy firms or ad hoc committees. It is doubtful as to whether this externalisation genuinely achieves greater transparency or independence. It also amounts to denying the role of the Commission, which is to represent the general Community interest. Moreover, this approach could favour those with sufficient resources to carry out such studies, to the detriment of local and regional authorities, NGOs and representatives of civil society or workers on much lower salaries;

25. states its readiness to assist the EU institutions in these endeavours, if data from local and regional authorities is needed, whilst recalling its limited resources and core mission;

Interinstitutional arrangements

26. recalls that the impact of new EU laws on local and regional bodies can derive as much from amendments by the European Parliament and Council as from the initial European Commission proposal. Calls on the former two institutions to also pay greater attention to the territorial impact of their decisions throughout the legislative process, and offers its expertise in this matter. Considers that the concrete possibilities for such co-operation of the CoR with the European Parliament and the Council should be explored regarding impact assessments, the control of the subsidiarity principle and the implementation of EU legislation, both *ex ante* and *ex-post*;

27. calls on its own rapporteurs to consider the impact of their recommendations in terms of financial and administrative burdens, as well as the impact on the environment, the social fabric, small and medium-sized business and civil society;

28. considers that there should be a common approach to impact assessment by the EU institutions, and that the CoR should be involved in the formulation of any such approach;

29. welcomes the fact that the European Commission, in the context of the early warning system set up under the Lisbon Treaty gives adequate weight to national parliaments' reasoned opinions even though the necessary threshold for the 'yellow card' has not yet been met. Given its role and responsibilities in the subsidiarity monitoring process, the CoR requests from the European Commission the reasoned opinions sent by national parliaments, as well as their translations and the reply given by the Commission;

30. endorses plans to review the Cooperation Agreement between the CoR and the European Commission, taking into account the institutional changes brought by the Lisbon Treaty, the necessity to implement multi-level governance and the evolution of the political role of the CoR, while making provision for the improvement and development of cooperation on impact assessment as well as for establishing a mechanism for a CoR contribution to the annual report on better lawmaking;

High-Level Group on Governance

31. considers that this grouping provides a valuable forum for civil servants from the Member States and the European institutions, including the CoR, to debate practical issues in European governance and the exchange of good practice;

32. regrets therefore, that there will be no full meeting organised by the Hungarian nor Polish EU presidencies in 2011 and calls for its reinstatement in 2012;

B. Subsidiarity

33. recalls that the Lisbon Treaty makes explicit reference to local and regional self-government and to the local and regional dimension of the subsidiarity principle, which means that the EU has to respect the local and regional authorities' competences when proposing and adopting new legislation based on shared competences. Recalls also that the Lisbon Treaty confers upon the CoR a key role with regard to subsidiarity, which implies it defending not only the respect of the competences of local and regional authorities, but also promoting the respect of subsidiarity with regard to all levels of governance;

34. reiterates the CoR's commitment to continue working together with the European Commission to integrate multilevel governance into the major European strategies and common policies especially as regards the implementation of the EU 2020 strategy;

35. draws attention to the CoR 'Annual Subsidiarity Report for 2010' adopted by the CoR Bureau on 4 March 2011, together with the themes which will structure the work programme of the Subsidiarity Monitoring Network (SMN). The report identifies the strengthening of subsidiarity monitoring and the contribution to the mainstreaming of a subsidiarity culture in the EU decision-making process as key CoR priorities;

36. views positively the fact that no opinion has found a direct violation of the subsidiarity principle. This demonstrates the seriousness with which the European Commission respects the subsidiarity principle, and underscores the value of the CoR having a scrutiny role;

37. welcomes the increasing number of consultations of the Subsidiarity Monitoring Network, which has the potential to provide detailed practical comments from across a broad spectrum of local and regional bodies. Requests SMN partners to engage more fully in the activities and consultations of the network, in order to increase the representativity of the results of its consultative activities;

38. acknowledges the need for a timely, accurate and effective transposition of EU law and its proper application by all levels of government in the Member States and is aware that infringement procedures may sometimes be necessary to penalise non-compliance or act as a deterrent; expresses nevertheless concern that increasingly the European Commission tries to stipulate when and how Member State governments enforce compliance by local and regional authorities. Respecting the principle of subsidiarity, enforcement should be the responsibility of national governments themselves - and regional governments where appropriate - as long as the achievement of the overall objectives of the EU legislation is ensured.

Brussels, 11 October 2011.

The President
of the Committee of the Regions
Mercedes BRESSO

Opinion of the Committee of the Regions on the ‘Review of the “Small Business Act” for Europe’

(2012/C 9/05)

THE COMMITTEE OF THE REGIONS

- recognises the achievements to-date of activities implemented through the SBA but strongly recommends that in order for the Commission and Member States in particular, to deliver more substantially on its objectives, the SBA needs to become more politically binding to ensure greater and more fully compliant levels of implementation and to overcome the current barriers for full adoption of the SBA;
- considers that the SBA demands political leadership and believes that the Europe 2020 Strategy needs to include a more explicit recognition of the SBA to provide a more stable governance structure for this policy by adopting an appropriate roadmap highlighting key milestones to be achieved by all Member States that should be included in National Reform Programmes;
- foresees greater opportunities for regional and local authorities to contribute to the aims of the SBA and urges a more explicit recognition of the local and regional dimension to encourage both a bottom-up and top-down approach as well as giving the SBA greater visibility across the EU. Concludes that a greater level of communication and prioritisation of the Act is required across the EU at national, regional and local levels;
- highlights that the greatest challenge for SMEs is access to finance and this requires concerted action in the next stages of the SBA; underlines also the importance of efforts towards facilitating SMEs access to markets as well as a substantial reduction in administrative burdens;
- greatly regrets that the commitment to embed the SBA in both the Lisbon Strategy and subsequently the Europe 2020 Strategy has not occurred, in doing so the opportunity to utilise the National Reform Programmes as a key implementing tool of the SBA has been so far missed. Therefore, once again urgently calls for the immediate embedding of the principles and objectives of the SBA in the Europe 2020 Strategy and NRP implementation.

Rapporteur	Cllr Constance HANNIFFY (IE/EPP), Member of Offaly County Council, Midland Regional Authority and the Border, Midland and Western Regional Assembly
Reference document	Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the regions - Review of the 'Small Business Act' for Europe COM(2011) 78 final

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

1. welcomes the Commission's 'Review of the Small Business Act (SBA) for Europe' and restates its full support for the continued pursuit of this crucially important policy agenda to support the development, growth and sustainability of SMEs throughout the EU;

2. forcefully emphasises the need to address the key issues preventing the implementation of the SBA across all levels of government in the European Union and urges greater prioritisation of the key elements of the SBA by Member States – the loss of 3.5 million jobs⁽¹⁾ in SMEs in Europe as a result of the financial, economic and social crisis provides the unwelcome evidence to drive this to the top of the political agenda;

3. recognises the achievements to-date of activities implemented through the SBA but strongly recommends that in order for the Commission and Member States in particular, to deliver more substantially on its objectives, the SBA needs to become more politically binding to ensure greater and more fully compliant levels of implementation and to overcome the current barriers for full adoption of the SBA;

4. supports the efforts of the Commission to strengthen governance aspects of the SBA, in particular the establishment of national SME Envoys in the Member States, who together with the Commission's Special Envoy for SMEs must take charge of steering implementation of the SBA across the EU;

5. considers that the SBA demands political leadership and believes that the Europe 2020 Strategy needs to include a more explicit recognition of the SBA to provide a more stable governance structure for this policy by adopting an appropriate roadmap highlighting key milestones to be achieved by all Member States that should be included in National Reform Programmes;

6. foresees greater opportunities for regional and local authorities to contribute to the aims of the SBA and urges a

more explicit recognition of the local and regional dimension to encourage both a bottom-up and top-down approach as well as giving the SBA greater visibility across the EU;

7. highlights that the greatest challenge for SMEs is access to finance and this requires concerted action in the next stages of the SBA; underlines also the importance of efforts towards facilitating SMEs access to markets as well as a substantial reduction in administrative burdens;

8. re-emphasises the continued importance of providing appropriate supports to SMEs that ensure the long-term sustainability of a diverse set of enterprises; As well as placing emphasis on high-potential start-ups, new and export orientated SME, attention should also be paid to established businesses, those undergoing development and re-structuring while also recognising the challenges for locally and domestically focused SMEs which are ultimately the lifeblood of local and regional economies;

9. further underlines that the SBA and SME policy at all levels needs to accommodate and work with different business models, this includes social economy businesses, cultural and creative industries (pre-commercial and commercial), cooperatives and similar legal forms, in order to maximise job creation and sustainable economic growth;

Ensure a High Degree of Implementation and Better Governance

10. greatly regrets that the commitment to embed the SBA in both the Lisbon Strategy and subsequently the Europe 2020 Strategy has not occurred, in doing so the opportunity to utilise the National Reform Programmes as a key implementing tool of the SBA has been so far missed. Therefore, once again urgently calls for the immediate embedding of the principles and objectives of the SBA in the Europe 2020 Strategy and NRP implementation;

11. is disappointed by the variation in the degree of implementation of the SBA by Member States, while this is recognised in the Commission's Communication the underlying factors causing these differences are not fully explored – greater accountability is required from Member States to deliver upon the SBA; therefore concludes that a greater level of communication and prioritisation of the Act is required across the EU at national, regional and local levels;

⁽¹⁾ Estimation from the Annual Report on European SMEs 2010 to be published as part of the SME Performance Review (http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/index_en.htm).

12. welcomes the nominations of national SME Envoys by the Member States and implores all Envoys to fully meet their responsibilities to ensure that administrations 'think small first' and take due consideration of the challenges for SMEs in the development of laws, regulations and procedures that can positively impact upon the operating environments for SMEs;

13. observes that SME Envoys are divided between political and administrative nominations and recommends that more Member States should make political appointments in order to provide a stronger signal of prioritisation and commitment towards implementing the SBA and addressing the challenges of SMEs;

14. maintains that the reliance on the disparate pre-existing programmes and financial instruments to achieve the objectives of the SBA, with no additional or dedicated funding, is a fundamental weakness;

15. notes the appointment of a new EU SME Envoy but once again highlights that the communication does not sufficiently address the role of the SME Envoy and calls on the Commission to ensure that the SME Envoy is given sufficient financial resources and adequate support at the political level to enable successful implementation of the objectives of the SBA and to enhance the visibility and awareness of SME related policy activity;

16. welcomes the intention to establish an SBA Advisory Group composed of Member States, SME Envoys and representatives of SME organisations and requests that the Committee of the Regions be included as a member on this Advisory Group given the desire for the SBA to impact on all levels of governance and not just at EU and national levels;

17. suggests that within Member States, local and regional authorities are encouraged to take ownership of the SBA principles and adapt its measures to local/regional circumstances; considers that the European Entrepreneurial Region (EER) scheme could act as an inspiration in this regard;

18. acknowledges the successful adoption of most of the SBA's legislative proposals and encourages the adoption of the Statute for a European Private Company (SPE) by Member States which will ultimately encourage greater exploitation of the Single Market; by reducing the cost of setting-up companies, and simplify the regulatory framework in order to facilitate cross-border trade;

19. implores Member States to fully adopt and implement the Late Payment Directive and underlines that enforcement of this Directive remains the key issue and Member States must work to improve the payment culture among business and public administrations;

20. stresses that the proposed introduction of legislative exemptions for certain types of companies, start-ups or micro enterprises should be implemented, where appropriate, in such

a way that it does not lead to the creation of 'second-tier' enterprises and confusion in the marketplace;

21. calls for a stronger application of the Performance Review in order to monitor, assess and compare Member States' performance in implementing the SBA and furthermore asks that all information from the Performance Review be publicly available, to act as both a communication tool and a motivation for Member States to try harder;

Improving Access to Finance

22. brings attention to the challenges faced by SMEs with the tightening of conditions for credit by financial institutions⁽²⁾ which have emerged from the economic downturn and crisis in international banking that currently persists and further points out the disproportionate impact upon SMEs due to their perceived higher credit risk which ultimately severely undermines their ability to survive and operate in both the short and medium term;

23. encourages the Commission and Member States to build upon the conclusions of the second meeting of the permanent SME Finance Forum in March of 2011 and gratefully welcomes the initiatives undertaken by the Commission to address the issue of access to credit facilities such as the Progress Microfinance Facility and the commitment to introduce an action plan for improving SMEs' access to finance on a sound commercial basis;

24. advocates the SBA action plan which should focus upon the challenging operating conditions for SMEs seeking access to finance such as: (i) more transparency between banks other financial institutions and SMEs; (ii) combining debt and equity; (iii) increasing lending volume with securitisation; (iv) easier venture capital investment across borders; and (v) better regulation of micro-credit;

25. considers that the proposed one-stop-shop for SME funding has some merit but suggests that this needs further consideration and, as a first step, recommends that a mapping exercise of all supports available to SMEs (to include EU, national, regional and local support programmes and support agencies) should be conducted at national/regional level, as appropriate; further recommends that other successful models that deliver added-value to SMEs through the provision of an integrated, cross-referral system of business supports, be considered by the European Commission and promoted more widely at local and regional level;

26. welcomes the Commission's proposal to include effective implementation of the SBA as a thematic ex-ante conditionality for EU Funds under the proposed Common Strategic Framework and the inclusion of SME investments as a thematic priority in the draft ERDF Regulation, which should help translate objectives of the SBA into reality at local/regional level in each Member State;

⁽²⁾ For example successful loan applications from enterprises dropped from 90 % in 2007 to 50 % in 2010 in Ireland. Source: Central Statistics Office (2011). Access to Finance 2007 and 2010.

27. considers that the disparate nature and requirements of European Union programmes open to SMEs is a weakness in terms of accessing funding and proposes a better bundling of Community instruments and funds for SMEs in the EU budget; demands enhanced support in the next MFF for all programmes and instruments aimed at fostering SMEs and in this regard generally welcomes the SME related proposals set out in the Commission's 2014-2020 proposal but reserves judgement until final budgets, specific volumes for SME support and concrete implementation aspects are agreed;

28. is concerned that the Competitiveness and Innovation Programme (CIP), post 2013, as part of the Common Strategic Framework for Research and Innovation will not adequately provide for the requirements of SMEs and would therefore advocate a specific SME pillar in this framework; calls for greater accessibility to and adaptation of financing instruments to the needs of SMEs, inter alia through a stronger emphasis on microfinance and mezzanine financial instruments, the extension and expansion of the CIP's guarantee instruments and the RSFF under the Research Framework Programme and a more intelligent use of the products of the European Investment Bank, such as JASMINE and JEREMIE;

29. supports the decision of the Commission to extend the temporary State Aid framework that allows additional aid for SMEs until the end of 2011 and considers that the Commission should prolong this regime beyond 2011 subject to a considered review of the performance of the framework in meeting its objectives;

30. suggests that national governments consider tax incentives for innovative small business start-ups in their initial years of operation;

31. is encouraged by the Commission's proposal to oversee a greater number of beneficiary SMEs to be achieved through strengthened loan guarantee schemes aimed at supporting investments, growth, innovation and research and further acknowledges the outline of proposals to introduce legislation to make the venture capital market function more effectively;

Deliver Better Regulation for the Benefit of SMEs

32. underlines the importance of a simplified, clearer and consistent regulatory and administrative operating environment for SMEs and considers that a strengthening of the application of the 'SME test' is crucial in this regard;

33. calls for a more systematic application of the 'SME test' in the impact assessment process to include early stage policy communications as well as legislative proposals and further suggests that this process would be strengthened if the Impact Assessment Board was more independent from the Commission;

34. strongly advocates that all Member States apply the 'SME test' and the 'think small first' principle, not only to national legislation but also to policy frameworks and administrative procedures affecting SMEs and suggests that the Commission evaluates how the 'SME test' is applied in the Member States, as part of the SME Performance Review;

35. welcomes the Commission's readiness to assist Member States to avoid the 'gold plating' of European Union legislation as advocated by the Committee in its previous opinion on the SBA by highlighting the considerable barriers to entry and expansion at the micro-scale caused by the 'gold-plating' of European Union legislation;

36. fully supports the 'only-once' principle and encourages local and regional authorities to apply this for all administrative and regulatory information requests from SMEs; however, highlights that there is some evidence that where public authorities have tried to implement 'only-once' practices and share data collected they have encountered objections on the grounds of data protection and data retention;

37. supports the Commission's pledge to present a set of policy recommendations in 2011 to simplify and address the challenges that exist for the removal of barriers to the transfer of business and once again draws attention to the fact that this is a particularly pertinent issue for the transfer of businesses between family members, in particular, as a large number of SME owners are growing older and will withdraw from their family-run businesses within the next decade, similarly, emphasises that there are similar issues for owner-operator SMEs;

38. regrets that to-date there has been little progress in the area of the simplification of bankruptcy procedures and therefore calls on Member States and the Commission to prioritise this issue and also again calls on the Commission to address the similar but different challenges faced by failed entrepreneurs who are not formally declared bankrupt;

39. highlights the difficulty faced by unsuccessful entrepreneurs in accessing Member State's social protection systems, in comparison to the entitlements of their employees, when their businesses are forced to close down;

Facilitate Access to Markets

40. supports the roll-out of the Single European Payments Area (SEPA) to all enterprises across Europe and fully agrees with the statement of the SEPA Council in May 2011 ⁽³⁾ which calls for the urgent adoption of a Regulation to set migration end dates for both the SEPA Credit Transfer and SEPA Direct Debit, once adopted it will replace existing member states' credit transfer and direct debit schemes which will ultimately lead to a more rapid and efficient establishment of the implementation of SEPA;

⁽³⁾ http://www.ecb.int/paym/sepa/pdf/SEPA_Council_statement_3rd_meeting.pdf.

41. welcomes the Commission's declared commitment to fully implement the European code of best practice on facilitating access by SMEs to public procurement and urges a greater response from the Commission and Member States to the Committee's previous calls for the promotion of innovative contracting measures to increase SMEs participation in public procurement such as dividing more tenders into lots or including opportunities for cooperation in the invitations to tender, where appropriate;

42. furthermore, requests the Commission to promote the option at national level for bidders to apply for a 'procurement passport' (an electronic registration system), to demonstrate that an SME has the declarations and documentation that are often requested by contracting authorities during procurement. The fact that they only have to apply once for the passport means that SMEs do not have to keep presenting the same declarations and documents. This saves time and resources for SMEs that frequently take part in procurement procedures. Such a procurement passport would be valid for a given period, since the relevant certificates have limited validity. Such systems are already operational and experience has been positive to date;

43. reiterates the largely untapped potential in the area of e-procurement and acknowledges the call for the Commission and Member States to ensure a mutual recognition of e-identification and e-authentication across the EU by 2012, to this end the CoR encourages the Commission to review progress under this measure in 2011 to ensure the appropriate steps are being taken and to identify issues that require attention in its implementation;

44. suggests that the cost-cutting advantages provided by ICT solutions require greater exploitation given that just one third of public procurement contracts across the European Union is currently accepted in electronic format and therefore calls for this to be better addressed in the SBA and implemented by the Commission and Member States;

45. once more highlights the ever increasing threat of the black market to the viability of legitimate SMEs and requests that the Commission addresses the challenges that this presents in terms of unfair competition and unregulated trade, in particular measures should be introduced which could improve the protection of intellectual property and better fight against counterfeiting;

Promotion of Entrepreneurship

46. acknowledges the importance of promoting and developing a culture of entrepreneurship; calls on Member States to place greater emphasis on promoting entrepreneurial education and engendering entrepreneurial mindsets for students and in teacher training;

47. advocates the consolidation of the European Entrepreneurial Regions (EER) scheme as part of the implementation of the SBA, to promote entrepreneurship and as a tool to network regions and disseminate best local and regional practices in supporting SMEs;

48. welcomes the evaluation of the 'Erasmus for Young Entrepreneurs' programme and considers that the pilot phase of the programme has delivered on many of its objectives and provided genuine EU added-value; supports extending this programme on the understanding that key shortcomings of the pilot phase are resolved, in particular: (a) better communication of the initiative generally and better promotion of the benefits for participants and hosts; (b) the establishment of local/national contact points to resolve communication and promotion problems; (c) a greater geographical balance in participation; (d) the provision of an 'aftercare' programme for participants to consolidate experience acquired; and (e) a firmer financial footing for the programme;

49. notes and supports the creation of mentoring schemes for female entrepreneurs and also draws attention again to the needs of immigrant entrepreneurs, who by circumstance are generally more entrepreneurial and less risk averse and recommends that consideration should also be given to the requirements of young people, minorities and older entrepreneurs as well as creating a distinction between the different challenges and requirements of European Union and Third-Country migrant entrepreneurs;

50. welcomes the Europe 2020 Flagship initiative 'An Agenda for New Skills and Jobs' which takes into account some of the specific characteristics and challenges for SMEs, and encourages the Commission and Member States to ensure that skills and jobs policy are developed in the context of the SBA to maximise the potential for job creation and skills development with SMEs.

Brussels, 12 October 2011.

The President
of the Committee of the Regions
Mercedes BRESSO

Opinion of the Committee of the Regions on 'The complementarity of national and EU interventions aimed at reducing the disparities in economic and social growth'

(2012/C 9/06)

THE COMMITTEE OF THE REGIONS

- hopes that complementary indicators to GDP can be developed to better illustrate the progress made in reducing the disparities between and within Europe's regions;
- sees a need, where different structures for implementing national and European measures exist, for greater cooperation between the various levels of governance involved, so as to avoid inefficient overlaps. To this end, it would be useful to reinforce dialogue between the various political levels so as to ensure greater coherence and complementarity between the various measures;
- therefore considers that, in accordance with the partnership principle, the success of national and European interventions depends on the involvement of the competent local and regional decision-making bodies;
- supports the idea of an approach that enhances the effectiveness of cohesion by focusing more on results and is not against the principle of introducing of ex-ante conditions; stresses, nonetheless, that these conditions should not be such that they slow down the implementation of programmes and rejects conditions connected with the Stability and Growth Pact;
- considers that checking additionality has an important role in ensuring that European funds are indeed used to complement national spending programmes, thus giving real added value to the European Union's action;
- supports the proposal to draw up a Common Strategic Framework and considers it necessary that development and investment partnership contracts should become a means of making national and EU interventions truly complementary; reiterates that such contracts must be drawn up and developed with the full involvement of regional and local authorities.

Rapporteur Francesco MUSOTTO (IT-EA), Member of the Sicilian Regional Assembly

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

General comments

1. underscores the provisions of Article 174 of the Treaty on the Functioning of the European Union (formerly Article 158 of the Treaty establishing the European Community), which states that in order to promote its overall harmonious development, the Union shall develop and pursue its action leading to the **strengthening of its economic, social and territorial cohesion**. In particular, the Union shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions;

2. points out that particular attention is to be paid to **rural areas, areas affected by industrial transition, and regions that suffer from severe and permanent natural or demographic handicaps** such as the northernmost regions with very low population density and island, cross-border and mountain regions, and that the other regions of Europe must also be supported in order to secure and strengthen their competitiveness;

3. emphasises the key role of urban areas and regions – and of the capital cities and their surrounding regions – as engines of growth for achieving Europe 2020's economic, environmental and social goals. It should also in future be possible to take measures within an integrated framework – allowing regions sufficient room for manoeuvre – to increase the social and economic stability of cities and deprived urban areas. Here the urban dimension is itself deemed to be Europe 2020 compliant. Cooperation between urban and peri-urban areas within the framework of functional areas in a Member State should also be facilitated by making the necessary provisions in future regulations on the structural funds;

4. supports the European Commission proposal set out in its Communication on a Budget for Europe 2020 ⁽¹⁾ to introduce a category of 'transition regions.' At the same time, it notes that regions whose GDP per capita has exceeded 75 % of the EU 27 average in the current financial perspective should also have the opportunity to use resources for infrastructure investment, which would enable these regions to consolidate the added value gained during the current programming period. Equally, the 'energy efficiency' target should also cover efficient modes of transport, including rail transport and related infrastructure;

5. recalls that Article 349 TFEU recognises the special situation of the outermost regions and justifies the need to

adapt EU law when applying it to these regions and to adopt specific measures, where necessary, especially in the area of cohesion policy;

6. supports the principle set out by the European Commission in the fifth report on economic, social and territorial cohesion ⁽²⁾, whereby cohesion policy should continue in the future to be a **development policy that works right across the European Union** and thus in all of its regions;

7. therefore considers that European cohesion policy, as an integral part of public interventions at the various territorial levels, should continue to play a key role in promoting the harmonious development of the European Union as a whole, **helping lagging regions to catch up** by devoting the majority of the resources to these whilst, at the same time, **helping to boost and enhance the competitiveness of all regions**;

The role of the complementarity of national and EU interventions in reducing the disparities in economic, social and territorial development

8. considers that the economic, social and territorial disparities that still exist in the European Union can be overcome only through **integration, synergy and complementarity of national and European interventions** inspired by values of practical solidarity;

9. takes the view that these principles could be decisive in many respects and, in particular, for the purpose of:

- encouraging the Member States to **strengthen their own institutional and administrative capacity**;

- **avoiding inefficient overlaps** between the various measures in a given geographical area;

- **reconciling the objectives and priorities** of each level of governance;

- **improving the quality of public measures** at all levels;

- **enhancing the effectiveness of cohesion policy**;

⁽¹⁾ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – *A Budget for Europe 2020* – COM(2011) 500 final.

⁽²⁾ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions and the European Investment Bank – *Conclusions of the fifth report on economic, social and territorial cohesion: the future of cohesion policy* – COM (2010) 642 final.

10. believes that European cohesion policy, as an integral part of public interventions at the various territorial levels, is the most effective instrument for supporting the most disadvantaged regions and, at the same time, helps to generate growth and prosperity across the whole EU. Points out that it has boosted **GDP growth** in Europe as a whole; facilitated the **building of new infrastructure**, thus enhancing the **accessibility** of Europe's regions; and improved **environmental protection**. Through investments in sustainable jobs strategies and by taking into account the demands of the completely new types of jobs on the labour market, old types of jobs have been changed and traditional ones have disappeared. Creating good jobs means ensuring personal satisfaction for people, performance-linked wages, occupational health promotion and a family-friendly workplace. By enhancing quality in employment, jobs will become more attractive and this will also have a positive impact on local business, thus being able to help boost **the competitiveness** of the EU's regions;

11. points out that, despite the significant progress made in reducing disparities in development, the recent **economic and financial crisis** could make the imbalances between and within Europe's regions more apparent; highlights that this situation is further exacerbated in countries receiving assistance under the EFSM and BoP mechanisms where regional disparities are, in effect, a secondary consideration in a drive to achieve conditions and requirements that have a strictly national focus;

12. points out that disadvantaged regions are less able than more prosperous ones to bring their own resources into play, and that this accentuates their vulnerability to **external shocks** and, in a period of crisis such as that we are experiencing and whose duration is uncertain, could undermine the progress made. In these areas, EU funding, complementing national measures, is a key factor in securing some stability for public investment and, consequently, plays a crucial part in economic recovery;

13. stresses that European cohesion policy, characterised as it is by a **wide-ranging vision** that encompasses the economic development of lagging regions, support for socially vulnerable groups, the social and environmental sustainability of development and respect for territorial and cultural specifics, also provides guidance in this direction for national measures aimed at the same cohesion objectives;

14. therefore stresses the need for the new cohesion policy to have **sufficient resources** to be able to progress towards a genuine economic and social rebalancing between Europe's regions, reinforcing and complementing the actions taken at national and regional and local level. A suitable proportion of the EU's budgetary resources should therefore continue in future to be allocated to financing appropriate support activities for EU regions that are lagging behind in their development in relative terms;

15. stresses that the new cohesion policy should take cross-border cooperation into account. In the border regions of EU countries we need to provide support for the development of cooperation across the EU's external borders, especially between states and regions with major differences in levels of economic development; also recognises that establishing joint territorial spaces in border regions requires systematic and selective support at EU level both for a stronger spatial policy and for implementation of joint development projects;

16. is aware of the importance of per capita GDP at regional level for measuring economic growth, but hopes that **complementary indicators** can be developed in cooperation with local and regional authorities that establish the baseline in each region and thus better illustrate the progress made in reducing the disparities between and within Europe's regions⁽³⁾, thus providing a truer picture of each region's level of development and specific social and territorial cohesion-related problems;

17. further highlights that the expected reference period to be used to determine a region's eligibility for the new EU Cohesion Policy from 2014 onwards (likely to be the per capita GDP at regional level for the 2007-2009 period) will not reflect the full impact of the economic crisis and resultant austerity measures on regions across the EU; requests that every effort be made to use more up-to-date regional GDP and GDP trend data in allocating resources and more progressive review mechanisms during the programme period;

Complementarity based on the institutional and administrative context

18. considers that both European cohesion policy and national regional development policies require an **adequate institutional environment, efficient public administration and an effective partnership between the various levels of governance**, the aim being to sketch out coordinated, coherent medium-to-long-term development strategies and multiannual programming frameworks on which to base them;

19. believes that, whilst respecting the national legislation of each country, European cohesion policy, as an integral part of public interventions at the various levels, can encourage Member States to **strengthen the institutional and administrative capacity** they need to ensure a more effective and efficient use of financial resources and thus to maximise the impact of investments aimed at reducing disparities in growth;

⁽³⁾ Conclusions of the seminar organised by the Umbria Region and the CoR's Commission for Territorial Cohesion Policy (COTER) in Perugia, Italy, on 29 April 2011 on the subject of *New indicators – measuring progress in cohesion policy*.

20. points out that the different systems for implementing European cohesion policy depend on the specific circumstances of each Member State and are affected by the **institutional context** and the **division of responsibilities** and, more specifically, the level of decentralisation, the extent to which the principles of multi-level governance have been implemented, as well as regional and local experience in the area of territorial development and the scale and geographical scope of programmes ⁽⁴⁾;

21. sees a need, where different structures for implementing national and European measures exist, for greater cooperation between the various levels of governance involved, so as to avoid inefficient overlaps. Believes that optimal synergies could be gradually achieved through the integrated programming of all of the development measures carried out within a geographical area, but also through closely coordinated management. To this end, the Committee considers that it would be useful to step up dialogue and the ensuing cooperation between the various levels of governance, in order to ensure greater coherence and complementarity between the various national and European measures;

Towards more integrated territorial development

22. considers that, to have a more significant impact on regions' cohesion and competitiveness, measures aimed at reducing economic, social and territorial disparities must be based on **actions that are coherent**, more results-oriented and geared to the territorial dimension of the problems;

23. emphasises that territorial cohesion, a new policy objective enshrined in the Lisbon Treaty, has become a priority alongside economic and social cohesion and that the territorial dimension must therefore be better integrated into all policies that are of clear territorial relevance, inter alia through systematic assessments of their **territorial impact**. To this end, the Committee considers that it would be useful to introduce **monitoring systems** that can continuously track the distribution of public expenditure linked to the objectives of territorial cohesion in the EU;

24. points out that the participation of public administrations at all levels in the process of strategic planning and implementation of measures to reduce disparities in social and economic development will ensure that measures are developed that draw from the territorial contexts the inspiration and the knowledge they need to **make the best of the potential of each area, focus resources and maximise the effectiveness of public intervention**;

25. points out that challenges such as the fight against climate change, energy supply, globalisation, the relationship

between urban and rural areas, migration, and demographic change have a significantly different impact on different areas and therefore also need **solutions that are planned and implemented at regional and local level** in accordance with the subsidiarity principle;

26. considers, therefore, that in accordance with the **partnership principle**, the success of national and European interventions depends on the involvement of local and regional decision-making bodies responsible under national law, and on the extent to which the economic and social partners are able to accompany the planning, programming and implementation phases of the measures;

An approach that enhances the effectiveness of cohesion

27. recognises the need to promote the development of Europe's regions in a context of restraint regarding public finances, which means seeking to maximise effectiveness and efficiency. The Committee supports the European Commission's proposal to **focus more on results** by being able to introduce clear, quantifiable objectives and sufficiently flexible measurable performance indicators that are consistent with the planned measures, which may also make it possible to carry out an assessment in the course of the programming period;

28. is not against the principle of introducing of **ex-ante conditions** for the use of the structural funds if these are strictly and directly linked to improving the effectiveness of EU cohesion policy and are able to enhance the feasibility and functionality of the programmes and the integration of measures for development;

29. stresses, nonetheless, that these **conditions** should not be such that they slow down the implementation of programmes linked to the structural funds, which would significantly reduce the expected impact of the use of national resources for measures complementing European ones;

30. the Committee reserves the right to make further comments once the European Commission has published its proposal on the matter;

31. disagrees, however, with the Commission's proposal relating to **conditions connected with the Stability and Growth Pact**, which would risk penalising regional and local authorities, which are not responsible for failure to comply with obligations incumbent upon the Member States ⁽⁵⁾, by blocking or delaying their development and undermining results already achieved;

⁽⁴⁾ Study carried out by Rona Michie and John Bachtler: *Managing Structural Funds – Institutionalising Good practice*, European Policies Research Centre – University of Strathclyde – 1996.

⁽⁵⁾ See CoR opinion on the Fifth Cohesion Report – CdR 369/2010 fin (rapporteur: Michel Delebarre, FR/PES).

32. notes that various factors can affect the optimal use of European funds in the areas and sectors most conducive to growth, thus reducing their potential impact on a territory ⁽⁶⁾. In this context, checking **additionality** has an important role in ensuring that such funds are indeed used to complement national spending programmes, thus giving real added value to the European Union's action;

33. therefore emphasises that it would be helpful to more effectively monitor the additional role of the structural funds, ensuring that European measures result in additional and complementary actions that under national arrangements would normally be dealt with either insufficiently or not at all;

34. considers that the efficiency and effectiveness of European cohesion policy also depend on the **simplification of procedures** so as to reduce the regulatory and administrative burdens on beneficiaries as far as possible. More streamlined procedures are important prerequisites for the efficient utilisation of resources. The Committee therefore calls on the European Commission to recommend that the Member States work with local and regional authorities to examine and introduce proposals aimed at better coordinating the EU rules (principles, timescales and procedures) with national ones, focusing on results and impact, at the same time avoiding the creation of unequal conditions for the utilisation of resources among the various Member States;

For better integration and complementarity of interventions after 2013

35. recognises the importance of the **Europe 2020 strategy** for smart, sustainable and inclusive growth, and welcomes the European Commission's communication entitled *Regional policy contributing to sustainable growth in Europe 2020* ⁽⁷⁾, which states that success in achieving the goals set out in the strategy will depend in large part on decisions taken at local and regional level;

36. considers that **cohesion policy** can make a significant contribution to the Europe 2020 strategy, but that it **should not be subsumed within it**, and emphasises its role in supporting the harmonious development of the European Union by reducing the economic and social disparities between European regions, as set out in Article 174 of the Treaty on the Functioning of the European Union. The two processes of implementation should therefore continue in future to be independent of one another, as they each deal

⁽⁶⁾ Study carried out by Chiara Del Bo, Massimo Florio, Emanuela Sirtori and Silvia Vignetti, *Additionality and regional development: are EU Structural Funds complements or substitutes of national public finance?*, CISL – Centre of Industrial Studies, undertaken in 2009 at the request of the European Commission, Directorate General for Regional Policy.

⁽⁷⁾ Commission Communication *Regional policy contributing to sustainable growth in Europe 2020* – COM(2011) 17 final.

with specific and not entirely overlapping aims, though they do interact within a framework of integration and complementarity;

37. supports the proposal set out in the Fifth Report on Economic, Social and Territorial Cohesion to draw up a **Common Strategic Framework** that would include the structural funds and the other European territorial cohesion funds, i.e. the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund, the European Agricultural Fund for Rural Development (EAFRD) and the European Fisheries Fund (EFF), albeit each with their own resources and specific rules. Considers it positive that the European funds for structural policies be integrated within a single strategic development framework, which should enable better coordination;

38. considers it necessary that, in the context of the ongoing discussion on the future structural fund regulations, the **development and investment partnership contracts**, based on the Common Strategic Framework, should become a means of making national and EU interventions, with the same aim of reducing economic, social and territorial disparities, truly complementary, setting priorities for investment, the allocation of European and national resources, the agreed conditions and the objectives to be achieved;

39. reiterates, however, that such contracts must, in accordance with the principles of multi-level governance, be drawn up and developed with the **full involvement of regional and local authorities**, which are the institutions responsible for implementing and managing the measures on the ground, and not simply between the Member States and the European Commission, with the aim of more effectively coordinating and synchronising the various political agendas and strengthening strategic and not just operational governance;

40. considers that development and investment partnership contracts, depending on the specific conditions in individual Member States, could be an appropriate expression of the **territorial pacts** that the Committee of the Regions is promoting in relation to the National Reform Programmes;

41. considers that national regional development policies and European cohesion policy thus coordinated would reflect in a tangible way the **principle of concentration of assistance** by maximising the synergies of the various instruments that operate in a given geographical area and taking account of existing interdependences. In this way, it would be possible to ensure greater coordination not only between the use of the ERDF, the ESF, the Cohesion Fund, the EAFRD and the EFF, but also with national measures with the same development aims;

42. also considers it to be of strategic importance not to consider national regional development policies and European cohesion policy in isolation from sectoral policies. The Committee believes it essential to achieve greater coherence, coordination and synergy between measures. The fact is that, in many sectors, public policies often have **interdependent effects** and could have a greater total impact if they were implemented in a well-coordinated manner ⁽⁸⁾;

43. takes the view that this would help **align** the programmes with specific objectives by focusing on functioning policy instruments and existing financial resources to achieve these goals, setting priorities for support areas, investment, and availability of EU resources defined on the basis of an analysis of the resources of individual regions. Such an approach would enable the best possible use of each territory's potential and of its understanding of its own priorities.

Brussels, 11 October 2011.

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

⁽⁸⁾ Study carried out by Laura Polverari and Rona Michie: Complementarity or conflict? The (in)coherence of Cohesion Policy, European Policies Research Centre – University of Strathclyde – 2011.

Opinion of the Committee of the Regions on ‘An integrated industrial policy for the globalisation era: Putting competitiveness and sustainability at centre stage’

(2012/C 9/07)

THE COMMITTEE OF THE REGIONS

- **stresses** that the success of a new European industrial policy depends on effective policies in areas such as economic conditions and governance, competitiveness, the structure of the financial sector and its investments, innovation and research, energy and resources, the digital agenda, new qualifications and jobs, etc;

- **highlights** the fact that in the process of transforming European industry, greater flexibility should be given to businesses in their employment strategies in return for adequate protection that provides income security for workers in sectors that are likely to be affected by the changes, and options for re-employment should be provided, as should re-training and support for self-employment. Lifelong learning during employment is key to ensuring a high level of employability of workers and minimising the time spent in unemployment as well as providing businesses with a new pool of skills to adapt rapidly to changes in the market. Local and regional governments have an important role to play in coordinating these actions. In addition, the European Globalisation Fund needs to be put to better use on these issues;

- **advocates** a greater role for the EU's local and regional authorities in shaping and implementing the Europe 2020 Strategy and in achieving the objectives set out in the communication. Reiterates the fact that the EU's local and regional authorities play a key role in boosting industrial policy and economic development, given their position on the ground and their grassroots knowledge of the structure of industry and the problems affecting businesses;

- **invites** the Member States and local and regional authorities to establish territorial pacts at national level to jointly formulate and implement the National Reform Programmes (NRP) and evaluate their progress together. This should coordinate and focus their efforts and political agendas on the Europe 2020 Strategy objectives and have a major impact on achieving these objectives.

Rapporteur	Mr Patxi LÓPEZ (ES/PES), President (Lehendakari) of the Basque Regional Government
Reference document	Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - An Integrated Industrial Policy for the Globalisation Era - Putting Competitiveness and Sustainability at Centre Stage COM(2010) 614 final

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

1. **welcomes** the European Commission's commitment to developing strong, competitive, sustainable industry in Europe to achieve economic recovery, as set out in the Communication on *An integrated industrial policy for the globalisation era: putting competitiveness and sustainability at centre stage* ⁽¹⁾, which is one of the seven flagship initiatives of the Europe 2020 Strategy;
2. **stresses** that the success of a new European industrial policy depends on effective policies in areas such as economic conditions and governance, competitiveness, the structure of the financial sector and its investments, innovation and research, energy and resources, the digital agenda, new qualifications and jobs, etc.;
3. **calls** for the flagship initiatives that make up the Europe 2020 Strategy to be integrated and coordinated to a greater extent;
4. **is disappointed** that these seven flagship initiatives have been proposed without taking into account their budgetary impact and implementation requirements;
5. **highlights** the fact that taking action at European level will add real value in the process of tackling global challenges and working towards the Europe 2020 objectives, by combining efforts and synergies as part of a coordinated policy approach;
6. **points out** that the structural changes currently occurring all over the world have shown that there are global problems and challenges which are growing in significance and affecting countries, regions and local authorities. Given our increasingly outward-looking and inter-dependent world, there is a need to implement strategic and technological instruments to achieve rapid, coordinated solutions;
7. **would recall** that the new competitiveness parameters have called into question the role of the EU's economy in the world, and that the Europe 2020 Strategy needs to be given a major boost to ensure the EU's economy regains its position; industry should play a key role in this process as a driver for growth;
8. **supports** the concept of integrated sustainability in which economic, social and environmental variables play an equal role. The protection and regeneration of the environment, the efficient management of resources, and social needs relating to the ageing population and the provision of care for dependents, are all potential economic catalysts. The process of boosting industry to make it competitive at global level must be compatible with economic and social development, and respect for the environment;
9. **calls** on the European Commission to place greater emphasis on the different levels of development and the need to redress imbalances which still exist across the EU – and industrial policy is one means of redressing these imbalances. The relative positions of the Member States and local and regional authorities as regards the five Europe 2020 Strategy objectives vary significantly, and the economic crisis is affecting them to a different extent;
10. **highlights** the fact that in the process of transforming European industry, greater flexibility should be given to businesses in their employment strategies in return for adequate protection that provides income security for workers in sectors that are likely to be affected by the changes, and options for re-employment should be provided, as should re-training and support for self-employment. Lifelong learning during employment is key to ensuring a high level of employability of workers and minimising the time spent in unemployment as well as providing businesses with a new pool of skills to adapt rapidly to changes in the market. Local and regional governments have an important role to play in coordinating these actions. In addition, the European Globalisation Fund needs to be put to better use on these issues;
11. **advocates** a greater role for the EU's local and regional authorities in shaping and implementing the Europe 2020 Strategy and in achieving the objectives set out in the communication. A number of local and regional authorities have built up wide-reaching skills and experience in the field of economic and industrial development, and of other policies which are directly related to competitiveness. The fact that they work alongside decision-makers and key economic stakeholders means that they can manage public policies more effectively;

⁽¹⁾ COM(2010) 614 final.

12. **supports** the territorial pacts agreed between regions and Member States which give commitments to meeting the Europe 2020 objectives. Aligning objectives, common strategies and funding for industrial policy will have a positive impact on achieving greater economic growth;

13. **recognises** the role of stakeholders promoting the economy ⁽²⁾ in the regions and cities: they give impetus to industry, and their actions are crucial for increasing the involvement of businesses, the social partners and ordinary Europeans in EU industrial policy;

14. **calls on** the European Commission to draw up a specific programme for each of the priorities set out in the communication to make it easier to supervise the implementation of the new industrial policy;

15. **suggests** that the European Commission, in collaboration with the Committee of the Regions should implement a follow-up and evaluation procedure providing a regular update on milestones achieved in implementing industrial policy, so that synergies are created and resources shared towards achieving the same objective; and calls for qualitative and quantitative indicators to measure developments in industrial policy, covering aspects such as job creation, competitiveness, sustainable development and progress as regards innovation;

European industry and the new competitive challenges: A new economic environment entailing structural change

16. **welcomes** the key role that the initiative gives industry in the new model of European growth, as it is a sector of crucial importance to our economy and has a vast impact on other economic activities;

17. **recognises** that the very concept of industry has changed. 'Diffuse industry' – or new industry – has become a key part of the economic stage we are currently at, and high value added services are required for the development of this form of industry;

18. **points out** that industrial policy should move beyond a sector-specific approach and become a competitiveness policy that takes a broad approach to actively supporting businesses, as is required in the new context of industrial change;

19. **stresses that** the EU should invest in areas that have the greatest socio-economic potential, and calls for greater focus on the smart development of a knowledge-based EU economy, strategic investment in R&D, and training geared to science, technology and non-technological innovation for example;

20. **notes** that industry in the EU is highly dependent on primary materials and energy resources which are increasingly expensive, difficult to source, and depend on the international political situation;

21. **stresses** that one of the key objectives should be decoupling economic growth from the greater use of resources;

22. **considers**, therefore, that as strategic priorities for EU industrial policy we should develop processes to manage these resources more efficiently, find alternatives for raw materials and increase the use of renewable sources of energy;

23. **would recall** that demographic changes will be linked to new models of consumption. The ageing of the population in developed countries will make new demands on social-welfare benefits, but will also provide an opportunity for industry and services. The rise of the middle classes in emerging countries will be another potential source of opportunities for development and innovation;

24. **recognises** the role that emerging countries play in the new geo-economic map that is now developing. The emerging countries will play an important role, given that they have attractive markets demonstrating substantial growth, and will also play an important part in direct investment flows and the growing demand for technology and R&D;

25. **agrees** that there is an urgent need for structural reforms given the sweeping changes that are affecting the business environment: a new competitive model is required at global level that takes into account the rise of emerging countries, information and communication technology and skills, and the transition to a low-carbon economy;

26. **calls for** the obstacles that limit the growth of businesses to be removed, and for businesses to work together to find solutions. Challenges on internationalisation, innovation and sustainability cannot be tackled in isolation;

27. **emphasises** that opportunities should be created for businesses to reach an efficient situation working within specific niches. So the EU could end up with niche, multi-national SMEs. In fact, specialisation is one of the strategic aspects that will be key in making businesses more competitive: they will have to develop more sophisticated products and services that are geared towards more specific segments of the market and offer greater added value;

⁽²⁾ Stakeholders promoting the economy: regional development agencies, local development agencies, centres for technology and research, training centres, universities and job services.

28. **underlines** the urgent need to ensure there are people who are well-trained and have the skills required to work in the knowledge industry, and to make the industry an attractive place to work, given the difficulties in filling posts in strategic areas for the future, such as research and science, engineering, health, and mathematics. The skills and knowledge of workers should be updated on an ongoing basis, and training should be focussed on the needs of new sectors and new technologies, not just in the interests of the industry, but also to help workers who lose their jobs to adapt quickly to new sectors and technologies;

29. **points out** that there is a need to enhance versatility and a multi-disciplinary approach, and also focus on personal skills such as team-working and openness to change to better cater for the needs of industry;

30. **considers there is a need** for our industries to develop a 'globalisation reflex' and adapt to the new context of international competition, which is by its very nature a changing context. Globalisation has intensified competition by opening up the markets to new competitors who have new means of getting around and obtaining information;

31. **stresses** that globalisation is a joint challenge for the whole of society and not only for businesses. To ensure that European businesses really commit to internationalisation and are competitive at international level, individuals, universities, training centres and the scientific and industrial community also need to take an international approach and incorporate this culture in their strategies;

32. **underlines** that the value chain has become fragmented, highlighting the advantages of specific locations in particular regions for the manufacture or provision of a particular product or service;

33. **calls for** access to credit and its availability to be improved, supports the deployment of the SME Finance Forum, and highlights the need for banks and financial institutions to carry out their intermediary role responsibly and transparently, to improve links between the financial economy and the real economy;

34. **calls for** improvements to be made in the way financial markets operate by implementing effective measures and continuing the effort started in the EU to adequately regulate financial markets so as to tackle speculation and vulnerability of banking systems, with the aim of withstanding systemic risk, by making the system more balanced and stable, and improving confidence in order to support a healthier business environment;

35. **advocates** closer cooperation between the European Investment Bank and the EU's local and regional authorities to better support investment in R&D at local and regional level;

Towards smart, sustainable and inclusive growth – A new, ambitious industrial policy to lead the economy of the future

36. **proposes** that a competitiveness plan be defined and implemented at EU level which defines the EU framework for industrial policy;

37. **underlines** that competitiveness is not only a challenge for the business world – it is a challenge for the whole of society and all systems which interact in the process of economic development. Competitiveness affects people, universities, technology centres, health services, etc, as well as all sectors and productive activities;

38. **supports** the implementation of a holistic industrial policy, which brings together different policies that have an impact on competitiveness. This policy should also be applied at national, regional and local level. To make European industry more efficient and productive there is a need to ensure that the EU's position in terms of transport, social and consumer protection, financial intermediation, energy, the environment, the internal market and trade policies also improves, and that there is a concerted effort to focus on the competitiveness chain;

39. **considers**, therefore, that the new industrial policy should promote a cross-sectoral approach. Over the past few years there has been an increased use of all the systems that promote business cooperation through clusters or inter-cluster projects: one of the key objectives of these projects is to group together and organise all the activities in the value chain by initiative type, with this serving as an effective framework covering the entire value chain but without interfering with business decisions. Given that clusters are directly linked to the area in which they are based, it is important to take into account the prominent regional dimension of clusters in the process of developing the new industrial policy;

40. **recalls** that an increase in productivity – both in the manufacturing sector and in services to businesses – is required to ensure a return to growth and job creation;

41. **highlights** the important role of SMEs in the EU: two thirds of people employed in industry work in SMEs. EU public policies should therefore focus on the 'think small first' principle to deal specifically with the needs of SMEs, as they have a key impact on job creation and economic growth. We can only be competitive if our SMEs are competitive;

42. therefore **calls for** the communication to give a more prominent role to the stakeholders promoting local and regional economies, as they provide essential support services on the ground to enable SMEs to compete successfully;

43. **recommends** taking the necessary steps to ensure that the Small Business Act is implemented effectively, and welcomes the fact that the latest version of the Act prioritises smart regulation and SME access to finance;

44. **agrees** that there is a need to ensure that businesses can access the best services possible, as this has a significant impact on the quality of their products and services, and therefore their competitiveness. There is a need to promote measures that help to improve training and skills among service providers that work with businesses;

45. **supports** the implementation of measures that facilitate innovation and simplify business administration, particularly in SMEs, by reducing administrative and legislative burdens that affect the competitiveness of businesses, and ensuring that fitness checks are used in industrial policy and in other related fields;

46. given the impact and the regional dimension of industrial policy, **highlights the need** to adapt the objectives of European industrial policy to the different starting points, as this is essential to ensure that development is balanced and cohesive, and calls for the necessary coherence to be ensured between the communication under discussion and the two communications entitled Regional Policy contributing to smart growth in Europe 2020 ⁽³⁾ and Regional Policy contributing to sustainable growth in Europe 2020 ⁽⁴⁾;

47. **agrees** that progress needs to be made on smart specialisation to make industry more competitive, and calls on regional and local authorities to give impetus to their own innovative niches. Smart specialisation is the key link between the Communication on industrial policy and the Flagship Initiative Innovation Union;

48. **considers** there is a need to streamline the instruments used to foster clusters in the European Union, ensuring that there is a single approach focussed on growth and competitiveness that goes beyond the simple exchange of experiences and boosts specific joint or collaborative projects. The European Union is a key means of strengthening transnational cooperation to facilitate the development of world-class clusters;

49. **points to** the need to continue developing strategic projects at EU level which focus on specific issues and will have a real driver effect in terms of technology transfer and creating synergies, such as the industrial development of Green cars, Energy-efficient buildings, and Factories of the future. There is a need to take a long-term view and extend and deepen these sorts of initiatives which showcase the added value of the European Union;

50. **considers** that the public authorities could have a significant driver effect on business competitiveness through innovative public procurement. Criteria for public tendering should provide an incentive for contractors to innovate, by prioritising innovative and sustainable products and services. This would improve the quality and accessibility of public services. In this connection, additional administrative costs should certainly be avoided, precisely because it would otherwise no longer be attractive for SMEs to take part in public procurement;

51. **urges** the Member States and the competent regional or local authorities to promote a more entrepreneurial culture in European society, especially among young people. Education systems should develop training programmes which encourage entrepreneurship, risk-taking, leadership and creativity as key skills;

52. **highlights** the fact that it is essential to encourage people to develop the skills required for globalisation. Foreign languages are essential, as is a readiness to work in other countries and being open to people from different cultures;

53. **proposes** that the Communication should further integrate technology strategy and internationalisation strategy. The three concepts of innovation, technology and internationalisation inevitably feed into each other and are closely inter-linked, and work needs to be done to formulate integrated policies;

54. **calls for** a sufficiently ambitious, focused approach to be taken on the next version of the strategy supporting the internationalisation of SMEs. This strategy should focus in particular on promoting cooperation and contacts between businesses, and setting up cross-sector links;

55. **calls** on the European Commission to ensure that the measures included in the Communication on *Trade, Growth, and World Affairs – Trade Policy as a core component of the EU's 2020 strategy* ⁽⁵⁾ are implemented effectively, especially as regards the negotiating agenda in international organisations, and the deepening of strategic partnerships. Taking action at EU level is crucial here in order to increase the influence of European industry in the world;

56. **agrees** with the European Commission on the strategic importance of competition policy for the competitiveness of EU industry and for undistorted competition in the single market. An environment which favours fair competition and creates a level playing field encourages businesses to improve and promotes private initiative. It is vital to ensure that this policy is properly implemented by the Member States together with local and regional authorities, and that it operates effectively;

⁽³⁾ COM(2010) 553 final.

⁽⁴⁾ COM(2011) 17 final.

⁽⁵⁾ COM(2010) 612.

57. **emphasises**, however, the new role of the public sector in seeking new forms of public-private cooperation to fund strategic infrastructure and large-scale investment in productive enterprises. Public-private cooperation should also be used to develop industrial policy, so that interests can be aligned and projects with a European dimension implemented, which will make public spending more efficient. Public-public cooperation involving different levels of government and public authorities will help to improve policy coordination and reduce inefficiency;

Industrial transformation: towards an industry based on innovation and knowledge

58. **welcomes** the vision of innovation as a central part of the Europe 2020 Strategy and its strategic positioning through the Flagship Initiative Innovation Union. The priority on smart growth wisely focuses on knowledge- and innovation-based growth as one of the three fundamental pillars of future economic growth in the EU;

59. **underlines** the importance of extending and strengthening the concept of innovation, highlighting the need for industry to combine experience-based innovation, or the DUI approach (Doing, Using and Interacting), with the STI approach (Science, Technology and Innovation), based on real scientific and technological expertise;

60. **is disappointed** that the Communication did not give greater emphasis to non-technological innovation as a source of competitive advantage. Real changes in business often come from innovation in business and organisational management in areas such as strategy, processes, marketing, industrial organisation and the relationship with providers. Supporting non-technological innovation has allowed a number of regions to make real progress in terms of competitiveness;

61. therefore **proposes** incorporating non-technological innovation indicators into the process of evaluating industrial policy;

62. **maintains** that innovation is based on knowledge and creativity, and that businesses should have systems for including and managing knowledge and creativity across all their activities;

63. **is disappointed** that the Communication does not highlight the key role that people will play in the new industrial policy: if the aim is indeed to lay down effective foundations for balanced, long-term growth, then people are essential. In a knowledge-based industry, only people can make change happen and secure competitive advantages for businesses;

64. **considers** that research at universities, and research and technology centres should, together with theoretical research, be

more outward-looking and more in line with the needs of the market and the practical application of research findings;

65. **considers** that greater coordination between research and industry is required so that the regions can make progress in smart specialisation in the field of essential enabling technologies (such as nanotechnology, micro and nano electronics, industrial biotechnology, photonics, advanced materials and advanced manufacturing technologies), trans-national networks can be promoted, and cooperation strengthened at regional, national and international level;

66. **highlights** the fact that the growth of a European industry based on innovation and knowledge should inevitably result in European businesses obtaining a larger number of patents. It is particularly important that there is an effective, cheaper system in place to protect the intellectual property rights of businesses and inventors that provides greater legal protection against counterfeiting and piracy. It is therefore essential to simplify the procedure for obtaining patents, make it less expensive, and ensure that patents are automatically valid in all Member States, in line with the single European patent proposal;

67. **points out** that ICT has become a key factor in increasing the productivity of businesses, and therefore agrees that it is essential to promote the use of ICT in SMEs. Adapting to and incorporating ICT will give European businesses a competitive edge over competitors in third countries. ICT promotes collaborative working, the processing and exchange of information and ideas, and also provide more direct access to the market and clients;

68. **emphasises** that it is crucial to improve the relationship between different stakeholders and adopt the concept of regional ecosystems for innovation in regional development strategies. The idea of regional ecosystems for innovation involves developing networks and channels for exchanging knowledge, organisations which are firmly rooted in the local area, and flexible organisational models;

69. **recommends** developing an approach for the EU's next framework programme for research and technological development that focuses more on the needs of SMEs, which would promote their involvement in joint European projects;

70. **calls on** the European Commission to give greater emphasis to the regional dimension in the common strategic framework for research and development which will incorporate the framework programme and the CIP programme, and to extend the Regions of Knowledge pilot project, in order to strengthen the research potential of European regions through trans-national clusters;

71. **highlights** the need to develop a favourable environment for increasing private capital's commitment to productive investment related to innovation and R&D, which will mean strengthening financial arrangements such as venture capital and business angels;

72. **calls for** a more precise system of indicators and objectives that measures not only the percentage that businesses spend on R&D, but also aspects related to increasing competitiveness and productivity: in other words, a system that measures the results of R&D;

Building on EU strengths and new opportunities to develop a more responsible, sustainable model for the future

73. **considers** that the EU should play to the strengths it has developed to boost the competitiveness of European industry: we have a strong base in science and technology, world-class universities, and a well-qualified, specialised workforce; we have created a single market that eliminates barriers to trade and the free movement of workers; strong clusters and cooperation networks have been established, and the EU has pioneered the implementation of green solutions;

74. **points out** that despite the progress achieved since the single market was set up, the potential of the single market to promote sustainable and inclusive growth has not been fully exploited. The single market is the EU's economic driving force: completing the single market is essential to support the growth and competitiveness of European industry;

75. **calls on** the European Commission and the Member States to eliminate the obstacles and weaknesses that are hampering the growth potential of the single market, while acknowledging that the Services Directive has made progress on eliminating some of the barriers that exist in the single market to the provision of services and the right to establishment in another Member State. The European Commission should continue working along these lines, and involving the local and regional authorities, as they are key actors in the services market;

76. **considers** that the ageing population, climate change and protecting the environment are three of the main challenges that the EU will face over the next few years;

77. **points out**, therefore, that sustainability should be seen as a key opportunity for the future of European industry: it is quite clear that it will help to create more - and new - jobs and businesses which are innovative and competitive;

78. **welcomes** the European Commission's intention to improve the links and consistency between environmental ambitions and industrial policy objectives, in the transition towards the more efficient management of resources across industry. Industry must rationalise its use of strategic energy

resources and primary materials, given that they are becoming increasingly scarce and expensive. This process should be based on the efficient use of resources, recycling, and the use of alternative materials;

79. **would recall** the need to strengthen the green economy – because of the need to use energy efficiently, and especially because of the growing awareness that more eco-innovation is required. Innovative economic activities therefore need to be developed, from renewable energy to new materials, in order to contribute to a low-carbon economy;

80. **considers there is a need**, however, for Member States and competent regional and local authorities to encourage people to become more responsible, ethical and selective consumers. For businesses, this will mean growing demands in terms of quality, information and transparency. Consumers therefore play an important role in the process of boosting the competitive potential of businesses and the adoption of responsible policies;

81. **welcomes** the fact that the Communication highlights corporate social responsibility (CSR) as a factor which also enhances the competitiveness and the leading role of our industry at international level;

82. **underlines** the fact that the local and regional authorities understand the specific circumstances in their area and have the powers to communicate new values and promote CSR. The European Commission should continue promoting this concept and supporting local and regional authorities, as they are responsible for promoting CSR on the ground. It is therefore essential to apply the principle of subsidiarity and manage policies from the level of governance which is most effective and closest to individual citizens;

83. **calls for** new management models to be used in businesses. These models should increase staff involvement as a key way of making all industrial processes more efficient and competitive, and ensuring that working conditions do not become more unstable given the context of industrial change;

84. **points out** however that there is also a parallel need to promote flexibility within industry. The different interest groups have to react and adapt to the changing economic environment, which means ensuring that production is organised to cater for fluctuations in demand and changes in technology;

85. **calls for** greater flexibility in the labour markets in Member States which should be achieved through social dialogue and accompanied by robust social protection systems. Greater flexibility will support economic growth and social cohesion by providing more and better jobs. The regulation of the labour markets should cater for the transition between periods of unemployment and periods of employment by guaranteeing financial security and providing training and re-skilling options to make people more employable;

Local and regional authorities as strategic partners in boosting European industry

86. **reiterates** the fact that the EU's local and regional authorities play a key role in boosting industrial policy and economic development, given their position on the ground and their grassroots knowledge of the structure of industry and the problems affecting businesses;

87. **calls** on the European Commission and the Member States, together with local and regional authorities, to improve cooperation and ensure a holistic approach in designing an ambitious, competitiveness-focused industrial policy that exploits synergies with the rest of the Europe 2020 flagship initiatives;

88. **urges** the European Commission to improve the conditions and the governance of industrial policy by giving a greater role to European local and regional authorities in shaping and implementing industrial policy. Local and regional authorities are key players in economic development

as they are closest to the reality on the ground for businesses and have responsibilities – and sometimes even legislative powers – in the field of industrial policy, which is why a bottom-up policy approach is ideal in this area;

89. **invites** the Member States and local and regional authorities to establish territorial pacts at national level to jointly formulate and implement the National Reform Programmes (NRP) and evaluate their progress together. This should coordinate and focus their efforts and political agendas on the Europe 2020 Strategy objectives and have a major impact on achieving these objectives;

90. **highlights the role** of local and regional authorities in improving territorial cohesion and reducing economic and social disparities: local and regional authorities are central in developing a grassroots approach which helps to ensure that industrial policy is firmly embedded at territorial level in Europe.

Brussels, 11 October 2011.

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

Opinion of the Committee of the Regions on 'A resource-efficient Europe — Flagship initiative under the Europe 2020 strategy'

(2012/C 9/08)

THE COMMITTEE OF THE REGIONS

- calls for the European Commission's Roadmap to a Resource Efficient Europe timeframe, to be tightened and advocates adopting the indicators already in 2012; also urges that the competent local and regional institutions are consulted, in order to ensure that the indicators are realistic and deliverable both in terms of capacity and affordability;
- asks the Commission to consider adopting a 'basket' of four main resource-use indicators: land footprint, use of raw materials (biodiversity, biological and mineral resources), water footprint and greenhouse-gas footprint; stresses the need for the Commission to make the indicators an integral part of the national reporting system for Europe 2020 and its related Flagship Initiative, so that they guide the national reform programmes and budget preparations;
- deplores the roadmap's failure to mention the possibility of involving the Covenant of Mayors in efforts to achieve resource efficiency and proposes to consider, jointly with the European Commission, specific ways of extending the Covenant to include key areas of the 'Resource-Efficient Europe' Flagship Initiative, such as biodiversity and land use, waste and water management or air pollution;
- recommends specific actions that in particular aim at moving to low-carbon, resource-efficient transport and energy systems, promoting green public procurement, achieving a zero-waste society through optimising waste prevention and seeing waste as a resource within a circular economy; promoting substitution and resource efficiency in the raw materials value chain; using efficiently, protecting and restoring ecosystem services, and at reducing the extent of existing soil sealing wherever needed.

Rapporteur	Mr Michel LEBRUN (BE/EPP), Member of Parliament of the French Community
Reference documents	Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: A resource-efficient Europe - Flagship initiative under the Europe 2020 Strategy COM(2011) 21 final Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Roadmap to a resource-efficient Europe COM(2011) 571 final

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

1. believes that any forward-looking policy on the environment, climate and energy must be underpinned by the principle of good stewardship. In the Committee's view, that means that people should take responsibility for managing and utilising natural resources in such a way and at such a pace as to ensure their sustainability and maintain their diversity. The overall aim of a policy of this kind is to ensure that development meets the needs of current generations without undermining the capacity of future generations to meet theirs;

2. is alarmed that the European Union is currently engaged in a course of risky and non-viable development, production and consumption; as noted by the Commission in its flagship initiative, 'Continuing our current patterns of resource use is not an option';

3. in this context welcomes the launch of the flagship initiative *A resource-efficient Europe*, which is intended to make resource efficiency the guiding principle of European Union policy relating to energy and a low-carbon economy, transport, raw materials and commodities, sustainable consumption and production of goods and services, waste management, land and ecosystem use, and agriculture and fisheries; this initiative serves the important function of helping to create synergies between the various branches and to balance interests and objectives, while at the same time ensuring a joint, coherent and sustainable approach to resource use;

4. is delighted with the positive impact that the flagship initiative is having on European environment policy. However, European environment policy in general, and current resource-efficiency policy (e.g. the thematic strategy on the sustainable use of natural resources) in particular, focuses on reducing the negative environmental impact of economic development and the extraction of natural resources. The flagship initiative broadens the scope to include the negative impact on

economic development of the inefficient use of natural resources, thus giving a necessary stimulus for integrating environment policy more closely with the EU's economic and product policy;

5. is pleased that the flagship initiative broadens the concerns of the European Union to include all natural resources, i.e. not only traditional energy resources, but also biotic and abiotic raw materials such as fuels, biomass, minerals, metals and wood, arable land and fish stocks, soils, water, air, as well as ecosystem or biodiversity protection services;

6. welcomes the European Commission's request that the Committee of the Regions present its views on the role that local and regional authorities should play in implementing this initiative upstream of the decision-making process, particularly when they have specific competences related to this initiative, mainly in relation to standards, for example for buildings or in waste management. This will allow the CoR to make its voice heard from the earliest stages in framing future policies;

7. fully shares the Commission's assessment that three key conditions must be met in order to enjoy the benefits of a resource-efficient and low-carbon economy, namely 1) the political will for change, 2) long-term policy and investment planning and 3) a long-term change in the public's awareness of and behaviour regarding resources. These principles should be developed and implemented using a multilevel governance approach. In this context, the Committee of the Regions points to the key role played by local and regional authorities in framing, implementing and evaluating such policies⁽¹⁾ which has already been clearly recognised by the European Commission and the European Parliament;

The Europe 2020 strategy and the flagship initiative 'A resource-efficient Europe'

8. welcomes the EU's efforts to establish a close link between economic development, social well-being and a responsible use of natural resources;

⁽¹⁾ CdR 25/2009 fin, CdR 73/2011 fin.

9. believes that transitioning to a resource-efficient economy will improve well-being for current and future generations. One aspect of this well-being will be the creation of huge opportunities for the economy, business and innovation, helping to maintain the EU's competitiveness by lowering the cost of raw materials and energy use and stimulating employment in the green technology sector;

10. stresses that in order to improve the environment and air quality there needs to be an ambitious policy to tackle the problem at source, together with a strengthening of EU policy with regard to greenhouse gas emissions and air pollution;

11. notes that many local and regional authorities have already adopted and successfully implemented various policies and practices intended to promote resource efficiency; these initiatives are worth knowing about and recognising at EU level so that everybody can benefit from the expertise acquired by certain stakeholders in this sphere and so as to promote the most effective and efficient initiatives;

12. draws attention to the lack of reference in the Commission text to all the EU policy instruments and strategies that are already being used to address the issue of resource efficiency, such as the Thematic Strategy on the Sustainable Use of Natural Resources, the Thematic Strategy on Waste Prevention and Recycling, and the Action Plan on Sustainable Production and Consumption and Sustainable Industrial Policy; these strategies are likely to serve as a precedent for the adoption and implementation of further strategies addressing other issues relating to natural resource management;

13. notes that the European Union and its Member States are responsible for promoting any initiative aimed at improving resource efficiency at global level; for this reason, supports all the initiatives the European Commission has proposed in the run-up to the Rio+20 conference in June 2012, particularly measures to mobilise funding and public and private investment and measures aimed at gradually establishing a more efficient multilateral international governance system; calls for the structure of this governance system to include multi-level participatory and cooperation mechanisms to allow regions and cities to play an active part in matters that concern them;

14. joins the Commission in calling for the expeditious implementation of the OECD Declaration on Green Growth adopted in June 2009;

15. welcomes the support of the European Union and its Member States for the work of the International Panel for Sustainable Resource Management of the United Nations Environment Programme (UNEP), and its Green Economy Initiative;

16. regrets that the 10-year Framework of Programmes on Sustainable Consumption and Production for the period 2011-2021 could not be adopted at the 19th session of the UN Commission on Sustainable Development;

Governance under the Europe 2020 Strategy

17. emphasises the fact that environmental and social policies are interdependent; the peak in oil and gas production – which some consider has now reached a plateau – together with the production peak of other materials, will inevitably lead to price increases; the first people to suffer the consequences will be people on the lowest incomes and the regions with the lowest average incomes;

18. underlines that due to the horizontal and complex nature of the flagship initiative it is essential for its governance to be effective and for its progress to be monitored in the framework of the Europe 2020 strategy and its European Semester and Annual Growth Survey exercise, with annual scrutiny of Member States' performance, so as to ensure that the EU achieves greater resource efficiency;

19. stresses the need to clarify the budget implications of the flagship initiatives under the Europe 2020 strategy ⁽²⁾; the next multiannual financial framework should reflect the goals of the resource-efficiency flagship initiative, given that this initiative, by ensuring that EU interventions are coordinated through a Common Strategic Framework, cuts across a number of policies financed through the EU budget;

20. calls on the Commission to take account of Member States' real commitment to promoting resource efficiency when evaluating the National Reform Programmes presented by them in April 2011;

21. points out that the success of the Europe 2020 strategy will depend largely on decisions taken at local and regional level; has previously said in this regard that it advocates a reference in the NRPs to creating territorial pacts for Europe 2020 in the form of multilevel partnerships between EU, national, regional and local authorities ⁽³⁾;

22. would therefore encourage integrated local development as a key delivery method to implement the targets of this flagship initiative;

23. believes that it is essential for the Committee of the Regions to be involved in implementing the flagship initiative *A resource-efficient Europe*, as well as the integrated resource-efficiency policy, via its Europe 2020 Monitoring Platform;

⁽²⁾ CdR 73/2011 fin.

⁽³⁾ CdR 73/2011 fin, CdR 25/2009 fin.

Roadmap to a resource-efficient Europe

24. calls for the roadmap's timeframe, which sets the end of 2013 as the deadline for successively deciding on and adopting indicators and objectives, to be tightened; advocates adopting these indicators in 2012; also urges that the competent local and regional institutions are consulted on these indicator deadlines, in order to ensure that they are realistic and deliverable both in terms of capacity and affordability;

25. welcome's the proposal set out in the Commission's *Roadmap to a Resource Efficient Europe* to adopt a limited number of indicators to ensure that policies are drawn up in an efficient way that is visible to the public; indicators should be selected according to their degree of importance, relevance, reliability and soundness, and should be as widely recognised as possible;

26. asks the Commission to consider adopting a 'basket' of four main resource-use indicators: land footprint, use of raw materials (biodiversity, biological and mineral resources), water footprint and greenhouse-gas footprint; these indicators are reasonably easy to measure, yet give an important indication of our resource use and its impacts, and they would complement indicators measuring the environmental impacts and efficiency related to a resource use;

27. stresses the need to adopt an overall indicator such as the 'ecological footprint' as a useful instrument for communication and awareness-raising campaigns, though it must be clearly understood that the highly aggregated nature of such indicators limits their use in policy-making; data and methodology should be harmonised between countries and the Commission could help to achieve this;

28. welcomes the Commission's proposal to adopt a limited number of objectives for resource efficiency that are ambitious, quantifiable, precise and coherent; the targets should be, for example, improving the results obtained from the four indicators set out in point 26, for example, zero growth of the land area covered by sealed soils, or improved waste prevention and recycling rates;

29. calls on the European Commission in its evaluation of indicators and objectives to consider the feasibility of policies that might be pursued on the basis of them by local and regional authorities;

30. stresses the need for the Commission to incorporate the indicators into its Annual Growth Survey that marks the beginning of the Economic Semester in 2012, so that they become an integral part of the national reporting system for Europe 2020 and guide discussions on how the national reform programmes and budget preparations need to be brought into line with the Europe 2020 strategy;

31. calls for these resource-use indicators to be made an integral part of the European Commission's and Member States' impact assessments of policy proposals; the European Commission should provide guidance and tools to enable Member States, local and regional authorities, companies and other operators to apply these indicators simply and effectively;

32. notes that the extent and diversity of challenges faced in relation to conserving resources requires mobilisation of all available instruments at European, national, local and regional level; the European and national instruments involve integrating environmental aspects more closely with economic and product policy, and one local instrument is the Covenant of Mayors, demonstrating its usefulness in the sphere of energy;

33. invites the international, European, national and sub-national institutions to take stock in this respect of the wide experience and results already compiled by the signatories of the Covenant of Mayors (around 3 000 municipalities, over 100 regions, in more than 40 countries);

34. asks the European Commission and the other EU Institutions to work together on concrete mechanisms which will allow sharing the experience of the Covenant of Mayors with our global partners, e.g. fostering cooperation at local and regional level on resource efficiency between EU cities and regions and those in our Southern and Eastern Neighbourhood, as well as with developing countries;

35. deplores the roadmap's failure to mention the possibility of involving the Covenant of Mayors in efforts to achieve resource efficiency; therefore urges the Commission to take steps to include the Covenant of Mayors in this area;

36. also proposes to consider, jointly with the European Commission, specific ways of extending the Covenant to include key areas of the 'Resource-Efficient Europe' Flagship Initiative, such as biodiversity and land use, waste and water management or air pollution (CdR 164/2010 fin);

37. bearing in mind the preparation of a 'Blueprint to Safeguard Europe's Waters', calls in particular for the European Commission, in partnership with the Committee, to extend the Covenant of Mayors in 2012 to include the 20-20-20 targets for integrated water management referred to in Committee of the Regions opinion CdR 5/2011 fin;

38. strongly supports the creation of a 'multi-actor transition platform on resource efficiency', which should also include 'policy makers from various administrative levels including regional and local' ⁽⁴⁾; such a platform could be asked to look at interlinkages between the policies concerned and to help identify targets and barriers to transition;

⁽⁴⁾ Environment Council Conclusions of December 2010.

39. supports the Commission's position on networking and exchange of best practice between agencies running schemes on resource efficiency; also asks the European Union to support the setting-up of national, regional and local agencies to manage resource efficiency, where such bodies do not exist; the remit of existing agencies could be extended to include all issues relating to resource efficiency and should include informing and advising public authorities, businesses and the general public on existing measures and solutions that are available for achieving resource efficiency;

Means for delivering on the resource-efficient Europe flagship initiative

40. maintains that a resource-efficient Europe will call not only for technological innovation but also for innovation in its socio-economic system, with new production and consumption patterns, a change in lifestyles and new governance models, as well as a strategic research agenda focused on system innovation;

41. 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;

42. affirms that a number of measures – including changing the EU Member States' budget and economic policies, as well as environment-friendly fiscal reform that will take more account of resource use – will be needed to achieve the flagship initiative's targets; it will also be necessary to redirect national accounts towards resource efficiency, while supporting the internalisation of external costs with a view to setting appropriate prices, making polluters pay – while protecting consumers – and phasing out subsidies that have negative effects on the environment;

43. considers the development of a low-carbon, resource-efficient transport system in Europe to be crucial to the success of the flagship initiative; in this context, it is important to reduce the quantity of energy and raw materials required for the manufacture of motor vehicles and to support the industry in this area, to ensure that consumption is reduced substantially and to put in place transport systems that will, overall, have an ever-diminishing impact on resources;

44. welcomes the inclusion in the flagship initiative of steps to promote a European water policy that prioritises water-saving measures and improving efficiency in water use, and will present relevant recommendations in its outlook opinion on *The role of local and regional authorities in promoting sustainable water policy* ⁽⁵⁾;

⁽⁵⁾ CdR 5/2011.

A low-carbon economy and resource-efficient energy system

45. laments the fact that the energy efficiency policies currently being implemented are not adequate to meet the targets set out in the European energy-climate package for 2020; considers that energy efficiency should be made a mandatory objective and should make a major contribution to the 2050 objectives for reducing greenhouse emissions;

46. asks the Commission to continue focusing on the construction, services and transport sectors in the legislative and financial initiatives that will follow on from its recently adopted Energy Efficiency Plan 2011 ⁽⁶⁾;

47. emphasises that the construction sector should benefit from regulatory and financial incentives designed to increase rates of renovation to improve energy efficiency;

48. highlights the need for training and support to provide a skilled and readily available workforce for energy efficiency in all the relevant sectors of the economy and hence also in the construction sector; suggests that a European strategy be put in place for informing and training this workforce; in this connection, emphasises the potential of the flagship initiative and the innovative measures it will require to create highly-skilled and sustainable employment in a number of different sectors and professional fields in the EU;

49. asks the European Commission to propose specific measures on building renovation in its upcoming energy-saving directive and to earmark sufficient funding in the multi-annual budget for repairing and renovating buildings in Europe to make them energy efficient after 2013; these measures should be combined with a strategy for subsidising buildings with very low energy consumption;

50. calls on the European Commission to put forward a standardised system for measuring energy efficiency across the EU based on a methodology that could be used by local and regional authorities;

51. commends the European Commission's objective of achieving a shift to a low-greenhouse-gas economy that uses resources efficiently ⁽⁷⁾;

52. asks that these objectives be duly taken into account in the multiannual financial framework, which would also include making additional funding available to local and regional levels of government;

53. recognises the EU Emissions Trading System (ETS) as an important instrument for steering investment in the sectors it covers - power generation, energy-intensive industry and, from next year, aviation - which provides a financial reward for low carbon investments; hopes that the system will made more efficient from 2012;

⁽⁶⁾ COM(2011) 109 final.

⁽⁷⁾ COM(2011) 112 final.

54. nevertheless calls for the ETS to play a greater role in the promotion of low-carbon technologies, as long as these technologies also help to improve the results obtained from the resource-use indicators and do not increase the risk to the environment;

55. therefore welcomes the European Commission projects intended to withdraw some of the current allowances from the market in order to encourage transition of the European Union to a low-carbon economy;

56. endorses the inclusion in the roadmap of land management practices that are more favourable to conservation of soil carbon; points out that increasing the levels of organic matter in the soil has other benefits for the environment, agriculture, and soil fertility and conservation;

57. regrets however that the potential of the agricultural sector to mitigate climate change is fragmented between several different categories under the UN and Kyoto reporting and accounting protocols, when it is the agricultural sector that is called upon to play a key role in the efficient and sustainable use of resources;

58. underlines the importance of striking a balance between use of biofuels in a low-carbon economy and protection of biodiversity, water management and protection of the environment generally as well as global food supply;

59. emphasises the importance of implementing social measures alongside energy efficiency policies to ensure that the most vulnerable people and regions have access to efficient energy services;

Sustainable consumption and production

60. calls on the European Commission to ensure effective implementation of the EU Action Plan on Sustainable Production and Consumption and Sustainable Industrial Policy, and to adopt a broader stance on this;

61. urges the Commission to support a 'top runner' approach to product policy, employing more 'push' instruments to remove less effective products from the market and 'pull' instruments to reward the better ones and accelerate their market penetration;

62. encourages eco-innovation to create new resource-efficient products or services, as an essential tool in the pursuit of resource efficiency, competitiveness and job creation; thinks that the forthcoming eco-innovation action plan should mobilise new innovation partnerships that involve local and regional authorities;

63. reiterates its commitment to promoting the use of green public procurement (GPP) by local and regional authorities;

64. calls for mandatory GPP targets for national governments and the European institutions, as well as the inclusion of GPP as an integral part of the future public procurement directive so as to improve legal clarity and make GPP the norm;

65. calls for radical revision of the eco-design directive and its implementing measures so as to promote resource efficiency, by extending its scope to include non-energy-related products with a significant environmental impact⁽⁸⁾; considers that the development of methods to assess the life cycle of products and services should be encouraged and that regional and local authorities should be given easy access to the results in order to support their decision making;

66. calls for measures to be taken to combat the calculated, unscrupulous practices which reduce the life span of products and services. Such measures will increase the useful life of products, make them easier to repair and easier to recycle at the end of their life, and support the economic and industrial initiatives that contribute to this process;

67. encourages more uptake of the *Eco-management and audit scheme* (EMAS) by local and regional authorities in particular, as a market-based instrument for organisations' resource management; believes that broader participation in the scheme would be possible if the fees could be abolished or reduced and if the Member States were required to set their own targets for increasing the number of EMAS-registered organisations;

68. strongly urges the European Commission, the Member States and local and regional authorities to step up measures to raise awareness among consumers and businesses of the environmental and social implications of their consumption patterns, e.g. through labelling schemes, making sustainable consumption an integral part of education and training, and tightening control over green commercial claims;

Making the European Union a 'circular economy'

69. calls for a zero-waste society to be the objective, through optimising waste prevention and seeing waste as a resource within a circular economy based on a materials cycle;

70. deplores the fact that landfill is still the most common form of municipal waste disposal, and therefore calls on the Commission to prioritise the implementation and application of existing EU legislation governing waste, which is essential to promoting resource efficiency;

⁽⁸⁾ Article 21 of Directive 2009/125/EC.

71. urges the EU institutions, Member States and local and regional authorities to take effective action against the shifting of waste to sub-standard treatment plants within or outside the EU, to improve the competitiveness of EU recycling industries across the entire value chain, to stimulate innovation in resource efficiency and design of recyclable products, to provide economic incentives or new market-based instruments for recycling and promoting secondary raw materials, and to optimise the development and use of end-of-waste criteria and quality criteria for recycled materials, while recognising here the progress made by the European Commission in relation to end-of-waste criteria; the CoR calls for special attention to be paid to products containing raw materials which are in increasingly short supply, particularly rare-earth elements;

72. encourages the Member States and local and regional authorities to adopt ambitious waste prevention programmes as required under Article 29 of the Waste Framework Directive, including clear quantitative benchmarks for waste prevention measures ⁽⁹⁾;

73. asks the European Commission to promote in particular bio-waste prevention and reduction of food waste, and to continue providing support for the European Waste Prevention Week, which has been a success in many regions and cities;

74. underlines the key role played by local and regional authorities in developing recycling and reuse markets, and renews its call for specific and detailed electronic waste reuse targets to be incorporated into the WEEE directive, while ensuring that the principle of producer responsibility is fully developed in the legislation;

75. points out that local and regional authorities have significant scope to promote recycling beyond the current EU targets, with many pioneering cities and regions already going far beyond the minimum European recycling or landfill diversion targets and now aiming to achieve zero waste to landfill or incineration and high levels of recycling of household waste; in view of this, can only urge the European Union and the Member States to further encourage the introduction of instruments to promote recycling that are used by high-performing cities and regions, especially in regions that are less advanced in this area;

76. asks the European Commission to bring forward its assessment, required under the Waste Framework Directive, of the benefits of introducing binding EU waste prevention targets and of tightening the current binding recycling target for municipal solid waste, a measure that could create 500 000 new jobs in Europe ⁽¹⁰⁾;

⁽⁹⁾ CdR 47/2006 fin.

⁽¹⁰⁾ CEE Bankwatch 2011, EEB & FoEE 2011.

Efficient use of raw materials (minerals, forests and biomass)

77. welcomes the inclusion of resource efficiency in the European Commission communication relating to the resource-efficient Europe flagship initiative, *Tackling the challenges in commodity markets and on raw materials* ⁽¹¹⁾;

78. asks the European Commission and the Member States to further promote substitution and resource efficiency in the raw materials value chain, which includes exploration, extraction, processing, recycling, eco-design, industrial ecology and resource-efficient production;

79. encourages the Member States and regions, with continuing support from the European Commission, to decide on their sustainable and resource-efficient minerals policies, to establish a policy for land-use planning with regard to minerals and to put in place a clear process for authorising mineral extraction;

80. commends the Commission's guidelines on non-energy extraction activities and the requirements of Natura 2000 ⁽¹²⁾ and calls for an integrated approach to be adopted to these issues in the future;

81. takes note that the Council has asked the European Commission to propose measures to address problems in supplying industry with raw materials sourced from forestry and the renewable energy sector;

82. calls for a compulsory certification system to be adopted across the EU, as well as incentives for using biomass for energy and timber sourced from sustainably managed forests; also draws attention to the potential management role of local and regional authorities here;

83. reiterates its call for the Commission to present proposals for binding minimum sustainability criteria for the use of solid and gaseous biomass sources in electricity, heating and cooling ⁽¹³⁾;

Biodiversity, ecosystem services and land use

84. argues that the efficient use, protection and restoration of ecosystem services, as agreed on by the Member States under the new biodiversity target for 2020, and detailed in the *EU Biodiversity Strategy to 2020* ⁽¹⁴⁾, are critical to resource efficiency;

⁽¹¹⁾ COM(2011) 25 final.

⁽¹²⁾ EC guidance on undertaking non-energy extractive activities in accordance with Natura 2000 requirements, http://ec.europa.eu/environment/nature/natura2000/management/docs/nee_n2000_guidance.pdf.

⁽¹³⁾ CdR 312/2010 fin.

⁽¹⁴⁾ COM(2011) 244 final.

85. welcomes the support provided by the *EU Biodiversity Strategy to 2020* to advancing work on the valuation of biodiversity, including the economic valuation of biodiversity and ecosystem services and encouraging the managing authorities of the structural funds to invest in natural capital as the heritage of future generations, including as a source of economic development, to promoting support for biodiversity through the CAP, to setting a subtarget for restoring ecosystems and to promoting the creation of 'green infrastructure';

86. regrets that notwithstanding its previous recommendations the key role that local and regional authorities will play in the success of this strategy is not sufficiently recognised;

87. calls on the European Union and Member States to launch local and regional pilot projects to preserve biodiversity, particularly TEEB (the economics of ecosystems and biodiversity) pilot projects to help local and regional authorities adopt and implement the instruments provided for in the international *TEEB for Local and Regional Policy Makers Report* ⁽¹⁵⁾;

88. observes that the decline in natural and semi-natural habitats, including grassland, bogs, heaths and fens, which are critical in combating climate change, remains a major cause for concern, and therefore encourages the European Union, the Member States and local and regional authorities to apply themselves to drawing up relevant programmes for preserving and restoring these ecosystems;

89. is concerned about the continuing increase in land use resulting from urbanisation and expanding transport networks, which is raising the level of soil sealing and leading to reduced water infiltration and thus increased flooding and risk of erosion, fragmentation of habitats and animal populations, and exacerbated heat island effects in cities, making them more vulnerable to heat waves and climate change;

90. encourages the Member States to work with local and regional authorities to set up integrated land-use planning and

spatial development systems that can help to achieve sustainable urban settlement patterns, provide incentives to encourage the reuse of brownfield land over use of greenfield land and rural areas, create a database of brownfield land, and reduce the extent of existing soil sealing wherever needed;

91. reiterates that a common thematic strategy on soil protection, including the aim of adopting a Soil Framework Directive, should remain part of future EU environment policy;

A resource-efficient Common Agricultural Policy, Common Fisheries Policy and Cohesion Policy

92. is concerned that estimated commercial fish stocks exceed safe biological limits, and therefore reiterates its call for adoption by 2015 of the maximum sustainable yield objective as a fundamental guiding principle of the future Common Fisheries Policy (CFP) ⁽¹⁶⁾;

93. supports the approach advocated by the European Commission in its communication *Regional policy contributing to sustainable growth in Europe 2020* ⁽¹⁷⁾;

94. in particular calls for an increase in the contribution of the structural funds to implementation of the flagship initiative, inviting the managing authorities of the structural funds to invest more in a low-carbon economy, ecosystem services and biodiversity, as well as eco-innovation;

95. also supports optimising investment in resource efficiency;

96. strongly believes that a smart, sustainable and inclusive development in the EU and beyond can be achieved, having local and regional authorities as a driver for change and socio-economic development.

Brussels, 11 October 2011.

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

⁽¹⁵⁾ <http://www.teebweb.org>.

⁽¹⁶⁾ CdR 218/2009 fin.

⁽¹⁷⁾ COM(2011) 17 final.

Opinion of the Committee of the Regions on 'EU State aid rules on services of general economic interest' (revised opinion)

(2012/C 9/09)

THE COMMITTEE OF THE REGIONS:

- is pleased that the European Commission is on the same wavelength as the CoR proposal that a distinction be made between: 1) situations where *de minimis* public service compensation does not affect intra-Community trade; 2) compensation granted to local and social public services that exceeds the *de minimis* thresholds but which, because of the way these services are organised and the current state of internal market development, does not affect intra-Community trade; and 3) compensation granted to other EU or cross-border public services governed by sectoral directives or regulations;
- requests once again that the threshold be raised to EUR 800 000 per year;
- calls on the Commission not to include the local authority population criterion among the conditions for applying the new *de minimis* regulation;
- opposes the introduction by the Commission of an assessment of economic efficiency in SGEI compensation; in the Committee's view, neither Article 106 nor a unilateral decision or directive from the Commission, on the basis of paragraph 3 thereof, provide sufficient legal basis for any such legislative proposal. The remit of the Commission, in its capacity as European competition authority, by no means extends to the conditions for the efficient allocation of public resources by Member States' public authorities.

Rapporteur-general	Mr Karl-Heinz LAMBERTZ (BE/PES), First Minister of the Belgian German-speaking Community
Reference documents	<ul style="list-style-type: none"> — Draft Communication on the application of the European Union State aid rules to compensation granted for the provision of services of general economic interest (SGEI) — Draft Regulation on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to <i>de minimis</i> aid granted to undertakings providing Services of General Economic Interest — Draft Communication on the EU framework for State aid in the form of public service compensation (2011) — Draft Decision on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest — Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Reform of the EU State aid rules on services of general economic interest <p>COM(2011) 146 final</p> <p>Revised opinion of the Committee of the Regions in connection with document CdR 150/2011 fin, in accordance with Rule 52 of the Rules of Procedure – ECOS-V-016</p>

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS:

1. welcomes the Commission's proposal for a legislative package on State aid in the form of public service compensation;

2. considers this proposed revision to be a major political initiative for local and regional authorities in that it aims to frame new, clear and proportionate rules on the compatibility of the various forms of funding public services, with the internal market and thus to provide the legal certainty and predictability needed for the development of public services in the EU; regrets, however, that the Commission has not achieved its own goal of (i) providing more clarity as regards issues of applicability and implementation and (ii) minimising the administrative burden, especially for those concerned;

3. considers that the general architecture of the mechanism for monitoring State aid proposed by the European Commission should take better account of the local, cross-border and EU dimensions of the public services, the various ways in which they are organised and the real extent of the risk that they might negatively affect intra-Community trade, and feels that the proposals only partially reflect this;

4. is pleased that the European Commission is on the same wavelength as the CoR proposal ⁽¹⁾ that a distinction be made between: 1) situations where *de minimis* public service compensation does not affect intra-Community trade and is thus not subject to State aid control; 2) compensation granted to local and social public services that exceeds the *de minimis* thresholds but which, because of the way these services 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 granted to other EU or cross-border public services governed by sectoral directives or regulations, or in cases where the undertakings concerned have a cross-border or supra-national structure;

Draft Communication on the application of the European Union State aid rules to compensation granted for the provision of services of general economic interest

5. is pleased that the draft communication clarifies and updates various notions and concepts in EU law which apply to SGELs, especially as regards developments in the case-law of the EU Court of Justice; regrets, however, that the Commission has failed to establish clear criteria based on the requirements of the ECJ for determining what is an economic activity, its local reference and its relevance to the internal market, with the result that there is broad scope for interpretation when carrying out checks and legal uncertainty remains;

⁽¹⁾ CoR opinion 150/2011, point 44.

6. emphasises, in this connection, that Article 14 TFEU, which is part of the Treaty's provisions of general application, provides a new legal basis for the European Parliament and the Council to establish – by means of regulations – the principles and conditions enabling services of general economic interest to fulfil their particular purpose; therefore calls on the Commission to place the process of clarifying the key concepts, which are not set out in the Treaty, on a formal footing with a proposal for a Council and European Parliament regulation based on Article 14 TFEU;

7. considers that the present proposal for a communication does not release the Commission from its commitment to present a quality framework for services of general interest;

Draft Regulation on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid granted to undertakings providing Services of General Economic Interest

8. welcomes the Commission's intention to raise the threshold set by the *de minimis* regulation⁽²⁾, below which State aid is not subject to State aid control, so as to exclude from the scope thereof all local public services relying on the local voluntary sector and local social microenterprises, which relate in particular to social development, such as social inclusion, the prevention of exclusion, care for the elderly, community work and the promotion of cultural, sporting and socio-educational activities. This proposal is based on the fact that there is zero risk of this kind of public service affecting trade between Member States;

9. regrets, however, that the Commission is content merely to propose raising the threshold from EUR 200 000 over three years to EUR 150 000 per year, which would only cover local facilities with fewer than four employees; therefore, requests once again that the threshold be raised to EUR 800 000 per year, in order to cover all local facilities with fewer than 20 employees whose only funding is compensation granted by public authorities, provided that the local services concerned are provided free of charge within a defined area;

10. calls on the Commission not to include the local authority population criterion among the conditions for applying the new *de minimis* regulation. Population size is largely irrelevant when it comes to measuring the impact of an authority's economic activity on trade between Member States. Moreover, it would be wrong to take as a basis reasoning which would be liable to lead to discrimination

between entities (municipalities, regions, state, etc.). If population were taken as the sole criterion, this would also fail to take into account the fact that these local services can be part-financed by several public authorities of varying size and at different levels, in keeping with the principle of freedom to organise and provide public services, enshrined in the Treaty. Lastly, it would be wrong to penalise pooling of services, particularly where there are joint municipal authorities. Thus, steps to ascertain the local, limited nature of services must be based on a range of indicators that take account, in particular, of the geographical location of an authority and the range of potential public service users involved. Such steps should take account of the situation of regions that suffer from severe and permanent natural or demographic handicaps, in accordance with Article 174 of the Treaty on the Functioning of the European Union, and provision thus made for differentiation of support measures. The EUR 5 million restriction on turnover should be lifted;

11. is pleased to note that the Commission takes transparency very seriously and excludes all non-transparent aid that cannot be precisely calculated from the scope of its regulation;

Draft Decision on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest

12. in line with the proportionality principle enshrined in the Treaty, endorses the Commission's approach of taking into account the exclusively local nature of certain public services, and the proposal to extend the *a priori* compatibility decision beyond hospitals and social housing bodies to include other social services as well;

13. feels that the introduction of the new concept of 'essential social needs' is a source of considerable confusion for local and regional authorities and their partners, because it overlaps with the existing concepts of social services of general interest and social services excluded under Article 2(2)(j) of the Services Directive; therefore urges the Commission to give preference to the concept of social services within the meaning of Article 2(2)(j) of the Services Directive, which leaves it up to the Member States and local and regional authorities to define the boundaries in accordance with the subsidiarity principle, and to specify that the list of services given by way of example in the proposal for a decision on the application of Article 106(2) of the Treaty on the Functioning of the European Union is neither definitive nor exhaustive;

14. calls on the Commission not to halve the annual compensation threshold for application of this decision but to keep it at EUR 30 million per year;

⁽²⁾ Commission Regulation (EC) No 1998/2006 of 15.12.2006 on *de minimis* aid.

15. calls on the Commission not to make exemption from notification dependent on a maximum duration of the act of entrustment, in line with the principles of free administration and free organisation of public services by Member States' public authorities;

16. calls on the Commission not to make exemption from notification for social services dependent on these services being performed solely by undertakings specifically entrusted with this task, provided that the provisions of the Directive on the transparency of financial relations between Member States and public undertakings (see references) are applied and cost accounting is carried out by the undertakings concerned;

17. considers that, when local and regional authorities launch a call for tenders in a bid to comply with the fourth criterion of the Altmark judgment for public service compensation, they must be able to set quality criteria to determine the most economically advantageous tender, rather than opt for the tender offering the lowest price;

18. feels that the proposed new definition of 'reasonable profit' on the basis of the rate of return on capital and other profit level indicators is so complex that it will be unusable for a large number of sub-national authorities;

19. calls on the Commission: to include in its definitive review 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 required for funding local public service infrastructure; not to limit its compatibility rationale just to annual operating subsidies; and to clarify the specific conditions for assessing the absence of over-compensation in the case of long-term investment aid, particularly in property and land infrastructure;

20. points out to the Commission that other objective criteria should also be taken into consideration, which in principle offset the risk of negatively affecting intra-Community trade, distorting competition or creating cases of cross-subsidisation; such objective criteria include the limited territorial remit of certain operators governed by local and regional authorisation schemes, the limited scope of some public or private operators set up specifically to provide a particular public service in a given area and not pursuing any commercial activity on the market, and the not-for-profit nature of certain social undertakings which re-invest their profits in funding for the public service they operate, this being deductible from future compensation;

21. suggests that, in accordance with the subsidiarity and proportionality principles set out in the Treaty, the Commission's final decision 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 from occurring. By the same token, the appeals procedures available in the event of over-compensation being detected should be simplified for undertakings which are actually and directly penalised;

22. proposes to the Commission that implementation of these provisions be conditional on:

- the existence of a 'public service contract' ⁽³⁾, 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) of the 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 granted; and
- this public service contract being published in the *Official Journal of the European Union* in a specific register set up for this purpose.

Draft Communication from the Commission: EU framework for State aid in the form of public service compensation (2011)

23. points out that it opposes the introduction by the Commission of an assessment of economic efficiency in SGEI compensation; in the Committee's view, neither Article 106 nor a unilateral decision or directive from the Commission, on the basis of paragraph 3 thereof, provide sufficient legal basis for any such legislative proposal. The remit of the Commission, in its capacity as European competition authority, by no means extends to the conditions for the efficient allocation of public resources by Member States' public authorities. 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;

24. rejects the requirement that the Member States provide proof of the need for a public service in the form of a market survey, on the basis that it constitutes an encroachment on the exclusive right of the Member States to organise and design services of general interest.

II. RECOMMENDATIONS FOR AMENDMENTS

Draft Commission Regulation on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid granted to undertakings providing Services of General Economic Interest

⁽³⁾ As defined in the aforementioned Regulation (EC) No 1370/2007.

Amendment 1

Recital 4

Text proposed by the Commission	CoR amendment
(4) In the light of the Commission's experience, compensation for the provision of services of general economic interest should be deemed not to affect trade between Member States and/or not to distort or threaten to distort competition provided that it is granted by a local authority representing a population of less than 10 000 inhabitants, that it benefits an undertaking with an annual turnover of less than EUR 5 million during the two preceding financial years and provided that the total amount of compensation for services of general economic interest received by the beneficiary undertaking does not exceed EUR 150 000 per fiscal year.	(4) In the light of the Commission's experience, compensation for the provision of services of general economic interest should be deemed not to affect trade between Member States and/or not to distort or threaten to distort competition provided that it is granted by a <u>public local</u> authority representing a population of less than 10 000 inhabitants , that it benefits to an undertaking with an annual turnover of less than EUR 5 million during the two preceding financial years and provided that the total amount of compensation for services of general economic interest received by the beneficiary undertaking does not exceed EUR <u>800 000</u> 150 000 per fiscal year.

Reason

See points 9 and 10 of the opinion.

Amendment 2

Recital 16

Text proposed by the Commission	CoR amendment
The Commission has a duty to ensure that State aid rules are respected and in particular that aid granted under the <i>de minimis</i> rules adheres to the conditions thereof. In accordance with the cooperation principle laid down in Article 4(3) TEU, Member States should facilitate the achievement of this task by establishing the necessary tools in order to ensure that the total amount of <i>de minimis</i> aid granted to the same undertaking for the provision of services of general economic interest does not exceed the annual ceiling of EUR 150 000. (...)	The Commission has a duty to ensure that State aid rules are respected and in particular that aid granted under the <i>de minimis</i> rules adheres to the conditions thereof. In accordance with the cooperation principle laid down in Article 4(3) TEU, Member States should facilitate the achievement of this task by establishing the necessary tools in order to ensure that the total amount of <i>de minimis</i> aid granted to the same undertaking for the provision of services of general economic interest does not exceed the annual ceiling of EUR <u>800 000</u> 150 000 . (...)

Reason

See point 9 of the opinion.

Amendment 3

Article 1(2) - Scope

Text proposed by the Commission	CoR amendment
2. This Regulation only applies to aid granted by local authorities representing a population of less than 10 000 inhabitants.	2. This Regulation only applies to aid <u>procuring local benefits</u> , granted by <u>local public</u> authorities representing a population of less than 10 000 inhabitants in a geographically limited area .

Reason

See point 10 of the opinion.

Amendment 4

Article 2

Text proposed by the Commission	CoR amendment
2. Aid can only benefit from this Regulation if (i) the total amount of aid granted to an undertaking providing services of general economic interest does not exceed EUR 150 000 per fiscal year, and (ii) if this undertaking has an average annual turnover before tax, all activities included, of less than EUR 5 million during the two financial years preceding that in which the aid was granted.	2. Aid can only benefit from this Regulation if (i) the total amount of aid granted to an undertaking providing services of general economic interest does not exceed EUR 800 000 ^{150 000} per fiscal year, and (ii) if this undertaking has an average annual turnover before tax, all activities included, of less than EUR 5 million during the two financial years preceding that in which the aid was granted.

Reason

See point 9 of the opinion.

Draft Commission Decision on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest

Amendment 5

Recital 9

Text proposed by the Commission	CoR amendment
Provided a number of conditions are met, small amounts of compensation granted to undertakings entrusted with the provision of services of general economic interest do not affect the development of trade and competition to such an extent as would be contrary to the interests of the Union. An individual State aid notification should therefore not be required for compensation below an annual amount of compensation of EUR 15 million, provided the requirements of this Decision are met.	Provided a number of conditions are met, small amounts of compensation granted to undertakings entrusted with the provision of services of general economic interest do not affect the development of trade and competition to such an extent as would be contrary to the interests of the Union. An individual State aid notification should therefore not be required for compensation below an annual amount of compensation of EUR 30 ¹⁵ million, provided the requirements of this Decision are met.

Reason

See point 12 of the opinion.

Amendment 6

Recital 17

Text proposed by the Commission	CoR amendment
Reasonable profit should be determined as a rate of return on capital that takes into account the degree of risk, or absence of risk, incurred. Profit not exceeding the relevant swap rate plus 100 basis points should not be regarded as unreasonable. In this context, the relevant swap rate is viewed as an appropriate rate of return for a risk-free investment. The premium of 100 basis points serves, inter alia, to compensate for liquidity risk related to the fact that an SGEI provider that invests capital in an SGEI contract commits this capital for the duration of the entrustment act and will be unable to sell its stake as rapidly and cheaply as is the case with a widely-held and liquidity risk-free asset.	Reasonable profit should be determined as a rate of return on capital that takes into account the degree of risk, or absence of risk, incurred. Profit not exceeding the relevant swap rate plus 100 basis points should not be regarded as unreasonable. In this context, the relevant swap rate is viewed as an appropriate rate of return for a risk free investment. The premium of 100 basis points serves, inter alia, to compensate for liquidity risk related to the fact that an SGEI provider that invests capital in an SGEI contract commits this capital for the duration of the entrustment act and will be unable to sell its stake as rapidly and cheaply as is the case with a widely-held and liquidity risk-free asset.

Reason

See amendment relating to the new point 15a – reference: recital 17 of the Commission decision.

Amendment 7

Article 1(1)(a)

Text proposed by the Commission	CoR amendment
(a) compensation for the provision of services of general economic interest for an annual amount of less than EUR 15 million. Where the amount of compensation varies over the duration of the entrustment, the threshold may be calculated using the average of the different annual amounts of compensation;	(a) compensation for the provision of services of general economic interest for an annual amount of less than EUR 30+5 million. Where the amount of compensation varies over the duration of the entrustment, the threshold may be calculated using the average of the different annual amounts of compensation;

Reason

See point 12 of the opinion.

Amendment 8

Article 1(1)(c)

Text proposed by the Commission	CoR amendment
compensation for the provision of services of general economic interest meeting essential social needs as regards health care, childcare, access to the labour market, social housing and the care and social inclusion of vulnerable groups. This paragraph only applies where compensation is granted to undertakings whose activities are limited to one or more of the services referred to in this paragraph or in paragraph (b). The pursuit of ancillary activities directly related to the main activities does not, however, prevent the application of this paragraph.	compensation for the provision of <u>social</u> services of general economic interest meeting essential social needs <u>within the meaning of Article 2(2)(j) of the Services Directive, especially</u> as regards health care, childcare, <u>care for the elderly</u> , access to the labour market, social housing and the care and social inclusion of vulnerable groups. This paragraph only applies where compensation is granted to undertakings whose activities are limited to one or more of the services referred to in this paragraph or in paragraph (b). The pursuit of ancillary activities directly related to the main activities does not, however, prevent the application of this paragraph.

Reason

See amendment relating to point 11a. Reference: Commission decision.

Amendment 9

Article 1(2)

Text proposed by the Commission	CoR amendment
2. This Decision only applies where the period of entrustment with the service of general economic interest is limited to a maximum of 10 years. Entrustment acts which extend over longer periods are only covered by this Decision where a significant investment is required from the service provider that needs to be amortised over the full duration of the entrustment in accordance with generally accepted accounting principles. If during the duration of the entrustment the conditions for the application of this Decision cease to be met, the measure needs to be notified in accordance with Article 108(3) TFEU.	2. This Decision only applies where the period of entrustment with the service of general economic interest is limited to a maximum of 10 years. Entrustment acts which extend over longer periods are only covered by this Decision where a significant investment is required from the service provider that needs to be amortised over the full duration of the entrustment in accordance with generally accepted accounting principles. If during the duration of the entrustment the conditions for the application of this Decision cease to be met, the measure needs to be notified in accordance with Article 108(3) TFEU.

Reason

See point 13 of the opinion.

Amendment 10

Article 4(6)

Text proposed by the Commission	CoR amendment
<p>For the purposes of this Decision, a rate of return on capital that does not exceed the relevant swap rate plus a premium of 100 basis points is regarded as reasonable in any event. The relevant swap rate is the swap rate whose maturity and currency correspond to the duration and currency of the entrustment act. Where the provision of the service of general economic interest is not connected with a substantial commercial or contractual risk, for instance because the <i>ex post</i> net costs are essentially compensated in full, the reasonable profit may not exceed the relevant swap rate plus a premium of 100 basis points.</p>	<p>For the purposes of this Decision, a rate of return on capital that does not exceed the relevant swap rate plus a premium of 100 basis points is regarded as reasonable in any event. The relevant swap rate is the swap rate whose maturity and currency correspond to the duration and currency of the entrustment act. Where the provision of the service of general economic interest is not connected with a substantial commercial or contractual risk, for instance because the <i>ex post</i> net costs are essentially compensated in full, the reasonable profit may not exceed the relevant swap rate plus a premium of 100 basis points.</p>

Reason

See amendment relating to the new point 15a. Reference: Commission decision.

Amendment 11

Article 4(7)

Text proposed by the Commission	CoR amendment
<p>In case the use of the rate of return on capital is not feasible, Member States can rely on other profit level indicators than the rate of return on capital to determine what the reasonable profit should be, such as accounting measures of profit (such as the average return on equity (ROE), return on capital employed (ROCE), return on assets (ROA) or return on sales (ROS)). Whatever indicator is chosen, the Member State shall be able to provide the Commission upon request with evidence that the profit does not exceed what would be required by a typical company considering whether or not to provide the service, for instance by providing references to returns achieved on similar types of contracts awarded under competitive conditions.</p>	<p>In case the use of the rate of return on capital is not feasible, Member States can rely on other profit level indicators than the rate of return on capital to determine what the reasonable profit should be, such as accounting measures of profit (such as the average return on equity (ROE), return on capital employed (ROCE), return on assets (ROA) or return on sales (ROS)). Whatever indicator is chosen, the Member State shall be able to provide the Commission upon request with evidence that the profit does not exceed what would be required by a typical company considering whether or not to provide the service, for instance by providing references to returns achieved on similar types of contracts awarded under competitive conditions.</p>

Reason

See amendment relating to the new point 15a. Reference: Commission decision.

Brussels, 11 October 2011.

The President
of the Committee of the Regions
Mercedes BRESSO

Opinion of the Committee of the Regions on 'The role of local and regional authorities in achieving the objectives of the Europe 2020 strategy'

(2012/C 9/10)

THE COMMITTEE OF THE REGIONS

- draws attention to its firm commitment to its proposal to establish a 'Territorial Pact of Regional and Local Authorities for the Europe 2020 Strategy' with the aim of ensuring multi-level ownership of the strategy through effective partnership between the relevant bodies of the European Union, and national, regional and local public authorities. This proposal is supported by the European Parliament, European Commission and European Council. Territorial Pacts should focus on a few tailor-made priorities which have a special value for the region concerned;
- acknowledges the huge gap between the latest research knowledge and real-life practice. Strong regional measures are needed to turn research results into innovation that is locally tailored and can be applied throughout Europe;
- stresses the importance of building regional innovation capacity on the basis of smart specialisation and complementarities in neighbouring regions;
- calls for pioneering regions to form European consortiums integrating different capabilities to create ground-breaking societal innovations for Europe-wide use. Through its various actors, each region can become a pioneer focusing on its own needs and strengths;
- encourages the regions to move towards open innovation, within a human-centred vision of partnerships between public and private sector actors, with universities and other knowledge institutions playing a crucial role, i.e. to modernise the Triple Helix concept.

Rapporteur	Markku MARKKULA (FI/EPP), Member of Espoo City Council, Member of Helsinki-Uusimaa Regional Council
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I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

Key messages: regarding the need for radical transformation at local and regional level, the CoR:

1. recognises that the Europe 2020 strategy is both an overarching structural reform plan and a crisis exit strategy. In addition, it also encompasses a wider set of objectives and more integrated economic governance⁽¹⁾. In this context, local and regional authorities have the potential and political commitment to address economic, social and environmental issues from a territorial perspective;

2. stresses that, as the failure of the Lisbon Strategy indicates, good plans and even correct analyses are not sufficient to deliver efficient results. Brave leaps forward must be taken on a practical level, giving all levels of government in the Member States – local and regional as well as central – greater ownership and involving all the other stakeholders. Regions should be encouraged to develop regional innovation platforms, which act as demand-based service centres and promote the use of international knowledge to implement the Europe 2020 strategy, smart specialisation and European cooperation according to the interests of regions. For this to happen, we need to apply the new dynamic understanding of regional innovation ecosystems, in which companies, cities and universities as well as other public and private sector actors (the ‘Triple Helix’) learn to work together in new and creative ways to fully harness their innovative potential;

3. stresses that, given that the regions have now become major players in many policy fields, including social, economic, industrial, innovation, education and environment policy, they have a crucial role to play in partnership-based implementation of the Europe 2020 strategy. This will require a large-scale, complex, open, and multidisciplinary approach, bringing together the many complementary assets founded in the regions and cities;

4. strongly supports the need, as stated by the Commission, to fully integrate the National Reform Programmes (NRPs) and the Stability and Convergence Programmes (SCPs) within national budgetary procedures and to involve local and regional authorities and relevant stakeholders in defining and implementing the NRPs⁽²⁾;

5. calls for the radical transformations that can be undertaken by pioneering regions and cities to focus on:

- the ongoing fundamental shift in work culture towards orchestrated collaboration, knowledge-sharing and co-use of resources instead of separate work on industrial processes and separate small projects;

- new approaches to entrepreneurship characterised by phenomena such as the ‘Venture Garage Mindset’, which enable Europe’s young digital generation to work together with public and private venture capital investors to make entrepreneurship the driver of innovation;

- a European culture of open innovation: successful business emerges at regional and local level and growth is accelerated when businesses conduct a larger share of their R&D activities in open collaboration with the best universities and research institutions;

- people as the principal asset of our societies: to create new ways of engaging in particular retired senior citizens and unemployed youth is to put people at the centre of our strategies, thus giving everyone access to a meaningful life and empowering people to use their own potential;

6. emphasises the importance of enabling local people and their communities to harness their full potential. This requires strengthening the role of local and regional authorities, not only in their traditional role as service providers, but also as enablers of new business activities through proactive cooperation. All the various actors should work together to create a regional culture of collaboration, characterised by responsiveness to the motives, aims and resources of local people and their communities.

Key messages: regarding the role of regional decision- and policy-makers as change agents and societal innovation brokers, the CoR:

7. welcomes the broader strategic vision that includes the social and environmental dimensions as equal and complementary pillars alongside economic growth, and calls for the crucial importance of societal innovation to be recognised in all the flagship initiatives for implementing the strategy’s three priorities of smart, sustainable and inclusive growth;

8. calls on decision-makers, both public and private, to recognise the need for new leadership and management skills, competencies, structures and practices to operate within global network businesses;

⁽¹⁾ *European Semester and Annual Growth Survey* (COM(2011) 11).

⁽²⁾ European Commission, *Europe 2020 Strategy* (COM(2010) 2020 final) and Secretary-General’s letter to the CoR of 19 July 2010.

9. encourages regional decision- and policy-makers to become agents of change and to develop a strategic framework for innovation-driven regional development, given that innovation boosts quality and more efficient public and private spending and has significant potential to create new growth and jobs. The task of policy is to find and build on a region's unique assets in order to meet strategic development goals. To this end, regions need to develop a sound, realistic vision of their economic and social future and formulate a broader, more integrated, more efficient policy mix. This will require combining instruments from various policy areas and levels of government, supporting knowledge generation, diffusion and exploitation and producing coherent policy packages supported by better metrics future-oriented budgeting and evidence-based experimentation;

10. proposes that to achieve the above objective the Commission should initiate the necessary development projects in cooperation with a number of regions and experts; this could include devising methods for obtaining processed data and forecasts from general statistics that can be applied to a specific region or issue;

11. calls for pioneering regions to form European consortiums integrating different capabilities to create groundbreaking societal innovations for Europe-wide use. Through its various actors, each region can become a pioneer focusing on its own needs and strengths;

12. calls for a targeted learning process integrating different levels of policy-making to coordinate the use of resources and strengthen the impact of activities. In order to build joint capacity, Executive MBA-level programmes covering multi-level, strategic design processes, should be developed for policy makers, senior civil servants, industrial managers and researchers. This type of training programme is needed at both European and regional level. This will strengthen the role of different countries' regional decision-makers in implementing the Europe 2020 strategy and increase cooperation between them and the dissemination of good practice.

II. RECOMMENDATIONS REGARDING THE ROLE OF LOCAL AND REGIONAL AUTHORITIES IN RELATION TO THE SEVEN FLAGSHIP INITIATIVES

In relation to the need for cross-cutting collaboration, the CoR:

13. emphasises the need for joint activities and far-reaching collaboration among the various flagships to enable and encourage effective implementation of the Europe 2020 strategy. By using this approach, local and regional authorities will be able to develop cross-territory collaboration. In particular, they will be able to foster open platform approaches and enhance the re-usability and interoperability of the solutions and structures they develop. Although the final results may have a strong local flavour, from the perspective

of structures and interoperability, active collaboration leads to economies of scale and the creation of wider markets for local activities;

14. recognises that the key issue facing local and regional authorities (in view of the huge number of actions stemming from and associated with the flagships) is how to speed up the implementation of the most relevant activities. Accordingly, in order to increase the regional impact of the flagship initiatives, several aspects need to be addressed:

- their impact, specialisation and scalability and raising public awareness;
- effective use of benchmarking, sharing of best practices, and collaboration between regions;
- the development of metrics for value creation, societal innovations, concepts and methods, and platforms for public-private-people partnership;
- awareness of the importance of the dialogue between science and society, the systemic nature of innovation and foresight components designed for local and regional actors;
- above all, the need for all the flagship initiatives to be accompanied by a budgetary impact assessment of the measures proposed.

In relation to the 'Innovation Union' flagship initiative, the CoR identifies a particular need to:

- a) support initiatives such as Regions of Knowledge, Living Labs and Smart Cities;
- b) develop partnerships to serve as platforms for increasing the knowledge base of regional decision makers and promote societal innovations;
- c) establish a Smart Specialisation Platform to support and encourage regions to adopt strategies prioritising competitive advantages and potential cooperation with other regions;
- d) support collaboration between business and academia through the creation of Knowledge Alliances, with a particular focus on bridging innovation skills gaps;
- e) strengthen the science base for policy-making with the help of a European Forum on Forward Looking Activities involving local and regional authorities as well as other public and private stakeholders, to improve the evidence base for policies;

- f) develop a broader interest in the use of the 'Triple Helix' model for initiating innovative regional (sub-regional) research clusters and developing innovation platforms as well as strengthening the activities of the knowledge triangle (synergy between research, education and innovation activities);
- g) close the organisational gaps between Europe's regional and local bodies through partnerships and cooperation projects, geared to an Innovation Union, that are forward-looking, durable and encourage structurally and organisationally smaller bodies to join together in applying specialist skills in a stable and structured manner.

In relation to the 'Youth on the move' flagship initiative, the CoR identifies a particular need to:

- a) focus on key competences for the knowledge society, such as learning to learn, languages and culture, entrepreneurial and innovation skills, interpersonal skills and the ability to fully exploit the potential of ICT;
- b) link formal, informal and non-formal education and training to labour market needs in order to enhance young people's employability and enable them to unleash their potential and develop personally and professionally;
- c) create opportunities for mobility for as many young people as possible, whatever their background, economic situation or the geographical location of their region;
- d) further develop European instruments and tools to facilitate and boost learning mobility in all parts of the education system;
- e) support the inclusion of the Europass (the European CV template) into the future 'European skills passport' in order to promote mobility;
- f) adopt cooperation initiatives between public authorities based on agreements aimed at seeking the best solutions for effectively preparing students for the responsibilities of adult life, developing closer cooperation between vocational training establishments, employers and universities with a view to optimum educational progression, also in the field of vocational education, and which meets the requirements of students and employers, involvement of employers in identifying educational problems and developing solutions for these, supporting schools in carrying out preparatory educational programmes, participation of young people in vocational traineeships, and popularising further education among employers;
- g) stress that the foundations of good health and mobility are laid early in life and provide the conditions for a good quality of life. The activities of non-profit-making bodies are a cornerstone of society. The Committee of the

Regions therefore urges the Commission not to proceed with those proposals (European Commission's Green Paper on the future of VAT (COM(2010) 695) that would threaten the existence and financial situation of such associations.

In relation to the 'Digital agenda for Europe' flagship initiative, the CoR identifies a particular need to:

- a) create local digital agendas to speed up the optimal use of ICT through orchestrated local, regional and European collaboration;
- b) improve interoperability and e-government by developing new applications such as human-centred e-services, e-learning, e-health, e-voting, e-administration, intelligent transport systems and regional information modelling in urban planning;
- c) promote the Digital Single Market as a cornerstone of the Digital Agenda for Europe and support large-scale pioneering projects drawing on top European expertise and involving all the various stakeholders;
- d) ensure equal and affordable broadband access everywhere and lead pilot projects aimed at closing the accessibility gap;
- e) develop joint solutions for data protection and security issues in relation to the use of ICT products and services, which is essential to ensure public trust in those products and services and take-up of opportunities offered.

In relation to the 'Resource efficient Europe' flagship initiative, the CoR identifies a particular need to:

- a) improve governance on climate change by involving local and regional authorities as key players in efforts to combat and mitigate climate change and promote a more sustainable use of resources; motivate producers and consumers to adopt more climate-friendly and resource-efficient behaviour;
- b) create user-centric metrics for value creation and impact assessment to be used by the different levels of governance in connection with the creation of a sustainable knowledge society, while limiting the number of related indicators so as to ensure that policies are efficiently framed, transparent and comprehensible to the public;
- c) adopt local or regional climate and energy strategies which foresee more green procurement for public budgets, including projects using funding from the Member States and the European Union;
- d) use roadmaps and action pacts to mobilise political support and promote investment in climate-friendly infrastructure, energy system renewal and ecological public services.

In relation to the flagship initiative on 'Industrial policy for the globalisation era', the CoR identifies a particular need to:

- a) promote industrial modernisation through European strategic projects aimed at having a global driver effect in terms of effective knowledge and technology sharing (in areas such as green transport and energy-efficient buildings);
- b) ensure cross-fertilisation of ideas and business models through initiatives such as the 'European Entrepreneurial Region' so as to encourage LRAs to promote new developments with respect to SMEs and entrepreneurial culture;
- c) promote the concept of regional innovation ecosystems and develop closer cooperation between the productive fabric and universities and technology centres in order to create new growth and jobs;
- d) adopt measures that make it easier to reconcile work and family life, by improving the quality of public services, e.g. by providing sufficient full-day childcare places, and promoting a family-friendly working environment based on flexible working hours and employment models.

In relation to the flagship initiative 'Agenda for new skills and jobs', the CoR identifies a particular need to:

- a) develop conditions for job creation and local measures to manage industrial and economic change, for example by identifying e-skills mismatches and related business opportunities;
- b) promote strategic partnerships between local and regional authorities, educational institutions and enterprises in order to enhance regional innovation ecosystems and reconcile them with flexicurity policies;
- c) encourage local action on digital literacy, early school leaving, lifelong learning, and empowerment of the silver generation;
- d) develop stronger business-university linkages, for example by integrating 'credit bearing' work&learn placements in all university programmes, and also, when developing programmes, consider the needs and challenges faced by workers in continuing training, e.g. by providing for short stays abroad and 'internationalisation at home'.

In relation to the 'European Platform against Poverty' flagship initiative, the CoR identifies a particular need to:

- a) develop a local and regional social inclusion agenda to make local social services more effective and accessible to all;

- b) use legal competences and programmes tailored to local needs in the sectors of education, housing, urban planning, social services, and security and cultural activities, with a particular focus on young people and children;
- c) promote e-inclusion, the social economy, volunteering and Corporate Social Responsibility;
- d) assess the reforms undertaken, in particular with regard to the extent, costs and impact of societal innovations; disseminate throughout Europe and apply locally new solutions which have proven their effectiveness.

III. RECOMMENDATIONS ON MULTI-LEVEL GOVERNANCE AND FINANCING

Multi-level governance messages: regarding territorial pacts and political ownership, the CoR:

15. stresses that the objective of giving the strategy a greater regional and local dimension is to strengthen the Member States' commitment to and political ownership of the strategy, thereby making it more relevant and responsive to grassroots concerns;

16. draws attention to its firm commitment to its proposal to establish a 'Territorial Pact of Regional and Local Authorities for the Europe 2020 Strategy' with the aim of ensuring multi-level ownership of the strategy through effective partnership between the relevant bodies of the European Union, and national, regional and local public authorities. This proposal is supported by the European Parliament, European Commission and European Council ⁽³⁾;

17. notes that several of the Europe 2020 National Reform Programmes, which national governments submitted to the Commission by April 2011 within the framework of the European Semester, referred to the role played by local and regional authorities in their design. However, only some NRPs indicate that a multi-level governance approach has been adopted to implement parts of the new strategy and only one of them mentions explicitly the CoR proposal for Territorial Pacts;

18. strongly encourages Member States to help their regions and cities to establish Territorial Pacts for Europe 2020 ⁽⁴⁾, in order to set up, jointly with their central governments, national objectives, commitments and reporting structures towards the Europe 2020 objectives, while fully respecting the national legislative framework ⁽⁵⁾;

⁽³⁾ CdR 199/2010 fin, *Resolution on the Stronger Involvement of Local and Regional Authorities in the Europe 2020 Strategy*.

⁽⁴⁾ CdR 73/2011, *Declaration to the 2011 Spring European Council*.

⁽⁵⁾ CdR 199/2010 fin, *Resolution on the Stronger Involvement of Local and Regional Authorities in the Europe 2020 Strategy*.

19. stresses the added value created by the Territorial Pacts. They should focus on a few tailor-made priorities which have a special value for the region concerned and they should not become a new bureaucratic instrument, but represent natural components of the NRPs, to ensure compliance with the Multi-level Governance and Partnership principles. They could take the form of political commitments, possibly complemented by contracts established on a voluntary basis between public bodies, while focusing on governance and the implementation of the Europe 2020 strategy. Territorial Pacts could be developed especially in policy areas where regional and local authorities are key actors in relation to the design and implementation of the Europe 2020 headline targets and flagship initiatives;

20. recalls that there are several examples of multi-level governance agreements aimed at pursuing shared territorial development goals through integrated and coordinated policy-making. They vary widely, reflecting not only different goals, but also actual differences between the countries concerned and their socio-economic, cultural, institutional and environmental diversity. Possible examples include, among others, the agreements that exist in Austria (Territorial Employment Pacts), Spain (Catalonia's Territorial Pacts for the countryside), Belgium (Flanders in Action Pact 2020 and Plan Marshall 2.Green for Wallonia), the UK (the Greater Nottingham Partnership), France (Territorial Pacts for Inclusion, State-Region Planning Contracts) and Germany (BMBF Innovation Initiative 'Entrepreneurial Regions'). The CoR reiterates its commitment to promote the widest possible dissemination of experiences in order to encourage mutual learning processes⁽⁶⁾; also draws attention to joint activities aimed at strengthening and further developing neighbourly contacts between the communities and local and regional authorities of two or more neighbouring countries, on the basis of bilateral or multilateral cooperation agreements between the interested parties;

21. reiterates the message in the Declaration by the CoR Bureau to the 2011 Spring European Council: Territorial Pacts will help give the new strategy a territorial dimension and will also help to focus all policy instruments and funding channels available to the different levels of government involved;

22. points out that local and regional authorities need to implement the Europe 2020 objectives, in accordance with national and EU legislation, and thus calls on the presidencies of the EU to give explicit support to the multi-level governance principles, including the CoR's proposal for Territorial Pacts, in the European Council's conclusions;

23. notes that analysis of the National Reform Programmes (NRPs) has shown that local and regional authorities in most Member States were not sufficiently involved when Member States were drawing up their NRPs. The CoR calls on the Member States to involve local and regional authorities as

fully as possible in implementing the National Reform Programmes. A bottom-up implementation strategy, in which the competent authorities are involved as much as possible in accordance with the subsidiarity principle, would not only improve the chances of success of the NRPs but also make their implementation more widely accepted. The Committee of the Regions is willing to develop Territorial Pact concepts and regional operational programmes in cooperation with regions that are interested, so as to get the Europe 2020 strategy off the ground and implement the flagship initiatives at regional level. These typically would include the Local Digital Agenda and Local Innovation Agenda, which help regions to achieve smart specialisation and to develop their European cooperation and the basis for their prosperity;

24. stresses the importance of building regional innovation capacity on the basis of smart specialisation and complementarities in neighbouring regions. The full potential of the European macro regions concept should be used to enlarge markets and operate as an innovative test-bed to support growth. With respect to this, there is clear evidence that the Baltic Sea Region could be used as a pathfinder and a prototype for the whole of Europe.

Multi-level governance messages: regarding the critical role of implementation, the CoR:

25. acknowledges the huge gap between the latest research knowledge and real-life practice. Strong regional measures are needed to turn research results into innovation that is locally tailored and can be applied throughout Europe. Local and regional authorities must mobilise public-private partnerships and encourage grassroots participation (the so-called user-driven open innovation in open societies for value creation);

26. stresses the crucial overarching role of the flagship initiatives on Innovation Union⁽⁷⁾ and the Digital Agenda⁽⁸⁾ in creating favourable conditions to bridge the gap between existing research results and practice. Strategic and operational practices at local and regional level must be developed, even radically changed, in accordance with the newest research results;

27. presses for innovation in services so as to modernise processes and apply them on the basis of digital systems thinking;

28. recommends that the Commission act promptly to lay the foundations for the development of the Single Market, especially the Digital Single Market, and to fund a few wide-scale R&D initiatives that transfer and conceptualise global research knowledge into practical real-life applications in a multidisciplinary, creative way. These must be pioneer initiatives that employ the best experts and change agents from several fields;

⁽⁶⁾ To this end, a dedicated webpage has been activated on the CoR's Europe 2020 Monitoring Platform website.

⁽⁷⁾ CdR 373/2010 rev. 2, opinion on the *Europe 2020 Flagship Initiative Innovation Union*.

⁽⁸⁾ CdR 104/2010 fin, opinion on the *Digital Agenda for Europe*.

29. urges the Commission to launch jointly with the CoR a broader communication campaign in order to raise the awareness of Europe 2020 on the part of local and regional decision-makers and the public. For this purpose, the CoR proposes that a 'Handbook on the Europe 2020 strategy for cities and regions' be drawn up with the Commission in order to clearly explain how can they contribute to the implementation of the strategy, while showing the various sources of financing (national, local, regional and European Union);

30. confirms that it will continue to monitor implementation of Europe 2020 on the ground through its Europe 2020 Monitoring Platform. As a contribution to the success of the new strategy, within the context of the European Semester, the CoR monitoring results will be published every year, in December, ahead of the Commission's Annual Growth Survey and the Spring European Council.

Financing messages: regarding the need for synergies between the various financing sources, the CoR:

31. stresses that the true challenge for the European Union, Member States and regions is to create the requisite synergies between different public and private sector funding instruments to allow the Europe 2020 strategy to be implemented, and urges stronger coordination between national, regional and local public budgets to enable regions and cities to make better use of the Structural Funds and other European Union programmes;

32. emphasises, in particular, the need for progress in concentrating resources on the Europe 2020 objectives and targets and highlights the linkage of cohesion policy and the Europe 2020 strategy, which provides a real opportunity to continue helping the poorer regions of the European Union catch up, to facilitate coordination between European Union policies, and to develop cohesion policy into a leading enabler of growth across the European Union while addressing societal challenges such as ageing and climate change⁽⁹⁾;

33. confirms, to this end, its interest in two Commission proposals for the new Multi-Annual Financial Framework covering the period after 2013⁽¹⁰⁾ namely: Development and Investment Partnership Contracts between the Commission and each Member State reflecting the commitments of partners at national, regional and local level, and a common Strategic Framework to increase the consistency of policies for the delivery of Europe 2020 and cohesion goals, replacing the existing separate guideline packages;

34. recalls the cohesion policy measures to be used to build regional innovation systems and territorial cooperation instruments, the provision of risk capital and measures to

accelerate the introduction of innovative products and encourage networking among stakeholders in business, academia and administration⁽¹¹⁾;

35. recalls the need to create better metrics than GDP alone to tackle issues such as climate change, resource efficiency, quality of life or social inclusion, and points out that the indices to be used by local, regional, national and European Union authorities must be uniform and promote the creation and spread of societal innovation and consistency in the adoption of decisions⁽¹²⁾. These additional indicators should be taken into account in implementing and assessing cohesion policy, so that the development of each region is better reflected⁽¹³⁾;

36. calls on the European Commission to facilitate new territorial partnerships by simplifying and improving the way in which interregional cooperation programmes are managed⁽¹⁴⁾;

37. calls for increased performance capabilities of regions and cities to use the 7th Framework Programme, the Competitiveness and Innovation Programme and other similar initiatives. The focus should be in particular on making full use of digitalisation and new key enabling technologies to modernise regional innovation policy.

Financing messages: regarding open innovation and public procurement enabling resource effectiveness, the CoR:

38. recognises that innovation results from the combination of different elements and multidisciplinary approaches and calls for measures to increase the structural and relational capital of regions, both internally in communities of practice and in collaboration with others;

39. believes that enterprises need to open up new mindsets and draw widely on the collective resources available within their region and that they are therefore reliant on social capital for their success. On the other hand, the CoR encourages the regions to move towards open innovation, within a human-centred vision of partnerships between public and private sector actors, with universities and other knowledge institutions playing a crucial role, i.e. to modernise the Triple Helix concept;

40. welcomes the use of pre-commercial procurement as a bridging tool between societal innovation and technology-based solutions, and stresses that the modernisation of procurement rules must enhance the role of the public sector to obtain the best value for money⁽¹⁵⁾. Provided that the specifications and processes can be coordinated across regions, pre-commercial public procurement can also be a significant driver for the creation of the Single Market in Europe;

⁽¹¹⁾ CdR 223/2010 fin, opinion on the *Contribution of Cohesion Policy to the Europe 2020 Strategy*.

⁽¹²⁾ CdR 163/2010 fin, opinion on *Measuring Progress – GDP and Beyond*.

⁽¹³⁾ CdR 369/2010 fin, opinion on the *Fifth Cohesion Report*.

⁽¹⁴⁾ *Ibid.*

⁽¹⁵⁾ CdR 70/2011 fin, opinion on the *Modernisation of EU Public Procurement Policy*.

⁽⁹⁾ *The EU Budget Review* (COM(2010) 700).

⁽¹⁰⁾ Also put forward in *The EU Budget Review* (COM(2010) 700).

41. reiterates that pre-commercial procurement will be reinforced even more if it is combined with open innovation aimed at speeding up the development of the green knowledge society, in other words if it is used to develop common, re-usable solutions for creating the infrastructures and services that modern real-world innovation ecosystems are built upon.

Brussels, 12 October 2011.

The President
of the Committee of the Regions
Mercedes BRESSO

Opinion of the Committee of the Regions on the ‘Strategy for the effective implementation of the Charter of Fundamental Rights by the European Union’

(2012/C 9/11)

THE COMMITTEE OF THE REGIONS

- commends the strengthening of fundamental rights in the EU. Although Europe has a solid legal framework as regards human rights, there are deficiencies in the way rights are guaranteed in practice;
- supports the three main strands of the Commission’s strategy, but also notes that the strategy mainly addresses the institutions and more specifically what the Commission should and must do. The Committee advocates taking a more strategic approach to implementing the Charter, which will require the involvement of all authorities, including at local and regional level;
- is keen to help create ‘a culture of multilevel promotion and protection of rights’, which also means raising public awareness of fundamental rights and drawing the attention of officials of the European Union, the Member States and the regional and local authorities to the force of the Charter of Fundamental Rights as directly applicable law;
- thinks that the proposed strategy should be made clearer with respect to the processes for preparatory consultations on proposed legislation. These processes must be clarified so that impact assessments are accurate and useful. It is important in terms of strengthening democracy in the EU that different stakeholders, including local and regional authorities, be given the possibility to express their views.

Rapporteur	Lotta Håkansson HARJU (PES/SE), Member of Järfälla Municipal Council
Reference document	Strategy for the effective implementation of the Charter of Fundamental Rights by the European Union COM(2010) 573

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

Background

1. notes that the EU's Charter of Fundamental Rights has become legally binding now that the Lisbon Treaty has entered into force. Rights under the Charter can be asserted before the Court of Justice in Luxembourg, and national courts must take the Charter fully into account in their own rulings. The Lisbon Treaty also states that the EU is to accede to the European Convention for the Protection of Human Rights and Fundamental Freedoms;

2. notes that cases relating to rights under the European Convention are brought before the European Court of Human Rights in Strasbourg. When the EU ratifies the European Convention, it will therefore also be possible for the European Court of Human Rights in Strasbourg to give rulings on EU legislation;

3. notes that individual citizens in the Member States of the Council of Europe can bring actions for infringements of the European Convention, while EU Member States, the EU institutions or legal or natural persons can bring actions for infringements of the EU's Charter of Fundamental Rights. One prerequisite for a well-functioning legal system throughout Europe is that the EU should ratify the European Convention soon;

4. recalls that the EU Charter clearly defines all the fundamental rights that are protected by the EU, bringing them together in a single text. It increases legal certainty and clarifies the rights of individuals. The Charter is addressed to the EU institutions and the Member States to the extent that they apply or implement EU law;

5. notes that the Charter states that EU competences are not extended through the new provisions. The division of competences between the EU and the Member States is to be respected;

6. points out that the role of local self-government is recognised in the Treaty on European Union, where respect for national identities (Article 4(2)) now covers the Member States' fundamental political and constitutional structures, including local and regional self-government. Strong self-government at subnational level is a key aspect of democracy

in the EU countries. The subsidiarity principle is re-formulated in the Lisbon Treaty and extended for the first time to include local, regional and national levels of government. All the EU Member States have now also ratified the European Charter of Local Self-Government;

7. notes that the European Commission's communication (COM(2010) 573 final) sets out the Commission's strategy. One of the strategy's overarching aims is to promote a 'fundamental rights culture'. It contains three key elements:

— *the Union must be exemplary,*

— *better informing the public, and*

— *issuing an annual report on the application of the Charter;*

8. notes that the strategy focuses primarily on the actions and processes of the European Commission and the other EU institutions, and that it states that the Commission will check that all EU legislation is compatible with the Charter at each stage of the legislative process, including implementation at national, regional and local level;

THE COMMITTEE OF THE REGIONS

General comments

9. commends the strengthening of fundamental rights in the EU. Although Europe has a solid legal framework as regards human rights, there are deficiencies in the way rights are guaranteed in practice;

10. therefore welcomes the European Commission's strategy for the practical implementation and application of the Charter of Fundamental Rights by the EU. It shares the Commission's view about the importance of efforts to improve the application of rights guaranteed by the EU;

11. supports the three main strands of the Commission's strategy, but also notes that the strategy mainly addresses the institutions and more specifically what the Commission should and must do. The Committee advocates taking a more strategic approach to implementing the Charter, which will require the involvement of all authorities, including at local and regional level;

12. stresses the importance of critically appraising the sustainability of the division of competences regarding fundamental rights set out in the EU Treaties and in the Charter over the next few years, since the content of the Charter is to be implemented both through political action and judicial rulings. The Charter of Fundamental Rights does not extend the EU's competences, and account must be taken of the role played by local and regional authorities in countries' political systems;

13. points to the diversity of local and regional democracy in the various Member States. National constitutional traditions and local self-government must be respected when implementing fundamental rights. The strategy should be based on partnership between individuals and government, and between the different levels of society. More attention must be paid to the local and regional levels, and they must be given a role in implementing the Charter;

14. notes that it is at local and regional level that many of these fundamental rights are provided for and guaranteed, for instance in relation to healthcare (Article 35 of the Charter), education (Article 14), property rights (Article 17), social security and social assistance (Article 34), consumer protection (Article 38), and democratic participation (Articles 39 and 40);

15. notes that the role of local and regional government in implementing these human rights has also been underlined by the Congress of Local and Regional Authorities of the Council of Europe (CLRAE) (e.g. in the report on *The role of local and regional authorities in the implementation of human rights*, Lars O. Molin, 2010) and by the EU's Agency for Fundamental Rights (e.g. in the discussions held on 26 November 2010 with the CoR's CIVEX commission about multilevel protection and promotion of fundamental rights);

16. believes that in order to increase the impact of the strategy and ensure that fundamental rights can be fully applied it is vital to raise the profile of the local and regional levels of government much more strongly within the strategy and to highlight their strategic role in it; encourages local and regional authorities of member states to elaborate and implement, via open consultation with citizens and local stakeholders, their own charters of fundamental rights which match the EU Charter;

17. points out that joint efforts and joint responsibility are required at all levels. Efforts to achieve efficient and effective cooperation between all levels must therefore be a key element of the strategy. Regular dialogue on the application of fundamental rights is needed between all policy-making levels in the EU, as Thomas Hammarberg, the Council of Europe's Commissioner for Human Rights, has also stressed (*Recommendation on systematic work for implementing human rights at the national level – CommDH(2009)3*);

18. refers to the annual dialogue on multilevel protection and promotion of fundamental rights organised by the Committee of the Regions' CIVEX Commission and the EU's Agency for Fundamental Rights (FRA) in Vienna as a good example of such multilevel cooperation. There is a need for

regular dialogue in order to get all levels involved in protecting and promoting fundamental rights and to keep local and regional authorities throughout the European Union informed about fundamental rights;

19. notes that the FRA is also running a project on 'Joined-up governance: connecting fundamental rights' to develop cooperation between the various policy-making levels in the EU, with the aim of coordinating them to ensure that fundamental rights endure;

20. is keen to help create 'a culture of multilevel promotion and protection of rights', which also means raising public awareness of fundamental rights and drawing the attention of officials of the European Union, the Member States and the regional and local authorities to the force of the Charter of Fundamental Rights as directly applicable law; calls on the European Commission to promote appropriate instruments (e.g. e-learning) to create a uniform basis for application of the law;

21. notes that all the EU Member States have ratified the European Convention for the Protection of Human Rights and Fundamental Freedoms and are therefore supposed to uphold, including at sub-national levels of government, the principle of respect for fundamental human rights and freedoms set out in that text. All the Member States have also ratified the European Social Charter of the Council of Europe (and most have ratified the updated Social Charter, which guarantees additional rights). The rights covered by that act apply to all individuals living in the territory of the EU, which also means citizens of third countries living in an EU Member State. Much of its content can also be found in the EU's Charter of Fundamental Rights;

22. argues that the fundamental rights protected by the European Convention for the Protection of Human Rights and Fundamental Freedoms must be recognised for all individuals residing in any EU country, regardless of citizenship. This represents a basic standard of dignity and freedom accorded to individuals, whether or not they are EU citizens. Most of the articles in the EU's Charter of Fundamental Rights do apply to everyone, including third-country nationals;

23. stresses that an important objective of fundamental rights is to protect the weak, e.g. refugees seeking to enter Europe, and that applying fundamental rights therefore requires commitment and sometimes sacrifices from society;

THE COMMITTEE OF THE REGIONS

The Union must be exemplary

24. thinks that the proposed strategy should be made clearer with respect to the processes for preparatory consultations on proposed legislation. These processes must be clarified so that impact assessments are accurate and useful. It is important in terms of strengthening democracy in the EU that different stakeholders, including local and regional authorities, be given the possibility to express their views;

25. argues that the various authorities must be given sufficient time and opportunities to submit their viewpoints during the preparatory consultations. These authorities may include, for instance, national parliaments, various ombudsmen, or other bodies with responsibility for human rights. Local and regional authorities, as well as civil society organisations, must likewise be involved and be given the opportunity to make their positions known;

26. considers it useful to establish clearly how legislation is affected by rights under the Charter. Assessments of the implications should be thorough, not merely formulaic. It is also positive that the Commission stresses the importance of explaining the reasoning behind acts in order to facilitate application. The checklist provided in the strategy could be useful as a basis for further work;

27. agrees that the EU, and all levels of government within the EU, must set a good example and work actively to guarantee fundamental rights, not just for the sake of the rights themselves, but also so that it can take strong action and set a good example to countries that violate human rights;

THE COMMITTEE OF THE REGIONS

Better informing the public

28. welcomes the European Commission's comments on the importance of the public having ready access to sound information. But the information effort must be evaluated to establish to what extent information actually reaches the public. Only then can its actual effectiveness and accessibility be assessed;

29. would draw particular attention to the potential role of local and regional authorities in providing information. Local and regional authorities are important stakeholders and platforms for reaching out to the public and making people aware of their rights. Good, clear information on where the Charter is applicable and where it is not can avoid misunderstandings as to when individuals may invoke it;

30. feels that EU information should not be a one-way communication process. Local and regional authorities can pass on people's experiences with implementation of the Charter. Dialogue should be about making fundamental rights into real and effective instruments for all members of society. Local and regional levels of government can play a key role here, and this should be pointed out in the strategy;

31. thinks that initiatives taken by local and regional authorities and civil society to combat exclusion form an

important part of these efforts, and therefore welcomes the fact that the Commission intends to take account of information from civil society in the annual report. This will require regular dialogue to get all political levels involved in protecting and promoting fundamental rights, and awareness-raising among local and regional authorities within the EU about issues relating to fundamental rights;

THE COMMITTEE OF THE REGIONS

Annual report

32. believes that the annual reports, the first of which has been published recently, should and will play a key role in follow-up and assessment of the strategy for the implementation of the EU Charter of Fundamental Rights; is disappointed, however, that the present report does not refer to the important role of local and regional authorities in strengthening fundamental rights in the EU, or to the idea of a multi-level system of fundamental rights protection; therefore urges the European Commission to involve local and regional levels of government much more closely in this work in the future;

33. believes that it is necessary to clarify how much of the annual report should relate to the work of the EU institutions, how different legislative proposals are assessed and to what extent the report should discuss the situation with fundamental rights generally in the EU;

34. considers one of the main purposes of the annual report to be to serve as a means of evaluating specific outcomes of the Member States' efforts on human rights. Local and regional authorities' own evaluation of how fundamental rights are safeguarded can also be a source of information. The United Kingdom, for example, has developed a tool to measure equality and human rights (the Equality Measurement Framework), and in Sweden work is being carried out on human rights indicators at local and regional level. The FRA is also developing indicators, as is the Congress of Local and Regional Authorities of the Council of Europe;

35. considers that the fundamental rights of citizens should be given greater weight when drawing up evaluation reports, e.g. gathering data and defining criteria;

36. notes that the annual report is also intended to form the basis for an annual dialogue on fundamental rights. In view of local and regional authorities' key role in implementing fundamental rights, the Committee of the Regions should be invited to participate in this dialogue.

Brussels, 12 October 2011.

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

Opinion of the Committee of the Regions on 'The European eGovernment Action Plan 2011-2015'

(2012/C 9/12)

THE COMMITTEE OF THE REGIONS

- welcomes the drafting of the European eGovernment Action Plan 2011-2015. The plan's priorities – crossborder services, user empowerment, re-use of public sector information (PSI), eParticipation, an online single market, green government and interoperability – are all domains in which regions and local authorities are simultaneously actors, providers and beneficiaries;
- welcomes the efforts of European administrations to empower citizens and businesses through eGovernment services, as well as increased access to public information and improved transparency. The Committee endorses endeavours to raise public participation in the political process, improve mobility within the single market and cut red-tape for the public;
- emphasises that the European eGovernment Action Plan can significantly help bridge the digital divide and achieve the objectives of the Europe 2020 strategy, while at the same time helping to fulfil a number of the key social, cultural and economic needs of the European public;
- emphasises that, while open source software has achieved growing acceptance in the marketplace, open standards and open interfaces are also key enablers of the transfer and use of information and interoperability across organisations, systems, and devices.

Rapporteur	Ján ORAVEC (SK/EPP), Mayor of Štúrovo
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 The European eGovernment Action Plan 2011-2015 (Harnessing ICT to promote smart, sustainable & innovative Government)
	COM(2010) 743 final

I. POLICY RECOMMENDATIONS

The information society (IS) has been a tremendous accelerator of economic and social progress. Recognising this, all countries and regions worldwide include the enhancement of the IS in their development plans and, through public intervention, try to speed up the establishment of Information and Communication Technologies (ICT) infrastructure, support the creation of content, accelerate the services offered and support citizens in increasing their degree of utilisation. Europe is among the global pioneers in this respect and its agenda should be reinforced by the participation of LRAs.

The European eGovernment Action Plan 2011-2015 must be seen as the practical embodiment of the aims of the Digital Agenda for Europe. The barriers to a more dynamic increase in the potential of ITCs, which have led to these initiatives, are more than evident in Europe. It is particularly important to set about improving access to innovative technologies in local and regional authorities, which are closest to the citizens and provide services at grassroots level. The lessons have to be learnt from past projects that have failed to deliver the anticipated results.

The Committee of the Regions supports

1. proposals in the eGovernment Action Plan that are very relevant to local and regional authorities, which should consider ICT as an essential component in taking the plan forward. The priorities of the new strategy at local and regional level can support the quality of life and social and economic activity of citizens, along with stimulating more efficient and personalised public services, as well as local businesses. There are a number of means by which regions and cities can support the full exploitation of this potential;

2. one of the main aims of the Action Plan, which is the promotion of e-Inclusion – i.e., an inclusive, regionally and socially equitable information society which uses ICT to increase competitiveness and improve public services;

3. the involvement of local and regional authorities in a broad collaboration to improve the interoperability of government systems and make the provision of public services more effective ⁽¹⁾.

⁽¹⁾ CdR 10/2009 fin.

The Committee of the Regions welcomes

4. the drafting of the European eGovernment Action Plan 2011-2015. The plan's priorities – crossborder services, user empowerment, re-use of public sector information (PSI), eParticipation, an online single market, green government and interoperability – are all domains in which regions and local authorities are simultaneously actors, providers and beneficiaries;

5. the efforts of European administrations to empower citizens and businesses through eGovernment services, as well as increased access to public information and improved transparency. The Committee endorses endeavours to raise public participation in the political process, improve mobility within the single market and cut red-tape for the public;

6. the one-stop-shop approach, which has been taken up in several Member States. The creation of such public authority service centres throughout the EU would be of fundamental importance for both the public and businesses in its Member States. First of all, however, the appropriate conditions must be created for eGovernment and at the same time there must be a comprehensive evaluation of the implementation of the EU services directive;

7. worthwhile work on promoting and monitoring public health, especially in areas that are remote or difficult to access. The elaboration and implementation of national programmes to digitise healthcare in the Member States would greatly facilitate the delivery of health services at local, regional or cross-border level.

The Committee of the Regions emphasises

8. that local and regional authorities play an important role in this process. Therefore:

— The European Commission and Member States should take the measures necessary to ensure that local and regional authorities are fully and effectively involved in the governance of ICT-related initiatives ⁽²⁾.

⁽²⁾ CdR 283/2008 fin.

— Europe's potential for developing ICT services in the public and private sectors should be fully exploited, and thus ICT should be used as a means of improving local and regional authorities' services in fields such as healthcare, education, public procurement, security and social services. EU-backed public-private partnerships involving local and regional authorities and ICT-development SMEs in the area of public ICT services can serve as an excellent cornerstone for building up local skills and knowledge across the EU ⁽³⁾.

— When further developing the infrastructures and services under the eGovernment Action Plan it will be crucial to ensure that all security requirements mainly in terms of confidentiality, availability and integrity at every level are met to ensure optimum levels of privacy and protection of personal data, prevent any illegal tracking of any kind of personal information and profiling ⁽⁴⁾, including shopping preferences, medical status, health records, and so on, and make sure that no known method can be used to attack the information processing and storage system.

— Developing crossborder public authority services means that the IT projects involved must cover aspects of interoperability and identification of citizens (Stork), eSignatures, electronic service of documents and other building blocks of eGovernment so that these are dealt with in a European context: this is also a fundamental requisite for increasing the individual mobility of citizens in the EU. Interoperability is a fundamental part of crossborder public authority services that requires an international approach, beyond the scope of local authorities.

— Regional and local authorities should be systematically consulted in the conception, implementation and governance of the measures designed to put eGovernment across Europe into effect. Regions and local authorities should be recognised along with the Member States as main promoters of the closer cooperation between users and producers of ICT innovations in different reaches of governments and administrations ⁽⁵⁾.

9. that adopting rationalisation and modernisation measures and cutting back red tape as a priority course of action for reducing costs, as well as rationalising and simplifying administrative procedures and services, would boost economic activity, reduce bureaucratic procedures and formalities and also facilitate relations between individuals and the administration and help bring down the administrative costs of doing business, improve the competitiveness of enterprises and stimulate their development;

10. that the underlying principles of the Action Plan – openness, flexibility and collaboration in relations between European public administration and the public – are of the utmost importance for successful implementation;

11. that the idea of transparency is especially important here, since it 'will enable citizens to have electronic access to those personal data that are held on them when available electronically' ⁽⁶⁾. In fact, this data is already accessible to them. Nevertheless, the Committee of the Regions has reservations about the Commission's proposal to inform citizens electronically as a matter of course from 2014 whenever their data are being processed by automatic means. Citizens should be informed only when it useful to them and this is proportionate to the costs incurred;

12. that the closer involvement of local and regional authorities would make it possible to harness the full potential of re-using public sector information, as local and regional authorities could play a significant role in supporting such use to increase competitiveness and create new jobs ⁽⁷⁾;

13. that the European eGovernment Action Plan can significantly help bridge the digital divide and achieve the objectives of the Europe 2020 strategy, while at the same time helping to fulfil a number of the key social, cultural and economic needs of the European public ⁽⁸⁾;

14. that the introduction across Europe of the principle that people's details and the details of objects be registered once only, without the need for repeated form-filling, will do a great deal to remove unnecessary red-tape for the public and generally to cut public administration costs. Attention must thereby be paid to due compliance with data protection legislation;

15. that a fundamental requirement for better use of ICTs is the removal of the inequalities that still remain in various parts of the European Union, especially the outermost regions, in people's access and level of equipment. This is particularly the case in local and regional authorities, where not only are there marked differences between different regions within the country, but also between local authorities depending on their size. Small towns and villages tend to lag far behind when it comes to mustering the technical, organisational and staffing capacity needed to extend the use of ICTs. This is why a start has to be made on offering unified platforms for providing local and municipal council services in the form of software as a service (SaaS). This will involve tapping into current IT developments such as virtualisation and cloud computing, which will cut the cost and time it takes to carry out projects. These developments should be based essentially on existing platforms and on the use of open source software;

16. that the document should stress in particular the need to bridge the gap between regions, or at least stop it from widening. We are particularly conscious of the risk of eGovernment projects only being adopted and implemented in certain regions;

⁽³⁾ CdR 156/2009 fin.

⁽⁴⁾ CdR 104/2010 fin.

⁽⁵⁾ COM(2009) 116 final.

⁽⁶⁾ COM(2010) 743 final.

⁽⁷⁾ CdR 247/2009 fin.

⁽⁸⁾ CdR 14/2010 fin.

17. that seamless crossborder services that enable businesses to provide services and products all across the EU (SPOCS - Simple Procedures Online for Crossborder Services) through easy electronic public procurement (PEPPOL - Pan-European Public Procurement Online) will be a great stimulus for the further development of business in the EU;

18. that, while open source software has achieved growing acceptance in the marketplace, open standards and open interfaces are also key enablers of the transfer and use of information and interoperability across organisations, systems, and devices;

19. that local and regional authorities have a key role in expanding access to broadband in areas where the market fails⁽⁹⁾;

20. supports the resolution of the European Parliament of 6 July 2011 on 'European Broadband: investing in digitally driven growth'⁽¹⁰⁾ and in particular the view that a universal service obligation would contribute significantly to the development of broadband communication in rural areas;

21. that access to high-quality broadband services at reasonable prices can increase the availability and quality of services provided by local and regional authorities and – in the case of microenterprises and SMEs – facilitate product marketing. Remote regions and communities, especially the outermost ones, are expected to benefit considerably from more widespread and faster access to broadband services⁽¹¹⁾;

22. that access to broadband could thus offset the difficulties arising from the remoteness of rural areas, through better communication between the administration and users – both private and commercial⁽¹²⁾;

23. that the eGovernment services to be developed should encompass areas such as: user-administration relations; the contribution of administrations to fostering public debate (dissemination of essential public information, public forums, online consultations and – more broadly – new public consultation mechanisms); dealings between companies and the administration (such as social data notifications, recruitment notifications, transfers of tax and accounting data); the application of e-commerce techniques to the public procurement sphere (e-procurement); and the new work and organisation methods within administrations (job transformation, cooperative working, teleworking);

24. that measures aimed at giving every European access to basic broadband by 2013 and fast and ultra fast broadband by 2020, in accordance with the EU's commitments in the Digital Agenda for Europe, should be swiftly put into place;

25. that, when it comes to using the potential of eGovernment to reduce the carbon footprint, regions and cities could play the leadership role in identifying local ICT opportunities for action, sharing technological best practice, identifying project partners, allocating funding to invest in ICT tools, measuring progress and communicating success.

The Committee of the Regions points out

26. the particular importance of the service sector in drawing the benefits from ICT, since industries such as the wholesale and retail trade and financial and business services are among the most important investors in ICT⁽¹³⁾;

27. that the continuing digital divide is worsening social exclusion and economic divergence. The creation of equal opportunities in the digital domain is therefore essential for both social and economic reasons. In this light, eInclusion is of critical importance for achieving the objectives of the eGovernment Action Plan 2011-2015 and hence the objectives of the Europe 2020 strategy⁽¹⁴⁾ in the field of social and economic development;

28. that providing privacy protection depends on certain factors, including the structuring of public sector bodies (the majority of which are at local level), the convergence of EU legislation, the fostering of an innovative culture among public authority officials, including through the use of a common code of ethics, and among citizens, through defining and raising awareness of their digital consumer rights, and the management of ICT-based applications⁽¹⁵⁾;

29. the necessity to ensure that security requirements are met at all levels while internet infrastructure is being put in place and related services developed. This will guarantee maximum protection of privacy and personal data and prevent any unauthorised monitoring of personal data and profiling, including information on buying habits, medical conditions, medical records, and so on⁽¹⁶⁾;

30. that local and regional authorities have a key role to play in fighting cyber crime and protecting data security. They should be involved in the collection of data on cyber crime statistics and in the training of personnel;

31. that, regarding the principle of a competitive PSI market, it is essential to ensure that private service providers face the same conditions as public institutions, to enable access to public data by private users, and to clearly point out the conditions under which these data can be used for commercial purposes⁽¹⁷⁾;

⁽⁹⁾ CdR 5/2008 fin.

⁽¹⁰⁾ <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2011-0322+0+DOC+XML+V0//EN>

⁽¹¹⁾ CdR 252/2005 fin.

⁽¹²⁾ CdR 14/2010 fin.

⁽¹³⁾ The Economic Impact of ICT Measurement, Evidence and Implications - OECD Publishing (2004).

⁽¹⁴⁾ COM(2010) 2020.

⁽¹⁵⁾ CdR 247/2009 fin.

⁽¹⁶⁾ CdR 247/2009 fin.

⁽¹⁷⁾ CdR 247/2009.

32. that, in the governance of the processes underlying the eGovernment Action Plan and the related public policies, coordinated action by the European Union, the Member States and local and regional authorities, fully respecting the subsidiarity principle, is of extreme importance, as the CoR pointed out in its White paper on multi-level governance ⁽¹⁸⁾.

The Committee of the Regions notes

33. that the social partners, LRAs and governments need to work together to ensure that a virtuous circle of human resource upgrading, organisational change, ICT and productivity is set in motion and that ICTs are developed and used effectively. Policies aimed at enhancing basic literacy in ICT, building high-level ICT skills, fostering lifelong learning in ICT, and enhancing the managerial and networking skills needed for the effective use of ICT are particularly relevant ⁽¹⁹⁾ and are among the core competencies of local and regional authorities;

34. that, in this communication, the European Commission announces an impressive number of actions to be taken under the eGovernment Action Plan;

35. that, as they stand, the measures and actions foreseen in the communication do not appear to raise any issues regarding their compliance with the proportionality principle in that they do not go further than what is necessary to achieve the intended objectives. Any additional burden on Member States as a result of these measures should be kept to a minimum and be checked for cost-effectiveness;

36. that the proposed forms of action (soft policy measures) are as simple as possible in order to achieve the intended objectives and leave as much room for national (including regional) decision as possible;

37. that the particular measures to be implemented will have to be closely monitored and evaluated, in order to ensure that these do not exceed what is necessary to achieve the objectives set and that Member States retain maximum scope for decision-taking and that businesses are not burdened unnecessarily. A system for monitoring procedures must be introduced to this end;

38. that breaches of security are a threat to utility services (local water, energy, green power companies, and so on);

39. that managing climate change is one of the most important political challenges facing local and regional authorities in the years ahead and that to achieve the ambitious 2020 targets it is necessary to ensure that ICT-enabled solutions are readily available and also that they are fully deployed;

40. that regions, like local authorities, are key players in the field of ICT for sustainable growth since they have responsibilities in numerous activities concerning planning, granting permits, investment, procurement, production and consumption. Transport, housing and public buildings, and public lighting infrastructure, which are planned and provided by local and regional authorities, are areas where significant CO₂ reductions and energy savings can be achieved. Furthermore, the vast potential of ICTs to improve energy efficiency boosts the European Union's competitiveness and increases business opportunities at local and regional level.

The Committee of the Regions recommends

41. that the European Commission and the Member State governments actively foster the involvement of LRAs in the use of ICT innovations in the public sector, namely by promoting best European practices and providing advice and methodological recommendations ⁽²⁰⁾;

42. that extensive training be provided for all staff, particularly specialist technicians (e.g. networks, systems, security, privacy, etc.), staff working directly with security procedures involving different methodologies and staff generally or indirectly involved in innovation and modernisation drives (e.g. teaching digital literacy to consumers) on trust and security related issues ⁽²¹⁾;

43. that an Information Impact Assessment be developed by the European Commission and be included in the code of conduct of intergovernmental relationships to assess the impact of new policies and new legislation on municipalities and regions, requiring change in information management and adaptation of new technologies. The impact assessment on information systems aims at:

- determination at an early enough stage whether the law is enforceable in practice;
- investigation of how the building blocks of eGovernment can contribute to a smooth implementation process;
- determination of the extent of adequate implementation support that is needed, given the present levels of development and the adaptation capacity of municipalities.

44. that a greater focus be placed on raising awareness at regional and local level, given the lack of knowledge and/or mechanisms to identify the information available for re-use and in order to help public bodies to be more transparent and promote the re-use of PSI ⁽²²⁾;

⁽¹⁸⁾ CdR 89/2009 fin.

⁽¹⁹⁾ The Economic Impact of ICT Measurement, Evidence and Implications - OECD Publishing (2004).

⁽²⁰⁾ CdR 156/2009 fin.

⁽²¹⁾ CdR 104/2010 fin.

⁽²²⁾ CdR 247/2009.

45. that local and regional authorities in Europe make extensive use of ICT opportunities to meet the challenges of an ageing population and thus improve the quality of life of older people, keep them integrated with local communities and promote local and regional competitiveness through the provision of personalised services ⁽²³⁾.

Brussels, 12 October 2011.

The President
of the Committee of the Regions
Mercedes BRESSO

⁽²³⁾ CdR 84/2007 fin.

Opinion of the Committee of the Regions on 'European and international mobility for local and regional authority staff'

(2012/C 9/13)

THE COMMITTEE OF THE REGIONS

- observes that, given local and regional authority staff's close day-to-day contact with both the public and elected representatives, their role in putting across the European message could be boosted by making mobility part of their continuous training via temporary secondments to other local authorities;
- notes that European and international mobility for local and regional authority staff can help countries across the European Union develop modern and efficient administrations, with the structures, human resources and management skills needed to implement the EU *acquis*;
- points out that mobility will help reduce linguistic barriers in Europe by encouraging civil servants and other staff to learn additional languages;
- draws attention to the latest ruling by the Court of Justice of the EU, which stipulates that those employed by a public authority of a Member State and transferred to another public authority, should not suffer 'a substantial reduction in salary by reason only of the transfer'.

Rapporteur Ms Mireille LACOMBE (FR/PES), Member of the General Council of Puy-de-Dôme

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS,

1. General comments

Why the Committee of the Regions has decided to issue an own-initiative opinion on this topic

1. points out that the Treaty of Lisbon strengthens the territorial dimension of European integration and provides a legal basis for implementing multi-level governance, in relation to which the Committee of the Regions' White Paper on Multi-Level Governance proposes a number of actions ⁽¹⁾;

2. notes that, if the Europe 2020 Strategy is to become fully operational, local and regional authorities must be involved in its design and implementation, including the flagship initiatives 'An Agenda for new skills and jobs' ⁽²⁾ and 'Youth on the Move' ⁽³⁾;

3. considers that strengthening the role of local and regional authorities in EU enlargement, the neighbourhood policy and external relations, including development aid, through decentralised cooperation (as stipulated in the Committee of the Regions' opinion on Local authorities: actors for development ⁽⁴⁾) will require introducing appropriate changes in human resources, to enable staff to grasp and anticipate European policies;

4. observes that, given local and regional authority staff's close day-to-day contact with both the public and elected representatives, their role in putting across the European message could be boosted by making mobility part of their continuous training via temporary secondments to other local authorities;

5. notes that the public sector represents around 20,3 % of the labour market within the European Union ⁽⁵⁾. Mobility of local and regional authority staff to promote the sharing of experience and professional skills is a dimension of the free movement of workers within the EU, as provided for in Article 45 of the TFEU, and is an essential element of EU citizenship;

6. draws attention to the CoR's commitment to mobility, be it educational or professional, since – aside from its important contribution to personal and professional development – mobility helps strengthen European identity, thereby enhancing economic, social and territorial cohesion within the European Union ⁽⁶⁾;

7. points out that, in line with the principle of subsidiarity, in most Member States, local and regional authorities have direct responsibility for the provision and delivery of public services and making sure the administration operates with maximum efficiency. A wealth of knowledge and experience exists at local and regional level and this is the level where the exchange of best practice will help to identify the majority of innovative and creative approaches;

8. notes the dearth of information on European and international mobility opportunities for local and regional authority staff, which is an obstacle to exchanges between local and regional authorities;

What positive effects might stem from European and international mobility for local and regional authority staff?

9. notes that European and international mobility for local and regional authority staff can help countries across the European Union develop modern and efficient administrations, with the structures, human resources and management skills needed to implement the EU *acquis*;

10. contends that cross-border mobility contributes to cohesion. Staff engaged in mobility programmes are working directly or indirectly to improve society for all at a local, regional and national level. Research shows that there is a direct and positive correlation between social capital and levels of growth in European regions ⁽⁷⁾;

11. stresses that alongside democratic governance encouraging public participation, cooperation between local and regional authorities is a powerful factor for local development by virtue of the variety of its areas of activity and of the public and private actors on which it can call. It can also stimulate the organisation of production and commercial and economic activity which benefits local people and the environment;

12. points out that mobility will help reduce linguistic barriers in Europe by encouraging civil servants and other staff to learn additional languages;

13. stresses the role of local and regional authorities in promoting cross-border mobility and the contribution this mobility makes both in terms of strengthening European integration and familiarising applicant countries with the Community *acquis*. Since local and regional authorities possess a great deal of administrative knowledge and experience, this is the level where the best solutions are usually found and where important partnerships are entered into;

⁽¹⁾ CdR 89/2009 fin.

⁽²⁾ COM(2010) 682 final.

⁽³⁾ COM(2010) 477 final.

⁽⁴⁾ CdR 312/2008 fin.

⁽⁵⁾ SEC(2010) 1609 final.

⁽⁶⁾ CdR 292/2010 fin.

⁽⁷⁾ Beugelsdijk and van Schaik, *Social Capital and Regional Economic Growth*, 2003.

2. Measures to consider

14. urges the Commission to support the development of European and international mobility for local and regional authority staff so as to improve cooperation between cities and regions, by creating a database in the form of an Internet portal bringing together best practice, projects, opportunities for mobility and information on the legal and economic conditions for mobility. The European Commission could make use of information that already exists at national, regional and local level and make it available to local and regional authority staff;

15. stresses that the growing role played by local and regional authorities in development aid and international cooperation programmes with developing countries should be further acknowledged ⁽⁸⁾;

16. calls for more account to be taken of the role played by local and regional authorities in cooperation, given their close involvement in this sphere. In compliance with the principle of subsidiarity, they would seem best placed to help facilitate access to mobility. Indeed, local and regional authorities should be involved in developing cooperation programmes, designed with the local and regional authority staff responsible for managing local and European public policies;

17. proposes that EU officials also be given the possibility to be seconded to local and regional authorities;

18. points out that the civil servants and other staff working for European Groupings of Territorial Cooperation (EGTCs) should also fall within the scope of this opinion. Cross-border areas are particularly appropriate for testing European and international mobility for European civil servants and can serve as Europe's laboratories in this context. Accordingly, the EU should support the development of information services for cross-border workers, as a key factor in mobility;

19. calls on Member States which have not yet done so to introduce, after consultation with the social partners, legal provisions providing for European and international mobility for their own permanent and temporary local and regional authority staff, also enabling them to receive staff from local and regional authorities in other Member States. Putting legal provisions of this kind in place is useful so that the rights and obligations of seconded staff are properly defined. Framework provisions are also essential in defining the criteria for mobility, including the professional and language skills required, the

duration of the secondment, the consonance between the sending and receiving authority and the added value the secondment will bring to the authorities concerned;

20. draws attention to the latest ruling by the Court of Justice of the EU ⁽⁹⁾, which stipulates that those employed by a public authority of a Member State and transferred to another public authority, should not suffer 'a substantial reduction in salary by reason only of the transfer';

21. underlines that, given the high number of female employees in the public sector, all measures should take into account the importance of strengthening equal opportunities for women and men, not least through access to adequate care for adult dependent persons and children, so as to enable more women to participate in mobility programmes;

22. stresses that it would be useful for the European Commission to work with the European associations concerned to draw up a picture of the mobility of local and regional authority staff over the past five years, including an assessment of the added value for the authority and the new skills staff acquired in terms of managing complex projects;

23. proposes that the European Commission, in cooperation with the Committee of the Regions, organise 'mobility meetings' bringing the European institutions and local and regional authorities together so that local and regional authority staff engaged in mobility schemes can share experiences with staff wishing to work abroad. A mobility prize ('Mobilis') could be established and awarded to authorities wishing to be involved in mobility;

24. proposes that the European Commission conduct a feasibility study with a view to setting up a European exchange programme for civil servants and other staff working for local and regional authorities;

25. calls for financial support for local and regional authority staff mobility (currently funded through programmes such as Interreg IVC, Urbact and Cards) to be maintained in the EU's new financial perspectives;

26. proposes that the European Commission conduct an information campaign on the added value of mobility for local and regional authority staff so as to encourage exchanges of good practice between local and regional authorities, not only within the EU but also in the applicant states and non-EU countries.

Brussels, 12 October 2011.

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

⁽⁸⁾ CdR 408/2010 fin.

⁽⁹⁾ Scattolon Case C-108/10.

Opinion of the Committee of the Regions on ‘Developing the European dimension of sport’

(2012/C 9/14)

THE COMMITTEE OF THE REGIONS

- stresses that local and regional authorities have always acknowledged and harnessed the educational potential of sport, incorporating it into education policies and measures to improve quality of life, including in terms of public health;
- welcomes, in particular, the steps taken by the European Commission to support the fight against fraud and corruption in the field of sport;
- emphasises the ethical values of sport and in particular the need to teach young people the value of losing and fair play, starting with trainers and technicians, who must teach by example, in order to put a stop to improper and counter-educational incidents;
- stresses the societal value of sports initiatives such as the Special Olympics and the Paralympics, which further the social inclusion of people with disabilities, contributing in varying degrees to their personal independence;
- advocates supporting innovative initiatives, in the framework of lifelong learning, to encourage physical exercise in schools, especially between the ages of four and fourteen;
- calls for the opportunities under the European Regional Development Fund to be fully exploited in support of sports infrastructure and activities and for opportunities under the European Social Fund to be used to improve the skills and employability of workers in the sports sectors.

Rapporteur	Roberto PELLA (IT/EPP), Member of the Council of Valdengo, Member of the Council of the City of Biella
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 Developing the European Dimension in Sport COM(2011) 12 final

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

General context

1. expresses its general appreciation of the Commission's Communication on Developing the European Dimension in Sport ⁽¹⁾, which follows on from the White Paper on Sport ⁽²⁾ and which cites Article 165 of the Treaty on the Functioning of the European Union (TFEU) as the legal basis for EU action. The Communication addresses 15 priorities, grouped together in four main sections, namely the societal role of sport; the economic dimension of sport; the organisation of sport; and cooperation with third countries and international organisations with regard to sport;

2. welcomes the European Commission's confirmation of the principles set out in the White Paper on Sport to the effect that in order to implement a winning strategy, measures in the sport sector must be coordinated with those in related sectors: health, education, training, youth, regional development and cohesion, social inclusion, employment, citizenship, justice, internal affairs, research, the internal market and competition;

3. stresses that Article 165 TFEU also refers to measures to promote sport, on which basis the European Commission could have considered putting forward new arrangements for expenditure under the ongoing Financial Perspectives, such as a two-year EU sports programme;

4. reiterates the European Commission's point that Article 165 TFEU recognises the specific nature of sport, acknowledged also in the case-law of the Court of Justice of the European Union and calls for the elaboration and application of EU rules to take account of the specific nature of sport;

5. underlines with satisfaction that Article 6 and 165 of the Treaty on the Functioning of the European Union (TFEU) confer a supporting, coordinating and complementary role upon the EU in the area of sport which gives fresh impetus to developing the European dimension of sport, Whilst respecting the principle of subsidiarity and the autonomy of sport's governing structures, the European actions lend European

added value to the sports initiatives of Member States and local and regional authorities, as a catalyst for increasing the impact of action in the area of sports;

6. stresses that sport and the national, European and international organisations that manage and regulate it (the International Olympic Committee, national Olympic committees, and sports associations and organisations for the disabled and grassroots sport) can make an effective contribution to achieving the EU's long-term strategic goals, in particular the Europe 2020 targets, and to opening up new job prospects, especially for young people;

7. underlines the role of sport in forging a European identity, as well as in fighting racism and xenophobia;

8. welcomes the recognition of the complexity and the importance that the Commission and the Council of the European Union (the Council) give to the proposals for joint action in the field of sport, and to informal cooperation between the Member States, in order to ensure the continued exchange of good practice and dissemination of information on the results achieved;

9. welcomes the European Commission's and the Council's ⁽³⁾ intention to provide support for informal sport-related expert groups that the Member States wish to create and which will report to Council Working Party on Sport; calls for such groups to include the CoR;

10. values the fact that the European Commission's DG MARKET has commissioned an independent study on the funding of grassroots sport in Europe to assess the different financing systems (such as state, regional and local funding, household contributions, contributions from voluntary activities, sponsorship, media revenue and revenue from the organisation of online and other gambling services) and analyse a wide range of internal market policies with a direct impact on these financing systems; calls for the Commission to directly involve the Committee of the Regions and local and regional authorities in the current and future study projects in their capacity as the promoting authorities or the authorities closest to the interested parties;

⁽¹⁾ COM(2011) 12.
⁽²⁾ COM(2007) 391.

⁽³⁾ Resolution of the Council and of the Representatives of the Governments of the Member States, meeting within the Council, on a European Union Work Plan for Sport for 2011-2014.

The role of local and regional authorities

11. believes that local and regional authorities play a fundamental role in developing the European dimension of sport since, within the limits of their institutional remit, they help ensure the provision of sport services to the public which, from an administrative perspective, are important instruments for furthering social inclusion and fighting discrimination;

12. also emphasises that local and regional authorities, play a fundamental role in providing funding for sports activities and the facilities they require. Also, local and regional authorities, in cooperation with the sport organisations and – where existing – the regional branches of national Olympic committees, play a fundamental role in motivating people to take up sport; also advocates that countries in which such structures do not yet exist set up regional sports structures which would play an important role at regional level in encouraging people to take up sport and promoting it;

13. recalls the local and regional authorities' vital role in coordinating all the various stakeholders involved in sport in their areas, in particular by providing support for associations and voluntary activity in the sector;

14. stresses that local and regional authorities have always acknowledged and harnessed the educational potential of sport, incorporating it into education policies and measures to improve quality of life, including in terms of public health;

15. considers it vital for the European Commission to respect the autonomy of sports governing structures as a fundamental principle relating to the organisation of sport, and to respect the competences of the Member States, in line with the principle of subsidiarity;

16. considers it essential to address challenges such as violence and intolerance associated with sports events and to take vigorous legislative action to tackle transnational challenges affecting European sport, such as fraud, match-fixing and doping;

17. urges the European Commission to give the Committee of the Regions, local and regional authorities, national sport organisations and – where existing – the regional branches of national Olympic committees, a more incisive role in the planning and implementation phases of sports policies;

18. stresses the capacity of sport to build relations between public institutions, associations, federations, clubs and other organisations, and believes networks are needed which facilitate and speed up exchange of expertise in the area of sport and its societal impact. To this end, establishing networks of public authorities working at local level would be a major step forwards in developing the role of municipalities in taking forward the societal impact of sport and would enable them to contribute to the enhancement of sport at European level;

19. calls on the European Commission, in furtherance of incentive and support measures for sports projects or existing programmes in areas such as education, lifelong learning, public health, youth, citizenship, research, social inclusion, gender equality and the fight against racism, to actively involve the CoR in discussions accompanying the preparation of the next Multiannual Financial Framework;

20. considers it essential for the European Commission to involve the Committee of the Regions from the very outset in all ongoing and future preparatory actions and in the specific events proposed;

21. suggests that the Commission should support specific actions for projects that support the promotion of volunteering in sport, directly proposed by local and regional authorities, sport organisations and – where existing – the regional branches of national Olympic committees, service clubs and sports promotion bodies;

The societal role of sport

22. values the importance that the European Commission has attached to the need to curb doping effectively, not just in competitive sport, since the problem is now increasingly widespread in the amateur sector, posing a serious health risk;

23. believes that one effective measure would be to gain a better understanding of the widespread use of doping practices in amateur sport and subsequently, on the basis of available evidence, first introduce systematic controls and action strategies designed to help reduce the use of doping and other banned substances in non-professional environments and then make penalties tougher, as for narcotic substances. These measures should be coordinated and aimed at the introduction and sharing of good practices in anti-doping strategies in all areas. Regarding the trafficking of doping substances, calls for the EU to sign up to the European Anti-Doping Convention, which recognises the role of the World Anti-Doping Agency (WADA);

24. emphasises the problem created by differences between the timeframes of sports tribunals and ordinary justice systems; believes that the European Commission should take appropriate legislative action to address this by strengthening criminal law measures against trade in doping substances;

25. advocates introducing a uniform anti-doping system in EU countries, which would also include a minimum number of anti-doping checks both during and outside competitions;

26. stresses the urgency of curbing the scourge of illegal sport betting, which undermines the social and educational role of sport and welcomes the fact that the Commission has already taken action to tackle the situation;

27. welcomes, in particular, the steps taken by the European Commission to support the fight against fraud and corruption in the field of sport, by bringing these activities within Council Framework Decision 2003/568/JHA on combating corruption in the private sector, as part of a broader anti-corruption package to be delivered in 2011;

28. stresses the importance of action by the European Commission to promote partnerships to facilitate early warning systems against fraud and scandals associated with match-fixing and to fight the possible infiltration of organised crime into European sport, and to encourage Member States to take drastic measures against sport-related fraud offences and to harmonise penalties against them;

29. emphasises the ethical values of sport and in particular the need to teach young people the value of losing and fair play, starting with trainers and technicians, who must teach by example, in order to put a stop to improper and counter-educational incidents, which unfortunately occur frequently at the end of some sports events;

30. shares the European Commission's view that the link between sport and education must be fostered, to harness the benefits of sport with a view to improving people's well-being by preventing health problems, including pathological problems, especially obesity and cardiovascular conditions, which would help reduce long-term health expenditure, which eats very deeply into regional budgets;

31. stresses the importance of raising awareness among all age groups, including children as well as young and older adults, of the need for sport to become an everyday practice; and considers it highly important to make the concept of 'Sport for All' a reality and to steadily increase the popularity of regular physical exercise;

32. stresses that, given the importance of inclusive sports activity, sportspeople and pupils with disabilities must be given the chance to engage in sports daily both at and away from school, and that due attention must be paid in the available support opportunities to fostering and developing disability sport;

33. urges, therefore, national, regional and local authorities to facilitate the daily practice of sports in all schools, free of charge through the provision of adequate infrastructure;

34. advocates measures to strengthen the dimension of sport in pre-school and school curricula;

35. calls for physical education to be started as early as at nursery school and for Member States to create favourable conditions for sports education in schools geared to the

pedagogical, physical and psychological requirements of children and young people; considers, furthermore, that sports education is a core concern of holistic education;

36. urges the need to approve a 'parallel' vocational training for young athletes and especially for younger sportspeople; this requires strict and regular monitoring of the education provided in order to guarantee its quality; considers, furthermore, that this will also communicate moral and educational values, as well as values important for professional sport;

37. advocates greater mobility for sports workers, instructors and trainers, based on common, jointly-agreed standards which are accorded mutual recognition among regions and Member States;

38. advocates promoting and instituting the role of European sport ambassadors for top-level athletes, both during and after their careers in competitive sports;

39. underlines the Communication's failure to focus directly and in detail on the world of volunteering in sport, which constitutes sport's real societal potential;

40. therefore calls on the European Commission and the local and regional authorities to keep a continuous spotlight on volunteering in sport, which can be an effective support for education at all levels by enhancing teaching programmes and serving as a useful tool for lifelong learning; similarly, it can secure substantial support for local and regional authorities and for sports societies in organising events to bring people closer to sport, in a spirit that is emblematic of the non-profit nature of its work;

41. emphasises that voluntary sports activities must promote the principle of solidarity and should therefore be clearly distinguished from highly-paid professional sports activities;

42. expresses the local and regional authorities' desire to increase the societal value of sport, taking advantage of the opportunities the European Commission intends to provide for using the sports-related aspects of the Structural Funds and the support given to the European Cities for Volunteering in Sport project; considers it appropriate to use sport as a valuable means of preventing social tensions and fostering social integration, by setting up small sports facilities to be used free of charge (mini-pitches), especially in socially or geographically disadvantaged areas, with particular regard to small and isolated villages;

43. stresses the societal value of sports initiatives such as the Special Olympics and the Paralympics, which further the social inclusion of people with disabilities, contributing in varying degrees to their personal independence and making them key players and active members of society;

44. reiterates the importance of promoting everyday sports activities among people with disabilities as well, for instance by making contributions to sports associations that undertake sports initiatives for people with a physical, intellectual or sensory disability, toward the cost of buying or replacing the specialised personal equipment required for this type of sport, as well as to the complete removal of architectural features that deny access to facilities where sport is practiced or major events watched; with a view particularly to population ageing, sports facilities and activities on offer should also be increasingly geared to the needs of older people;

45. calls for support for women's participation in sports by creating equal opportunity of access to all individual and team sports, introducing regulations, and ensuring equality of access to financing for women's sports and equal media coverage of women's events for all age groups; calls, further, for women's achievements in the various sports to be given the same recognition as men's and stresses the need for non-discriminatory rules for competitions which would set the same prize money for women and men;

46. advises the European Commission not to neglect the fundamental role played by universities, associations and youth clubs, which have to be involved in order to give sport its proper value;

The economic dimension of sport

47. emphasises that around 2 % of global GDP is generated by the sport sector and points out that sport, the sports industry and sports tourism, as well as the holding of sporting events have a positive impact on the economy, particularly the tourist and job sectors; also emphasises that these factors are of great importance for job creation and the added value of SMEs;

48. welcomes the European Commission's commitment, through cooperation between Member States, to measure the economic impact of sport through a Sport Satellite Account, which filters the National Accounts for sport-relevant activities to pinpoint all value added related to sport or derived from associated economic activities;

49. recommends that the European Commission involve local and regional authorities in setting up this Satellite Account, as they are able to directly involve both the sporting world and national and European public authorities and academia;

50. argues that it is essential for measures in the sport sector to be financed by the European Regional Development Fund (ERDF), the European Social Fund (ESF) and by the existing EU framework programmes related to sport and by a suggested EU Sport framework programme to be set up for the next EU budget period; therefore calls for the opportunities under the ERDF to be fully exploited in support of sports infrastructure

and activities and for opportunities under the ESF to be used to improve the skills and employability of workers in the sports sectors;

51. values and endorses the Commission's recommendation that sport associations develop mechanisms for the collective selling of media rights in order to ensure appropriate distribution of revenue, bridging the gap between 'rich' and 'poor' sports, with all due regard for EU rules while maintaining the right of the public to information, by means of financial solidarity mechanisms;

The organisation of sport

52. calls for initiatives to be launched and supported that have a direct impact on all Europeans, irrespective of their level of sports involvement, such as a European Year of Sport, decentralised European sport festivals, a European Day of Sport. These initiatives would provide a contribution when shaping the European sports policy;

53. points to the need for specific EU financial support to strengthen the European Capital of Sport, launched in 1991 by private citizens and managed by them ever since, and which is continually increasing its impact and visibility across Europe, along similar lines to the European Capital of Culture, the European Green Capital, the European Youth Capital; this would allow it to receive EU support to facilitate its future development and the European Commission's supervision;

54. advocates promotional campaigns and/or sports events in support of key societal issues such as racism and xenophobia, the exploitation of minors, adolescent antisocial behaviour, the fight against all forms of organised crime or even major human rights issues, where sports can promote specific shared EU values through the involvement of major athletes of different generations;

55. stresses the effectiveness – which has, moreover, already proved itself – of a system for international cooperation between police authorities responsible for law enforcement at major sporting events;

56. stresses the need for this police cooperation to be implemented and for its effective and mandatory application to major sporting events taking place in the EU, also where they involve candidate, potential candidate or third countries as well as Member States;

57. welcomes the adoption of measures by some European sport organisations aimed at enhancing financial fair play in European football by ensuring greater respect for internal market and competition rules;

58. urges the European Commission and the Council to study factors which contribute to resolving the issue of match-fixing;

59. asks to be consulted during the European Commission's next consultation on issues concerning the provision of online gambling services.

60. calls for an effective and incisive approach to issues relating to the transfer rules for sports agents;

61. calls for the consequences of rules on home-grown players in team sports to be assessed positively in the light of the recognised specificity of sport;

Cooperation with third countries and international organisations

62. advocates identifying more clearly the scope for international cooperation in the field of sport, with a focus on countries, candidate countries and potential candidates of the European Union and the Member States of the Council of Europe;

63. emphasises that local and regional authorities, which have established forms of cooperation and twinning with these countries in various contexts, can play a priority role in optimising cooperation through relationships which have already been consolidated over time;

Conclusions

64. stresses the need to step up the involvement of local and regional authorities on the basis of a joint agenda with the European Commission, the Council and national sports authorities;

65. welcomes the Communication's reference to the local and regional dimension, including support for sport infrastructure and sustainable sporting activities;

66. underlines the environmental side of sport, i.e. the need for EU and regional action to encourage the proper integration

of sports facilities into their setting and environment using eco-friendly building techniques and materials in compliance with stricter rules on energy efficiency; advocates promoting, wherever possible, low-environmental impact sports initiatives, in particular the use of public and human-powered transport, offering various forms of compensation to reduce or cancel out the impact of mass travel on the climate;

67. calls for the Structural Funds to be used to support sports programmes and initiatives insofar as they are closely linked to the Europe 2020 goals (smart, sustainable and inclusive growth). This can maximise the added value of sport as a tool for local and regional development, urban regeneration, rural development, social inclusion, employability and job creation; as a result, local and regional authorities that play a key role in funding and providing access to sport should be more closely involved in EU-level discussions on this issue;

68. advocates working through local and regional authorities to support a university network for the promotion of sport policies;

69. advocates supporting innovative initiatives, in the framework of lifelong learning, to encourage physical exercise in schools, especially between the ages of four and fourteen;

70. calls for the direct involvement of local and regional authorities in an assessment of the economic impact of sports events by setting up a sports monitoring system and database to analyse and gather data on a range of events;

71. calls on the European Commission to involve local and regional authorities and regional branches of national sport organisations and – where existing – the regional branches of national Olympic committees, more closely in the organisation of the EU Sport Forum or annual meetings since these meetings have served as a basis for integrating sport into EU funds, programmes and initiatives.

Brussels, 12 October 2011.

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

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