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## Information and Notices

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## I

*(Resolutions, recommendations and opinions)*

## RESOLUTIONS

## COMMITTEE OF THE REGIONS

**107TH PLENARY SESSION, 25—26 JUNE 2014**

**Resolution of the Committee of the Regions**

**on the 20th Anniversary of the Committee of the Regions**

**'Empowering regional and local authorities in the European Union'**

(2014/C 271/01)

THE COMMITTEE OF THE REGIONS,

- having regard to the Treaty on European Union and the Treaty on the Functioning of the European Union, which gave it new prerogatives and responsibilities in the European political system;
- having regard to its mission statement, which defines it as a political assembly of regional and local representatives with the dual function of both democratic and territorial representation in the Union's decision-making process;
- having regard to the Cooperation Agreement signed with the European Parliament on 5 February, formalising the shared desire to increase democratic legitimacy in the Union;
- having regard to the protocol on cooperation between the European Commission and the Committee of the Regions signed on 16 February 2012, which consolidates its involvement in implementing the annual work programme and legislative planning;
- asserts the unique role it has been playing for 20 years in the service of the European Union and respect for the subsidiarity and proportionality principles, as well as advocating the goals of economic, social and territorial cohesion;
- highlights its growing impact on the drafting of European legislation through its advisory role; stresses that it has a political role in the EU legislative process: its core remit is to ensure that local and regional authorities' expertise on the implementation and application of EU law is included in the legislative process;
- has decided to mark the celebrations for its 20th anniversary with a forward-looking exercise on its political and institutional role in the governance of the European Union and thus share its vision of the future of the European integration process;
- proposes, to this end, a roadmap built up around three strategic objectives for instilling new dynamics in the European Union;

1. Boosting public support for and confidence in the European Union

1.1. notes, in the light of the outcome of the recent European elections, that there is a need to boost confidence in relations between the European Union and the public, so that any action the Union takes matches public concerns more closely and brings genuine added value;

1.2. highlights the strategic role played by the CoR as the voice of regional and local authorities for the success of the European venture — and with a view to a 'Europe of the Regions'; underlines that it is a vital conduit for expressing the interests concerned and representing the level of governance that is closest to the people and enabling these interests to be reflected in the EU policy-making process;

1.3. considers, given the competences legally established at European and national level, that it is the European institutions', Member States' and local and regional authorities' collective responsibility to boost the European Union's regulatory fitness by establishing more transparent procedures, reducing administrative burdens and putting mechanisms in place to analyse the impact of its action on the everyday life of the general public;

1.4. underlines the findings of Eurobarometer surveys which show public confidence in local and regional councillors, as well as expectations of greater involvement for them in European governance; therefore deems it essential to consolidate its status as a political assembly, capitalising on the European, local and regional mandates of its members, in not only the European, but also in the national, regional and local context;

1.5. will affirm its democratic legitimacy and political identity as a European institution being the European Union's political assembly of regional and local representatives and intends to raise its profile and the political impact of its opinions and stances; undertakes to step up its political activities in conjunction with political parties and groups at all levels;

1.6. likewise intends to make full use of its specific territorial nature so as to exert a multiplier effect on its capacity for influencing the decision-making process and thus combine the contribution of its national delegations and networks of regional and local experts in carrying out its tasks;

1.7. calls on the Member States, when appointing its members, to secure political representativeness reflecting the outcome of local and regional elections and compliance with the principle of gender equality and equal opportunities, and stresses the need to speed up nomination procedures;

1.8. aims to encourage gender equality in all areas where it is active in order to guarantee the EU's democratic legitimacy;

1.9. reiterates that the European Union needs a true multi-level governance system whereby effective cooperation between towns, regions and Member States is guaranteed; stresses that the EU should address areas where action is necessary, while refraining from new rules in matters where the most appropriate level is local, regional or national;

***The Committee of the Regions helps to embody Europe in concrete terms***

1.10. intends to fully support its members in playing the role of Europe's 'ambassadors' in regions, towns and municipalities and vice-versa so as to reinforce their links with the general public in Europe;

1.11. therefore deems it vital to set up a mechanism for supporting its members' activities, within European Parliament information offices and European Commission representation offices in Member States, promoting CoR members' interaction with European MEPs in their constituencies; is ready to provide its support for organising decentralised communication campaigns on European Union priorities for action and on the impact of its legislation at local and regional level, taking account of the official languages of each region;

1.12. intends to do more to support its members in their regional or local authority, inter alia, by organising debates with the general public and at special sessions of local and regional councils debating topical European issues and, where appropriate, proposals for European Citizens' Initiatives (ECI);

1.13. highlights its political activities, which constitute a platform for dialogue on the regional and local dimension of the European Union, including the summits of regions and cities, which offer the opportunity to debate the future of Europe and the development of regional and local authorities from a longer-term perspective;

1.14. intends to step up its interinstitutional communication strategy and calls for an overhaul of the European Union's communication strategy and advocates a new way of communicating with the public through clear and understandable language; underlines the key role of local and regional media and the social networks in order to refocus the perception of the European Union and to promote its policies and concrete achievements;

2. Pursue European integration based on a renewed community method which fully takes into account the shared responsibilities between the different levels of governance

***The Committee of the Regions, advocate of a new way of operating for the European Union***

2.1. deems multi-level governance to be one of the principles on which a renewed community method to pursue European integration should rely;

2.2. intends to ensure that the principles of multi-level governance are taken on board through adherence to the Charter for multi-level governance which it adopted in April 2014;

2.3. is particularly in favour of expanding the potential of the code of conduct on implementing the partnership principle, already established in legislation on the cohesion policy, to other areas of European Union action;

***The Committee of the Regions, defender of the prerogatives and competences of regional and local authorities***

2.4. deplores the direct impact of the crisis on local and regional authorities' autonomy and capacity for action; will as a consequence use the country reports of the Congress of Local and Regional Authorities of the Council of Europe to follow the development of the decentralisation and regionalisation process within the European Union;

2.5. will ensure that the prerogatives of local and regional authorities are respected in coordination mechanisms at European level; considers, therefore, that it is crucial for local and regional authorities to have at their disposal financial resources commensurate with the decentralisation of competences;

2.6. advocates more account being taken of the local and regional dimension of the European Union's strategy for enlargement, neighbourhood policy and development policy;

***The Committee of the Regions, promoting the principles of subsidiarity, proportionality and multi-level governance***

2.7. reiterates the scope of subsidiarity as a fundamental democratic principle and essential means of increasing the quality of European Union regulations and the EU's added value, as well as reducing administrative burdens; underlines the importance of increasing the emphasis on compliance with the proportionality principle; draws attention to the CoR's work, through its monitoring strategy and local and regional consultation mechanism, in ensuring these principles are upheld;

2.8. underlines the corollary nature of the partnership principle and multi-level governance;

2.9. will shoulder its responsibilities in the debate on the revision of competences within the European Union; this has to lead to greater added value from European Union action and should not boil down to a confrontation between different stances advocating 'more' or 'less' Europe;

2.10. will consolidate the impact of its opinions by activating its mechanism for consulting its territorial base and for coordinating with, amongst others, regions with legislative powers and associations representing regional and local authorities;

2.11. intends to step up its involvement all through the legislative cycle so as to be able, if necessary, to make use of its right to bring cases before the European Union Court of Justice;

2.12. will therefore put in place more structured cooperation with the European Parliament, national parliaments and if appropriate with second chambers representing the regional and local dimension at national level, but also with regional parliaments, and will support the early warning system from regional authorities;

***The Committee of the Regions, contributor to the analysis of the territorial impact of European legislation***

2.13. welcomes the progress allowing its involvement far upstream in the drafting of legislation; will therefore pay particular attention to territorial impact analyses and the development of territorial indicators; reiterates that there is, as a consequence, a need to secure the involvement of local and regional authorities in institutional cooperation mechanisms making for 'better law-making';

2.14. will further develop its capacity in this and will seek to increase its expertise in support of its advisory role, by involving local and regional authorities' and European territorial associations' expertise in the consultation process related to its opinions, analyses of territorial impact and the respect of the subsidiarity and proportionality;

2.15. recommends that local and regional authorities be involved in the REFIT programme (Regulatory Fitness and Performance) in order to improve the quality of legislation and ensure that it is better accepted by people;

3. Consolidating institutional representation of local and regional authorities in the decision-making process

3.1. asserts its legitimate, unique and complementary role within the European Union's institutional set-up and intends to defend its political independence and operational autonomy by affirming its role as political institution in support of its advisory role, following up its opinions more effectively and strengthening its contact and cooperation with the Parliament, the Commission and the Council;

3.2. will concentrate on its core remit; focusing its attention and resources on the European Union's legislative process will strengthen the CoR's political role as an advisory body and justify any additional prerogatives that the CoR might request in future;

3.3. envisages its future strategy in stages, in the short term making use of all the potential offered by the Treaty of Lisbon, and in the long term as part of an overhaul of the treaties;

#### ***The role of policy shaper strengthened under the Lisbon Treaty***

3.4. asks that consultation of the CoR, in keeping with the principle of sincere cooperation, commit the institutions consulting it to respecting its institutional competences and not exonerate them from their duty of giving the reasons for adopting or not adopting the CoR's main recommendations;

3.5. welcomes the increasing cooperation with the European Parliament and is expecting from the positive impact of the political cooperation established with the conclusion of the cooperation agreement that there be a system of reciprocal arrangements for rapporteurs' participation in the respective activities of CoR commissions and EP committees;

3.6. stresses, with regard to the European legislator, the need to increase the quality and amount of its cooperation with the European Parliament and the Council of the European Union; intends to boost its impact on legislative proposals and step up its rapporteurs' involvement throughout the legislative process so as to support follow-up to its proposals for amending the legislative texts on which it is issuing opinions;

3.7. claims observer status in negotiations when there is trilogue on those subjects where it is mandatory to consult the CoR;

3.8. advocates the organisation of inter-parliamentary sessions where members of the CoR, the European Parliament and regional parliaments could discuss topical European issues and the impact of European legislation;

3.9. intends to become more involved in the process of elaborating and implementing the points of the presidency programmes that are relevant for local and regional authorities and will better interact with the Council as a whole and in particular with regional ministers attending Council meetings;

3.10. calls for representatives of local and regional authorities, where relevant those with legislative powers, to be involved in Commission and Council working groups where the policies concerned are of significant local and regional interest;

3.11. welcomes the links set up with the European Council presidency, which should be structured so as to secure the added value of territorial consultation, in particular as part of preparations for European Council meetings;

3.12. is especially pleased with developments in its cooperation with the European Commission, particularly in the pre-legislative consultation phase; nevertheless reiterates its request that oral and written questions be systematically put to the European executive regarding its political recommendations, by providing the opportunity to raise topical issues;

3.13. stresses the need to involve the CoR as far upstream as possible in the European Union's annual and multi-annual planning so that it is able to make a contribution to the definition of strategic and political choices for Europe; asks, moreover, to be involved from the outset in the process of appointing the commissioner responsible for regional policy, as of the next term of office, namely for the 2014-2019 period;

3.14. advocates involving local and regional authorities in economic governance mechanisms and thinks it would be legitimate for them to be involved in the economic dialogue between the European Commission and the European Parliament, and for its members to be guaranteed participation in European Parliamentary Week alongside MEPs and national MPs;

3.15. asks that, when the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union is incorporated into the legal framework of the European Union, a horizontal clause be introduced which allows the CoR to be consulted in areas of shared competence for measures coordinating economic and employment policies and in areas of support, coordination and ancillary action;

3.16. reiterates, in the event of a review of the treaties addressing the EU's institutional set-up, its requests:

— to be formally granted the status of an institution;

— to be given the right to use the assent procedure for legislative proposals relating to economic, social and territorial cohesion;

3.17. proposes to add the word 'European' to its current denomination, so that the complete title would be 'European Committee of the Regions';

3.18. stresses that a convention put together for revising the treaties should include Committee of the Regions representatives so as to ensure as much democratic legitimacy as possible;

3.19. instructs its president to forward this resolution to the European Parliament, the Council, the European Commission and the president to the European Council.

Brussels, 25 June 2014

*The President  
of the Committee of the Regions*  
Ramón Luis VALCÁRCEL SISO

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**Resolution of the Committee of the Regions on****'Proposals of the Committee of the Regions for the new European Union legislative mandate'**

(2014/C 271/02)

Following the elections to the European Parliament and ahead of the new term of the European Commission, **THE COMMITTEE OF THE REGIONS** (CoR) puts forward expectations and proposals for the new legislative mandate for the European Union:

1. Europe's cities and regions are key partners for strengthening trust in the European Union

1.1. considers the main objectives of the new legislative mandate of the European Union must be to **create more and better jobs**, to generate sustainable and territorially balanced growth and to promote our joint values in order to strengthen citizens' trust in the European project;

1.2. underlines that local and regional authorities are not only a source of **democratic legitimacy** for the EU as well as a lever for driving forward and communicating on the ground the Union's objectives; recalls that multilevel governance ensures that all levels of governance cooperate in exercising powers and that **subsidiarity and multilevel governance** go hand in hand with strong local and regional self-government;

1.3. recalls that while Europe's local and regional authorities are responsible for delivering **two-thirds of public direct investment** in the EU they have been hit hard by the **economic and financial crisis**, leading to a significant reduction of public expenditure by more than 20 % in the past three years and an increased territorial divergence. At the same time, local and regional authorities are often confronted with growing financial demands to cope with high unemployment and social exclusion.

2. Investment in Europe's municipalities and regions for more jobs, growth and sustainability

2.1. proposes to take the occasion of the mid-term review/revision of the multiannual financial framework (MFF) 2014-2020 foreseen at the end of 2016 to examine possible changes in the payment appropriations' ceilings within the current MFF overall budget given the accumulating outstanding payment claims (RAL) and increasing difficulties for the EU to meet its legal obligations, and to ensure that the budget corresponds to the evolving strategic priorities of the Union;

2.2. asks the Commission to propose measures to help increasing the absorption capacity at Member State level and to reconsider its analysis on the exclusion of **national and regional co-funding** of EU-supported investments from budget deficit calculations and to consider more ambitious support for EU public investment in the medium term;

2.3. calls for an extension in time and scope of the **Europe 2020 project bonds initiative** following and based on the results of the independent full-scale evaluation expected in 2015;

2.4. calls on the Commission to put forward a **Communication on the quality of public spending** which would i.a. translate the **OECD principles for effective public investment** in the future design of EU policies;

2.5. suggests that the Commission presents a **Green Paper to enhance synergies between the EU, national and sub-national budgets** in order to ensure the optimal use of the EU budget;

2.6. asks the Commission and the European Investment Bank to step up the practical support for local and regional authorities in strengthening their expertise in relation to **innovative financial instruments**.

3. Strengthen the territorial focus of EU policies and overcome the EU's territorial divide

3.1. urges the Commission, the European Parliament and the Member States to add a **territorial dimension** to **Europe's growth and jobs strategy** in the context of its planned review;



3.2. calls for a European Union wide strategy and action for the preservation and promotion of cultural, heritage and linguistic diversity in Europe; firmly believes that more attention should be dedicated at the policy level to the potential of culture and heritage to create sustainable growth and jobs;

3.3. also calls on ensuring a closer involvement of the sub-national level in the new economic and financial policy coordination as part of the **European Semester**;

3.4. asks the Commission to review the results of the involvement of local and regional authorities in the programming, implementation, and possible re-programming of the partnership agreements and operational programmes, as required by the Regulations on the European Structural and Investment Funds and the European Code of Conduct on Partnership; and bring forward appropriate recommendations in case Member States fail to comply with these provisions;

3.5. calls on the EU institutions to better take into account the territorial dimension in any further proposal on deepening the **Economic and Monetary Union** and asks the European Commission and the Member States to give special attention to local and regional spill-over effects and their possible impact on the sustainability of public finances and on territorial cohesion, particularly in view of the '**Convergence and Competitiveness Instrument**' and other major economic and fiscal reforms in the EU;

3.6. requests **Territorial Impact Assessment** to become obligatory in the conduct of Commission impact assessments;

3.7. calls on the Commission to present a **White Paper on Territorial Cohesion** to reinforce the concept of economic, social and territorial cohesion in order to address the growing territorial disparities in the EU and relaunch the debate on measuring the quality of life '**beyond GDP**', large economic and social disparities between regions persist, so it is essential to promote the economic, social and territorial cohesion policy with particular attention to less developed regions;

3.8. requests the Commission to promote urban and urban/rural sustainable development through a **White Paper on integrated urban development**;

3.9. underlines the need for a **territorial vision for the European Union** and therefore makes a plea for an update of the European Spatial Development Perspective;

3.10. suggests to put special emphasis on the development of **cross-border solutions, interregional networking and macro-regional strategies** by also extending the use of European Groupings for Territorial Cooperation as an instrument for other EU policies;

3.11. asks the Commission to step up its efforts to complete and extend the **TEN-T core network and core network corridors**, and include local and regional authorities in drawing up the corridor work plans and strengthen their involvement in the corridor platforms.

4. Preparing the European Union for new policy challenges

#### ***More support for education, training and culture***

4.1. requests the Commission to come forward with a proposal on the European coordination of the modernisation of teaching professions;

4.2. calls on the Commission to propose a quality framework for early childhood education and care and an EU framework for the recognition of skills and competences, acquired through non-formal and informal learning;

4.3. asks the Commission to make concrete proposals on how to increase digital literacy by citizens of all ages;

4.4. expects the European Commission to recognise the role of local and regional authorities in the development of its future policies in the areas of justice and home affairs; asks notably to include the local and regional dimension of promoting the respect for fundamental rights, and the development of a comprehensive European migration policy in the design of its activities;

4.5. emphasises the importance of the Youth Guarantee schemes as a mechanism to combat the high youth unemployment rates and provide opportunities for young Europeans. Therefore, the Committee calls for an increase in the funding of this programme and for a greater support to local and regional authorities in the preparation, development and implementation of these instruments;

4.6. suggests a better integration of culture and creativity in the revised Europe 2020 Strategy and its future flagship initiatives;

#### ***A new momentum for integration in Europe's cities and regions***

4.7. calls on the Commission to work closely with cities and regional and local authorities in their efforts to integrate migrants which is an important element of reaching the objectives of the Europe 2020 strategy and responding to the EU's demographic challenges;

4.8. demands the recognition of demographic change as a priority in the design of relating EU legislation and in the implementation of all EU funding programmes for the 2014-2020 period;

4.9. reiterates its call for a European homelessness strategy;

4.10. asks the Commission to step up efforts to effectively coordinate and monitor Roma integration policies at national, regional and local level; suggests reinforced cooperation with the Council of Europe's 'European Alliance of Cities & Regions for Roma Inclusion';

#### ***Strengthening competitiveness and innovation at local and regional level***

4.11. calls for the development of a regional Regulatory Fitness and Performance Programme (REFIT) initiative to specifically reduce administrative burden particularly for Small and Medium Sized Enterprises; calls for strengthening of the role of local and regional authorities in the review of the Small Business Act;

4.12. asks the Commission to enhance the role of smart specialisation strategies in Europe to tackle the innovation divide between EU regions; calls for an Action Plan for the 'Stairway to Excellence' providing practical steps and a permanent monitoring in linking Europe's research programmes (Horizon 2020) and Europe's Structural and Investment Funds;

4.13. requests actions to complete the single market by reducing burdens on exercising liberal and regulated professions in the Member States, and also expects the European Commission to initiate all the legislative proposals announced in the Entrepreneurship 2020 Action Plan during the first half of the new legislative mandate in order to speed up the implementation of the Action Plan and of job creation at local and regional level;

4.14. calls for an European Action Plan on Public Sector Innovation with a specific focus on local and regional administration;

4.15. suggests the review of the 2011 White Paper 'Roadmap to a Single European Transport Area' which would include a debate on the Union's future transport policy beyond 2020;

#### ***Rethinking Europe's Energy strategy based on local and regional solutions for climate change and sustainable development***

4.16. calls on the Commission to pay particular attention to the role of local and regional governments in the development of an integrated European energy policy; **decentralised energy solutions** are necessary to reduce our dependency on fossil fuels and the EU therefore needs to ensure a 'level playing field' for smaller energy producers;

4.17. calls on the Commission to present an **Action plan against energy poverty** that combines measures at European, national and regional/local level;

4.18. asks the EU institutions and Member States to explicitly consider the role of local and regional authorities in the implementation of ambitious, binding targets for the reduction of CO<sub>2</sub> emissions, the share of renewable energies and energy efficiency and to develop further in this area the partnership principle analogous to the EU cohesion policy; Also calls on the EU institutions and the Member States to widen the scope of the Covenant of Mayors as the European instrument for the integration of local and regional authorities in the EU policy on climate change and to provide it with the appropriate resources beyond 2020;

4.19. Calls on the European Commission to follow in the revision and development of policies in the areas of air, water, and noise a source-oriented approach, i.e. to combat the emergence of environmental problems at their source and taking into account the experiences of local and regional authorities, which often face the task of implementing appropriate policies without having direct influence on the sources of problems;

#### ***A new momentum for rural development and agricultural policy***

4.20. calls on the European Commission to propose a proper **rural sustainable development strategy** based on an integrated territorial approach;

4.21. asks for the safety net measures provided under the reformed Common Agricultural Policy (CAP) to be supplemented by other more targeted measures to **address market volatility**;

4.22. demands an **impact assessment to study the consequences of the trade agreements** currently under negotiation for the agricultural sector;

#### ***Continue the EU enlargement policy, reinforce the partnership with the EU's neighbours and better use the levy of decentralised cooperation***

4.23. asks the Commission to support and enhance the role for local and regional authorities from the enlargement countries in the reform of public administration and to pay specific attention in its Annual progress reports to the state of decentralisation;

4.24. stresses that the EU must act decisively in support of the **Eastern Partnership countries** by providing support to the strengthening of local and regional democracy and decentralisation processes, and encourage the use of the programmes for cooperation between Eastern Partnership and EU local and regional authorities;

4.25. calls on the Commission to use the European Neighbourhood Instrument as a tool for increasing social and territorial cohesion in the **Mediterranean partner countries**, as well as the cooperation among their regions and local authorities;

4.26. asks the Commission, in this context, to expand the **Local Administration Facility programme** to the southern neighbourhood countries; calls for the formulation and implementation of sustainable migration policies in the Mediterranean region, involving all stakeholders, notably national governments and regional and local authorities;

4.27. demands that local and regional authorities be involved in the development of **'Integration Partnerships'** with third countries and in other preventive initiatives related to the promotion of circular migration;

4.28. expects local and regional authorities to be involved in implementing a territorial approach to development, including their wealth of experience in **decentralised cooperation for development**; calls for the contribution of local and regional authorities to the **European Year of Development 2015** and for local/regional development strategies to be supported;

4.29. suggests to pursue the negotiations for a **Transatlantic Trade and Investment Partnership** (TTIP) with the United States provided that transparency and democratic participation are respected and social and environmental standards are safeguarded; requests the CoR to be granted the status of interested party in this process;

#### ***Re-connecting with citizens***

4.30. calls on the Commission to present a proposal for a modification of the Act concerning the election of the European Parliament in order to strengthen the recognition of the European Parliament's democratic function, e.g. through the setting of an EU-wide common threshold for representation in the European Parliament, and to facilitate the exercise of the voting right by proposing a European voters' registry;

4.31. suggests a review of the strategy **'Communicating Europe in Partnership'** to support the role played by local and regional authorities in providing citizens with information on the Union and its policies; asks the Commission to cooperate more closely with the CoR in implementing a genuine **decentralised communication** policy at regional and local level, notably through the channel of its Representations in the Member States.

5. A reinforced partnership with the European institutions
- 5.1. requests to be involved in the upcoming negotiations for a new **Inter-Institutional Agreement on better law-making**;
- 5.2. suggests a closer cooperation with **the European Commission** in the pre-legislative stage on the basis of the cooperation agreement to define longer-term strategic initiatives and promote multi-level-governance solutions in EU policies;
- 5.3. invites the **European Parliament** on the basis of the 2014 cooperation agreement with the CoR to reinforce cooperation, along the legislative process as well as during the European Semester and in assessing the territorial impact of EU legislation;
- 5.4. asks for equal treatment of local and regional authorities and their associations as to the changes in obligation to register in the Transparency Register foreseen by the new Inter-Institutional Agreement (IIA) on Transparency Register;
- 5.5. suggests the **Council** to further strengthen the cooperation with the CoR in those areas of key concern for local and regional authorities.

Brussels, 26 June 2014

*The President  
of the Committee of the Regions*  
Michel LEBRUN

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## OPINIONS

## COMMITTEE OF THE REGIONS

107TH PLENARY SESSION, 25—26 JUNE 2014

**Opinion of the Committee of the Regions — Towards an Integrated Urban Agenda for the EU**

(2014/C 271/03)

**Rapporteur:** Mr Bas Verkerk (NL/ALDE), Mayor of Delft**Reference document(s)****I. POLICY RECOMMENDATIONS****Introduction**

1. Towns and cities are important motors of the European economy, ideal centres for personal and community development and bodies with significant potential for environmental efficiency. The commitment of towns, cities and urban regions is highly significant for the implementation of the Europe 2020 strategy and for the economic, social and territorial development of the EU <sup>(1)</sup>.
2. The important position occupied by towns and cities in European society has encouraged the Member States and the European Commission to take steps to draw up an urban agenda for the EU. The importance of towns and cities is also recognised by the UN, which is currently working on its New Urban Agenda, to be adopted at the next Habitat III conference in 2016. The urban agenda for the EU could feed into this.
3. The EU Treaty contains a number of references that provide the EU with a legal basis for supporting urban policies carried out at the national, regional and local levels as well as Member States' key responsibilities, such as the references to economic, social and territorial cohesion (Article 3), to local self-government (Article 4) and to the local dimension of the subsidiarity principle (Article 5). At the moment, there is in fact no comprehensive forward-looking urban agenda at EU level, despite the European Parliament's 2011 call for a European urban agenda <sup>(2)</sup>, the intergovernmental Leipzig Charter process and the Toledo declaration. Due to the lack of such an agenda, there is too little consistency at EU level between the different policy initiatives and subsidy programmes and not every policy initiative achieves the desired tangible results.
4. Moreover, as we have seen in the past, there is no guarantee that the urban dimension will remain on the European agenda <sup>(3)</sup>. As long ago as 1997, the Commission published a Communication on an urban agenda for the EU <sup>(4)</sup>. Despite a number of declarations and measures, however, two decades later, the agenda has still not become a reality. The EU should ensure that towns, cities and urban regions are able to achieve their full strength and potential as motors of economic growth, employment and social inclusion. The time has now come for a genuine European urban agenda. The Leipzig Charter provides a good starting point. A European urban agenda must take into account all aspects — economic, social and environmental — of sustainable urban development.

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<sup>(1)</sup> European Commission: Cities of tomorrow Challenges, visions, ways forward (October 2011).

<sup>(2)</sup> European Parliament resolution of 23 June 2011 on the European Urban Agenda and its Future in Cohesion Policy (2010/2158 (INI)).

<sup>(3)</sup> Hans Verdonk, 'Urban policies in Europe' in: Leo Van den Berg, Luis Carvalho and Jan van der Meer, 'Cities as engines of sustainable competitiveness: Looking back at two decades of urban policies', Rotterdam, 2014.

<sup>(4)</sup> COM(1997) 0197 final.

5. The Committee of the Regions calls on the Commission to present a White Paper for an integrated urban agenda further to the communication planned to follow on from the Urban Forum on 17 and 18 February 2014. This White Paper should make it possible to anchor the urban dimension structurally in all relevant European policies and legislation, in order to eliminate existing overlaps and inconsistencies. During the drafting of the White Paper, the Committee will pursue the debate on EU's urban strategy in order to provide the Commission with practical information and to ensure that the strategy remains on the European agenda. The Committee underlines the importance of a sustainable and holistic approach to urban areas, based on the ideas and suggestions expressed in the Committee's other opinions complementary to this one, namely those on the 7th Environment Action Programme and the sustainable city <sup>(5)</sup> and on the urban mobility package <sup>(6)</sup>

6. An EU-level urban agenda would support recognition of the importance of towns and cities in achieving European policy objectives and in making the EU more competitive internationally. At the same time, the development of this agenda must not overlook either the interaction between cities and countryside or its heavy influence on general territorial development. Accordingly, it is essential to ensure strong synergies between the urban agenda and the territorial dimension of the EU 2020 strategy.

### ***The strength of towns and cities and their challenges***

7. As a result of the shift from a service economy to a knowledge-based economy and the continuing digitisation of society, towns and cities have become the economic pillars and drivers of jobs for the EU. Innovation and new economic activities often have their origins in the city. Cities are also breeding grounds for art, culture and creativity, where the identities of cities and their inhabitants are forged. Cities are therefore one of the EU's major assets in international competition with other continents.

8. In the EU, around 68 % of the population now lives in urban areas (source: Eurostat) <sup>(7)</sup>. Apart from the two major metropolitan areas of Paris and London, the EU has a unique polycentric structure built around large, medium-sized and small towns and cities. Some 200 million people live in towns of fewer than 100 000 inhabitants, which often play an important regional role in the area of services and facilities and in improving the quality of life and territorial balance. The EU's urban agenda must therefore not be confined to Europe's largest cities; it should also be applicable to small and medium-sized towns and urban areas. Against this backdrop, the Committee is pleased to note that the forthcoming EU presidency trio (Italy, Latvia and Luxembourg) will pay particular attention to small and medium-sized towns and cities in the EU and to their role in the context of common territorial development.

9. For their inhabitants, today's towns and cities and their rural hinterlands are much more than an area with administrative boundaries. City and non-city dwellers move around larger agglomerations, travel to work areas and functional areas (urban or rural-urban) within a daily urban system. In order to make life easier for their inhabitants, town councils form networks with neighbouring municipalities to organise traffic and transport, spatial planning, green spaces and the economy on an appropriate scale. Cooperation between urban areas and the surrounding countryside is crucial in this regard. Peri-urban and rural areas have a key role to play here, because they provide neighbouring towns and cities with foodstuffs, energy, space, recreational activities and nature, and also protection from hazards such as forest fires and flooding. Furthermore, it must not be forgotten that these urban systems can include territory from more than one Member State. Special attention must be paid to the specific issues that arise in these cross-border urban areas.

10. Agglomerations or functional regions require a different model of governance and a long-term view to ensure coherence and tangible results, such as integrated transport systems <sup>(8)</sup>. These long-term views, which in some Member States are already developed jointly by the local and regional authorities, form the basis for an integrated area-specific approach, which guarantees the area's territorial cohesion and makes tangible, measurable outcomes possible. In the 2014-2020 period, integrated territorial investments will, in a number of Member States, make it possible to access resources from different priority areas or programmes and will therefore act as a stimulus, promoting the cohesion of towns and cities and surrounding municipalities that are interconnected through functional links, establishing synergies and financing more ambitious projects and will ultimately make it possible to solve common problems that go beyond the administrative boundaries of individual local authorities. The Committee notes that in its study 'Cities of Tomorrow', the Commission refers to this development and acknowledges that its policies should take greater account of functional regions in terms of agglomerations and metropolis and across borders <sup>(9)</sup>.

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<sup>(5)</sup> COR-2013-07987

<sup>(6)</sup> COR-2014-00090

<sup>(7)</sup> Eurostat: City Statistics — Urban Audit, Luxembourg 2013.

<sup>(8)</sup> CDR2994/2013.

<sup>(9)</sup> European Commission: Cities of tomorrow Challenges, visions, ways forward (October 2011).

11. By operating at agglomeration scale ('borrowing size'), cities benefit from greater cohesion and innovation potential, better links between education and the labour market and a smaller ecological footprint, while limiting the disadvantages, such as environmental pollution, poor accessibility, social exclusion and crime<sup>(10)</sup>. Bigger is not always better. It is therefore equally important to ensure that local communities are actively involved in the decision-making process at municipal level, especially in discussions on cooperation with neighbouring authorities.

12. Nevertheless, the challenges facing society are particularly evident in urban areas. A number of European policy initiatives consequently impact — whether intentionally or not — on urban policy. In this regard, the Committee calls for a more thorough overview of all Commission initiatives containing an urban dimension building on the Issue Paper that formed the basis of the CITIES Urban Forum 'Cities of Tomorrow: Investing in Europe' of February 2014<sup>(11)</sup>.

13. Towns and cities are shouldering their responsibility to seize opportunities and to deal with any obstacles that stand in the way. Europe's towns and cities can play an important role in implementing the Europe 2020 strategy. The societal challenges enshrined in this strategy also set the policy agenda for cities and regions. The interests of the citizens are of key importance here. Towns and cities in the EU are currently facing a number of different challenges and problems. While, on the one hand, as a result of emigration and ageing of the population, some cities are seeing their population decline and face problems due to the scale of the facilities they provide, others have a growing population, which increases pressure on existing facilities and exacerbates other problems such as (youth) unemployment, social exclusion, poverty, affordable housing, traffic congestion and environmental pollution. One widespread problem, which has been exacerbated by the recession, is the growing gap between the ever-greater demand for local services and stagnating or even diminishing financial resources. The urban agenda needs to address all of these concerns and challenges.

14. The EU urban agenda should aim to overcome the current model of urban sprawl, compartmentalisation and exclusion in order to achieve a more compact, integrated and inclusive model. This new method would involve adopting an integrated approach that focuses on a mix of people and activities to generate both economic growth and jobs, and also pays attention to striking the right balance between the economic, social and environmental aspects of urban development.

### ***The city as coordinator and platform***

15. The relationship between government and society is undergoing a sea-change. The digitisation of society is making people more vocal, more demanding and more empowered (new citizenship). Secondly, the same individuals are increasingly concerned about their social responsibility. A growing number of businesses therefore offer 'cradle-to-cradle' products, tackle the waste of raw materials and give disadvantaged people the opportunity to enter the labour market. Town councils want to work increasingly closely together on different scales within the quadruple helix (inspired by the triple helix model and consisting of cooperation between public authorities, business, knowledge institutions and civil society organisations), in order to find solutions to societal challenges. Against this backdrop, local government often takes on a coordinating role and, as initial major customer or coordinator, offers the other partners a platform for finding solutions. The city therefore acts as a location (a living lab), in which the most appropriate projects for local conditions are carried out in conjunction with partners. Towns and cities that are home to universities and colleges play an additional role in fostering entrepreneurship and in linking technological opportunities with social challenges. Urban areas are, as a result, the ideal test-beds for European policies.

16. As part of society, authorities have a responsibility to place on the agenda the major issues facing that society, such as the economic crisis, demographic change and climate-related issues. Traditional models of governance, organisation and economy are no longer providing solutions to these problems. Due to the scale of the challenges, shrinking budgets and the complexity of the situations they face, public authorities can no longer deal with everything on their own.

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<sup>(10)</sup> European Metropolitan Network Institute (EMI): A strategic knowledge and research agenda on polycentric metropolitan areas (The Hague, 2012).

<sup>(11)</sup> European Commission: Issue paper for discussion in the forum 'CITIES — Cities of tomorrow: Investing in Europe', Brussels, 17—18 February 2014. See also on DG REGIO's website an overview of all EU-funded programmes and initiatives in the field of urban policy: [http://ec.europa.eu/regional\\_policy/urban/portal/index\\_en.cfm?smenu\\_mapping\\_id=10](http://ec.europa.eu/regional_policy/urban/portal/index_en.cfm?smenu_mapping_id=10).

17. In an increasingly participatory society, local authorities must give scope in their decision-making process for initiatives organised jointly by citizens, business and civil society institutions at the municipal or neighbourhood level. Responsibility for a city's organisation is consequently now borne by a larger number of stakeholders and not just by the city authorities alone. The challenge here is for all citizens in the new society to take part, especially young people and migrants, in order to prevent the development of a two-tier system. Acting as 'motor' for social integration and providing a means of emancipation for its inhabitants are two of the main functions of the modern city.

18. Local initiatives ensure that each city or urban area is supplied with increasingly tailored services. Across Europe, this results in a wide range of differing approaches. European policies and legislation should take account of the new relationships at the local level and of the diversity of approaches to the social challenges involved and should try to compile these emerging best practices and facilitate their sharing across the EU.

19. To date, the EU has used standard legislation and uniform deadlines to implement its policy objectives. Its policy-making should today take greater account of the feasibility of its initiatives at local and (sub-)regional level and should be receptive to input from decentralised levels of government when drawing up impact assessments and new policies (the bottom-up approach). Showing due regard for the subsidiarity and proportionality principles, any impact assessment for new proposals should contain a critical assessment of its consequences for towns and cities. This is the only way which the feasibility of European policies and legislation at the local level can be assessed and guaranteed in advance.

### ***Towards an Integrated Urban Agenda for the EU***

20. In order to anchor the debate on the urban dimension structurally at the EU level, the Committee suggests that the Urban Forum held on 17 and 18 February 2014 be repeated every two years from now on. The Committee also calls on the Commission to appoint a representative on urban policy within its organisation who would be responsible, together with the Commission's inter-service group on urban policy, for evaluating all proposals and initiatives in the light of the urban dimension, and in order to facilitate an integrated policy approach. This working group should also be given the task of coordinating the contributions of towns and cities when drawing up new EU policy having an impact on urban areas. The Committee could appoint its own representative for urban policy, in order to assess proposals on the urban dimension.

21. The Committee supports the establishment of a working group of Member States in order to draw up a common vision for European cities, paying particular attention the position of towns and cities in the Europe 2020 strategy, and to present this in 2016. It calls on the Member States to cooperate closely with the Committee of the Regions and local authority associations. This common vision could provide a solid basis for the further development of the urban agenda, not only at European level, but also in the individual Member States, regions and local authorities.

22. The Committee of the Regions reiterates its call for the Commission to draw up a White Paper on an integrated urban agenda<sup>(12)</sup> before the successor to Europe2020 and the EU budget post-2020 are announced. The aim of this White Paper would be to establish a more integrated approach to EU policy and legislation that affect towns, cities and urban areas and to involve towns and cities and local and regional authorities more closely in the preparation of that policy as well as to make recommendations as to which elements of European funding programmes are likely to support urban development. A new form of governance is essential to achieving this. The White Paper should ultimately lead to a genuine cross-cutting anchoring of the urban dimension in the EU decision-making process (urban mainstreaming) and not to a specific EU strategy or programme. The **incoming** Commission should draw up this White Paper in close cooperation with towns and cities in order to demonstrate the need for new governance for urban policy at EU level.

23. The White Paper should include the following elements:

#### **a) A new method for a more integrated approach to policy development**

24. The Committee of the Regions notes that, in order to remain competitive internationally, Europe above all needs lively, dynamic cities. EU policies and legislation can help to create the right conditions to achieve this. The fact that some 70 % of European policies and legislation are implemented at the local and regional level means that overall consistency is needed, but the Committee notes that EU rules sometimes have precisely the opposite effect. A good example of this is provided by the Committee in its opinion Review of EU air quality and emissions policy<sup>(13)</sup>, which shows that, when addressing the improvement of air quality, the ambitions of the different EU environmental directives should be aligned and that the timeframes for their implementation should be synchronised, if the desired results are to be achieved.

<sup>(12)</sup> CdR RESOL-V-009.

<sup>(13)</sup> CdR 329/2011 fin.



25. Inadequate source-based policy at EU level can lead to precarious situations. As a result, towns and cities are not able to achieve the desired standards, and instead risk being billed by their respective Member States — through national legislation — for European fines imposed for having exceeded European limits. The Committee therefore calls on the Commission to develop a method for a more integrated approach in order to develop consistent policies and legislation, starting with a more robust and participatory territorial impact assessment involving local and regional authorities, enabling the EU to provide the right conditions for towns, cities and urban regions to implement European policies.

26. In order to achieve a genuine integrated approach the White Paper would ideally provide a clear definition of integrated sustainable urban development and set out clear objectives that the EU wishes to achieve in this area. These are cross-cutting goals that should be achieved across the various policy fields.

27. An integrated approach to urban policy involves taking spatial planning policies into account since urban areas extend beyond the municipal level.

28. The Committee of the Regions therefore reiterates its view that the territorial impact assessment tool should be used as guidance for promoting a more integrated policy approach where territorial cohesion is concerned<sup>(14)</sup>. The Committee defines territorial cohesion as a three-dimensional concept, involving balanced territorial development, territorial integration and territorial governance. The Committee is disappointed that the Commission confines the territorial impact assessment to the first of these three areas, as it is the second dimension that actually promotes a comprehensive approach to policy and legislation. Crucially, the forthcoming review of the Commission own Impact Assessment Guidelines offers a unique opportunity to precisely articulate the urban mainstreaming into the Commission internal policy development processes.

29. We also consider that the White Paper on integrated urban policy should address the regeneration of run-down urban areas, urban rehabilitation and renovation, as well as energy efficiency in building construction.

30. A good example of a more integrated approach at EU level is the European Innovation Partnership (EIP) Smart Cities and Communities. This EIP was created to make use of innovations for cities generated through public/private initiatives at the intersection between urban mobility, energy efficiency and information and communication technologies. The EIP makes it possible to translate EU-level macroeconomic policies into urban practices. It is nevertheless important that towns and cities are given the opportunity to set the agenda and to play their part as coordinators to the full.

#### **b) An urban dimension in European funds**

31. Good examples such as the European Innovation Partnership (EIP) Smart Cities and Communities stand in stark contrast to the involvement of towns and cities in the Structural Funds programmes 2007-2013. For the new programming period 2014-2020, a number of initiatives draw particular attention to the urban dimension in cohesion policy (the obligation to set aside 5 % of the ERDF budget for urban development, the creation of urban development networks and funding for innovative measures for sustainable urban development). However, the call for greater density could mean that a town or city is not viewed in terms of its overall urban development. There needs to be better coordination within the Commission to promote a deeper understanding of the urban dimension's sectoral policies (environment, energy infrastructure, mobility) in all Commission units.

32. The Committee of the Regions reiterates its support for the Commission's attention to integrated urban agenda in the new cohesion policy<sup>(15)</sup>. It also welcomes the strengthening of the partnership principle in the new cohesion package and the publication of the European Code of Conduct on Partnership. The Committee of the Regions will nevertheless keep a close eye on the practical implementation of the Commission's proposals for carrying out the new ERDF and ESF programmes, especially, the way cities and towns are involved in the management and governance of the programmes.

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<sup>(14)</sup> CdR 29/-2013 fin.

<sup>(15)</sup> CdR 5/2012 fin.

33. The Committee of the Regions calls on the Commission to work together with the Committee to monitor the involvement of towns and cities in the new Structural Fund programmes and, wherever possible, to promote such involvement. The lessons drawn from this could feed into an important policy recommendation for the development of cohesion policy after 2020, and for other European programmes that promote the achievement of EU objectives at local level.

34. Cities also participate in other EU subsidy programmes, such as LIFE, Horizon 2020, Intelligent Energy — Europe, etc., although these programmes lack a thematic focus on urban issues and synergies with the ESI programmes. Paying special attention to synergies between EU subsidies would have positive effects in towns and cities.

#### **c) A platform for the exchange of good practices**

35. With the creation of networks of local authorities at European level, the Commission meets the need for cities to exchange good practices on different issues. The URBACT territorial cooperation programme, the EU programme to promote sustainable urban development also meets this need. The Europe for Citizens competitive programme encourages thematic networking between municipalities on specific subjects of shared interest as an important means of facilitating the exchange of good practice. In addition to programmes co-financed by the Structural Funds and EU competitive programmes, there are also other programmes for knowledge-sharing between cities (such as Civitas, the Covenant of Mayors, Mayors Adapt, Smart Cities and Communities Initiative, Reference Framework for Sustainable Cities, Managenergy). The Committee notes that the number of initiatives for sharing knowledge and experience is growing and is increasingly diverse. In order to ensure a more comprehensive approach, the Committee urges the Commission to consolidate these different European funding programmes and support networks as to enable local areas to better understand and engage with them in a more efficient way than at present.

36. In order to be able to assess urban areas more accurately than just on the basis of the GDP indicator, when sharing knowledge and benchmarking urban policy, sufficient data must be available, for functional regions where possible. One of the main problems here is that Eurostat NUTS areas do not accurately reflect the reality of the situation in towns and municipalities. To this end, Eurostat should provide and compile more detailed local data and work should continue on the Urban Audit and similar surveys. Alternatively, uniform criteria should be developed for the definition of metropolitan areas. Practical instruments should also be implemented in order to measure the progress and impact of an integrated urban agenda at the EU level. The Committee therefore calls on the European Commission to work on a new monitoring instrument to develop the EU urban agenda.

#### **d) A new model of governance**

37. It is time for a new model of governance, giving towns and cities greater and earlier involvement (by way of the CoR, city networks such as Eurocities, or the Covenant of Mayors, for instance) throughout the cycle of the European policy process. By involving towns and cities and local and regional authorities more closely at all stages of the policy cycle, the EU can respond more effectively to the changes that towns and cities are currently undergoing. The consequences of policy initiatives and legislation on cities can thus be better assessed and to offset the risk of EU policies being inconsistent and simply not relating to the realities on the ground. Moreover, under Article 5 of Regulation (EU) No 1303/2013, the general regulation on the structural funds, this 'multi-level governance approach' should be applied throughout the preparation and implementation of EU cohesion policy programmes.

38. The principle of multilevel governance is extremely important, but should be adjusted to take account of the new relationship between government and society, which should go hand in hand with a greater role of towns and cities and local and regional authorities in the EU policy-making process. With this end in mind, European municipalities' signing of the Charter for Multilevel Governance in Europe will facilitate partnership between different administrative levels (local, regional, national and European) in framing effective public policies, with the implementation of a series of principles such as participation, cooperation, transparency, universality and consistency, which are prerequisites for the success of these policies for the benefit of the general public.

39. Representatives of towns and cities and local and regional authorities should be structurally involved in policy-making by the Commission's departments (through taking part in expert groups, for example), in order to ensure better coordination of the urban dimension in European policies, on the basis of practical experiences and concrete data. Provisions to this effect could be formalised in the new interinstitutional agreement between the new Commission and the Committee of the Regions.

***The Committee and the urban agenda***

40. The Committee attaches great importance to the urban dimension in European policies and to the development of an EU urban agenda. As the voice of local and regional government in the EU, the Committee of the Regions will closely follow the progress of the White Paper and will continue to lead the debate on the urban agenda, both within the EU institutions and beyond. This opinion is an initial contribution by the Committee towards a genuine integrated approach to towns and cities in the EU.

Brussels, 25 June 2014

*The president  
of the Committee of the Regions*  
Ramón Luis VALCÁRCEL SISO

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**Opinion of the Committee of the Regions — Urban Mobility Package**

(2014/C 271/04)

**Rapporteur:** Albert Bore (UK/PES), Member of Birmingham City Council**Reference documents:** Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions — Together towards competitive and resource-efficient urban mobility — COM(2013) 913 final

A call to action on urban logistics — SWD(2013) 524 final

Targeted action on urban road user safety — SWD(2013) 525 final

A call for smarter urban vehicle access regulations — SWD(2013) 526 final

Mobilising Intelligent Transport Systems for EU cities — SWD(2013) 527 final

**I. GENERAL COMMENTS**

1. Sustainable urban transport systems produce a better quality of life for European citizens and are important for the economic competitiveness of cities, regions and the European Union as a whole. Cities are the home of 70 % of European citizens and important centres of economic activity, where over 80 % of the Union's GDP is generated.
2. Urban mobility and urban transport are a competence of local and regional authorities, who are in charge of designing and implementing urban mobility policies and for providing public transport in their territory. Decisions to be taken at a local level often relate to a framework set by national policy and within a new EU Urban Agenda. Indeed, an Urban Mobility agenda is seen by many as a component of the Smart Cities agenda.
3. The Committee of the Regions has issued policy recommendations in its previous opinions on urban mobility, in particular in its opinion on the Green Paper on Urban Transport <sup>(1)</sup>, in the two opinions on the Action Plan on Urban Mobility <sup>(2)</sup>, and, finally, in the opinion on the White Paper 'Roadmap to a Single European Transport Area' <sup>(3)</sup>. These recommendations advocated sustainable urban mobility policies that take into account economic, environmental and social dimensions.
4. Within the Urban Mobility Package there is complete understanding of the subsidiarity principle, with focused actions where there is EU added value, particularly in fostering cooperation, sharing of best practice and guidance. There are also recommendations to Member States to introduce measures in respect of urban logistics, urban access regulations, deployment of ITS solutions and urban road safety.
5. Underlines the importance of a comprehensive European Union policy on urban areas based on the ideas and suggestions expressed in the Committee's parallel and complementary opinions on an integrated urban agenda, on the 7th Environment Action Programme's focus on sustainable cities and on the urban mobility.

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<sup>(1)</sup> CdR 236/2007 fin.

<sup>(2)</sup> CdR 417/2008 fin; CdR 256/2009 fin.

<sup>(3)</sup> CdR 101/2011 fin.

## II. POLICY RECOMMENDATIONS

### THE COMMITTEE OF THE REGIONS

#### ***Sustainable Urban Mobility Plans (SUMPs)***

6. Underlines that for urban development a sustainable and holistic approach must be followed. Urban mobility problems cannot be solved with a sectorial approach only. Account has to be taken in particular of the link between the urban dimension of transport policy and the broader concept of spatial planning, not only to improve urban transport and infrastructure but also to combat urban sprawl and rethink the relationship between cities and their surrounding (urban/rural) environment. For further proposals on sustainability, the CoR refers to the opinion on The Seventh Environment Action Programme and the Sustainable City<sup>(4)</sup>;

7. Considers it necessary for there to be measures (awareness-raising campaigns, incentives, etc.) at Member State level that can change people's attitudes towards using modes of transport that consume less energy;

8. Believes that SUMPs need to be closely integrated with land use policies. Poorly planned development which is not effectively integrated with the transport network results in higher levels of transport demand and leads to over reliance on the private car for many journeys;

9. Accepts that sustainable urban mobility plans are an appropriate strategic instrument for developing such an integrated approach to urban mobility aimed at all modes and forms of transport in the entire functional area of a city or urban agglomeration: public and private; taxis; passenger and freight; motorised and non-motorised; moving and parking — all of which should take into account the gender and mobility aspects of the population. The elaboration of sustainable urban mobility plans for all cities, remains a key demand of the CoR, with the design and implementation of urban mobility plans being the responsibility of the cities themselves;

10. Regrets that although sustainable mobility plans have already been produced in many cities and have proven to be an excellent basis for discussion and implementing measures for improving mobility in urban areas, a common Europe-wide definition of the concept of sustainable urban mobility plans has until now not been available;

11. Welcomes that the European Commission actively involved the Committee of the Regions in the impact assessment process for the Urban Mobility package and in particular the fact that DG MOVE has taken on board key concerns of the Committee of the Regions with regard to the elaboration of a non-binding proposal;

12. Wonders about the process by which the Commission intends to ensure that the goals and measures outlined in the Urban Mobility Package are properly achieved, knowing that in the European area there are towns and regions where the definition and implementation of plans for urban areas are at different stages of maturity. This can concern people mobility or measures for urban logistics, regulation and smarter monitoring of access in urban areas, the establishment of smart urban transport systems and urban road safety;

13. Notes the concept as non-binding guidance, as well as the clarification that it can and should be adapted to the particular circumstances of the Member States and urban areas;

14. Welcomes the Commission's commitment to support the development and the promotion of the concept, in particular the proposal to set up a European Platform on SUMPs and the commitment to support national, regional and local authorities developing and implementing SUMPs, including through funding instruments. There should be an absolute commitment by the European Commission for representatives of local and regional authorities to be involved in the European Platform;

15. Urges that the Commission's proposal to set up a Member States' Expert Group on Urban Mobility and Transport should also involve local authority or city representatives and so provide an input to the proposed European platform;

16. Asks that SUMPs should be promoted at national level, encouraging Member States to prepare the legislative changes needed to ensure the necessary framework conditions are in place to allow local and regional authorities to create and successfully implement local urban mobility strategies;

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<sup>(4)</sup> COR-2013-07987

17. Points out that towns are hubs where different modes come together and where journeys usually start and end. This is why they need to be seen as a very important and inseparable part of all transport networks and why, consequently, sufficient attention should be paid to urban mobility;

### ***Urban Vehicle Access Regulations***

18. Believes that urban access regulations and road user charging can be effective instruments to manage the competing demands for urban road space and to address crucial problems such as congestion, pollution and urban sprawl. This is in line with the user/polluter pays principle and contributes towards a shift towards the use of more sustainable transport modes;

19. Notes that the principle of subsidiarity would require a decision of local authorities to implement urban access regulations and road user charging schemes. Such schemes need to be tailored to the specific local circumstances and needs, so there is no 'one size fits all' solution. This can only be done at the local level by local and regional authorities;

20. Notes that in recent years a wide diversity of schemes have been implemented across the EU but suggests that this heterogeneity can sometimes make travel across Europe more difficult, in particular because of the widespread lack of information about how to comply with the various local schemes;

21. Points out that the regulation of access in urban areas should be based on clear rules which are as universal as possible in terms of objectives such as traffic reduction, fewer pollution emissions and incentives to encourage the use of other, more sustainable forms of transport;

22. Accordingly, in this regard and in line with the 2009 CoR opinion on the Action Plan on Urban Mobility<sup>(5)</sup>, accepts that there needs to be a minimum level of harmonisation and coherence at the EU-level, in particular with regard to vehicle categorisation, emission class and road signs; and this needs to be undertaken in partnership between local, national and EU authorities;

23. Welcomes the Commission's proposal to foster an exchange with Member States and experts on urban access regulations and to prepare non-binding guidance to help cities implement access regulation schemes effectively;

24. Suggests that with Intelligent Transport Systems (ITS) there is a need for common technical standards to ensure interoperability in order to prevent new technical barriers to free movement within the EU;

### ***Urban Road Safety***

25. Regrets that the number of road fatalities in the EU, with 26 000 deaths in 2013, remains unacceptably high. Very worrying is the fact that vulnerable road users, like cyclists, pedestrians and in particular elderly people, are most affected. It is particularly concerned that the number of cyclists killed has even risen compared to 2010;

26. Emphasises the importance of road safety in securing sustainable modes of transport, such as cycling and walking, and the positive impact for the health agenda through supporting more people to engage in active travel. These matters should be an integral part of SUMP's and further guidance on achieving this would be beneficial;

27. Urges that appropriate road safety education for individuals is also promoted, given that there is a direct relationship between road safety education and road traffic accidents;

28. Recalls that the CoR has previously endorsed the objectives on road safety laid down in the 2011 Transport White Paper to move close to zero fatalities in road transport by 2050, and to aim at halving road casualties by 2020 as compared to the numbers in 2010;

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<sup>(5)</sup> CdR 256/2009 fin.

29. Acknowledges that efforts to improve safety through vehicle design and the use of ITS, such as driver assistance systems (especially V2I and V2V solutions), will reduce the level of accidents but suggests more needs to be done by local and regional authorities to encourage safer vehicle designs to be used, e.g. through procurement processes;

30. Recommends that solutions based on ITS should also explore how promoting a real change in driving behaviour will provide environmental, road safety and energy efficiency gains;

31. Welcomes the European Commission's proposal to address urban road safety within the framework of the urban mobility package and notes that there is the commitment from the European Commission to gather and disseminate good practice examples on road safety planning, and to analyse measures for reducing the number of serious road traffic injuries in urban areas. This should not be limited to the next two years, as suggested, but continued if appropriate;

32. Welcomes the European Commission's recommendation that Member States ensure proper gathering of data on road safety indicators at the most detailed level possible and encourages local authorities to use such data for local analysis and road safety planning. It is acknowledged that engineering interventions are ultimately limited in their impact and that, by using road safety data, it is possible to identify the particular communities who figure most in road traffic collisions. This will enable more focused and targeted campaigns and behaviour programmes on road safety;

33. Emphasises that, in line with the principles of subsidiarity and multilevel governance, local and regional authorities have the responsibility to draw up road safety policies within a remit that focuses on resolving local problems, tailored to local circumstances. SUMP's could be an effective instrument to promote an integrated approach to road safety at the local level;

### **Urban logistics**

34. Highlights that the role of freight and logistics cannot be underestimated. Although urban logistics make up a relatively small share of urban traffic, it takes a considerable amount of urban road space, e.g. for loading and unloading, thus contributing to congestion and other problems. Urban freight vehicles also contribute disproportionately to air and noise pollution, and are often involved in severe accidents with vulnerable road users such as pedestrians and cyclists. In this regard, an optimisation of urban logistics would positively impact on the urban transport system as a whole;

35. Stresses that there is significant potential in regard to the introduction of new technologies, e.g. alternative fuel solutions. It is acknowledged that such development and early deployment of clean vehicles in cities can have immediate benefits in terms of the reduction of oil dependence, as well as health benefits through improved air quality and noise reduction. The objective of the 2011 Transport White Paper to achieve almost CO<sub>2</sub>-free city logistics in major urban centres by 2030 is again supported by the CoR;

36. Notes that, especially for smaller-scale operators, the economic sustainability of introducing cleaner vehicles into the urban logistics fleet may need incentive mechanisms based on gains associated with externalities. In this respect, quantified targets should be established for public and private vehicle fleets;

37. Welcomes the inclusion of the issue of urban logistics in the urban mobility package, particularly since urban logistics is largely neglected in city transport planning;

38. Welcomes the commitment of the European Commission to take action as regards the dissemination and uptake of urban logistics best practice, in particular to provide guidance documents on how to improve the performance of urban logistics and to facilitate the procurement of cleaner and safer vehicles by reviewing the scope of the Clean Vehicle Portal ([www.cleanvehicle.eu](http://www.cleanvehicle.eu));

39. Acknowledges that there is still a lack of data and information around freight flows to help urban areas plan more effectively for freight movements within their area. Linked to ITS applications, such data and information would enable urban authorities to better understand urban logistic requirements, help to improve the efficiency of movements and identify more appropriate routes for vehicles resulting in lower emissions;

40. Accepts the European Commission position that urban logistics should be given proper considerations in Member States' national approaches to urban mobility and in particular to SUMP;

### ***Urban Intelligent Transport Systems***

41. Acknowledges again the potential that ITS offers with regard to optimising urban mobility and achieving policy objectives, such as increased safety and lower congestion. Information technologies play a key role in supporting new mobility patterns based on the combined use of all modes of transport (e.g. real-time multimodal travel and traffic information, integrated multimodal electronic ticketing systems, car and bike sharing schemes);

42. Regrets that the uptake of ITS applications is still very fragmented, caused by a lack of both interoperability and effective cooperation. The European Commission's point of view that ITS can only realise its full potential with wide-scale deployment throughout Europe is accepted. The importance of such coherence and interoperability supports cross-border travel and free movement within the EU. This also applies to urban areas, which are often important nodes on the trans-European transport network;

43. Calls for support to be given to local authority initiatives to implement ITS. There is a need to speed up the introduction of technical and technological innovations improving the mobility, efficiency, safety and quality of transport in urban areas;

44. Recalls that work has already been undertaken by the European Commission with regard to interoperable and coherent ITS, in particular the provision of a legal framework with Directive 2010/40/EU (ITS directive) and the establishment of an Expert Group on Urban ITS, which has already developed Guidelines for the deployment of key ITS applications in urban areas;

45. Against this background, welcomes the undertaking of the European Commission to continue its work in this field and its intention to supplement the existing legislation on access to traffic and travel data, to prepare specifications on real-time traffic information and multimodal information services under the framework of ITS Directive 2010/40/EU, and to facilitate the deployment of vehicle-to-vehicle and vehicle-to-infrastructure communication systems in urban areas. However, with all these matters, data protection and privacy concerns are a prerequisite for the acceptance of such systems and must be fully respected;

### ***Climate Change, Air Quality and Noise Pollution***

46. Regrets that air quality and climate matters are not dealt with adequately within the Communication. As climate change impacts, the number of days on which transport systems are confronted with extreme weather situations will increase. If no measures to adapt our transport systems to handle these events are taken, more disruption and higher social and economic costs can be expected;

47. Stresses that for many other reasons, air quality is a matter of major concern in many of Europe's cities and towns, with the human cost of poor air quality being worse than for road traffic accidents, making it the number one environmental cause of premature death in the EU. It also impacts the quality of life arising from asthma or respiratory problems. Air pollution causes lost working days and high healthcare costs, with vulnerable groups such as children, asthmatics and the elderly being the worst affected. It damages ecosystems through excess nitrogen pollution (eutrophication) and acid rain. The direct costs to society from air pollution, including damage to crops and buildings, amount to about EUR 23 billion per year, and the external costs from health impacts alone are estimated at EUR 330-940 billion (3-9 % of EU GDP);

48. Notes that, due to breaches of the EU-set health-based limits for NO<sub>2</sub>, many Member State Governments potentially face infraction proceedings by the European Commission, with the possibility of substantial fines which may be passed on to local authorities and public bodies where there has been a failure to take appropriate action using the powers available to them. This nevertheless needs to be managed with caution. It has become clear in the meantime that breaches at local level are often due, amongst other things, to inadequate national and European policy for tackling problems at source. A multilevel approach is required, in which each level of government (European, national, regional and local) takes responsibility and adopts the measures which can and must be adopted by the relevant level;



49. Suggests that the various elements of SUMP can all contribute to addressing air quality. ITS solutions deliver more efficient transport movements. Better management of urban logistics reduces noise and congestion and improves journey efficiency; urban vehicle access regulations can be used to ban excessively polluting vehicles and encourage the use of quieter, ultra-low emission vehicles; and, through road safety measures, better driving behaviour can be encouraged which should help to reduce overall emissions whilst reducing the number of accidents on the transport network and the resulting congestion which often accompany them. A number of programmes such as Civitas or Ecostars are good examples of this;

50. Believes that measures contained within SUMP should increase the number of people walking, cycling and using public transport, reducing not only emissions and noise from vehicle traffic but also leading to better accessibility for all, improving equality in the transport system, as well as increasing physical activity and improving public health;

51. Recalls that the existing EU air quality, noise and vehicle taxation legislation are currently being reviewed and urges that they are made consistent with the spirit this Communication;

52. Believes it is important for cities exposed to the risk of noise pollution to draw up noise zoning plans that categorise areas according to the maximum noise level permitted and identify urban and suburban areas where the noise impact should be lowest, particularly in the vicinity of parks, schools, hospitals and sheltered accommodation for the elderly;

53. Asks, therefore, that concerns regarding air and noise pollution be translated into actions through SUMP, both by the EU and by Member States;

#### ***Reinforcing EU support***

54. Welcomes the commitment of the European Commission to strengthen EU support for sustainable urban mobility in the areas of cooperation, experience and best-practice sharing, research and innovation, financial support and international cooperation;

55. In particular, welcomes the intention to improve the existing Urban Mobility Observatory ELTIS by integrating the present Mobility Plans portal and developing it into a comprehensive knowledge centre. This will consolidate information on urban transport planning from across the EU and add to the intended European Platform on SUMP, providing local and regional authorities with the necessary tools for the successful application of SUMP;

56. Endorses the proposal to develop an Urban Mobility Scoreboard, first proposed in the 2011 White Paper on Transport, providing harmonised indicators to benchmark and compare the progress of urban areas across the EU;

57. Suggests, however, that any scoreboard needs to be carefully developed to ensure that it does not simply become a ranking system. Urban Mobility Scoreboards need to be 'city specific' to establish a time related baseline, to include a number of core indicators (e.g. modal split, accessibility, fuel efficient vehicles, air quality and health). Subsequent EU funding applications need to specifically relate to how the project or development will improve/impact on the baseline scoring and scoreboards should be reviewed annually;

58. Refers to the major burden on cities due to the increasing number of vehicles. The car-sharing services developed in some cities of Europe can ease this situation considerably. However, this has so far been developing very unevenly in European countries even though the European MOMO project has shown great potential. The Commission should expressly take up the sharing model (such as bike sharing, car sharing, car pooling) in its strategies;

59. Urges that financial support for sustainable urban mobility through the European Structural and Investment Funds should be under-pinned by guidance from the European Commission for local and regional authorities on how the ESI funds could be used more systematically for the funding of integrated packages of measures in the field of urban mobility, including through the new instruments such as Integrated Territorial Investments. Also, guidance is required on how Mobility Plans should be developed to show that they offer value for money for investments and exploit the synergies with other EU funding streams such as Horizon 2020;

60. Welcomes the Commission's intention to pay greater attention to small and medium-sized cities which play a fundamental role in the European urban system as a whole. Moreover, these cities offer great potential because of the social, environmental and institutional advantages associated with their smaller size. Urban mobility problems are not limited to large cities, and small and medium-sized cities have the added disadvantage of facing major difficulties in financing projects to improve urban mobility because of their high cost and fewer economies of scale;
61. Suggests that there is a strong case for linking SUMP's to the actions by EU cities' within the Covenant of Mayors. The voluntary commitment of cities to the Covenant of Mayors could be a valid model to promote engagement with SUMP's;
62. Points out that in many towns, especially in the new Member States, economic and social change has brought about radical change in the function of particular urban areas and hence fundamental changes in transport flows. These changes often require a comprehensive and very costly reconstruction of every kind of transport infrastructure. This is why, for these towns, it is essential to first address — and support with ESIF funding — the reconstruction of this essential infrastructure to make it operational and fit for purpose. ESIF support should therefore not be limited to connection to TEN-T networks, but should also be permitted for financing local communications and infrastructure for public and alternative transport that demonstrably contributes to urban mobility;
63. Believes that, if SUMP's are produced along EU guidelines, then it can be assumed they are shaped around the mobility requirements of the local citizens, with the support of local stakeholders and buy in from local politicians. Sustainable Urban Mobility Plans can ensure that money is integrated into wider planning and programme matters which have political commitment at a local level;
64. Supports the idea that allocation of regional development and cohesion funds should be coordinated with the submission of a coherent and independently validated Urban Mobility Performance and Sustainability Audit certificate by cities and regions.

Brussels, 25 June 2014

*The president  
of the Committee of the Regions*  
Ramón Luis VALCÁRCEL SISO

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## Opinion of the Committee of the Regions — The Seventh Environment Action Programme and the Sustainable City

(2014/C 271/05)

**Rapporteur** Daiva Matonienė (LT/ECR), Member of Šiauliai City Council

**Reference document** Referral letter from the European Commission of 27 November 2013

### I. POLICY RECOMMENDATIONS

#### THE COMMITTEE OF THE REGIONS

##### A. *General context*

1. In the interest of efficient use of resources and of reaching low-carbon economy that protects and grows natural capital and safeguards public health and wellbeing, the 7th Environment Action Programme (EAP) is meant to achieve the environmental and climate change targets in which the Union has already agreed, to provide a legal framework for environmental policy up to 2020 and to set out a long-term vision until 2050 for the EU and its Member States.

2. The European Commission has asked the Committee of the Regions to issue an opinion on the proposed measures for implementing the seventh Environment Action Programme's eighth objective and posed four specific questions:

- (a) How can the European Union encourage cities to take urban planning and design measures that reflect the principles of sustainable development?
- (b) How could dissemination of information about existing and available EU funding instruments for promoting sustainable development of cities be improved?
- (c) How could the EU foster more efficient exchange of information and know-how on the best ideas and measures concerning sustainable cities in the EU?
- (d) How can cities of more than 100 000 be encouraged to contend for the title of European Green Capital?

##### B. *Background*

3. Some 350 million people in the EU (70 %) live in towns and cities of more than 5 000 people. In all likelihood, 80 % of Europeans will live in cities or suburbs by 2020. Quality of life and global environmental conditions directly depend on the state of the urban environment. The largest share of environmental pollutants originates in cities.

4. Many cities essentially face similar environmental challenges: improving air quality, reducing noise pollution, traffic congestion and greenhouse gas emissions, preventing biodiversity loss, water shortages, floods and damage from storms, preserving green space, rehabilitating contaminated land, and improving waste management and energy provision.

5. The CoR stresses the tangible benefits of implementing sustainable policies and measures including improved environment, better public health, enhanced quality of life, more regulatory certainty for industry, and less market distortions. Also, highlights that the costs of not implementing EU environmental legislation are broadly estimated at around EUR 50 billion a year in health costs and direct costs to the environment <sup>(1)</sup>.

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<sup>(1)</sup> Commission study, 'the cost of not implementing the environmental acquis', COWI 2011.

6. Underlines that sustainable cities will be defined by their ability to achieve climate change mitigation targets. Given the concentration of population in urban areas, notes that cities will need to play a leading part in the reduction of greenhouse gases if global temperature increase is not to exceed 2 degrees C; and cities are best placed to encourage the behavioural change that must accompany the radical transformation of energy and transport infrastructure. Further recognises that the ability of cities to adapt to inevitable climate change and extreme weather will also determine their economic and social sustainability and therefore the competitiveness of the European Union.

7. In assessing and planning EU measures related to the development of sustainable cities, global context should also be taken into account. The UN conference on sustainable development of 22 June 2012 adopted the Rio+20 Declaration, which underlines the importance of an inclusive and environment-friendly economy and sets post-2015 goals for sustainable development.

8. In line with the Rio+20 Declaration, the CoR considers a sustainable city to be one that promotes a society that is economically, environmentally and socially sustainable, that has only a minimal impact on the environment, promotes new technologies, creates jobs, preserves natural and cultural heritage and offers social protection. It is also a city which empowers its local community to participate in the local decision-making process.

### C. *The key principles*

9. Promoting sustainable cities requires a holistic approach that provides answers both to questions of environmental protection and to the social and economic problems of cities, as well as addressing how cities can build resilience to disasters. The concept of a sustainable city has to be about more than just environmental protection. The challenge is to ensure that the criteria are based on the appropriate levels of information from the different subject areas and relevant to the different kinds of cities across the EU. This is essential in order to ensure that the criteria are easy to use for any city which wants to work towards sustainability, and to create public ownership of this process. A holistic and sustainable approach will be a pre-requisite for future urban development. For further proposals on urban policies and on resilience policies, the CoR refers to the opinion on the EU Urban Agenda and the opinion on managing risks to achieve resilience <sup>(2)</sup>.

10. Making cities sustainable requires sound environmental protection measures which need to be mainstreamed into all relevant policy areas and need to be integrated with other sector-specific strategies and activities, including those aimed to create jobs and growth.

11. Under the principle of subsidiarity, sustainable urban planning and spatial planning fall within the remit of the Member States, it is imperative that this principle be upheld and that LRAs are involved at the earliest stage possible in drafting those policies, as well as implementing and enforcing them on the ground. The European Union can take supporting action and encourage cities, regions and Member States to exchange information, share best practices and learn from each other.

12. While EU measures, financing arrangements and priorities also are geared mainly towards large cities of more than 100 000 people, notes that approximately 56 % of EU towns and cities have a population of between 5 000 and 100 000. Underlines the importance of the accumulative impact of small- and medium-sized towns' and cities' sustainability and underlines that there is considerable scope in smaller towns to conceive and implement the principles of sustainable urban development.

13. Underlines the need for an overall discussion on the direction of sustainable cities with the aim of establishing common goals by 2050.

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<sup>(2)</sup> COR-2013-06902; CoR-2014-02646.

#### D. *Proposed measures*

##### I. **How could the European Union encourage cities to take urban planning and design measures that reflect the principles of sustainable development?**

###### a) *Multilevel governance and the mechanism*

14. Towns and cities are responsible for implementing measures related to urban planning, development, environmental protection and energy policy, which is why they are ideally suited as a level of government to implementing sustainable urban development measures in the most cost-effective way possible.

15. The principle of multi-level governance should be strengthened, since success depends on cooperation on sustainable urban development and on a common approach between the cities which have responsibility for urban development, and the other levels (regional, national and European) which contribute to the overall framework for sustainability.

16. The CoR, as the EU institution representing the voice of regions and cities of EU and the point of contact for many local networks, should be a central element within this governance system. This will ensure that EU legislation better reflects the situation and needs of towns and cities. This would also allow them to create ownership for urban sustainability measures.

17. In order to achieve sustainable cities, a combined bottom up/top down approach is required. It is not enough for cities to take the initiative. What is needed is a common approach coordinated at EU level with the appropriate degree of flexibility that allows towns and cities to assess themselves against common sustainable city criteria and pursue the sustainability goals for cities by taking their own measures. It is also necessary to facilitate access to EU funding mechanisms to this end. The recommended EU criteria, which could build on the Reference Framework for European Sustainable Cities (RFSC), would be used to assess a town's or city's sustainability as well as its strengths and weaknesses. Based on the results, the town or city could give direction to its development and decide what needs to be done to improve its position. These criteria could be weighted differently according to their level of importance.

18. Local, regional and national levels of governance should aim for horizontal and vertical coordination, including inter-municipal and cross-border cooperation, ensuring a comprehensive approach to urban development in order to avoid making duplications and isolated and uncoordinated investments.

19. The CoR welcomes the new instrument of 'Partnership Implementation Agreements' and asks the Commission for more clarity and guidance in involving LRAs in this instrument.

20. The Committee of the regions therefore proposes that common goals for sustainable towns and cities by 2050 be set at EU level, based on a catalogue of recommended criteria. The measures which are necessary to reach the goals should already be included into the European Commission's country-specific recommendations, which provide guidance on how to implement the objectives of the Europe 2020 strategy. The development of the long term goals and the necessary criteria should be based on the existing initiatives in this area including the Leipzig Charter on sustainable European cities.

###### b) *Public participation and additional funding mechanisms*

21. The CoR encourages local and regional authorities to discuss their respective sustainable urban development concepts with all relevant stakeholders at the different levels of governance. In this regard, public consultations are an excellent way to involve citizens in the strategies to be defined. Once criteria for sustainability have been developed, public debate about the performance measured against these criteria could encourage more cities to follow on the path towards sustainability.

22. Calls on the European Commission to work with the Member States towards a common approach to measure supporting the development of sustainable cities and to collect information on which successful mechanisms exist already for such support. A common approach and flexible procedures would allow cities to choose the best measures for sustainable urban development in the long run.

23. Cities and towns should promote an innovative and effective partnership between the public and private sectors so that projects that reflect the idea of the sustainable city are implemented as efficiently as possible;

**II. How could the dissemination of information about existing and available EU funding instruments to promote sustainable development in towns and cities be improved, and how could the EU promote a more efficient exchange of information and know-how in terms of the best ideas and measures for sustainable towns and cities in the EU (Commission questions (b) and (c))?**

24. Existing funding options and structures need to be used including those available under the LIFE plus programme to support pilot projects. The EIB programme for funding energy-efficiency measures is already being deployed with success and the possibility to develop similar programmes in other areas relevant to sustainability should be explored.

25. Project grouping, a mechanism sometimes deployed in practice, which groups several municipalities with the same objective, should be promoted. It facilitates the financing of small projects that are of importance to the region.

26. Public awareness raising and providing incentives is one of the key factors in making sustainable cities a reality. Measures aimed at water conservation, expanding recycling and composting plants, boosting public transport use and saving energy, etc. do not by themselves amount to active and broad public involvement in building sustainable towns and cities. The CoR calls on the European Commission to advise cities on possibilities to use visual information measures allowing the public to be better informed at any given time about the state of the urban environment (information about air pollution, traffic congestion, etc.).

27. The Committee of Regions welcomes the work of the European Commission on providing a web-based portal as a single point of contact and encourages its members to provide relevant information if and when required. Calls on the Member States to make sure that information about criteria, funding instruments and initiatives reaches towns and cities. Relevant communication plans should be drawn up with the involvement of EU institutions, their representations in the Member States, the associations of the local and regional authorities and any other relevant stakeholders.

28. The existing platforms and facilities and their databases and initiatives should be integrated into the EU-level efforts to support sustainable cities and used to encourage cooperation between them, and between the cities and regions already involved in networks such as the Covenant of Mayors, the Reference Framework for European Sustainable Cities (RFSC), Energy Cities, Eurocities, ICLEI, the Global Climate Change Alliance.

29. The European Commission should review and reinforce its communication strategy in the light of the new funding period, and encourage both the Member States and towns and cities to take advantage of the 5 % of the ERDF earmarked sustainable urban development.

30. The Committee of the Regions, providing the experience of the local and regional authorities and working together with the European Commission and the stakeholders, will continue to disseminate information and promote good practices on sustainable towns and cities as well as available funding opportunities.

31. The CoR reiterates its support to the development of Structured Implementation and Information Frameworks (SIIFs) for all key EU environmental laws and calls on the EC to involve LRAs to participate in the SIIFs.

32. Underlines that sustainable and environmentally friendly urban mobility plays an important role in the sustainability of our cities. For further proposals on sustainability and sustainable transport in cities, the CoR refers to the opinion on the Urban Mobility Package <sup>(3)</sup>.

33. The EU should further promote and, where appropriate, expand existing initiatives that support innovation and best practice in cities, networking and exchange, and cities should be encouraged to take the lead in sustainable urban development. With this in mind, the CoR points to innovative measures in the field of sustainable urban development to be funded via the ERFD between 2014 and 2020. Such measures include pilot projects to test new solutions to EU-relevant problems connected to sustainable urban development.

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<sup>(3)</sup> COR-2014-00090.

34. The CoR also suggests the EC to support and expand projects put forward by local networks and which proved to be successful such as peer-review and mutual learning activities, including site visits, green twinning, partner-to-partner mentoring and coaching, work shadowing, review and assessments and mobility schemes for city experts.

35. Focal points for sustainable urban development could be set up at national and at regional and local level. With their help, specific measures, including exchange programmes for experts, could be coordinated more easily. Energy agencies and administrations of NUTS II level development regions could play such a coordinating role. They already have well-established contacts with the cities under their authority together with experience in coordinating European programmes.

### III. How can cities of more than 100 000 be encouraged to contend for the title of European Green Capital?

36. The contest for the title of European Green Capital has been quite successful and should be developed further. The example of the European Capital of Culture shows that an award with a legal and financial base has even greater potential to encourage cities to participate and to generate long term results. The CoR is in favour of the European Green Capital being developed in this direction.

37. One aspect of the European Green Capital Award, which should be reconsidered is the fact that according to the current eligibility threshold, only cities of more than 100 000 people can contend. The CoR therefore suggests that a second category for cities and towns of at least 50 000 people, could be considered so as to open up new opportunities to Europe's smaller towns and cities. It would then be appropriate for the criteria for this category to be adapted to the resources and needs of smaller cities in order to allow a maximum of candidates to enter competition.

38. The CoR calls to further reinforce the European Green Capital Network to allow winners of and contestants for the title of European Green Capital to make their cities known to the general public, compare notes on successful outcomes and technical ideas, and be able to use their own platform or existing structures to this end.

39. The CoR actively promotes the European Green Capital Award and suggests the European Commissioner for the environment to write a letter not only to all Member States requesting that they raise awareness about the reward among their cities and regions, but he/she could also address this to environmental organisations that closely cooperate with cities and towns.

40. A prize awarded by the European Commission for the best 'European Eco-Neighbourhood' might be considered, in order to foster the restoration of neighbourhoods identified as poor or vulnerable, and to encourage local communities to get involved in managing their own areas.

41. In addition to the EC initiatives, other awards (for example a Green Flag Award, Biodiversity conservation, Green transport promotion etc.) at local, regional and national levels could be considered.

Brussels, 25 June 2014

*The President  
of the Committee of the Regions*  
Ramón Luis VALCÁRCEL SISO

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**Opinion of the Committee of the Regions — The future EU policies in Justice and Home Affairs**

(2014/C 271/06)

<b>Rapporteur</b>	Lotta Håkansson Harju (SV/PES) Member of Järfälla Municipal Council
<b>Reference documents</b>	An open and secure Europe: making it happen  COM(2014) 154 final  The EU Justice Agenda for 2020 — Strengthening Trust, Mobility and Growth within the Union  COM(2014) 144 final

**I. POLICY RECOMMENDATIONS**

THE COMMITTEE OF THE REGIONS

**General recommendations**

1. welcomes the Commission's aim of consolidating the progress achieved in the area of justice and home affairs through correct implementation and effective monitoring. At the same time, the Committee emphasises that consolidation could also take the form of additional legal instruments, that respect the principles of subsidiarity and proportionality, to fill gaps in the present system and enable the EU to address new global challenges in a more flexible manner;
2. stresses that a stronger focus on the EU's commitments with respect to fundamental rights must have a real impact at all levels. The EU, in line with its Charter of Fundamental Rights, must continue and further develop its work in this area in order to remain an open and safe region based on a shared respect for fundamental rights;
3. welcomes, in this respect, the fact that the Commission has developed a framework within which to tackle systemic threats to the rule of law in the Member States, since the rule of law, based as it is on the principle of equality before the law, is a prerequisite for implementation of and respect for fundamental rights in the Union <sup>(1)</sup>;
4. notes that the EU Charter recognises both universal fundamental rights and specific rights for EU citizens. If both these categories of rights are to become a reality for everyone, far-reaching, multi-level work will be required in which local and regional authorities play a leading, active and forward-looking role;
5. emphasises that it is in the local community that the foundations can be laid for an inclusive society that genuinely respects fundamental rights, a society that therefore also values gender equality and diversity and protects the most vulnerable. At the same time, it is at local and regional level that challenges in the area of justice and home affairs are the most tangible and have the greatest impact on individual members of the public;
6. supports the Commission's proposal to adopt new legal instruments that make life easier for people and contribute to growth, provided that they do not duplicate others, are effective and facilitate the harmonisation and simplification of the existing legislative framework as far as possible. Better lawmaking contributes to economic growth, because it makes business relations, and everyday life for the public, easier;
7. recommends that the European Commission concentrate on specific and practical proposals for legislation that would directly benefit the citizens — especially at a time of increasing economic and social problems — and would help in a very tangible way to address the difficulties they often face as a consequence of the economic crisis. These difficulties arise in particular in less developed cross-border regions where it is more difficult for people to carry out their economic and social activities.;

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<sup>(1)</sup> **Communication from the Commission to the European Parliament and the Council — A new EU Framework to strengthen the Rule of Law** COM(2014) 158 final, 11 March 2014.



8. believes that, for the fundamental rights of all inhabitants to be upheld fully, there will have to be a concerted, explicit effort and collective shouldering of responsibility at all levels. Efforts to implement fundamental rights must be seen as a long-term, ongoing process. A consensus on how to achieve this will call for solid backing at local, regional, national and EU levels. Any lack of coordination between these levels could play into the hands of extremist, racist and xenophobic forces, jeopardising progress in the EU as a whole;

9. wishes to highlight the central role of local and regional authorities in justice and home affairs policy areas. They are ultimately responsible for implementing many aspects of existing national and EU legislation; they develop and test new policy solutions; they help people to exercise their fundamental rights and they gather the information and experience needed in order to develop these areas further. Local and regional authorities therefore have significant potential to contribute to policy development, from planning and implementation to monitoring and evaluation;

10. points out that this means that they are absolutely vital partners when it comes to shaping and implementing policies relating to justice and home affairs. The Committee therefore urges the Commission, the Parliament and the Council to explicitly recognise local authorities and regions as full partners in these policy areas and allow them to take their share of the responsibility;

11. feels that policy in the area of justice and home affairs should be coordinated with other EU policies. The Committee wishes to draw attention to the need for better coordination of questions which come within the remit of justice and home affairs, on the one hand, and the EU's economic, social and external policy, in order to bolster respect for rights in all areas and increase consistency across the board. Justice and home affairs policies must be coordinated with the economic and social policy pursued by European structural and investment funds in particular in the less developed regions, especially with regard to training and employment. The Committee also agrees with the Commission justice and home affairs policies must be incorporated into the EU's over-arching external policy so as to strengthen dialogue and cooperation with third countries and synergies with other EU policy areas <sup>(2)</sup>;

### ***Strengthening a rights-based Europe***

12. believes that the authorities at all levels must be actively committed to protecting and promoting fundamental rights and freedoms for all. Local and regional authorities have an extra duty to raise awareness of fundamental rights because they are so close to the people of Europe;

13. emphasises that all human beings have fundamental rights and freedoms, regardless of gender, race, colour, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age or sexual orientation. 'Vulnerable groups' such as children, undocumented migrants and asylum-seekers, etc. must always be given special attention in policy planning, implementation, monitoring and evaluation;

14. considers strategic communication about the collective responsibility of all levels for ensuring that fundamental rights are respected, protected, monitored and promoted — thus meeting international obligations — and also about the long-term benefits of admitting asylum-seekers and refugees, to be crucial if we are to stem the rising tide of extremism, racism and xenophobia in many EU Member States;

15. points out that knowing how to translate fundamental rights into practice is crucial if we are to build a European area of justice that respects and promotes fundamental rights, diversity and cooperation. The Committee therefore welcomes the web-based guide being developed by the EU Agency for Fundamental Rights as this will help public officials locally, regionally and nationally to make better protection and promotion of fundamental rights through multilevel cooperation part of their daily work <sup>(3)</sup>. The Committee calls on the Commission to set aside additional resources to develop, update and disseminate practical tools of this kind for the benefit of officials and elected representatives at all levels;

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<sup>(2)</sup> Communication on Home Affairs: An open and secure Europe — Making it happen, COM(2014)154 final.

<sup>(3)</sup> <http://fra.europa.eu/en/joinedup/home>.

16. in view of the central role, considerable expertise and experience of local and regional authorities emphasises the need for a forum to enable the exchange of information and best practices between local and regional authorities, civil society actors and other administrative bodies (at national, European and international level). The Committee urges the EU to facilitate this further by means of targeted measures and programmes;

17. suggests that the annual report on the EU's Charter of Fundamental Rights should include information on how local and regional authorities are implementing it. This will have an impact on areas where local and regional authorities might need to step up their efforts and strengthen communication between the various levels;

18. emphasises that fundamental rights are not just a justice and home affairs issue: they actually concern virtually all the directorates-general. In order to strengthen their impact and crosscutting nature, the Committee believes that the Commissioners responsible for Justice and Home Affairs should coordinate fundamental rights with all European Commission directorates-general;

19. suggests that the purpose of coordination should be to streamline the competences of the directorates-general so as to avoid conflicting objectives, monitor the implementation of fundamental rights, carry out rights and gender analyses, compile data, encourage Member States to ratify and implement key international and regional rights instruments, consult the various stakeholders and ensure the use of correct terminology and good communication. Coordination should be developed in close cooperation with the EU's Agency for Fundamental Rights;

20. believes that cooperation in the area of fundamental rights would be considerably easier if the rights enshrined in the Charter were also directly applicable in the Member States;

21. sees a need to raise awareness of the specific rights that citizens of one EU Member State have in another Member State. Implementation of the directive on free movement of persons is crucial if EU citizens and their families are to be guaranteed the right to move freely within the EU and take up residence in one of the other Member States;

22. believes that the right to freedom of movement could be even more clearly defined. As the Commission points out, EU citizens are still frequently faced with practical and legal difficulties when they attempt to exercise the rights they have at home in another EU Member State<sup>(4)</sup>. At the same time, the challenges that freedom of movement creates in individual municipalities and/or regions need to be better addressed. Targeted measures and programmes could also be useful here;

#### ***A Europe based on rights and solidarity on migration and asylum issues***

23. stresses that the EU needs to work more to implement a European asylum and migration policy based on fundamental rights, solidarity, mutual trust and shared responsibility between Member States and local and regional authorities;

24. calls for the EU to continue to be a place of refuge for people fleeing persecution or in need of protection. The need to control the reception of migrants and to maintain the integrity of borders must never be allowed to take precedence over the right to seek international protection. The Committee therefore stresses that the control and monitoring of land and sea borders must not mean neglecting the fundamental obligation to save lives and respect human rights;

25. feels that effective cooperation and trust between the local, regional, national and EU levels with regard to the sharing of resources and responsibilities are absolutely essential for sustainable and fair reception of asylum-seekers and refugees. This kind of cooperation is currently lacking in a number of important respects, which seriously hinders the settling-in of new arrivals, and also risks exacerbating xenophobic tendencies. There is, in essence, the same need for effective cooperation when it comes to the reception of other types of migrants;

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<sup>(4)</sup> Towards a true European area of justice: Strengthening trust, mobility and growth, COM(2014) 144 final.

26. urges all levels of government in the EU to share responsibility for the reception and integration of refugees, and calls for greater inter-regional cooperation, coordination and solidarity through the development of a mechanism for redistributing them between Member States, regions and local authorities taking into account structural constraints, resources and other relevant factors. Currently, each individual state is responsible for asylum and refugee policy and as such also bears financial responsibility for reception. However, reception is unevenly spread both within and between Member States, with some local and regional authorities taking a far greater share of the responsibility by processing a large proportion of new arrivals. The Committee points out that the European Union must pay heed to the particular difficulties faced by the regions of Europe, which at any given moment are the entry point for migrants, who require forms of assistance and services which are often beyond the capacities of individual regions. A dedicated financial instrument should therefore be introduced, geared as a matter of priority to regions where migrants arrive and to transit areas;

27. notes with concern that the UN Convention on the rights of the child and the Action Plan on unaccompanied minors (2010-2014) are not always upheld across EU Member States when receiving migrant, refugee and asylum-seeking children and unaccompanied minors; underlines the importance of mutual support by local and regional authorities so that they can bear their share of the responsibility for ensuring that these provisions are upheld for both boys and girls. Reminds the Commission that the Action Plan referred to above expires in 2014 and calls for a start to be made on the procedure for this renewal;

28. points out that, to date, Article 80 TFEU has not been used to take measures implementing solidarity and fair sharing of responsibility with regard to mobility. Commitments concerning migration and repatriation have been entirely voluntary, and in some cases it has been cities that have taken the lead in putting these commitments into practice;

29. sees the uneven distribution of asylum-seekers and refugees between states and between and within regions, on top of shortages of jobs, housing, etc., as a major challenge for local and regional authorities. Another issue is the lack of forward planning and inability to prepare for reception sufficiently early. Improvised solutions can have negative social consequences, making it harder for new arrivals to adequately equip themselves for starting the integration process;

30. therefore believes that it is time to establish more clearly what shared responsibility and solidarity may entail when it comes to asylum issues. It is clear that different countries, regions and local authorities have different ideas of what constitutes reasonable sharing of responsibility or solidarity, based on their specific circumstances and wishes. This covers a wide range of issues, including the number of asylum-seekers arriving directly in their territory, the number of asylum applications they process, their financial situation, housing shortages, past reception, population density, etc. It also involves both short-term and long-term perspectives;

31. underlines the need for the sharing of best practices among local and regional authorities and Member States in processing the claims of asylum-seekers and refugees, integration policies and preventing irregular migration. Notes this could enable a bottom-up approach to addressing disparities among Member States and regions in the conditions in which asylum seekers, refugees or irregular migrants are hosted on initial arrival and in the efficiency and speed with which applications and dossiers are processed. Notes that small municipalities lack the resources to handle large inflows of migrants and in this regard, underlines the importance of solidarity among municipalities and calls for the strengthening of Frontex for a more effective and efficiently reinforced and streamlined cooperation between national border authorities and to protect migrants as well as the EU's external borders;

32. therefore suggests, in order to make progress in discussions on shared responsibility, undertaking a study into how the various Member States, regions and local authorities interpret shared responsibility and solidarity, and what impact those different interpretations would have in different scenarios. This study should also analyse how a more even distribution of asylum-seekers and refugees between local and regional authorities and states could be achieved within the EU;

33. also considers it important for the EU to be able to reap the benefits of the resources that newly arrived migrants offer. Successful integration policies, managing diversity at local and regional level promote growth, increase opportunities for learning and entrepreneurship and help to meet future labour needs and finance the welfare system in the years to come. In order for this policy to deliver benefits, it is crucial to invest in education and jobs for migrants so that they can enter the labour market in the EU, as well as in training and cultural diversity management in order to change attitudes in the population at large and improve social relations;

34. underlines the need for an EU-wide approach to addressing fraud and abuse;

35. notes that low birth rates in many of the Member States, combined with the coming generational shift, will result in a greater need for people of working age. Thus asylum-seekers and refugees represent not just a challenge, but also a huge opportunity for EU Member States. The EU simply must find credible responses to the demographic challenges facing the Union;

36. notes that limited progress has been made in adopting legislation on legal migration, with the result that the EU's migration framework is extremely patchy. The Committee therefore welcomes the priority placed on an over-arching migration strategy and the emphasis on promoting a genuine, balanced partnership with countries of origin and transit when it comes to managing the reception of migrants in an organised way that respects their rights;

37. is of the opinion that organised crime has to be fought also at the local level through social and educational initiatives: by showing especially to the inhabitants of areas dominated by organised crime that a different model of development based on transparency, participation and democracy is possible, and by providing educational support in particular for young people who are at risk of becoming part of illegal structures; and by confiscating the proceeds of organised crime and using them for social projects, local actors and civil society. The European, national, regional and public authorities have a crucial responsibility to cooperate in this kind of initiatives;

38. agrees with the Commission that any well-managed migration system must include action to reduce irregular migration<sup>(5)</sup>. At the same time, it is important that irregular migration, and supporting irregular migrants, should not be criminalised and that attention be paid to possible victims of human trafficking. Local and regional authorities must deal with the realities they face, and in terms of fundamental rights this must entail providing services to irregular migrants;

39. advocates giving representatives of local and regional authorities opportunities to develop systems for sharing expertise and pooling experience and good practice on employment, education and social inclusion so as to make the local dimension of integration policy more visible. A knowledge-sharing forum is essential to developing a dynamic EU integration policy that guarantees migrants' rights. Over time, such a forum should also reduce disparities between Member States in relation to integration;

### ***A secure Europe***

40. considers preventive measures to be just as important as penalties in addressing problems that affect people's security and jeopardise fundamental rights, such as organised crime — in particular human trafficking — drug trafficking and the sexual exploitation of minors. It would remind the Commission of the crucial role played by local and regional authorities in developing strategies to prevent organised crime and take responsibility for the continuous well-being of the victims;

41. argues that local and regional authorities should play a more significant role in fighting cross-border organised crime: crimes committed locally can increasingly be traced back to international organised crime, and it is local communities that are the first victims of criminal organisations that destabilise their social structures. Agrees with the Commission on the need to build secure and reliable systems to ensure that individuals and businesses can make full use of the potential of the internet. To this end, Member State cooperation with the Europol European Cybercrime Centre (CE3) should be extended to the regional and local level in order to step up the fight against cybercrime from the level of government closest to the citizen;

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<sup>(5)</sup> An open and secure Europe: making it happen. COM(2014) 154 final.

42. points out that corruption is a particularly important topic for local and regional authorities and their residents, and intends to continue to fight corruption at all levels in cooperation with other EU institutions, the Council of Europe and other organisations, advocating protection of the EU's financial interests, for example through the establishment of a European Prosecutor's Office;

43. supports the EU's strategy for eradicating trafficking in human beings. Local and regional authorities can make a significant contribution to the successful implementation of this strategy and, thanks to their local ties, are in a position to recognise the signs that someone may be a victim of human trafficking. The Committee has therefore advocated that local and regional authorities help to develop guidelines for identifying victims, protecting them and guarantee their continuous well-being, particularly in the case of minors;

44. stresses that municipalities and county councils are important partners for capacity building in sending countries. Cross-border international cooperation between local authorities that receive migrants and asylum seekers and their counterparts in the countries of origin could be significantly improved and expanded. Local government plays an important role in shaping and implementing integration and repatriation programmes.

Brussels, 25 June 2014

*The President*  
*of the Committee of the Regions*  
Ramón Luis VALCÁRCEL SISO

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**Opinion of the Committee of the Regions — A European homelessness strategy**

(2014/C 271/07)

**Rapporteur** Gábor Bihary (HU/PES), Member of Budapest General Assembly**Reference document****I. POLICY RECOMMENDATIONS**

## THE COMMITTEE OF THE REGIONS

1. finds it completely unacceptable that in 2014 people are still risking their health and lives by living on the street in our communities. The fact that we have some 3 million homeless people, who are supported by social welfare systems but in many cases are off their radar or are inadequately protected by them, is unworthy of the EU;
2. notes that homelessness is the most extreme form of poverty and social exclusion <sup>(1)</sup>, and violates human dignity and rights, given that housing is a fundamental human need;
3. reiterates <sup>(2)</sup> in this context its call for a European social housing action framework in order to:
  - ensure consistency with Fundamental Rights and between EU policies which impact housing;
  - guarantee compliance with the EU Treaty under which public authorities are free to determine how social housing is organised and which households are eligible;
  - promote social mix;
  - support the social housing's contracyclical economic role, in particular through the reduction of energy dependency and the support to local employment;
4. recognises that the EU Member States have the world's most advanced social protection safety net; at the same time, homelessness has increased in practically all Member States due to several factors such as the impact of the economic crisis, societal changes, discrimination against minorities or badly regulated migration issues. In addition there is insufficient social housing and affordable housing in some countries.;
5. emphasises that there is a high return on investments to reduce homelessness, given the long term savings on social expenditure on dealing the problem;
6. stresses the need for EU-level action to address the challenge of poor and vulnerable EU citizens moving across national borders within the EU. Social mobility has contributed to transnational homelessness, a problem that cannot be resolved at national, regional or local level, or by reducing the mobility of EU citizens;
7. points out that Member States and in particular local and regional authorities are directly responsible for dealing with homelessness; however, while keeping the subsidiarity principle in mind, the European Commission can play a stronger role in developing policies, establishing cooperation at European level, and disseminating best practices. The EU needs to step up its efforts to complement and support efforts by Member States and local and regional authorities, in the spirit of the European Platform against poverty and social exclusion <sup>(3)</sup>;

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<sup>(1)</sup> CdR 18/2010 final.

<sup>(2)</sup> CdR 71/2011 final.

<sup>(3)</sup> CdR 402/2010 final.

8. points out that every Member State should have a national homelessness strategy, possibly complemented by regional strategies, clearly identifying responsibilities for data collection, monitoring and implementation; therefore calls on the Member States to draw up comprehensive homelessness strategies, which should include a definition of national services to deal with the problem, together with a definition of clear and transparent objectives that are binding upon them with regard to the EU, as well as evaluation models so that the results of each EU Member State's strategy can be assessed transparently;
9. emphasises that such comprehensive homelessness strategies should refer to the role of local and regional authorities and civil society; at the same time, in the interests of good governance they should clarify the division of tasks and the allocation of resources between different levels of governance;
10. warns that some EU Member States have had difficulty in implementing their homelessness strategies because in practical terms they lack multi-level governance;
11. welcomes the European Parliament's previous and recent resolutions on the EU's homelessness strategy <sup>(4)</sup> calling on the Member States to make progress on implementing the target of overcoming homelessness by 2015;
12. points out that the level of homelessness and its causes vary from one Member State and even region to another, which means that local and regional authorities should be involved in framing a homelessness strategy. The choice of approach should be determined by the causes of this problem. Local authorities are best placed to gather expertise here, as they are in direct contact with it;
13. welcomes in this context the work carried out by the HABITACT network on homelessness, [www.habitact.eu](http://www.habitact.eu), which is a network of local/regional authorities driving social innovation in the field of homelessness, through integrated homeless strategies;
14. agrees with the European Parliament's call to the Commission to establish a high-level expert group to support it in the preparation and further development of an EU homelessness strategy; emphasises the importance of participation by representatives of local and regional authorities in this expert group;
15. notes that the Commission has already published a Commission Staff Working Document <sup>(5)</sup> providing guidance on confronting homelessness but regrets the low level of European ambition of this text. Indeed, a European strategy is needed, providing a toolkit that local and regional authorities, NGOs and their volunteers can use effectively in practice, as well as enabling the exchange and dissemination of good practices, and legal action to prevent the criminalisation of homelessness and to severely repress abhorrent acts of hostility, violence or persecution directed against them;
16. emphatically states that poverty and homelessness are not crimes. In view of this, criminalisation of homeless people in some Member States together with the introduction and application of socially insensitive local rules in violation of human rights is an affront to the principle of equal treatment and to human dignity;
17. calls for greater recognition and support at local, regional, national and EU level for the work of civil society organisations defending the rights and interests of the homeless, who are vulnerable and in a poor position to defend their rights;
18. hopes that in no Member State — in breach of the law, or through changes to the law which go in the same direction — individuals are exposed to police threats solely because they are homeless;
19. supports activities by civil society organisations, European associations and umbrella groups operating in Member States to assist the homeless, make them aware of their rights, and encourage the development of an inclusive social environment and social awareness enabling the majority of people to empathise with situation of homeless people and conducive to measures, including in terms of community funding, to overcome the problem;

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<sup>(4)</sup> P7\_TA(2011)0383 and P7\_TA(2014)0043.

<sup>(5)</sup> SWD(2013) 42 final.

20. calls on the Member States and the Council Presidency to ensure that homelessness regularly features on the agenda of ministerial roundtable discussions. The Committee of the Regions would also like to emphasise the importance of including representatives of local and regional authorities in such meetings, and also calls on the European Commission to provide logistical and financial support for such meetings;
21. emphasises the importance of the EU homelessness strategy prioritising housing-led/housing-first approaches, and paying special attention to cross-border homelessness, as well as homelessness affecting women and minors;
22. emphasises the link between managing homelessness and regional development, EU funding instruments (e.g. ESF, ERDF)<sup>(6)</sup>, as well as the issues of social inclusion and human rights; there is also a close correlation with the Europe 2020 strategy objective of lifting 20 million people out of poverty<sup>(7)</sup>;
23. reminds the regions in the Member States particularly affected by homelessness to make use of European funding and programmes for the needy, such as the European Social Fund (ESF), when drawing up operational programmes. These can improve the situation of homeless people and open the door to integrating them in society and labour markets;
24. emphasises the importance of preventive action at local and regional level, through early identification of persons at risk of homelessness and tailor-made support measures protecting them from expulsion, together with immediate assistance for those who have already lost their homes. Coordinated structural measures in areas of wellbeing such as housing, employment, education, the family and related policies on are therefore needed;
25. points out that an integrated approach is needed, with closer cooperation between welfare and healthcare systems in order to prevent a catastrophic deterioration in the quality of life and thus the health of the newly homeless, particularly in the case of persons who have been institutionalised in the past;
26. stresses that care for the homeless must start in the street, as detection and treatment of any mental illness or substance misuse cannot wait for their housing problem to be resolved;
27. stresses the importance of providing sufficient assistance, for example in the form of providing housing facilities, which can help to prevent homelessness;
28. underlines that for their efforts to be effective, the parties involved in combating homelessness need appropriate funding and support from the Member States and the European Union enabling effective steps to provide employment services and training for homeless people, at the same time as encouraging them to look for work or stay in employment if they already have a job;
29. feels that, vocational training, retraining, adult education and lifelong learning in general are particularly effective in preventing homelessness, even though they only have an indirect impact. Properly structured training leading to real employment is a good investment from the point of view of both individuals and society, and can achieve lasting results in helping homeless people to get out of a difficult situation. Education is often an indispensable basic requirement, but it is crucial that people should be motivated themselves to take long-term and proactive measures to lift themselves up to the position of active player in society. Cooperation with the persons concerned and their active involvement are essential if their lives are to be improved;
30. emphasises the importance of ensuring that the emergency or provisional shelters operated by local authorities, charities, churches and civil society organisations are clean, accessible locally or at least regionally, and that they meet users' needs; feels, however, that the most desirable solutions are housing-led, including for instance, the 'housing first' approach;
31. points out that it is of crucial importance for the homeless and people on low incomes to have access to affordable permanent housing. It is certainly true that this can only be achieved if the requisite partnerships can be established between all stakeholders, in line with local circumstances;

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<sup>(6)</sup> CdR 1999/2013 final.

<sup>(7)</sup> CdR 26/2013 final.



32. is in favour of other targeted efforts at EU level through relevant EU sectoral policies, in particular in the fields of the economy, finance, social security, regional development, health, human rights, youth, gender equality, migration and integration;
33. supports further integration of homelessness issues into the Europe 2020 strategy implementation process, where necessary flanked by country-specific recommendations for national action, particularly in Member States where urgent progress is needed on homelessness;
34. would like the Commission, as well as formulating country-specific recommendations, to encourage further efforts by Member States and the inclusion of homelessness issues in national reform programmes;
35. emphasises that comprehensive and comparable data on homelessness must be collected, without stigmatising the persons concerned. These data should be differentiated with regard to the causes for homelessness and the intensity of the phenomenon and have a regional breakdown at least at NUTS 2 level. Such a database would be a prerequisite for ensuring that development policies have an impact, and ultimately fully overcoming homelessness;
36. argues that, since action at local and regional level has a decisive role to play in reducing homelessness, the EU should look at overall effectiveness, considering in which cases it would be worth using other funding instruments (such as PROGRESS, the E@SI, JESSICA, the European Agricultural Fund for Rural Development, LEADER, and the Aid for the Most Deprived Programme) beyond the ESF and the ERDF to tackle homelessness;
37. encourages the Member States to use the relevant European funds and to ensure transition between social inclusion and integration of labour markets, in order to improve the situation of homeless people;
38. it is important to encourage volunteering in the provision of services to the homeless and involve them in resolving social issues, raising general awareness of the problems of this community and, all in all, integrating them into social inclusion processes;
39. participation mechanisms specifically geared to the homeless need to be strengthened, enabling them to be genuinely involved, facilitating joint decision-making by all stakeholders and, in short, improving the quality of service by letting them take charge of their social integration process.

Brussels, 25 June 2014

*The president*  
*of the Committee of the Regions*  
Ramón Luis VALCÁRCEL SISO

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**Opinion of the Committee of the Regions — EU Strategy for the Adriatic and Ionian Region  
(EUSAIR)**

(2014/C 271/08)

**Rapporteur** Gian Mario Spacca (IT/ALDE), President of the Marche Region

**Reference document** COM(2014) 357 final

SWD(2014) 190 final

SWD(2014) 191 final

## I. POLICY RECOMMENDATIONS

### THE COMMITTEE OF THE REGIONS

1. welcomes the European Council conclusions of December 2012, calling on the Commission to present an EU Strategy for the Adriatic and Ionian Region (EUSAIR) by the end of 2014. This decision had been recommended in the CoR own-initiative opinion on *Cooperation in the Mediterranean through the Adriatic-Ionian macro-region*, adopted on 11 October 2011 <sup>(1)</sup>;

2. agrees with the definition of macro-regional strategies as integrated frameworks endorsed by the European Council relating to Member States and third countries in the same geographical area addressing common challenges and providing solutions through strengthened cooperation for economic, social and territorial cohesion <sup>(2)</sup>;

#### ***EU integration and the external dimension***

3. welcomes the EUSAIR proposal including four EU countries (Croatia, Greece, Italy and Slovenia) and four non-EU countries (Albania, Bosnia and Herzegovina, Montenegro and Serbia) and making a major contribution to European integration of the candidate/potential candidate countries in the region. An EU integration component offers relevant added value in this macro-regional strategy <sup>(3)</sup>;

4. stresses the aspects of reconciliation, security and stability in the Adriatic and Ionian Region through cooperation with other non-EU countries, which could be included in this macro-region in the future; in this respect, underlines the role of regional and local authorities as front row players promoting democracy, decentralisation, greater local regional self – government and capacity building;

5. notes that the Adriatic-Ionian strategy could be the opening salvo of a more integrated approach and strategy involving the whole Mediterranean basin, as underlined by the EP <sup>(4)</sup>;

6. notes that ARLEM (the Euro-Mediterranean Regional and Local Assembly) also calls for a macro-regional approach for the whole Mediterranean basin resulting from the development of three integrated macro-regional areas — the Western Mediterranean, the Adriatic-Ionian, and the Eastern Mediterranean <sup>(5)</sup>;

#### ***Multi-level governance***

7. agrees with the General Affairs Council conclusions of October 2013 on the need to review the governance systems of macro-regions, and welcomes the report published by the European Commission on 20 May 2014 and the Commission's Communication concerning the European Strategy for the Adriatic and Ionian Region of 17 June 2014; furthermore shares the Council's view concerning the importance of responsibility and ownership by the countries concerned, which requires a strengthening of the relevant regional and local actors as well as clear and long-term commitment by stakeholders <sup>(6)</sup>, and moreover, calls for the regional authorities and the Committee of the Regions to be more involved in the coordination phase, in order to support the European Commission, as well as in the implementation phase; agrees, in this regard, that the action plan should provide a structure based on coordinators coming from the ministries concerned for each pillar, and underlines that they may also come from regional governments;

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<sup>(1)</sup> CdR 168/2011 fin.

<sup>(2)</sup> COM(2013) 468 final.

<sup>(3)</sup> COM(2013) 468 final.

<sup>(4)</sup> EP resolution P7\_TA (2012) 0269.

<sup>(5)</sup> CoR Arlem report 2013/02318.

<sup>(6)</sup> COM(2013) 468 final.

8. underlines the need for smart coordinated governance with four interlinked levels of governance: strong political leadership delivering clear decision-making by the participating countries — facilitated by the European Commission with the support of the Committee of the Regions — sound coordination, agreement on territorial implementation, and widely shared ownership;
9. stresses that the EUSAIR requires strong political leadership and that the Adriatic Ionian Initiative — comprising the eight Foreign Ministers of the countries concerned — can play an important coordinatory role in this respect; on the other hand, EUSAIR needs a multilevel governance platform, and regions and local authorities can provide high-level skills for effective implementation of projects in an integrated macro-regional approach;
10. calls for local and regional authorities to play a stronger role in governance and implementation of the strategy;
11. notes accordingly that the Committee of the Regions' Adriatic-Ionian Interregional Group was set up on 30 January 2013 with the task of supporting the European Commission in preparing an Adriatic-Ionian Strategy by the end of 2014, and promoting a common identity for the Adriatic and Ionian Region in order to highlight the region's full potential;
12. notes that the European Council 'mandate' to the Commission is the result of joint efforts by countries in the region. It builds on several initiatives, such as the Adriatic-Ionian Initiative (AII) launched by the 2000 Ancona declaration, and on other Adriatic-Ionian forums and networks such as the Association Forum of Adriatic and Ionian Cities and Towns, the Forum of the Adriatic and Ionian Chambers of Commerce, the UniAdrion network of universities, and the Adriatic and Ionian Euroregion;
13. underlines that territorial needs can be catered for through a bottom-up, multi-level governance approach, with a view to tackling the common problems and challenges of the Adriatic and Ionian Region through widely endorsed solutions; this is the key to the success of this EU strategy;

#### ***Challenges and tasks for the Adriatic Ionian Region***

14. agrees that the main objective of the proposed Strategy is to promote sustainable economic and social prosperity, growth and job creation in the Region in line with Europe 2020 objectives, by improving its attractiveness, competitiveness and connectivity, while preserving the environment and marine and coastal ecosystems;
15. welcomes the Commission's adoption of the 'Maritime Strategy for the Adriatic and Ionian Seas' <sup>(7)</sup>, which has been embedded in the EUSAIR;
16. welcomes the scope and content of the four pillars of EUSAIR resulting from an extensive consultation of stakeholders in the Region, namely: 'blue growth', 'connecting the region', 'environmental quality', and 'sustainable tourism'; is pleased at the inclusion of communication in the cross-cutting issues of 'capacity building including communication' and 'R & D innovation and SMEs';
17. calls on the European Commission to elaborate a baseline EUSAIR macroeconomic situation and impact assessment as a first step towards capacity building, facilitating implementation of the strategy, and putting into practice the four pillars/priority actions in order to better target objectives and measure progress towards them;
18. asks for a stronger focus on territorial and social cohesion and on major concerns which cannot be dealt with efficiently by single countries, such as health, active ageing, disparities in demographic and economic conditions between and within the countries of the Region, as well as problems related to security/organised crime/illegal migration, business relocation, and youth unemployment. These issues should be tackled in all four pillars with a view to achieving smart, sustainable and inclusive growth in line with Europe 2020 policies and objectives, and increasing the competitiveness and attractiveness of the EUSAIR region;
19. suggests taking stock of Baltic and Danube Strategy experiences and holding an annual EUSAIR forum to facilitate economic-social dialogue and broad ownership of the Adriatic-Ionian Strategy through the effective involvement of social and economic stakeholders (trade unions, employers' organisations, NGOs, youth organisations, civil society associations, etc.);

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<sup>(7)</sup> COM(2012) 713 final.

**Funding**

20. welcomes the timing opportunity allowing EUSAIR to be embedded in the new generation of 2014-2020 planning and programming documents of the EU structural and investment funds (ESIFs) and of IPA funds — the Partnership Agreement, IPA Strategy Papers, Operational Programmes — as well as in all relevant EU policies and programmes such as Horizon 2020, COSME, etc.;

21. notes that the Common Provisions Regulation (CPR), the European Territorial Cooperation (ETC) regulation and the IPA regulation are real opportunities for EUSAIR since they require all ESIFs and IPA funds to take on board macro-regional priorities;

22. stresses the need to increase the participation of local and regional authorities in identifying priority projects for the AI Region; welcomes the inclusion of natural disaster risk management among the horizontal principles for the four pillars in the Commission's EUSAIR communication and calls for more attention to be paid to the rolling action plan on issues such as migration, the right to health and administrative training through an Adriatic-Ionian higher institute of education;

23. calls for active support from European and international financial institutions such as the EIB, EBRD, the World Bank and others, as in the case of the Western Balkans Investment Framework;

24. suggests creating an Implementation Facility in collaboration with the EIB and international financial bodies allowing the submission of 'bankable projects' <sup>(8)</sup>;

25. calls for private co-financing to be integrated with available funding;

26. recognises the 'three no's rule': no new regulation, no new institutions and no additional funds, and highlights the 'three yes's' rule referred to in many forums: more complementary funding, more institutional coordination and more new projects;

27. stresses that EU-level financial support for technical assistance relating to macro-regional strategies has already proven to be an important asset for the Baltic strategy and it should be extended to the Adriatic-Ionian one; calls for a specific budget heading to be created for technical assistance to the Adriatic and Ionian macroregion, along the lines of the budget heading created for the Baltic and Danube macroregions, which provided EUR 2,5 million in commitment and payment appropriations for each macroregion in 2014;

**Communication**

28. calls for stronger focus on communication as a cross-cutting issue in order to boost public ownership of the macro-regional strategy and stronger governance, as was also stressed in the 'Contribution of the Adriatic-Ionian Interregional Group of the CoR to the stakeholders consultation' of December 2013 addressed to the European Commission;

29. highlights communication as a tool for raising civil society awareness of what this Strategy represents for citizens, and of its added value in reinforcing the identity of the Adriatic Ionian Region;

**Capacity building**

30. agrees that capacity building is a relevant cross-cutting issue in order to ensure the success of the EUSAIR, since the Adriatic Ionian Region is a large area including EU countries, candidate and potential candidate countries, with different administrative structures;

31. notes that EU countries as well as non-EU countries need to enhance skills and capacities in order to achieve smart, sustainable and inclusive solutions to common problems in the fields of human resources management, international relations, etc. One possible measure would be to set up an Adriatic Ionian Higher School of Administration like the French ENA (Ecole Nationale d'Administration), where civil servants of the Adriatic Ionian Region could develop the skills and abilities needed in multi-level governance, enabling them to implement innovative processes in public administration;

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<sup>(8)</sup> COM(2011) 381 final.

32. considers that the construction of a long lasting Adriatic Ionian area for peaceful dialogue and effective cooperation, cannot be built without involving, in a consistent way, the youth of the concerned regions. Therefore, invites the Member States and the European Commission to promote, facilitate and improve the implementation of the existing youth mobility programmes in the framework of the EUSAIR area;

33. underlines that urgent political issues relevant to the region, such as migration, should be viewed as a factor of integration and a source of employment, helping the AI Region and the Mediterranean area as a whole to face major challenges;

34. stresses that security is another major issue of concern which cannot be dealt with by single countries and calls on the European Commission to include specific actions to address this issue throughout the four pillars of the Strategy;

35. welcomes the joint communication of the European Commission and the High Representative of the European Union for Foreign Affairs and Security Policy on 'An open and secure global maritime domain: elements for a EU maritime security strategy' <sup>(9)</sup>, stressing that Europe's maritime interests are fundamentally linked to the wellbeing, prosperity and security of its citizens and communities;

36. points out that public well-being is fundamental for balanced development in the region; stresses that healthcare services and research should be coordinated in order to ensure that the healthcare sector operates efficiently;

### **Blue growth**

37. stresses the relevance of the themes of 'fisheries and aquaculture', 'blue technology' and 'maritime marine services';

38. welcomes the directive of the EP and of the Council establishing a framework for maritime spatial planning and integrated coastal management <sup>(10)</sup>, and urges the EC to take stock of this directive when planning specific actions in the AI Region;

39. underlines that multi-level governance by stakeholders involved in marine and maritime growth is a crucial factor in efficient management of the A.I. area through common rules and protocols for fishing and preservation of fish stocks, as well as standardised management systems and procedures;

40. underlines that eco-innovation together with modernisation of fishing and aquaculture as well as (in close connection with the second pillar) of maritime transport and ports with their hinterland infrastructures and maritime clusters are essential in ensuring rational exploitation of marine resources and maritime systems. A common brand for high-quality and traceable fish products could be an important tool for promoting the area;

### **Connecting the region**

41. stresses the relevance of the 'maritime transport', 'intermodal hinterland' and 'energy networks' themes, and highlights the importance of enhancing immaterial ICT infrastructures. The Adriatic Ionian Cloud represents a means of connecting existing platforms in order to standardise shared processes and protocols, enable efficient intermodal freight and passenger transport, and facilitate services, environmental protection and maritime safety;

42. underlines that the Adriatic Ionian Region needs to improve access from south-eastern Europe to the rest of the world, including the Mediterranean area, through extension of the Baltic Adriatic Corridor along the Adriatic ridge. Intermodal transport systems in this area need strengthening in order to enhance the region's position as a transport hub in an international framework;

### **Environmental quality**

43. stresses the relevance of the 'marine biodiversity', 'pollution of the seas' and 'transnational terrestrial habitats and biodiversity' themes;

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<sup>(9)</sup> JOIN(2014) 9 final.

<sup>(10)</sup> COM(2013) 133 final.

44. underlines that the Adriatic Ionian Region needs to preserve habitat and ecosystems and face climate change challenges through integrated multi-level governance involving all stakeholders in a shared and integrated process;
45. points out the Mediterranean is a semi-enclosed sea with the lowest water renewal rate in the world, requiring high protection of this delicate ecosystem and advanced experimental projects;
46. welcomes the EU 'Strategy on Adaptation to Climate Change' of April 2013 <sup>(1)</sup> encouraging the exchange of best practices and the development of macro-regional action plans, as examples of global approaches to better assessment of risks and vulnerability;

#### **Sustainable tourism**

47. underlines the relevance of the 'diversified tourism products and services', and 'sustainable tourism management' themes, resulting from the stakeholder consultation at the Athens Conference;
48. stresses that the attractiveness of the Region is mainly represented by tourism as one of the main growth sectors and a remarkable trigger for the development of its maritime and inland economy. Development of the sector requires multi-level governance with the involvement of national, regional and local authorities as well as of all territorial stakeholders, ranging from chambers of commerce to universities;
49. underlines that, on the basis of shared natural, cultural and historical treasures, high-quality agro-food products, professional hospitality traditions, and attractive landscapes to be communicated through an Adriatic Ionian brand, tourism can represent an important leverage for sustainable growth, youth employment opportunities and social inclusion since today 'half of European coastal jobs and value added are located in the Mediterranean' <sup>(2)</sup>;

#### **Conclusions**

50. underlines the importance of this third EU macro-regional strategy building on the experience of existing macro-regional strategies in order to develop new innovative and smart cooperation as well as an innovative experimental 'learning by doing' multi-level governance approach, while looking for synergies and exchange of practices with other EU strategies;
51. points out the relevance of the EUSAIR to giving a new impetus to tackling common issues of the Region and promoting sustainable economic and social prosperity with a particular focus on developing growth and jobs, in line with Europe 2020 objectives, by improving its attractiveness, competitiveness and connectivity, in order to make the A-I Region a major hub;
52. urges the European Commission to play a key role in an innovative multi-level governance platform of coordination and implementation where decisions are shared to ensure the political commitment and ownership of stakeholders at European, national, regional and local level, in line with the subsidiarity principle; private sector and civil society should be involved in ensuring sound and broad ownership of the Strategy through top-down and bottom-up communication, accountability and transparent results, e.g. an open data portal, an annual forum of economic-social dialogue on the EUSAIR, etc.;
53. stresses EU integration as a fundamental element in the EUSAIR, which comprises four EU and four non-EU countries, and highlights the elements of reconciliation, security, stability and prosperity through closer cooperation and the role of regions as key players in promoting regional self-government, capacity-building, decentralisation and democracy.

Brussels, 26 June 2014

*The president  
of the Committee of the Regions*  
Michel LEBRUN

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<sup>(1)</sup> COM(2013) 216 final.

<sup>(2)</sup> COM(2014) 86 final.

**Opinion of the Committee of the Regions — Multilevel governance in promoting the EU Biodiversity Strategy to 2020 and implementing the international Aichi Targets**

(2014/C 271/09)

**Rapporteur** Kadri Tillemann (EE/EPP)

Chair of Keila Rural Municipality Council

**Reference document** Letter from the European Commission Vice-President of 13 December 2013

**I. POLICY RECOMMENDATIONS**

THE COMMITTEE OF THE REGIONS

**A. Multilevel biodiversity governance in implementing the EU Biodiversity Strategy to 2020 and CBD Decision X/22**

1. acknowledges that in March 2011 EU leaders committed to the EU 2020 headline target of 'halting the loss of biodiversity and the degradation of ecosystem services in the EU by 2020, and restoring them in so far as feasible, while stepping up the EU contribution to averting global biodiversity loss'. The EU Biodiversity Strategy to 2020, as adopted by the European Commission in May 2011 <sup>(1)</sup>, and endorsed by the Council <sup>(2)</sup>, includes 6 main targets, and 20 actions to help the EU to reach its 2020 biodiversity target;

2. acknowledges that the EU strategy has a global mandate. It translates the global targets and commitments which the EU made at the 10th Conference of the Parties (COP 10) of the United Nations Convention on Biological Diversity (CBD) in 2010, namely the Strategic Plan for Biodiversity 2011-2020 (Decision X/2), including the 20 Aichi Biodiversity Targets for 2020 <sup>(3)</sup>;

3. points out that biodiversity loss is a global problem, with serious environmental, health and socioeconomic consequences, and affects people's quality of life. It is a phenomenon that has many causes, not least human activity;

4. draws attention to the fact that local and regional authorities (LRAs) <sup>(4)</sup> have a critical role to play in implementing EU and international biodiversity objectives on the ground, and thereby to assist national governments in preventing further biodiversity loss. As a result of ongoing decentralisation in many Member States, LRAs have increasing responsibility for the implementation of biodiversity-related policies;

5. stresses the importance of applying the principles of the CoR White Paper on multilevel governance and the Charter for Multilevel Governance (MLG) in Europe adopted by the CoR in April 2014 <sup>(5)</sup> when implementing the EU Biodiversity Strategy and Aichi Targets. The CoR considers multilevel governance to mean coordinated action by the EU, Member States and LRAs, based on partnership in all phases of the policy cycle, from drafting to implementing EU policies. The governance of biodiversity and ecosystem services implies coherent policy tools and mandates across all levels of government;

6. calls on the European Commission to prepare an assessment of the Member States about the multilevel governance of biodiversity and identifying the active role of regional and local governments in such governance. The same document should identify areas whose biodiversity may be threatened by the absence of a governance model linking up the Member States, regional and local governments and the relevant economic and social stakeholders and provide suggestions to deal with these threats;

<sup>(1)</sup> COM(2011) 244 final.

<sup>(2)</sup> Environment Council Conclusions of 21 June and of 19 December 2011.

<sup>(3)</sup> <http://www.cbd.int/decision/cop/default.shtml?id=12268>.

<sup>(4)</sup> The Opinion uses the term 'local and regional authorities', as it is used in the EU context. Within the context of the UN and CBD, where regions are understood as supra-national/world regions, this means 'local authorities and subnational governments'.

<sup>(5)</sup> CDR273-2011\_FIN\_AC, COR 2014-01728-00-00-RES-TRA.

7. welcomes in this regard that the EU Biodiversity Strategy to 2020 states that 'the shared EU and CBD targets need to be pursued through a mix of sub-national, national, and EU-level action' and that the European Commission seeks to build effective long-lasting partnerships with 'stakeholders involved in spatial planning and land use management in implementing biodiversity strategies at all levels';

8. underlines the importance of CBD Decision X/22<sup>(6)</sup>, which includes the 'Plan of Action on Sub-national Governments, Cities and other Local Authorities for Biodiversity (2011-2020)' and of the CBD Decision XI/8(A)<sup>(7)</sup>. The CoR considers Decision CBD X/22 unique in the sense that it presents the most advanced 'multilevel governance' decision of a Multilateral Environment Agreement (MEA);

9. reminds that the CoR Opinion preparing for CBD COP 10<sup>(8)</sup> and the CoR's delegation to the COP 10 strongly supported the adoption of the CBD Decision X/22; moreover, the CoR, in the Memorandum of Understanding signed with UNEP in 2012 agreed to promote the implementation of this CBD Decision;

10. calls on the Member States to implement the commitments they made in CBD Decision X/22 to improve their governance mechanisms and legal and voluntary instruments in order to engage with and support LRAs in local and regional biodiversity actions, whilst taking into account the mission, objectives and indicative list of actions under CBD Decision X/22 and the targets and actions of the EU Biodiversity Strategy to 2020;

11. welcomes the reference made by the Council, in its conclusions of 12 June 2014, on the COP 12 of the CBD in October 2014<sup>(9)</sup>, to the role local and regional authorities play in advancing implementation of the CBD Strategic Plan to 2020 and in achieving the Aichi Biodiversity Targets; and calls on the Council, in its future conclusions on COPs of the CBD to reflect the multilevel governance approach by increasing its recognition of local and regional authorities as governmental stakeholders in distinction to other non-governmental stakeholders within the CBD process;

12. seeks to share its experiences of multilevel governance on biodiversity and the implementation of CBD Decision X/22 with LRAs from other world regions by accompanying the EU delegation to CBD COP 12 as an observer in October 2014, thereby building on the CoR's participation in COP 10 and its Memorandum of Understanding (MoU) with the UNEP, in order to ensure that the voice of EU LRAs is appropriately represented;

#### **B. *The role of European LRAs and necessary support from Members States in the implementation of the EU Biodiversity Strategy to 2020 and the Aichi Targets***

13. draws attention to the fact that it has commissioned a study on the 'Multilevel governance of our natural capital'<sup>(10)</sup> to support this opinion and analyse cooperation between Member States and their LRAs, innovative LRA action, and current best practices, as well as to provide more detailed practical suggestions for improving multilevel governance;

14. encourages LRAs to lead by example and strongly welcomes the strategies, actions and innovative approaches that several LRAs have undertaken to protect and manage their biodiversity and ecosystems in a sustainable way; also welcomes the good initiatives that some Member States are already undertaking to support their LRAs. All these actions inspire the following policy recommendations;

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<sup>(6)</sup> <http://www.cbd.int/decision/cop/default.shtml?id=12288>.

<sup>(7)</sup> <http://www.cbd.int/decision/cop/default.shtml?id=13169>.

<sup>(8)</sup> CdR 112/2010 fin.

<sup>(9)</sup> Environment Council Conclusions, [http://www.consilium.europa.eu/uedocs/cms\\_Data/docs/pressdata/en/envir/143185.pdf](http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/envir/143185.pdf)

<sup>(10)</sup> Study carried out by Ecologic/ICLEI June 2014, <http://cor.europa.eu/en/documentation/studies/Pages/studies-2014.aspx>



**Involvement in national strategies and governance**

15. calls on Member States to ensure or improve LRA involvement in setting up, reviewing and implementing National Biodiversity Strategies and Action Plans (NBSAPs), by including, for instance, national associations of LRAs in national biodiversity commissions/steering committees;

16. encourages Member States to further develop, in cooperation with their national associations of LRAs, guidance documents, capacity-building initiatives and practical advice services for regional and local biodiversity strategies, action plans and measures;

17. strongly encourages regional authorities to develop Regional Biodiversity Strategies and Action Plans (RBSAPs), and cities and municipalities to draw up Local Biodiversity Strategies and Action Plans (LBSAPs) and acknowledges initiatives already taken in this area. These can provide both a comprehensive vision and a practical framework for the sustainable management of biodiversity at sub-national levels, taking into account the biodiversity targets defined at national, European, and CBD level;

18. encourages Member States to support, for example in cooperation with national associations of LRAs, forging links between their LRAs to strengthen biodiversity management, and to create or financially support national awards/recognition schemes, which promote biodiversity actions undertaken by LRAs;

19. encourages LRA to take a comprehensive approach to biodiversity across their administrative departments, and to carry out capacity building within their administrations, whilst making best use of administrative capacity building projects, training packages or guidance provided for LRA at national, European, or international level; also encourages LRA to strengthen their collaboration on biodiversity in LRA associations, networks or platforms at national, EU and international levels, as an important means to pool together resources and experiences to tackle common challenges and to provide joint policy advice to a Member State, the EU and the CBD;

20. calls on Member States to improve coordination with their LRAs when preparing national positions and follow-up pertaining to the Common Implementation Framework of the EU Biodiversity Strategy or in the context of the national CBD-related (reporting) activities;

21. calls on the Member States to draw up jointly compatible indicators in agreement with local and regional authorities, enabling comparison of conditions and trends in the areas covered by biodiversity strategies at different levels;

**Strengthening implementation of the EU Nature legislation**

22. reiterates the need for Member States and LRA to cooperate effectively and rapidly in order to finalise the establishment of Natura 2000 management plans or equivalent instruments which set out the conservation and restoration measures necessary to achieve target 1 of the EU Biodiversity Strategy;

**Maintain and restore ecosystems and their services**

23. expects collective action to be taken by Member States and LRA's to reach the EU 2020 Biodiversity Strategy's second target of restoring at least 15 % of degraded ecosystems by 2020, to halt biodiversity loss and the degradation of ecosystems and to restore them throughout Europe, not only in Natura 2000 sites;

24. reiterates its call <sup>(11)</sup> for LRAs to apply the principle of 'no net loss of biodiversity and ecosystem services' to urban and regional planning, the authorisation of housing, industry, agriculture, fisheries, forestry, recreation, tourism, energy or transport infrastructure and financial assistance, by ensuring compensation/offset measures for any remaining unavoidable negative impacts on biodiversity and ecosystem services;

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<sup>(11)</sup> CDR4577-2013\_00\_00\_TRA\_AC.

25. stresses that the prevention of ecosystem degradation and the restoration of degraded ecosystem functionalities must be absolute priorities because measures to manage the consequences of ecological imbalances caused by human activity are always more costly, lengthy and, above all, uncertain in their outcomes;

26. stresses the importance of national, regional and local TEEB (The Economics of Ecosystems and Biodiversity) studies on the value of ecosystem services and the need to apply this approach to local projects in order to demonstrate the socioeconomic benefits, for instance, of nationally, regionally and locally protected areas as well as the need to incorporate the value of natural capital in national, regional and local planning, accounting/reporting and budgeting practices in support of Action 5 of the EU Biodiversity Strategy;

27. considers that although the economic evaluation of ecosystem services could help decide between conflicting objectives in the context of certain cost-benefit studies, it has its methodological and ethical difficulties. Therefore the CoR supports alternative and flexible ways to evaluate costs of biodiversity loss, including the ones referred to in its Opinion CDR4577-2013\_00\_00\_TRA\_AC;

28. sees a need to provide support for LRA efforts to improve the state of knowledge about biodiversity, ecosystems and their services and their GIS mapping, using scales that are suitable for local/regional planning and ecosystem status monitoring, whilst taking these needs into account in the Mapping and Assessment of Ecosystems and their Services in Europe (MAES); and to support LRAs in managing the spatial environmental data in an INSPIRE compliant way to facilitate data exchange and also connect green infrastructure across borders;

29. points out the need to launch portals for online and up-to-date biodiversity information to serve as a key reference point for LRA and the interested public, with regular review and maintenance and welcomes the setup of the EU-wide MAES Digital Atlas;

30. points out that urbanisation is a challenge as well as an opportunity to maintain and manage ecosystem services. It is clearly necessary to consider the interconnectedness of drivers and impacts as well as the inflows and outflows that link cities to ecosystems inside and outside their territories. Urban regions should be urged and supported to take more responsibility to promote and develop methods to integrate the natural environment and human needs and well-being. Also stresses the importance of landscape as an expression of man's relationship with his surroundings and his responsibility for taking care of the landscape, which will have a major impact on biodiversity. Underlines the importance of the European Landscape Convention of 2000 and emphasises the value of seeking synergies with the Biodiversity Strategy;

31. draws attention to the economic perspective of the development of ecosystem services — living within the limits of healthy ecosystems and reinforcing their value will naturally support the most important aspects of a green economy: sustainable economic progress; reduced pollution and resource efficiency. In order to take advantage of the ecosystem management benefits of a green economy, its processes should be built into the decision-making processes of all governance levels (i.e. local, regional, national and global) to support the rationalisation of resource use;

32. emphasises the potential of green infrastructure as an integrated, multifunctional local and regional level tool for implementing the principles of multi-level governance in biodiversity management and protection and improving regions' ecosystem services, thereby contributing to the Territorial Agenda of the Europe 2020 Strategy by strengthening territorial cohesion and identity;

### **Implementing green infrastructure**

33. reiterates its call<sup>(12)</sup> for LRAs to deploy, maintain and monitor rural and urban green infrastructure (GI), in particular through their territorial urban planning and spatial planning responsibilities, land-use regulations, planning authorisation procedures, building standards, regulations and codes;

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<sup>(12)</sup> CDR4577-2013\_00\_00\_TRA\_AC.

34. calls on Member States to support local and regional GI management and planning initiatives by providing them with the necessary resources, clear guidance and direction, including the designation of national green infrastructure/ecological networks, and provisions in national spatial planning laws/policy for LRAs to consider the provision of GI in their spatial and territorial and urban planning system;

35. stresses that for the effective implementation of GI there is a vital need for the MS and LRA to maintain and develop the existing and establishment of new cooperation schemes for LRA for cross-border cooperation at the macro-regional and pan-European scales, and for decentralised development cooperation to strengthen and capitalise on joint and integrated biodiversity protection and management efforts;

### **Involving the wider public, stakeholders and partners**

36. draws attention to the fact that local communities often have knowledge based on traditional or personal experience regarding the ability of natural resources to provide for their communities and livelihoods. This capacity can facilitate the maintenance and restoration of ecosystem services if adequately supported and effectively integrated into the design and planning of biodiversity policy; encourages Member States to develop national initiatives that aim at supporting self-sustaining local community partnerships that contribute to achieving national biodiversity objectives;

37. underlines the significant role of local and regional authorities in communicating, educating and raising public awareness (CEPA activities). The wider public is relatively unfamiliar with biodiversity policy objectives. However, it is essential for the citizens and the wider stakeholder groups to be aware of the stakes at play. The CoR sees the promotion of citizen science as an important method of involving and educating people and using local knowledge effectively; also encourages Member States to assist LRAs in their CEPA activities by for example an adequate national Clearing House Mechanism (CHM).

38. points out the need for LRA to sustain and further increase their efforts to raise awareness amongst all stakeholders and the public on biodiversity objectives and — to do so — implement or advance targeted awareness-raising programmes;

39. encourages LRAs to support and formalise new multi-stakeholder partnerships with private companies, civil society including environmental NGOs and the research community; creating local/regional cooperation with these partners with a view to making efficient use of national or EU funding (e.g. Horizon 2020); and promoting voluntary commitments of key sectors such as agriculture, tourism and outdoor sports associations or business;

40. emphasises a need for all governance levels concerned to ensure successful and comprehensive stakeholder involvement in biodiversity policy planning and implementation processes since this is likely to deliver good social outcomes, such as a better common understanding of stakeholder values, increased trust and learning; this includes effective participatory procedures, e.g. in the designation of nature conservation areas;

### **Combating invasive alien species**

41. expects the future Regulation of the European Parliament and of the Council on the prevention and management of the introduction and spread of invasive alien species <sup>(13)</sup> to help local and regional authorities to address this serious danger to local biodiversity, ecosystem services as well as human health and economies. In the context of an EU legal framework on invasive alien species and guided by national legislation and programs and cross-border initiatives, regional and local authorities are best placed to take effective action to monitor, prevent, eradicate, contain and control these species and to provide support and local knowledge to find the necessary balance between the socioeconomic and environmental interests concerned and to improve public understanding of the problem;

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<sup>(13)</sup> European Commission proposal COM(2013) 620 final.

### **Mainstreaming and funding biodiversity**

42. notes that biodiversity is an inter-sectorial issue. For effective policy implementation, biodiversity conservation should be mainstreamed into the agenda of various sectors of national, regional and local governance (spatial and urban planning, landscape, agriculture, forestry, fisheries, energy, climate change, health, transportation, housing, land use, etc.), in line with the suggestions of the EU Biodiversity Strategy to 2020 and CBD Aichi Targets;

43. draws attention to the special need for the authorities at all governance levels to acknowledge and address the issue of agricultural biodiversity due to the significant biodiversity potential of species, breeds/varieties and genetic resources of agricultural interest and of the agro-ecosystem in general;

44. calls on LRAs and Member States, as required by the EU Biodiversity Strategy, to better target funding from the EARDF for biodiversity conservation, including the integration of quantified biodiversity targets into regional rural development programmes and the coherent localisation of and budget allocation for agri-environmental measures. To this end, it would be particularly useful to promote biodiversity-related Community-Led Local Development Initiatives (e.g. farmers and foresters to achieve continuity of landscape features, protection of genetic resources);

45. encourages Member States and LRAs to ensure the optimal use of financing opportunities offered by the ERDF, as for the first time biodiversity and ecosystems are included in the objectives, thereby providing additional sources of funding green infrastructure deployment;

46. stresses the importance of the LIFE Programme for LRA's biodiversity and green infrastructure projects and urges LIFE national contact points to closely cooperate with LRAs, and with LIFE regional contact points, in preparing LIFE applications; also wishes to see the new funding category of LIFE integrated projects to step up support for regional-scale projects and mobilise support by other EU, national and private funds;<sup>(14)</sup>

47. encourages LRAs, with support from their Member States, to explore innovative means of funding, including, for instance, private/business foundations or foundations under public law, regional/national lotteries, public-private partnerships, carbon sink forestry/peatland restoration projects, tax incentives, payments for ecosystem service (PES), voluntary labelling/certification; or local enterprise partnerships; the incomes collected for issuing spatial planning and construction permits should be directly designated for local and regional biodiversity-related initiatives;

48. encourages local authorities to take effective action at all levels of financial support to stop subsidies and tax relief that harm biodiversity;

49. underlines the importance of the national co-funding of EU projects to enable LRAs to apply for co-financed EU biodiversity-related projects in order to improve their ability to take advantage of the opportunities to finance site-adapted biodiversity and GI solutions under the operational programmes of the EU funds, and to invest in the necessary cross-sector capacity building, co-financing and networking; also recognises the importance of national funding programmes that fund LRA's (pilot) actions which contribute to national biodiversity objectives;

### **C. Elements for consideration by the European Commission in its mid-term review of the EU Biodiversity Strategy to 2020**

50. believes that the European Commission mid-term review should take into account any changes which have occurred between the strategy's launch in 2011 and the mid-term review in 2015, in particular the new financial framework and the 2014-2020 EU funds and that many of the strategy's actions are due to be implemented before the mid-term review. In this regard, the CoR strongly supports the Council's view that the European Commission should recommend further actions<sup>(15)</sup>, contributing to enhance the effectiveness of the second stage of the strategy's implementation, in order to ensure that the headline target of the strategy is achieved by 2020;

<sup>(14)</sup> CdR 86/2012 fin

<sup>(15)</sup> Environment Council Conclusions of 19 December 2011.

51. agrees with the European Parliament that a crucial test of the EU's commitment to achieving the biodiversity targets will be the final delivery of the new 2014-2020 EU funds on this target. The inadequate degree to which biodiversity protection was integrated into other EU policies caused the failure of the first EU strategy in 2010 <sup>(16)</sup>. A methodology for tracking biodiversity-related expenditure across the EU budget, similar to the one being developed for climate-related expenditure, is needed for this purpose;

52. stresses the importance of greening as a central pillar of Common Agricultural Policy (CAP), in order to achieve biodiversity targets. It is essential that the CAP mid-term review takes more clearer steps in ensuring that greening leads to genuine environmental improvements, including biodiversity in rural areas all over Europe;

53. believes in the great potential of GI as an effective tool to halt biodiversity loss and avoid habitat fragmentation and therefore expects the review of the strategy to indicate key elements for consideration in the European Commission's progress report on GI, due by the end of 2017 and, in particular, to foresee in 2018 a proposal for EU legislation on TEN-G, a Trans-European Green Infrastructure (as part of the EU budget post 2020), reiterating its previous recommendations in this regard;

54. refers to its call <sup>(17)</sup> for the European Commission to incorporate into EU legislation the objective of preventing any net loss of biodiversity and ecosystem services, taking into account the work carried out by the European Commission on action 7b of the EU 2020 Biodiversity Strategy;

55. invites the European Commission to set up an EU commitment/award scheme for biodiversity achievements by cities and regions and a platform for exchange to give European local and regional authorities credit for their successful and significant contribution to the achievement of the EU Biodiversity Strategy. The CoR recognises in this regard the new Natura 2000 Award, which is however addressed to a wide range of stakeholders;

56. calls for BISE (Biodiversity Information System for Europe) to increase the availability of more localised, high resolution data of ecosystem services and of other monitoring data, by including also data collected by regional biodiversity observatories, and city-based aggregated data (such as assessments of EU cities based on for example the City Biodiversity Index/Singapore Index), in order to promote data and information sharing between cities and regions, more regionally differentiated guidance in EU policy, and in order to facilitate reporting on improvements at the regional/local level throughout Europe;

57. points out the need to effectively continue the EU's dialogue and cooperation with key partners in candidate and potential candidate countries to help them to develop or adjust their policies to meet the 2020 biodiversity targets. EU LRAs could provide the support that non-EU LRAs require in order to be able to contribute to achieving EU and global biodiversity goals by sharing their knowledge and best practices and through the relevant CoR Joint Consultative Committees and Working Groups, as well as ARLEM and CORLEAP; The CoR calls in this regard upon the European Commission to promote decentralised development cooperation between EU LRA and LRA in developing countries within its new created EU Biodiversity for Life (B4Life) facility;

58. calls for the EU Strategy to give recognition to and ensure further support of the engagement of local authorities as key partners in the BEST initiative, which promotes the conservation and sustainable use of the unique biodiversity in the EU Outermost Regions and Overseas Countries and Territories;

**D. *Elements for consideration by the European Commission in its future reporting to the CBD on CBD Decision X/22***

59. calls on the European Commission to emphasise that it attaches significant importance to CBD Decision X/22 and its implementation in Europe;

<sup>(16)</sup> EP resolution (2011/2307(INI)).

<sup>(17)</sup> CDR4577-2013\_00\_00\_TRA\_AC

60. calls on the European Commission to point out that a consensus has emerged in the EU that there is a strong need for EU institutions, Member States and LRAs to deliver a multilevel, cooperative and integrated approach towards meeting the Aichi Biodiversity Targets and the related targets of the EU Biodiversity Strategy. Although substantial progress to achieve this has already been made and several good practices exist in different Member States, there is a feeling that this process of multilevel cooperation and governance is still not adequately established throughout the EU and should be further improved;

61. invites the European Commission to recognise in its reporting the active involvement of several EU LRA in global biodiversity activities and networks including the advisory committees set up under CBD Decision X/22; such as the Advisory Committee on Subnational Governments and the Advisory Committee on Cities and Biodiversity in the Global Partnership on Local and Subnational Action for Biodiversity;

62. recognises the European Commission's contribution to CBD Decision X/22 through this outlook opinion and cooperation on the related CoR study, and the involvement of the CoR in the Common Implementation Framework of the EU strategy, moreover for example through support, via the LIFE and INTERREG programmes, for capacity building and good practice sharing, and new opportunities in the new Biogeographical Process and its Natura 2000 Platform;

63. encourages the European Commission to include the specific role of LRAs in the EU's external action in its reporting to the CBD on Decision X/22 as one of the key actions that the EC/EU intends to further emphasise in the future, with a view to exploring — in cooperation with the CoR — additional ways to support decentralised cooperation between European LRAs and LRAs in developing and EU neighbourhood countries on the sustainable management of biodiversity and ecosystems, in relation to action (g) of CBD Decision X/22.

Brussels, 26 June 2014

*The President  
of the Committee of the Regions*  
Michel LEBRUN

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**Opinion of the Committee of the Regions — the execution of the EU Budget**

(2014/C 271/10)

**Rapporteur** Adam Struzik (PL/EPP), Marshal of the Mazovia region**I. POLICY RECOMMENDATIONS**

## THE COMMITTEE OF THE REGIONS

1. draws attention to the fact that this is the first time that it is drafting an opinion on the execution of the EU budget in order to present the views of local and regional authorities with respect to both the current financial perspective and the years 2014-2020;
2. notes that, in order to improve the quality of the opinion, a survey was carried out among local and regional authorities (LRAs)<sup>(1)</sup>, which met with a significant response; this reflects the level of interest in this issue and points to a desire to cooperate on identifying solutions to the problems and drawing on the potential which lies within the territorial approach;
3. stresses that the EU budget is a key instrument for achieving the European Union's objectives. There is a need to stress its role, especially now, in the context of a public finance crisis which is still continuing in many countries and in view of the need to support the competitiveness of the European economy, create jobs and promote common European values;
4. notes that the EU budget provides resources for achieving the objectives of the European Union as set in the Treaties and agreed at the very highest political levels (between the Council of the EU, the European Parliament and the European Commission) yet is also a vital instrument for helping to deliver the objectives of public policies carried out in the Member States as well as the actions of LRAs. In this context considers that a more results-orientated approach will promote a better choice of objectives and instruments to reflect the different situations of the various EU territories and will thus enhance the effectiveness and efficiency of the EU budget;
5. considers that local and regional authorities participate in the execution of the EU budget as direct beneficiaries and as managers of EU funds; nonetheless, the responsibility for budget execution at local and regional level is shared with the Member States, the European Commission and the other EU institutions;
6. welcomes the fact that the role of the territorial dimension in the implementation of EU policies has been strengthened under the legal provisions for the 2014-2020 programming period; accordingly, the role of LRAs in the execution of the EU budget will increase further;
7. this opinion focuses on those EU funds which have the greatest impact on local and regional authorities, including, above all, the European Structural and Investment Funds (ESIF): the European Regional Development Fund (ERDF), the Cohesion Fund, the European Social Fund (ESF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF); nonetheless, also points to the importance of other funds such as HORIZON 2020 for achieving the development objectives identified at European, national, regional and local level;

***Speed of budget implementation***

8. considers that, in view of the current socioeconomic situation, the fact that the legal framework for EU funding for the years 2007-2013 was adopted later than scheduled and that numerous European policies were established with a view to delivering long-term structural objectives rather than promoting short-term supply-side effects, the speed of implementation of the EU's budget should be considered to be satisfactory;
9. notes with concern that, although the speed of implementation of the EU budget is in general satisfactory, there are significant differences in the rate of budget implementation between the various Member States and funds;

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<sup>(1)</sup> Results of the online survey/consultation on the execution of the EU budget, Committee of the Regions; Unit E.2 — Subsidiarity Network/Europe 2020 Monitoring Platform/Covenant of Mayors/EGTC. The Europe 2020 Monitoring Platform Team.

10. considers that the differences in terms of the speed of implementation of the EU budget among the Member States are the result of many factors, only some of which are directly linked to the implementation of expenditure at LRA level. The factors which have an impact on the speed of implementation of the EU budget include:

- effectiveness of management systems in the individual Member States;
- differences in the internal rules of individual funds and their level of complexity;
- quality of national legal frameworks;
- availability of funds for co-financing;
- administrative capacity;
- efficiency of coordination, multilevel governance and partnership systems;

11. notes that, according to local and regional authorities, it is the Member States which have the largest impact on the speed of implementation of the EU budget at European level, while in the case of projects co-financed from the EU budget, it is the administrative capacity of local and regional authorities which has the largest impact on the speed of implementation, followed by the availability of funds (both public and national) for co-financing and the level of complexity of the rules of individual funds;

12. notes in this context that the complaint that the slow rate of implementation of projects co-financed by the EU budget is due to the poor administrative capacities of local and regional authorities is only partly justified. Local and regional authorities are aware of the often inadequate level of their own administrative capacities, yet the speed of implementation of EU funds at local and regional level is also affected by issues that fall under the competences of the Member States and the European Commission;

13. in view of the above, calls on the Member States to increase cooperation and to coordinate their action with LRAs when preparing operational programmes and specific implementing solutions in order to ensure optimal speed and quality for the implementation of EU funds and to minimise the burden for beneficiaries;

14. calls on the European Commission and the Member States to adopt a more pro-active approach towards the new financial perspective and, in particular, to introduce information and training programmes for LRAs in order to improve the speed and quality of EU budget implementation;

15. notes that the identification by the European Commission of best practice projects could also have an impact on the speed of budget implementation, particularly in areas which require an integrated approach incorporating multiple funds, programmes and partners, including projects carried out under such new instruments as Integrated Territorial Investment (ITI) or Community-Led Local Development (CLLD);

16. in addition, points to other means of improving the speed of implementation of EU co-financed projects at local and regional level:

- focus more on simplifying procedures for beneficiaries;
- timely implementation by Member States of *ex-ante* conditions which, for the most part, lie beyond the remit of LRAs;
- apply simplified cost options more widely;
- apply maximum rates of EU co-financing;
- ensure simplified access to other national, private and EIB finance instruments;
- the European Commission should consider lifting the requirement to include co-financing in the calculation of public sector deficits;



17. is confident that the new rules for ESIF will have a positive impact on the speed of implementation of EU co-financed projects at local and regional level. Nevertheless, at the current stage of preparations for the launch of the 2014-2020 financial perspective, it is impossible to assess the extent of this acceleration or where it will occur;

18. welcomes the publication by the European Commission of the 'Final Simplification Scoreboard for the MFF 2014-2020' <sup>(2)</sup>;

19. in relation to the next programming period (post-2020), calls for the quality and effectiveness of the dialogue between European institutions and the Member States to be improved in order to present draft regulations, carry out negotiations and conclude all discussions on legislative proposals sufficiently early to enable the implementation of the EU budget to begin at the start of 2021;

20. notes that there is a lack of full statistical data regarding the involvement of local and regional authorities in the implementation of the EU budget. Accordingly, calls on the European Commission and the Member States to regularly publish data on this issue (including in their annual implementation reports and periodic cohesion reports) and to conduct regular assessments of this matter, which should be discussed with the Committee of the Regions;

#### **Budget implementation errors and other management-related issues**

21. indicates that, according to the information provided by the European Commission and the European Court of Auditors, the main areas of error are the following:

— non-eligibility of expenditure;

— non-compliance with public procurement rules;

22. notes that the cost of control of auditing cohesion expenditure can be estimated at around EUR 860 million or 0,2 % of the total ERDF/CF and ESF budget <sup>(3)</sup>;

23. welcomes that since 2009 the Court of Auditors found that the level of irregularities for cohesion-related expenditure incurred under the 2007-2013 programming period is clearly below the level observed for the 2000-2006 period <sup>(4)</sup>;

24. considers that the error rate in these areas does not reflect abuses in the use of resources (fraud) but rather the ability of groups of beneficiaries such as LRAs to comply with the rules, and the quality of national and European coordination, control and management systems;

25. notes in this context that reducing the amount of errors in these two areas requires coordinated action on the part of the LRAs, the Member States, the European Commission as well as other EU institutions. Therefore calls for closer cooperation not only when implementing EU co-financed programmes and projects but also when drafting legal rules and guidelines. Points to the need for the Commission's departments to verify the compliance of national eligibility and public tender systems with EU law before launching programmes and projects and not only during their implementation;

26. notes that financial corrections are made when irregularities are brought to light; this not only affects the speed of implementation of EU funds but also reduces the likelihood of the expected results being achieved;

27. welcomes the fact that the rules on the eligibility of expenditure will be applied more flexibly during the new programming period. Against this background, the proposals under the ESF, which allow for the wider use of lump sum payments and fixed rates instead of the reimbursement of actual costs, should be seen as a positive development. This should have a positive impact in terms of reducing the administrative burden for beneficiaries, provided that the Commission monitors the situation with care so as to encourage hesitant Member States to deploy the simplified mechanisms;

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<sup>(2)</sup> COM(2014) 114 final, 3.3.2014.

<sup>(3)</sup> Ibid, pp. 43 and 45.

<sup>(4)</sup> See: Martin Weber, Chrysoula Latopoulou and Jorge Guevara López: 'The Cost of Control' of Auditing Cohesion Expenditure', EStIF 1/2014, p. 39.

28. given that simplified costs are not used for public procurement projects, calls on the Commission to examine the possibility of introducing similar simplifications for projects that are financed by funds other than the ESF;

29. acknowledges the steps that have been taken towards harmonising the rules and procedures for all ESIF; notes, however, that there is considerable uncertainty among LRAs about the impact of the new regulations in terms of facilitating project implementation or increasing the scope for coordination between the ESIF and other external funds such as HORIZON 2020. This points to the need for the organisation of an information and training programme by the European Commission, the European Court of Auditors and the Member States, including training which promotes the use of the simplified cost models <sup>(5)</sup>;

30. notes that establishing a common set of basic rules for all ESIFs and allowing Member States to draw up their own national rules on the eligibility of expenditure, based on specific local needs, should have a positive impact on reducing the level of irregularities;

31. with regard to control systems, suggests that greater attention should be paid to ensuring the coordination of controls carried out by the various management and audit bodies: national, regional, the European Commission and the European Court of Auditors. Considers that controls must fulfil their purpose: to improve the quality of project implementation. Notes in this context that, in the view of LRAs, financial corrections are often out of all proportion to the scale of the irregularity;

32. expresses concerns with the regard to the fact that due to a lack of administrative capacity and resources, audit authorities tend increasingly to outsource their audit work to private sector audit firms (48 %), thereby increasing the global public cost of auditing and 'losing grip' on the programming of the projects;

#### ***EU budget liquidity and financial planning problems***

33. notes that each year it becomes more difficult to ensure a steady flow of income from the Member States for the EU budget. This is due to the ever increasing number of unpaid debts at the end of each budget year;

34. indicates that this problem can have a significant impact on the activities of LRAs by lengthening the waiting time for the reimbursement of expenditure, which is a particular cause for concern in those countries most affected by the crisis;

35. notes that the causes of this increase in unpaid debts owed to the EU budget are:

— Member States' difficulties with the detailed planning of annual expenditure and the very mechanical programming of payment appropriations by the European Commission;

— disputes over the contributions of individual Member States to the financing of the EU's annual budget expenditure;

36. notes with concern that this may lead to an increase in the RAL amount <sup>(6)</sup>. This problem particularly applies to cohesion policy and rural development. Assuming that the application of the automatic decommitment rule does not in principle lead to any substantial loss of Member States' budget allocations, a significant increase in the EU budget for 2014 and 2015 could be necessary;

37. notes that the prolongation in the new programming period of the automatic decommitment rule to year N+3 could potentially result in an even higher level of RALs. This should not, however, be interpreted as an incentive for the Commission to decommit even more resources, but rather as pointing to a need to improve the quality of financial planning at all levels — local, national and European;

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<sup>(5)</sup> See Annual report of the Court of Auditors on the implementation of the budget concerning the financial year 2012, [http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C\\_.2013.331.01.0001.01.ENG](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2013.331.01.0001.01.ENG).

<sup>(6)</sup> RAL: 'reste à liquider' (French expression commonly used in English) which means outstanding commitments. The difference between the amount of commitments and payments each year represents the additional RAL for that year.

38. considers that one positive way of improving the quality of financial planning at local and regional level would be to ensure greater clarity regarding the use by beneficiaries of advance payments made available to Member States by the Commission and the introduction in new cohesion policy regulations of a deadline of 90 days for the allocation of payments to beneficiaries;

#### **Focus on results**

39. considers that the results of EU fund expenditure are always much more visible in a local and regional context than at macroeconomic level. Nevertheless, it is often not possible to accurately show the impact of the EU budget on the development of Europe and individual countries and regions due to the unsatisfactory quality of the analyses and the fact that attention is focused on the speed of expenditure rather than on achieving the planned objectives;

40. in this connection, welcomes the fact that all EU funds, in particular the ESIF, will be more results-focused under the 2014-2020 financial perspective. According to the results of the survey, this will enable more effective use to be made of EU funds and increase the scope for achieving the EU's objectives through thematically and regionally focused interventions;

41. notes that a greater focus on results should be achieved by ensuring that the set objectives, indicator values, performance framework and monitoring and evaluation system are all linked together in a logical manner;

42. notes, however, that it will only be possible to make proper use of an approach that is more focused on results if the process of setting targets, indicators and their values at operational programming level is of high quality and reflects not only European targets but also specific targets with regional variations;

43. considering that this increased focus on EU budget results is both important and new, calls on the European Commission to launch a series of information and training programmes on setting targets, identifying indicators and their values and on the establishment of performance frameworks. Indicates that monitoring and evaluation systems in the Member States should undergo further improvement, taking account of the role and needs of local and regional authorities;

44. notes that the quality of the negotiations on operational programmes, which should be treated by the European Commission and the Member States as a mutual learning process, will be of key importance for the success of a more results-focused approach;

45. Reiterates its concerns that the Performance Reserve which amounts to 6 % of the cohesion budget under the Investment for Growth and Jobs goal and the same for rural development is not the appropriate tool to meet these requirements;

#### **Involvement of local and regional authorities in strategic debates**

46. notes that increased EU fund efficiency and effectiveness can only be achieved with the active participation of all stakeholders — particularly those responsible for the bulk of expenditure who consequently contribute most to achieving the objectives of EU policies, including LRAs in particular;

47. in accordance with the survey's findings, declares its readiness to be an active participant in the key discussions conducted at European level and a credible partner for the Member States and EU institutions during the preparation and implementation of the EU budget. In particular, this will involve greater involvement in the work of the other EU institutions, including drafting its own opinions (such as the present document), analyses and reports on those issues that are of greatest importance for EU residents.

Brussels, 26 June 2014

*The president  
of the Committee of the Regions*

Michel LEBRUN

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**Opinion of the Committee of the Regions — The Draft EU Budget for 2015**

(2014/C 271/11)

**Rapporteur** Agnès Durdu (LU/ALDE), Member of Wincrange Municipal Council**I. POLICY RECOMMENDATIONS**

THE COMMITTEE OF THE REGIONS,

1. emphasises that this opinion concerns Section III of the EU budget and does not address administrative expenditure related to heading V;
2. states that this is the second time it has drawn up an own-initiative opinion on the EU annual budget procedure;
3. stresses that the drawing-up of the annual EU budget has a direct impact on regional and local authorities and their public finances, and that it is a political and strategic process;
4. regrets that the 2014-2020 Multiannual Financial Framework (MFF) was adopted six months later than that for the previous period, 2007-2013, and notes that this will have an effect on the take-up of commitment appropriations and the profile of payments for the medium term;
5. regrets that the European Commission only adopted its 2015 draft annual budget on 11 June, that is almost two months later in the year than for 2013. This delay makes it more difficult for the various stakeholders, including the Committee of the Regions, to give their opinions in good time before the Council position is decided;
6. regrets the lack of the statistical data necessary for the Committee of the Regions to perform its consultative role and to be able to carry out a comparative analysis between Member States. This data would give the CoR a better idea of where the strengths and weaknesses of multilevel governance lie and enable it to make proposals with a view to optimising use of the EU budget;
7. calls on the Commission to provide it with regular updates on the implementation of the EU budget;
8. also reiterates its request for the Commission to provide, as soon as possible:
  - a. consolidated data on the amounts of funds received by subnational public authorities,
  - b. consolidated data on RAL per budget line and programme,
  - c. the breakdown of outstanding payment claims, not only by country but also by category of beneficiary (national authorities vs. subnational public authorities),
  - d. the amount of funds raised by national and subnational authorities for cofinancing EU projects under shared management;
9. stresses the high number of amending budgets in recent years, considering that they jeopardise the sound management and transparency of the annual budgets;
10. calls on the European Commission, the European Parliament and the Council to harmonise the way changes to the draft budgets are presented in order to make the process more understandable and facilitate its transparency and thus the democratic scrutiny process;

***Importance of the 2015 budget in the current context***

11. points to the climate of crisis, which is ongoing in the majority of the EU Member States despite some signs of economic recovery, and the budgetary constraints on national and subnational authorities, and stresses that the 2015 budget has a substantial role to play in consolidating the economic upturn, making the investments necessary for the future of Europe and alleviating the impact of the crisis on the European citizens;

12. emphasises the decisive role played by local and regional authorities in economic recovery and in economic, social and territorial cohesion in the EU, as they are responsible for a third of public expenditure and two-thirds of public investment and are, in addition, extensively involved in the management and/or use of the EU budget; this highlights the direct impact of the European budget on the budgets of local and regional authorities and illustrates how harmful any carry-over of commitment appropriations could be to the real economy;

13. notes that the progress made towards achieving the Europe 2020 goals is disappointing, and that the 2015 budget will play a decisive role in achieving this goal;

14. stresses that the new commitments made in 2014, which was the first year of the MFF, will be low and that 2015, the second year of the MFF, will be decisive for the success of the new multiannual programmes for 2014-2020; points out that take-up of commitments for the new year, 2015, is, however, expected to be low and exacerbated in particular by the n + 3 rule, and therefore calls on the Commission and the Member States, with the involvement of the regions, to approve all the partnership agreements and operational programmes as soon as possible so that they can be implemented without delay;

15. stresses the importance of bringing investments forward as much as possible, in order to alleviate the potential harmful effects of a glut at the end of the period, and regrets that the Commission does not plan to frontload appropriations other than those already envisaged, such as the youth employment initiative, Horizon 2020, Erasmus+ and COSME. Other programmes under central management could also be brought forward, such as the Connecting Europe Facility (with particular regard to energy networks) — the programmes under decentralised management take time to implement and cannot therefore be brought forward to 2014-2015;

16. is aware of the extent of the problems related to youth unemployment and calls on the European Commission to clarify the implementation arrangements for the EUR 6 billion set aside for the Youth Employment Initiative, which should be concentrated on 2014 and 2015, and the interaction between the partnership agreements and the national plans for implementing the Youth Guarantee; expresses doubts as to the take-up capacity for the EUR 6 billion in 2014 and 2015, given the delay in the adoption of the operational programmes and the fact that few Member States opted to frontload expenses on 1 September 2013; stresses, in this context, the need to provide a progress report on the implementation of the initiative in early 2015; calls on the Commission to clarify the amounts that will be allocated to addressing this long-term challenge as of 2016; and shares the European Parliament's view that all the financing possibilities, including the MFF's global margin for commitments, should be explored to ensure the continuity of this budget heading after 2015;

17. calls for a specific budget heading to be created for technical assistance to the Adriatic and Ionian macroregion, along the lines of the budget heading created for the Baltic and Danube macroregions, which provided EUR 2,5 million in commitment and payment appropriations for each macroregion in 2014;

### ***Outstanding payment appropriations***

18. deeply regrets the pile-up of outstanding bills (EUR 23,4 billion just for the three Structural Funds and the Cohesion Fund at the end of 2013), regrets that this situation has been growing steadily worse in recent years, notes that it is unacceptable for the Commission not to be able to honour its commitments and for beneficiaries not to be reimbursed for lack of sufficient payment appropriations, is pleased that the Commission is proposing to use all the payment appropriations provided for by the MFF for 2015, but is extremely concerned at the insufficient payment appropriations and the cash-flow constraints that will most likely prevent the Commission from paying all the claims quickly, which could cause considerable difficulties in the regions;

19. regrets that the payment appropriation ceilings prevent the EU from dealing with emergency situations, as can be seen in the area of humanitarian policy, where delays in payment are affecting the work of humanitarian organisations. Unpaid bills concerning these organisations amounted to EUR 160 million at the end of 2013;

20. is concerned at the wide gap between commitment appropriations and payment appropriations in a situation where RAL is rising fast, condemns the structural deficit in the EU budget and calls on the Commission to draw up a clear action plan to rebalance the budget for the remainder of the 2014-2020 financial framework. In this connection it refers to the CoR Opinion on The execution of the EU Budget (rapporteur: Mr Struzik);

21. is pleased that the 2015 budget, like the 2014 budget, attaches great importance to payment of commitments made during the 2007-2013 period, in order to avoid payment delays piling up and to be able to honour as many payments as possible for the 2014-2020 period from 2016;

22. suggests that priority should be given to reimbursements for the Member States who have suffered the most from the economic crisis, from whom the EU has required considerable endeavours to reduce their public debt and budgetary imbalances and who have most need of support from the EU to assist growth and come to the aid of their most vulnerable citizens;

23. regrets that the draft EU budget for 2015 fails to provide for use of the contingency reserve, which could help to alleviate the cash-flow problems and facilitate swift payment of claims;

#### **Outlook beyond 2015**

24. calls for the global margin for growth and employment for 2014 and 2015 to be used as of 2016 for the cohesion policy heading;

25. welcomes the launch of a high-level working group on EU own resources by the presidents of the European Commission, the European Parliament and the Council of the European Union, tasked with improving the way the EU budget is currently financed, which has been shown to have shortcomings. It is essential to reform the system in order to make the EU budget less dependent on direct contributions from the Member States, increasing the EU's own resources and thereby facilitating the negotiations on payment appropriations;

26. reiterates its call for a CoR referral to be arranged on the budgets for the coming years;

27. calls for the CoR to be involved in the interinstitutional meetings on the state of play and the outlook for budgetary implementation in the current and future years provided for in point 36 of the Annex to the MFF interinstitutional agreement;

28. calls for the legal framework governing the payment deadline of 60 days to be reviewed so that it is made binding for programmes under shared management and a financial penalty is imposed on national authorities if the deadline is not respected.

Brussels, 26 June 2014

*The President  
of the Committee of the Regions*  
Michel LEBRUN

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**Opinion of the Committee of the Regions — Post 2015 Hyogo Framework for Action: Managing risks to achieve resilience**

(2014/C 271/12)

**Rapporteur** Harvey Siggs, Councillor, Somerset County Council (UK/ECR)

**Reference document** Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: *The post 2015 Hyogo Framework for Action: Managing risks to achieve resilience — COM(2014) 0216 final*

**I. POLICY RECOMMENDATIONS**

THE COMMITTEE OF THE REGIONS

**General comments**

1. welcomes the Communication from the Commission, as disasters have major economic, social, ecological and security impacts and pose enormous challenges for local and regional authorities (LRAs);
2. recognises that risk prevention and management policies are essential to ensure economic growth and sustainable development whilst protecting people and that a renewed international framework for disaster risk reduction will significantly help to address future challenges, including those resulting from climate change, recognising the role of the European Union and its local and regional authorities in mitigating and adapting to climate change and in building resilient infrastructure;
3. notes with concern that in recent years, disasters have increased significantly in both frequency and intensity. Between 2002 and 2012, natural disasters caused more than 100 000 deaths annually on average and there is an increasing trend in direct overall economic losses worldwide, with an average annual economic loss of over EUR 100 billion. Whilst all countries are vulnerable, developing countries suffer greater loss of life and developed nations bear higher economic costs. Within the EU natural disasters caused 80 000 deaths and EUR 95 billion in economic losses over the last decade;
4. observes that although the EU now plays a more active role in the field of civil protection after the entry into force of the Union Civil Protection Mechanism, EU experience is made more complex by the wide, diversified panorama of administrative and legal systems that manage the different national civil protection mechanisms throughout the EU;

**Understanding disasters — data, targets and indicators**

5. acknowledges that the impacts of all types of disasters can be reduced by disaster risk management and building in resilience to existing and future infrastructures, however policy makers face difficult fiscal, environmental, social and cultural choices about how to ensure basic safety and quality of life with the threat of disasters, whether natural hazards or deliberate attacks. At the same time, it is necessary to pay special attention to emerging challenges;
6. considers that coastal and maritime areas face additional challenges in disaster risk reduction. Exposed to rising seas levels, ocean warming, high waves, prolonged rain or wild fire, these locations are often less accessible and rescue operations may be more complicated than elsewhere. Calls on the EU to reflect on this vulnerability in the context of the EU strategy for coastal and maritime tourism. Similarly, geographically and demographically challenged regions face additional challenges, as do mountainous areas and areas of special environmental value; these areas can also be at greater risk to natural disasters, such as landslides, forest fires and draught, which make prevention, preparedness and intervention measures complex;

7. observes that tragic and fatal consequences of catastrophes in Europe are often exacerbated by two major factors: the territory's intrinsic fragility and unsuitable development in the past;
8. calls for a renewed commitment to integrate policies for disaster risk reduction into sectoral and development plans to ensure a comprehensive approach to resilience building;
9. recognises that access to full, reliable and accurate information is essential to understanding disasters and to capturing learning to put in place plans to build resilience, mitigating the impact of future events and to building cases for financial investment. Although risk and hazard reports are collected, their integration both within and between countries requires improvement;
10. calls on LRAs to fully apply open data policy and permit defence, security or commercial reasons to withhold information only when legitimate and strictly necessary. Commercial interests should not take precedence over public safety and wellbeing;
11. recommends further collaboration and investment in information systems, as well as their connection across borders and working with the private sector (who hold significant disaster-related information) so that disaster and disaster management data can be recorded, retrieved, analysed and used to plan for and mitigate the effects of future disasters;

#### ***Accountability, Transparency and Governance — decision protocols and escalation***

12. recognises that LRAs hold institutional and political responsibility to protect their citizens and is often the first level of governance to respond in case of emergency by providing basic services and oversight and managing disasters as they happen. LRAs are the frontline of disaster management, responsible for prevention and immediate response and rescue operations and have detailed knowledge of their locality and communities. They need knowledge, tools, capacities and resources to meet their responsibilities to protect life, property, the economy and the environment;
13. observes that responsibility for civil protection is often devolved to the local and regional level without sufficient funds to meet the needs and calls on national governments to match the duties with adequate funding;
14. calls for a wide-reaching study on how best to enhance local authorities' capacity and boost their participation in resilience and disaster risk reduction decision-making;
15. acknowledges that disasters can be local, regional, national or international in scale and impact and therefore recommends that, protocols are put in place to ensure better coordination between regional and national disaster risk policies and plans, improved integration of local policy-makers and planners and agreed escalation procedures for disasters that impact over more than one regional area; notes that risk factors can be quantified and underlines that population density impacts risk.
16. draws attention to cross-border threats and disasters striking regions in two or more EU Member States and call for an improved cooperation between neighbouring regions to ensure that prevention efforts are shared and response activities coordinated. At the local and regional level, effective information systems need to be created in border areas that will deliver information across frontiers in real time and connect bodies responsible for crisis management;

#### ***The role of local and regional authorities in disasters***

17. observes that LRAs have three distinct roles in relation to disaster management:

— Prevention and Preparedness

— Response coordination and communications

— Recovery



#### A) Prevention and Preparedness

18. advocates that investment in enhancing preparedness and resilience, weighing up the probability of disaster, is the most effective and cost-effective way to reduce the impact and cost of responding to and recovering from disasters. This includes investing in resilient infrastructure that will withstand disasters including buildings, transport (road, rail, airports), services (communications, energy supplies, water supplies, sewerage) and social infrastructure;

19. points out that the EU has a Solidarity Fund for providing disaster assistance and is pleased that the changes to the regulation proposed by the Committee of the Regions have been incorporated in the final version. It is now possible under the fund, for example, to restore damaged infrastructure to a state in which it will be better able to withstand future disasters, or — indeed — to relocate infrastructure. However, the Committee of the Regions calls for the Solidarity Fund to be allocated adequate financial resources in the EU budget. The Committee of the Regions also calls on the Member States to make the best possible use of the opportunities for funding of disaster risk prevention and risk management projects prepared within the 2014-2020 framework;

20. understands that a change in approach away from a focus on response and recovery to prevention, preparedness and resilience requires a new mentality and approach to allocating financial resources. It requires planned up-front investment rather than reactive expenditure. This approach, weighing up the probability of disaster, will be more cost-effective and beneficial in the longer term;

21. recognises the difficulties of quantifying, measuring and valuing the resilience of communities (except after a disaster has occurred) and in making a business case for resilience investment;

22. strongly believes that applying construction codes, carefully planning and monitoring the use of land may significantly reduce vulnerability;

23. invites the Commission to undertake research and produce guidance about LRAs can best ensure that all developments (including buildings, transport and services) are planned with resilience at their core; recognising LRAs carry the responsibility to monitor the application of and compliance with resilient design standards;

24. recognises that despite resilience, with a sensible evaluation of the probability of potential disaster, being cost-effective in the long term, disaster resilient development can require substantial seed funding. Safer structures require design changes that typically cost 10 to 50 % more to build (and more if energy grid, transport or water networks need to be relocated); emphasises that action now is far more cost-effective than retrofitting unsafe buildings. UNISDR estimates that the cost/benefit ratio is 1:4. In addition, new resilient systems require new technology and training, which are often not readily available in less developed regions;

25. calls for LRAs to assess the resilience of existing structure, particularly those housing essential services such as hospitals and water treatment plants;

26. calls for the Commission to conduct a study on how best to develop resilient communities who are prepared, equipped and able to support themselves when disasters occur;

27. welcomes the Commission's focus on resilience and concurs that it enables local, regional and national authorities to better prepare for disasters through contingency planning and risk assessment (by LRA, businesses and other groups) to reduce disaster losses rather than waiting for an event to occur and paying for it afterwards;

28. pledges support for the UN 'Resilient Cities Campaign' and its self-assessment tool, enabling local government to check their resilience against a set of 10 essentials;

29. Takes note of the UNISDR 2012 Venice Declaration on building resilience at the local level towards protected cultural heritage and climate change adaptation strategies and the need to reflect on how to better protect heritage from disasters;

30. recognises that disasters will continue to occur and may well increase in the future. The consensus reports on climate change issued by the Intergovernmental Panel on Climate Change indicates that there is little doubt as to the need to plan and build infrastructure that can respond to the reality of climate change;

#### **B) Response coordination and communications**

31. observes that many disasters are characterised by poor communication and management. Managing a disaster is an interdisciplinary task involving a range of organisations. Strongly welcomes, therefore, the inclusion in the text of the Union Civil Protection Mechanism of provisions establishing training programme for members of intervention teams and workshops, seminars and pilot projects for developing civil protection leaders;

32. encourages LRAs to recognise the often underestimated role that the voluntary and community sector can play in providing resilience after a disaster, and to put in place plans to develop and draw upon this resource. Informed and aware citizens are a key component in building resilience; acknowledges that there is a significant gender dimension in building resilient communities;

33. acknowledges that the LRA has the duty to keep its community informed of potential and arising risks and to plan ahead with relevant stakeholders on how to communicate these threats without stoking fear or turning prospective businesses away;

34. recognises the increasing role of mobile technology, the internet and social media in communicating disaster information and calls for further studies to be made of best practice in the use of digital communications in disasters. Digital communication is increasingly the vehicle for individuals and communities to access news and information and will often be the first source of information. These communication vehicles can also be important routes for getting information from victims and coordinating response activities;

35. agrees that awareness-raising activities are key to spreading the message amongst local people. It is important to involve all parts of the community, to start as early as possible and to encourage communities to plan for self-help as it often takes a significant time for external assistance to arrive. It is therefore also essential to create specific programmes and plans in schools on how to prepare for emergencies so that there is an awareness and understanding from an early age which will make the population more resilient;

36. calls for LRAs to design effective communication channels to reach the most vulnerable in time and put in place mechanisms to bring them to safety during and after extreme weather events and other catastrophes. European societies are growing older and the proportion of the population with reduced mobility or disabilities is rising. In the event of a disaster they are often the most vulnerable and the first casualties;

37. calls for investment in training and exercising (practising) for disasters as these activities save lives and reduce disruption. Targeted training and education for public safety practitioners, such as those for community leaders, social and medical care practitioners and the rescue and firefighting services, can reduce fatalities during and in the aftermath of the crisis;

#### **C) Recovery**

38. recognises that recovery following a disaster can take many years and that insurance plays an important part in securing timely and effective recovery. Underlines the positive role that public private partnerships can play and calls for their promotion. Private insurance can contribute to sustainable public finances and can play a positive role in disaster risk management. It helps to reduce the economic impact and facilitates recovery. Well-designed insurance policies can also discourage risky behaviour and promote risk awareness. Public private partnerships should have well defined areas and agreed goals;

39. expresses concern that as a result of increasing risks, insurance might become unavailable or unaffordable in certain areas. This in turn may further contribute to vulnerability and exacerbate the susceptibility of society, leaving public authorities with potentially large financial exposure;

40. Suggests that recovery is an opportunity to incorporate future resilience into the rebuilding of homes and infrastructure, especially in areas which are periodically subject to natural disasters (e.g. riverside towns and villages). Action is needed at Member State level to ensure the availability of funding, which may be through partnerships, not just for recovery work but also for measures providing protection from future disasters;

41. Observes that LRAs have a role during recovery to manage expectations, disappointments and health issues of those affected or displaced by disasters and this has an on-going resource requirement;

#### **International Agenda**

42. urges the Commission to firmly embed resilience-building into its humanitarian aid and development policies;

43. urges the post-Hyogo Framework to take due account of the link between risk and resilience and human mobility. Notes that disasters often lead to population flows and that this can have a negative systematic consequence on communities of origin and of destination;

44. recognises that in developing countries, planning frameworks are less-developed and that economic drivers result in great development pressures. Governmental bodies at all levels need to realise that development can increase disaster risks, and where they allow development they must accept a concomitant increase in these risks;

#### **Subsidiarity and proportionality**

45. welcomes that the principle of subsidiarity and proportionality are upheld. Civil protection is an area where the Union acts to support, coordinate or supplement the action of its Member States. Also, the non-binding nature of the communication and principles announced within by the Commission confirm the proportionality;

Brussels, 26 June 2014

*The President  
of the Committee of the Regions*

Michel LEBRUN

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**Opinion of the Committee of the Regions Agricultural genetic resources — from conservation to sustainable use**

(2014/C 271/13)

**Rapporteur** Giuseppe Varacalli, mayor of Gerace (Reggio Calabria), (IT/PES)

**Reference document** Report from the Commission to the European Parliament, the Council and the European Economic and Social Committee on agricultural genetic resources: from conservation to sustainable use — COM(2013) 838 final

**I. POLICY RECOMMENDATIONS**

THE COMMITTEE OF THE REGIONS

1. notes that the European strategy for the conservation and sustainable use of agricultural genetic resources contained in the Commission report, submitted to the European Parliament, the Council and the European Economic and Social Committee, derives from the commitments made by the EU aimed at halting the gradual loss of biodiversity in the EU by 2020;
2. points out that this strategy originates, in particular, in the commitments made under the Convention on Biodiversity, adopted in Rio de Janeiro in 1992, followed over time by significant international implementing agreements such as the Cartagena Protocol (2000), the FAO's International Treaty on Plant Genetic Resources for Food and Agriculture (2004) and, more recently, the Nagoya Protocol on access and benefit-sharing as regards the use of biodiversity (2010);
3. considers that EU intervention here is anchored in two major policy areas: firstly, rural development policy, with its considerable set of agri-environmental measures and the effective activity of the European Innovation Partnership; and secondly, research and innovation policy, via its framework programme Horizon 2020, as regards detailing and fine-tuning the knowledge base on genetic diversity in agriculture; further considers that this intervention should be rooted in legislation on plant and animal products and in agricultural policy itself in order to ensure the diversity of the genetic pool used by all farmers;
4. for various and overlapping reasons, believes that the gradual depletion of biodiversity is a particular concern for local communities and the institutions that represent them, given the objective impact of biodiversity loss on their regions;
5. indeed, points out here that local and regional authorities have a considerable remit in terms of managing biodiversity in their local areas, including, for instance, the whole area of issuing authorisations for the use of natural resources, as well as their prerogatives in terms of managing Natura 2000 sites, which constitute one of the cornerstones of EU action on biodiversity, and their remit in co-financing rural development programmes, together with cross-border cooperation, which should be stepped up in order to improve the management and exchange of information, as many genetic resources can be shared in cross-border areas;
6. therefore advocates stepping up efforts to involve local and regional authorities on an increasingly systematic and practical basis in programmes aimed at the conservation and sustainable use of genetic resources in agriculture, bolstered by effective legal instruments and sufficient financial resources to enable effective intervention in this field;
7. points out that, on the specific issue of financial resources, the Commission states in the report's conclusions (Section 9) that 'towards 2020, genetic resources can rely on greater financial resources and a wider range of funding opportunities as provided under Rural Development and Horizon 2020 as well as under other Union policies'; however, this assertion needs to be objectively verifiable as to the actual availability of additional resources, which should be made available as soon as possible, and due consideration should be given to the fact that the bulk of EU funds allocated to conserving genetic diversity in agriculture concerns the research sector;

8. highlights, as regards the prospective activities in this area set out in the report, the importance of the legal and institutional framework underpinning the area of genetic resources, which at EU level essentially comprises, in addition to the aforementioned basis of rural development policies and the EU framework for research and innovation, legislation on plant and animal products and, more broadly, agricultural policy itself;

9. reaffirms, in connection with rural development policy, the points made by this Committee in its recent opinion *The sustainability of rural areas* (adopted on 9 October 2013), with particular regard to the potential of rural areas highlighted therein, not least in terms of biodiversity;

10. reiterates that initiatives here fit within a specific global context, the cornerstone of which is the aforementioned FAO International Treaty on Plant Genetic Resources for Food and Agriculture, to which the EU has signed up; this provides a framework for coordinating and promoting initiatives in the area of managing plant genetic resources, and makes the conservation of genetic diversity legally binding for the acceding States;

11. points out that the EU has devoted a good deal of time to the issue of conserving agricultural genetic diversity, most recently in 2010 with the decision by EU Heads of State to halt biodiversity loss in the EU by 2020, and the commitments made to this end, which were subsequently incorporated into the EU biodiversity strategy adopted in 2011; however, notes that this work has not yet delivered results;

12. is concerned about the fact, acknowledged in the report, that the Community programme, which has developed over the years, has failed to prevent a 'continued loss of agricultural biodiversity'; in this regard, the Committee would endorse the direction taken by the Commission, viewing the conservation approach as one of the keys to the conservation and sustainable use of genetic resources;

13. believes, however, that this approach, which is to be further developed and diversified, has not produced the desired effects as regards the use of these resources; on the contrary, limited involvement of end-users is reported. The aim should be to bridge the considerable gap that clearly still exists between research results and the actual sustainable use of genetic resources;

14. is pleased to note that the report, which specifically emphasises this point, focuses on the need for an about turn in the relationship between research and use, in the sense that the scientific research should depend on the specific needs of farmers, who are the key recipients of the solutions provided by research, and in order to ensure food security and the production of active ingredients useful for the pharmaceutical and chemical industry;

15. notes that a focus group on genetic resources was set up at the end of 2013. Unfortunately, information on the focus group's work is available only in English, which will limit the spread of information to end-users. It is therefore particularly important that the Commission mobilise resources to make the operational information more widely available;

16. welcomes the Commission's emphasis on the multi-level governance approach needed for a comprehensive and holistic policy that is able to strike the necessary balance between the research and innovation policy dimension and rural development policy;

17. also considers it necessary, however, as stated in the report, that existing databases and collections be made more accessible, so that more effective use can be made of them, given that in many cases a lack of knowledge about these collections is undermining their potential usefulness;

18. also points to the need for the conservation approach to go hand in hand with a systematic joined-up approach, so as to enable stable working relations between those involved in various capacities in the process, which needs to start at farm level with a focus on traditional and local breeds and crops. Steps must also be taken to promote substantial use by farmers of traditional and local breeds and crops, by means of a package of measures aiming to restore and boost biodiversity at farm level;

19. in this regard, endorses the provision in the report to set up 'Union-wide networks to valorise such material...'; this means of achieving integration must provide for real bottom-up participation, also involving local and regional authorities;

20. concurs regarding the need for a strong commitment from local and regional authorities, in the light of the fact that the report specifically calls on decision makers and administrations, inter alia, to ‘... engage in developing the institutional and legal framework in a manner that is consistent ...’, in order to achieve the desired result;

21. considers useful the further clarification by the Commission of ‘a major revision of the legislation ...’, with a view to finding practical ways of enhancing procedures for conserving resources, not least by means of cooperation between the different sectors involved, coupled with improvements in market access for traditional varieties, together with actual use by farmers of genetic material that would naturally be more diversified than at present, a requirement that the proposed regulation should do more to take into account;

22. endorses the principle of an integrated decision-making process, and would like to see local and regional authorities play a key part, working to safeguard the many specific features of their local areas, and the specific genetic features of the plants and animals connected to them, that are worth protecting, and making their contribution to joining up the work of the main players more directly involved (scientists, farmers, breeders, consumers, etc.), whose distinct roles are summed up neatly in the report;

23. society needs to be made aware of the value of genetic resources and the importance of conservation, research and sustainable use where these are concerned. At the same time, training programmes should be promoted for engineers and farmers, along with coordination, monitoring and assessment measures to safeguard biodiversity in the agricultural sector;

24. thus particularly welcomes the strong emphasis placed on the mechanisms of the European Innovation Partnership ‘Agricultural productivity and sustainability’ (with the parallel involvement of the Committee on Genetic Resources established by Regulation (EC) No 870/2004), as a practical means of stepping up the integration between research activities and various uses of genetic resources, and with the stated aim of adapting to the context and to local needs;

25. along the same lines of ensuring an effective knowledge exchange between all stakeholders, would also suggest encouraging forms of cooperation within and between individual local communities, as a virtuous system of experiences that can be discussed and can feed into each other organically;

26. suggests that a logo developed and financed by the Commission be established for products from endangered and/or preserved and developed genetic resources. The conditions for this logo should be established with a view to encouraging and supporting producers and other local/regional stakeholders;

27. expresses the concern, which is also openly expressed in the report, that the weighty scientific work carried out over the years has not had much impact on farmers/end-users; it must also be pointed out that the report of the group of independent experts on the Community programme on the conservation, collection, characterisation and utilisation of genetic resources in agriculture, governed by above-mentioned Council Regulation (EC) No 870/2004, noted that the beneficiaries of the programme were mainly research institutes, whence the need to encourage wider participation of end-users in the new programme, mainly so as to achieve the programme’s objectives, with particular regard to actual *in-situ* use of its results, including appropriate incentives for calls for tender;

28. notes that the Proposal for a Regulation of the European Parliament and of the Council on the production and making available on the market of plant reproductive material (COM(2013) 262 final), which ties in closely with the issues being considered here, was rejected by the European Parliament on 11 March 2014;

29. is thus duly committed to monitoring developments in this matter closely, with revision of the proposed regulation as an absolute priority, pointing out, meanwhile, with reference to the content of this proposal, the evident and important need to support small and medium-sized producers and users of old, rare and traditional varieties and ‘niche’ varieties, which make up a significant share of the genetic diversity of cultivated plant species, the producers of which are not adequately protected by the provision of cumbersome recognition procedures and for which use in suitable local conditions does not receive sufficient support, in view of the fact that it is in the direct interest of local and regional authorities that these producers, who are best placed to secure biodiversity and who operate within limited geographical areas, do not encounter excessive operational difficulties;

30. requests that the new proposal for a regulation of the European Parliament and of the Council on the production and making available on the market of plant reproductive material allow for organic seed to be certified on the basis of criteria adapted to organic production, thereby allowing the development of plants according to the environment and the evolution of strains and populations;

31. also believes, in line with its previous opinions, that it is particularly important here that its own position on the issue of the admission and importation of GMOs be clear and well-defined and allow such cases only exceptionally, with specific regard to compatibility with the strategy for the conservation of these genetic resources;
32. on this point, insists on the rigorous application of the precautionary principle in relation to the admission and introduction of GMOs, and on the parallel need for practical coexistence measures to be adopted at each institutional level, aimed at protecting all agricultural areas and, more specifically, those that are more ecologically sensitive, with a precise assessment of the risks to biodiversity being a specific imperative.

Brussels, 26 June 2014

*The president of the Committee of the Regions*

Michel LEBRUN

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## III

(Preparatory acts)

## COMMITTEE OF THE REGIONS

107TH PLENARY SESSION, 25—26 JUNE 2014

**Opinion of the Committee of the Regions — Labour Mobility and Strengthening of EURES**

(2014/C 271/14)

<b>Rapporteur</b>	José Ramón Bauzá Díaz (ES-EPP), President of the Government of the Balearic Islands
<b>Reference document</b>	Proposal for a Regulation of the European Parliament and of the Council on a European network of Employment Services, workers' access to mobility services and the further integration of labour markets  COM(2014) 6 final

**I. POLICY RECOMMENDATIONS**

THE COMMITTEE OF THE REGIONS

**General aspects**

1. stresses the important role that smaller territorial units within State structures play, or ought to play, in employment-market practice. In this regard, the CoR Opinion on The role of local and regional authorities in promoting growth and boosting job creation (2013/C 62/14) mentioned how local and regional authorities are often responsible for implementing policies relating *inter alia* to employment;
2. welcomes the fact that for a large majority of EU citizens the right to freedom of movement represents one of the EU's finest achievements, and considers that it is essential to safeguard this right and facilitate its exercise by encouraging the free movement of workers;
3. welcomes the Commission's proposal as an instrument for enhancing workers' access to intra-EU labour mobility support services, making it easier for all citizens to exercise their right to freedom of movement, irrespective of where they live, and helping to reduce differences in unemployment rates among the Member States;
4. points out that the re-establishment of the EURES network in its improved version represents an important step forward in the European Union's efforts to support the Member States and their regions in the fight against unemployment;



5. supports the Commission's decision to turn the European employment services network into a tool designed to match labour supply and demand <sup>(1)</sup>;
6. stresses the need to incorporate access to EURES services throughout the EU, both by employers and by jobseekers. The CoR therefore wishes to highlight the importance of informing citizens about the benefits of this network so that they can take advantage of its full potential. Information sessions, media campaigns and seminars will have to be held to raise awareness among EU citizens of the opportunities offered by the EURES network;
7. stresses that the national EURES coordination offices must commit to close cooperation with local and regional authorities, which play a key role in promoting labour mobility;
8. considers that the specific problems facing cross-border workers (social security, tax and insurance) justify the existence of the EURES cross-border partnerships, which play a key advisory role in border regions <sup>(2)</sup>; is therefore concerned that the Commission proposals could lead to dual supervision of these EURES cross-border partnerships: firstly at financial level, by assigning to the national coordination offices the resources committed under the EU programme for employment and social innovation (EaSI) for EURES cross-border partnerships; secondly, through the establishment, in Article 8 of the regulation now being proposed, of a national procedure for authorising these EURES cross-border partnerships, in contradiction with the provision made in Article 21a of Regulation 1296/2013 of 11 December 2013 on a European Union programme for Employment and Social Innovation (EaSI), which gives the services territorially responsible for border regions the responsibility of proposing the development and activities of EURES cross-border partnerships;
9. reaffirms the need to ensure that extending the EURES network into a pan-European support system for job placement and recruitment does not involve any curtailment of its advisory functions: the assistance provided by EURES advisers with respect to practical questions about work and social security abroad should continue to have priority <sup>(3)</sup>;

#### **Concerning labour mobility**

10. reaffirms the need to promote measures to foster a European labour market by making it easier for EU citizens and workers to move across borders by setting up systems to recognise the equivalence of professional skills, removing fiscal barriers, exporting unemployment benefits and making pension rights transferable <sup>(4)</sup>;
11. notes that in the present socio-economic context, and with a view to achieving the employment goals set out in the Europe 2020 Strategy, the proposed modernisation of EURES is a practical contribution to current efforts to find innovative ways of raising employment levels;
12. points out the benefits of labour mobility as an adjustment mechanism in the current economic context and highlights the importance of a network such as EURES, which helps to reduce the incidence of unfair competition practices based on employing EU migrant workers;
13. points out in this regard that according to the European Vacancy Monitor, despite the high rate of unemployment in Europe, two million job vacancies remained unfilled in the first quarter of 2013. A recent study by the Commission shows that non-active EU migrants form a very small proportion of the total population in each Member State and represent only between 0.7 % and 1.0 % of the total EU population;
14. notes that while in the past the EU has focused on creating a legal framework for the single market to guarantee the right to freedom of movement for all EU citizens, it has not made quite the same effort to ensure that they are actually able to exercise this right since Member States have been allowed considerable latitude in interpreting the rules in force, which they are applying very restrictively in the current crisis;
15. accordingly, calls on the Commission to put forward measures to promote and facilitate freedom of movement for persons within the EU and to draw up clear, practical rules on the coordination of social security regimes in the EU, so as to render citizens' rights fully effective;

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<sup>(1)</sup> CDR789-2013\_00\_00\_TRA\_AC.

<sup>(2)</sup> COR-2013-06863-00-00-AC-TRA.

<sup>(3)</sup> COR-2013-06863-00-00-AC-TRA.

<sup>(4)</sup> CDR1186-2012\_00\_00\_TRA\_AC.

### **Concerning reforms to the EURES network**

#### **Technical/legal aspects of the proposed regulation**

16. considers that the proposed regulation should clarify the situation of countries within the EURES network that do not form part of the European Union but are part of the European Economic Area, as well as the situation of Switzerland;
17. considers that technical clarification of the proposed regulation will ensure that it is applied more effectively by Member States and their regions, by EURES Members and, in particular, by EURES Partners, and will ensure better coordination among them;
18. in this regard, asks the Commission to consider the advisability of clarifying in the proposal whether National Coordination Offices are to be integrated into the national structures of Public Employment Services and whether Member States' entrusting of the provision of support services to their Public Employment Services is a power which they have or whether, instead, the involvement of these services is compulsory in all the Member States;
19. suggests to the Commission that it highlight the role of National Coordination Offices as State bodies in charge of EURES policy in their respective territories by clearly assigning to them all the functions allocated to the Member States under Chapters III, IV and V of the proposal;
20. points out that it would also be appropriate to clarify such expressions as 'appropriate partnership', 'caseworkers' and 'individual action plan', as well as the role of EURES Partners in access to the common IT platform, and whether these partners are to apply the principles governing the common IT platform or, where appropriate, the obligations arising therefrom;
21. asks the Commission to clarify whether the systems and procedures for the exchange of job vacancies, job applications and other information assigned to the European Coordination Office, and Member States' obligation to establish procedures for collecting and producing data on activities carried out at national level according to specified categories of common indicators, require the Commission to adopt — by means of implementing acts — technical standards and templates and procedures in order to ensure uniformity;
22. urges the Commission to make clear who is responsible for ensuring that information is continuously updated. This is particularly important in countries where the social partners negotiate agreements that cover a number of labour market sectors.
23. considers it especially important that the proposal lay down criteria for the composition of the National Coordination Offices and the EURES Committee to ensure coordination between these bodies and the regions of the Member States and of the European Union;
24. urges the Commission to pay special attention to the particular situation of workers at risk of being excluded from the labour market, such as unskilled and semi-skilled workers, by including specific references to them in the text of the proposal, and thus fulfilling one of the objectives of Article 5;
25. accordingly, suggests to the Commission that it should insist that mobility is governed by the principle of non-discrimination, that there should be express references to this in the text of the proposal and that it should provide for mechanisms to guarantee its effectiveness;

#### **Legal policy aspects**

26. calls on the Commission to involve all the Member States and their regions in efforts to coordinate and improve the EURES network with a view to reinforcing the existing structure instead of reducing it to red tape;
27. considers that the new structure of the EURES network requires a system of financing whose sources need to be clarified, since the ESF is a regionalised structural fund, unlike the PSCI funds;
28. also considers that in this financing system, the particular situation with respect to the allocation of funds vis-à-vis private profit-making employment agencies that participate in the network as EURES Partners should be clarified;
29. calls on the Commission to promote a wide publicity campaign to highlight the new improved EURES service, since in its present structure it is largely unknown to many people looking for work and to many businesses offering employment;

30. notes that the local and regional level is often the closest to most jobseekers and employers, that the labour market is predominantly a local one <sup>(5)</sup> and that it tends to suffer serious problems at a regional or local level, such as the seasonal nature of production and therefore also of the workforce;

31. it is therefore important to have clearly identified local and regional representatives to establish a structured dialogue and regular exchange of information with the National Coordination Offices, so that these offices can take advantage at national level of local and regional knowledge and experience, while local and regional employment services can also be kept informed about the EURES services available at national and European level;

32. stresses that the key to the success of the EURES advisers' consultancy work lies in them having precise knowledge of the specific employment needs of the EU's regions and municipalities, and that it would therefore be advisable for the National Coordination Offices to habitually locate EURES advisers in the smallest territorial units within State structures;

33. supports the use of EURES to ensure access to information on traineeship vacancies, recommends that it also be used as a feedback mechanism so that students can assess their experience with traineeships <sup>(6)</sup>, and advocates the adoption of fresh measures to encourage open and transparent offers in the ambit of traineeships;

34. considers that the reform of EURES services should be used to provide active support for young people, adapting its services and initiatives to make them more accessible and establishing personalised guidance and advice systems in schools, colleges and universities to support students, apprentices and young people in general and help them gain a clearer idea of what interests them, their abilities, and the job opportunities available to them;

35. welcomes the proposal for improving EURES, in particular by introducing a Match and Map service to provide a clear geographical overview of job offers, and considers that vacancy notices should clearly identify the post offered in accordance with EQF and ESCO criteria and provide information on the essential features of the contract (i.e. whether permanent or indefinite, working hours, pay and the exact location of the work). In this regard, the Committee draws attention to the national and regional role that job agency schemes might play and suggests that these be better integrated into the Enterprise Europe Network (EEN), the regions and Chambers of Commerce (which have the advantage of strong links with the business world and of being aware of its needs and problems) <sup>(7)</sup>;

36. asks Member States to link their national qualifications systems to the European Qualifications Framework (EQF) and to make all their citizens aware of its existence by promoting its use on official certificates;

37. accordingly, asks that the EURES portal promote the use of the Europass CV, EQF and ESCO (multilingual European Skills/Competences, qualifications and Occupations classification), with a view to incorporating these tools; and that no effort be spared to enable the EURES portal to carry out automated matching between job vacancies and applications and CVs, with translations into all EU languages and clear descriptions of the skills, competences, qualifications and occupations acquired at national level.

However, it is absolutely essential to stress that an automated system will never be able to replace the need for personal dialogue or support in matching competences and skills, and a description of these cannot always be directly translated because of language differences;

38. points out the benefits inherent in greater mobility of workers within the EU for businesses, particularly SMEs, whose profile is mainly domestic; therefore calls on EURES to provide services specially tailored to SMEs: this might necessitate more assistance, notwithstanding the fact that these businesses often cannot afford to pay additional charges or assume the administrative costs of hiring mobile workers;

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<sup>(5)</sup> CDR5278-2013\_00\_00\_TRA\_AC.

<sup>(6)</sup> COR-2014-00111-00-00-PAC-TRA.

<sup>(7)</sup> CDR1186-2012\_00\_00\_TRA\_AC.

39. stresses that insufficient knowledge of foreign languages is currently the main barrier to worker mobility within the EU; language barriers within the EU thus need to be removed, by promoting translation of all the information on the EURES portal into all the EU languages; further asks that the EURES network also be responsible for providing basic information on language courses available to workers and practical information on how to move around in the host country;

40. considers that workers' freedom of movement within the European Union would be aided by better information on specific matters related to mobility, such as changes to or adaptations of social allowances in cases of occupational and geographic mobility within the EU and information on levels of acquired rights, the consequences of mobility and possible alternatives;

### **Subsidiarity and proportionality**

41. considers that the proposed regulation comes within the ambit of both the subsidiarity principle (its objective — to establish a common framework for cooperation between Member States to bring together job vacancies and make it easier to apply for them, while also facilitating a balance between labour supply and demand — cannot be sufficiently achieved by Member States on their own and can therefore, by reason of the scale and effect of the action, be better achieved at Union level) and the proportionality principle (the regulation does not go beyond what is necessary in order to achieve that objective);

42. notwithstanding the foregoing, points out that the origin of the EURES network is strictly European and that it should in practice aim to become a real European public employment service;

43. therefore calls on the Commission, within the bounds of subsidiarity and proportionality, to strengthen the European dimension of the EURES network, more particularly by considering the case for assigning the task of authorising EURES Partners to the European Coordination Office and, if appropriate, by replacing the possibility envisaged in the proposal for Member States to lay down obligations for EURES Partners with the establishment of binding obligations for these partners;

44. also considers that if the EURES network is to be successful in the EU's outermost regions and islands, where unemployment rates — particularly youth unemployment rates — are high, national and EU authorities will have to pay proper attention to the specific constraints facing these regions, namely permanent structural and geographical handicaps, as they hamper occupational mobility in particular;

### **Final recommendations**

45. recommends and requests that the European Commission propose new tools to support the integration of mobile workers through the use of the Structural Funds;

46. considers that the success of the EURES network demands that Member States foster its linkage with the specific interests of the EU's regions and/or municipalities; therefore recommends that the regulation require that cooperation between EURES Partners take due account of the differing characteristics of the EU's regions and/or municipalities;

47. recommends that particular consideration be given to the fact that local and regional levels are the closest to the people and thus to jobseekers and employers, and that the labour market is therefore predominantly regional in nature.

## II. RECOMMENDATIONS FOR AMENDMENTS

## Amendment 1

## Recital 19

Text proposed by the Commission	CoR amendment
<p>The legal responsibility for ensuring the intrinsic and technical quality of the information made available to the common IT platform, in particular as regards job vacancy data, is with the organisations that make the information available in accordance with the law of and/or within the standards set by the Member States. The Commission should facilitate cooperation to render possible an early detection of any fraud or abuse related to the exchange of information at European level.</p>	<p>The legal responsibility for ensuring the intrinsic and technical quality of the information made available to the common IT platform, in particular as regards job vacancy data, is with the organisations that make the information available in accordance with the law of and/or within the standards set by the Member States. The Commission <b><u>should must</u></b> facilitate cooperation <b><u>between all the stakeholders involved, including citizens themselves,</u></b> to render possible an early detection of any fraud or abuse related to the exchange of information at European level, <b><u>and set up accessible mechanisms and channels for reporting irregularities.</u></b></p>

**Reason**

Published job vacancy information must be reliable and designed to protect the worker from fraud and abuse. This means that the Commission will have to involve itself and the Member States by establishing cooperation, detection and reporting mechanisms.

## Amendment 2

## Article 1. Subject matter

Text proposed by the Commission	CoR amendment
<p>1. The aim of this Regulation is to facilitate the exercise of the freedom of movement for workers within the Union in accordance with Article 45 TFEU, by establishing a common framework for cooperation between Member States and the Commission.</p> <p>2. For the purpose of the first paragraph, this Regulation provides for objectives, principles and rules on</p> <p>a) cooperation between Member States and the Commission on sharing data on job vacancies, job applications and CVs and on the resultant placement of workers in jobs;</p> <p>b) actions by and between Member States to facilitate the achievement of a balance between supply and demand in the labour market of the Union, with a view to promote a high level of employment;</p> <p>c) the functioning of a European network of employment services between Member States and the Commission;</p> <p>d) related mobility support services to be provided to workers and employers.</p>	<p>1. The aim of this Regulation is to facilitate the exercise of the freedom of movement for workers within the Union in accordance with Article 45 TFEU, by <u>means of establishing a common framework for cooperation between Member States and the Commission that enables the European network of Employment Services known as EURES to become an effective instrument for facilitating labour mobility within the Union.</u></p> <p>2. For the purpose of the first paragraph, this Regulation provides for objectives, principles and rules on</p> <p>a) cooperation between Member States and the Commission on sharing data on job vacancies, job applications and CVs and on the resultant placement of workers in jobs;</p> <p>b) actions by and between Member States to facilitate the achievement of a balance between supply and demand in the labour market of the Union, with a view to promote a high level of employment;</p> <p>c) the <u>organisation and functioning of the EURES a</u> <del>European network of employment services between Member States and the Commission;</del></p> <p>d) <del>related</del> <u>mobility-related</u> support services to be provided to workers and employers.</p>

**Reason**

It is important to stress that the purpose of the regulation is to strengthen and boost the use of the EURES European network of employment services under the terms of Commission Decision 2003/8/EC of 23 December 2002 and Commission Implementing Decision 2012/733/EU of 26 November 2012, which will be repealed when the regulation comes into force. The proposal implicitly adopts this precept, for instance in Article 10(3), which states that public employment services which were already part of the EURES network when the regulation enters into force may be exempted from the application of Article 8 for a period of five years. Furthermore, many provisions of the EURES Charter, adopted by the European Coordination Office (2010/C 311/05, OJEU 16.11.2010) but not included among the provisions to be repealed under Article 35, may be deemed to be in force after the proposal is adopted. Lastly, the new wording of Article 1(2)(d) is designed to make it clearer.

**Amendment 3**

## Article 2. Definitions

Text proposed by the Commission	CoR amendment
<p>For the purposes of this Regulation, the following definitions apply:</p> <p>a) ‘the public employment services’ are the organisations of the Member States, as part of relevant ministries, public bodies or corporations falling under public law, that are responsible for implementing active labour market policies and providing employment services in the public interest;</p> <p>b) ‘employment services’ means any legal or natural person, lawfully operating in a Member State, which provides services for job seekers to get employed and for employers to recruit workers;</p> <p>c) ‘job vacancy’ means any offer for employment, including for apprenticeships and traineeships considered as work;</p> <p>d) ‘clearance’ means the exchange of information and processing of job vacancies, job applications and CVs;</p> <p>e) the ‘common IT platform’ means the IT infrastructure and related platforms set up at European level for the purpose of clearance;</p> <p>f) ‘placement’ by employment services of a worker with an employer or ‘recruitment’ of a worker for an employer means the provision of services to mediate between supply and demand with the objective of filling a job vacancy;</p> <p>g) ‘frontier worker’ means any worker pursuing an activity as an employed person in a Member State and who resides in another Member State to which he returns as a rule daily or at least once a week.</p>	<p>For the purposes of this Regulation, the following definitions apply:</p> <p>a) ‘the public employment services’ are the organisations of the Member States, as part of relevant ministries, public bodies or corporations falling under public law, that are responsible for implementing active labour market policies and providing employment services in the public interest;</p> <p>b) ‘employment services’ means any legal or natural person, lawfully operating in a Member State, <u>whether of a public or private nature and, in the latter case, whether for profit or not for profit</u>, which provides services for job seekers to get employed and for employers to recruit workers;</p> <p>c) ‘job vacancy’ means any offer for employment, including for apprenticeships and traineeships considered as work;</p> <p>d) ‘clearance’ means the exchange of information and processing of job vacancies, job applications and CVs;</p> <p>e) the ‘common IT platform’ means the IT infrastructure and related platforms set up at European level for the purpose of clearance;</p> <p>f) ‘placement’ by employment services of a worker with an employer or ‘recruitment’ of a worker for an employer means the provision of services to mediate between supply and demand with the objective of filling a job vacancy;</p> <p>g) ‘frontier worker’ means any worker pursuing an activity as an employed person in a Member State and who resides in another Member State to which he returns as a rule daily or at least once a week.</p>

**Reason**

Regulatory clarity and legal certainty make it necessary to avoid an implicit element in the provision intended to define 'employment services' in the Member States. The purpose is to explicitly set out the various forms that these services may take, including the possibility of being for profit. This is consistent with EU case law<sup>(8)</sup> and with the Commission's understanding of employment services and services of general interest<sup>(9)</sup>. This wording reflects the idea that any public policy aimed at achieving full employment has to encourage public-private cooperation at all geographical levels, opening up employment information, guidance and mediation services to private agencies.

**Amendment 4**

## Chapter II.

(Establishment of the EURES network) and Article 3 (Establishment)

Text proposed by the Commission	CoR amendment
CHAPTER II. ESTABLISHMENT OF THE EURES NETWORK Article 3 Establishment This Regulation establishes a European network of employment services ('the EURES network').	CHAPTER II. <del>ORGANISATION ESTABLISHMENT</del> OF THE EURES NETWORK <del>Article 3</del> <del>Establishment</del> <del>This Regulation establishes a European network of employment services ('the EURES network').</del>

**Reason**

As explained in Amendment 2 above, the EURES network is not established by the proposed regulation: its organisation and momentum are renewed. The title of Chapter II should be amended to show its real purpose, which is the organisation of the EURES network, while Article 3 can be deleted.

**Amendment 5**

Article 4. Composition, roles and joint responsibilities

Text proposed by the Commission	CoR amendment
1. The EURES network comprises the following categories of organisations: a) The European Commission, which is responsible for assisting the EURES network in carrying out its activities through the 'European Coordination Office'; b) The EURES Members which are the bodies appointed by the Member States responsible for the application of this Regulation in the respective Member State, i.e. the 'National Coordination Offices';	1. The EURES network comprises the following categories of organisations: a) The European Commission, which is responsible for assisting the EURES network in carrying out its activities through the 'European Coordination Office'; b) The EURES Members which are the bodies appointed by the Member States responsible for the application of this Regulation in the respective Member State, i.e. the 'National Coordination Offices';

<sup>(8)</sup> The Court of Justice of the European Union has held that the activity of labour mediation is economic in nature and that monopoly of it by public services violates Community law when it can be shown that those services fail to perform their function satisfactorily (Judgment of CJEC of 11 December 1997 (Case C-55/96)) and that 'public placement offices are manifestly unable to satisfy demand on the market for all types of activity' (Judgment of the CJEC of 8 June 2000 (Case C-258-98)).

<sup>(9)</sup> See Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on A Quality Framework for Services of General Interest in Europe (COM(2011) 900 final), which states that 'over the years, the demand for services of general interest and the way they are provided has changed significantly. Services which the State traditionally delivered directly have increasingly been outsourced by national, regional and local authorities, and are now often provided by the private sector (either profit or not-for-profit)'.

Text proposed by the Commission	CoR amendment
<p>c) The EURES Partners which are the organisations authorised by Member States to provide at national, regional and/or local level support with clearance and/or support services to workers and employers.</p> <p>2. In accordance with their respective roles and responsibilities, all organisations participating in the EURES network promote actively, in close cooperation, the opportunities labour mobility in the Union offers and seek to enhance ways and means for workers and employers to seize these opportunities at local, regional, national and European level.</p>	<p>c) The EURES Partners which are the organisations authorised by Member States to provide at national, regional and/or local level support with clearance and/or support services to workers and employers <u>and EURES cross-border partnerships</u>.</p> <p>2. In accordance with their respective roles and responsibilities, all organisations participating in the EURES network promote actively, in close cooperation, the opportunities labour mobility in the Union offers and seek to enhance ways and means for workers and employers to seize these opportunities at <u>local, regional, national and European, national and, in particular, regional and/or local level</u>.</p>

### Reason

In Article 4(1)(c), the EURES cross-border partnerships should not be subject to a national authorisation procedure; they should therefore appear separately as a *sui generis* body.

The new wording of Article 4(2) is intended to stress the important role that smaller territorial units within State structures play, or ought to play, in labour market practice. The CoR opinion on The role of local and regional authorities in promoting growth and boosting job creation (2013/C 62/14) mentioned how local and regional authorities are often responsible for implementing policies relating *inter alia* to employment.

### Amendment 6

#### Article 6. The responsibilities of the European Coordination Office

Text proposed by the Commission	CoR amendment
<p>Article 6</p> <p>The responsibilities of the European Coordination Office</p> <p>1. The European Coordination Office in particular undertakes to provide the following:</p> <p>a) the formulation of a coherent framework and the provision of horizontal support for the benefit of the EURES network, including:</p> <p>i) the operation and development of a European job mobility portal, 'the EURES portal', and related IT services, including systems and procedures for the exchange of job vacancies, job applications, CVs, and supporting documents such as skills passports and the like, and other information, in cooperation with other relevant Union information, advisory services or networks, and initiatives;</p>	<p>Article 6</p> <p><u>Functions</u> <del>The responsibilities</del> of the European Coordination Office</p> <p>1. The European Coordination Office in particular undertakes to provide the following:</p> <p>a) the <u>organisation</u> <del>formulation of a coherent framework</del> and the provision of horizontal support <u>to</u> <del>for the benefit of</del> the EURES network, including:</p> <p>i) <del>the operation and</del> development of <u>the</u> a European job mobility portal, <u>i.e.</u> 'the EURES portal', and related IT services, including systems and procedures for the exchange of job vacancies, job applications, CVs, and supporting documents such as skills passports and the like, and other information, in cooperation with other relevant Union information, advisory services or networks, and initiatives;</p>



Text proposed by the Commission	CoR amendment
<p>ii) information and communication activities;</p> <p>iii) a common training programme for EURES staff;</p> <p>iv) facilitation of networking, exchange of best practice and mutual learning within the EURES network;</p> <p>b) the analysis of geographic and occupational mobility;</p> <p>c) the development of an appropriate framework for cooperation and clearance within the Union on apprenticeships and traineeships, in accordance with this Regulation;</p> <p>d) the monitoring and evaluation of EURES activity and its employment performance, in cooperation with EURES Members.</p> <p>2. Its multi-annual work programmes are drawn up in consultation with the EURES Coordination Group referred to in Article 11.</p>	<p>ii) information and communication activities;</p> <p>iii) a common training programme for EURES staff;</p> <p>iv) facilitation of networking, exchange of best practice and mutual learning within the EURES network;</p> <p>b) the analysis of geographic and occupational mobility, <u>endeavouring to reflect regional and/or local characteristics</u>;</p> <p>c) the development of an appropriate framework for cooperation and clearance within the Union on apprenticeships and traineeships, in accordance with this Regulation;</p> <p>d) the monitoring and evaluation of EURES activity and its employment performance, in cooperation with EURES Members, <u>with particular attention to the regional and/or local dimension and, where appropriate, drawing up any proposals for improvement that it sees fit.</u></p> <p>2. <u>The European Coordination Office shall adopt its</u> multi-annual work programmes <del>are drawn up</del> in consultation with the EURES Coordination Group referred to in Article 11.</p>

### Reason

The term 'functions' is clearer and improves legal certainty. The amendments to Article 6(1)(a) offer a better wording in technical terms and highlight the fact that the EURES portal is already active. Having more and better information available on the smaller territorial units within State structures will make monitoring and evaluation of EURES employment performance more efficient. The Office's duties should also include the task of drawing up proposals for improvement. Lastly, it is advisable to clarify the obligation to draw up multi-annual work programmes in the text of the regulation, as the original wording of Article 6(2) does not explain the origin of the Office's obligation, which may refer implicitly to the EURES guidelines (Point 2.4.1 of the EURES Charter).

### Amendment 7

Article 7. The responsibilities of the National Coordination Offices

Text proposed by the Commission	CoR amendment
<p>Article 7</p> <p>The responsibilities of the National Coordination Offices</p> <p>1. Each National Coordination Office is responsible for</p>	<p>Article 7</p> <p><u>Functions</u> <del>The responsibilities</del> of the National Coordination Offices</p> <p>1. Each National Coordination Office is responsible, <u>in particular,</u> for</p>

Text proposed by the Commission	CoR amendment
<p>a) cooperation with the Commission and other Member States on the clearance within the framework set out in Chapter III;</p> <p>b) organisation of the work for EURES in the Member State, including the delivery of support services in accordance with Chapter IV;</p> <p>c) coordination of actions by the Member State concerned and with other Member States in accordance with Chapter V.</p>	<p>a) cooperation with the Commission and other Member States on the clearance within the framework set out in Chapter III;</p> <p>b) organisation of the work for EURES in the Member State, including <u>organisation of</u> the delivery of support services, <u>with particular attention to the regional and/or local dimension</u>, in accordance with Chapter IV;</p> <p>c) coordination of actions by the Member State concerned and with other Member States in accordance with Chapter V.</p>
<p>2. The National Coordination Office also organises the implementation at national level of the horizontal support activities provided by the European Coordination Office as referred to in Article 6, where appropriate in close cooperation with the European Coordination Office and other National Coordination Offices. Those horizontal support activities are, in particular:</p>	<p>2. The National Coordination Office also organises the implementation at national level of the horizontal support activities provided by the European Coordination Office as referred to in Article 6, where appropriate in close cooperation with the European Coordination Office and other National Coordination Offices. <del>Those horizontal support activities are,</del> <u>To that end, each national office shall,</u> in particular:</p>
<p>a) for the purpose of publication, including on the EURES portal, the collection and validation of information on EURES Partners operating from its national territory, their activities and the scope of the support services they provide to workers and employers;</p> <p>b) the provision of pre-training activities relating to EURES activity, the selection of staff for participation in the common training programme and in mutual learning activities;</p> <p>c) the collection and analysis of data related to Articles 28 and 29.</p>	<p>a) for the purpose of publication, including on the EURES portal, <u>collect and validate</u> <del>the collection and validation of</del> information on EURES Partners operating from its national territory, their activities and the scope of the support services they provide to workers and employers;</p> <p>b) <del>provide the provision of</del> pre-training activities relating to EURES activity, <u>and select</u> <del>the selection of</del> staff for participation in the common training programme and in mutual learning activities;</p> <p>c) <u>draw up an annual work programme pursuant to Article 28, and collect</u> <del>the collection and analyse analysis of</del> data <u>provided for in Article</u> <del>related to</del> Articles 28 and 29.</p>
<p>3. For the purpose of publication, including on the EURES portal, in the interest of workers and employers, the National Coordination Office validates, regularly updates and timely disseminates information and guidance available at national level on:</p> <p>a) living and working conditions;</p> <p>b) administrative procedures as regards employment;</p> <p>c) the rules applicable to workers;</p> <p>d) apprenticeships and traineeships;</p> <p>e) where applicable, the situation of frontier workers in particular in cross-border regions.</p>	<p>3. For the purpose of publication, including on the EURES portal, <del>in the interest of workers and employers,</del> the National Coordination Office validates, regularly updates and timely disseminates information and guidance available at national level on:</p> <p>a) living and working conditions;</p> <p>b) administrative procedures as regards employment;</p> <p>c) the rules applicable to workers;</p> <p>d) apprenticeships and traineeships;</p> <p>e) where applicable, the situation of frontier workers in particular in cross-border regions.</p>

Text proposed by the Commission	CoR amendment
<p>Where appropriate, the National Coordination Office may validate and disseminate the information in cooperation with other information and advisory services and networks and appropriate bodies at national level, including those referred to in Article 5 of Directive 2013/.../EU of the European Parliament and of the Council on measures facilitating the exercise of rights conferred on workers in the context of the free movement for workers.</p> <p>4. The National Coordination Office provides general support to the organisations participating within its own territory in the EURES network regarding collaboration with their EURES counterparts in other Member States. This includes support in case of complaints related to EURES job vacancies and recruitments, as well as cooperation with public authorities such as labour inspectorates.</p> <p>5. The National Coordination Office promotes the collaboration with stakeholders, such as career guidance services, universities, chambers of commerce and organisations involved in apprenticeships and traineeships schemes.</p> <p>6. Each Member State ensures that its National Coordination Office gets the staff and other resources necessary to carry out its tasks as defined under this Regulation.</p> <p>7. The National Coordination Office is headed by a national coordinator who is a member of the Coordination group referred to in Article 11.</p>	<p>Where appropriate, the National Coordination Office may validate and disseminate the information in cooperation with other information and advisory services and networks and appropriate bodies at national level, including those referred to in Article 5 of Directive 2013/.../EU of the European Parliament and of the Council on measures facilitating the exercise of rights conferred on workers in the context of freedom of movement for workers.</p> <p>4. The National Coordination Office provides general support to the organisations participating within its own territory in the EURES network regarding collaboration with their EURES counterparts in other Member States. This includes support in case of complaints related to EURES job vacancies and recruitments, as well as cooperation with public authorities such as labour inspectorates.</p> <p>5. The National Coordination Office promotes the collaboration with stakeholders, such as career guidance services, universities, chambers of commerce and organisations involved in apprenticeships and traineeships schemes.</p> <p>6. Each Member State ensures that its National Coordination Office gets the staff and other resources necessary to carry out its tasks as defined under this Regulation, <u>and properly represents the regional and/or local interests that exist within its territory.</u></p> <p>7. The National Coordination Office is headed by a national coordinator who is a member of the Coordination group referred to in Article 11.</p>

### Reason

The changes to the Article's title and to the first part of Article 7(1) are consistent with the preceding amendment. The new wording of Article 7(1)(b) provides a technical improvement — rather than providing support services, National Offices organise the provision of them — but also seeks to strengthen the regional dimension of the support services provided by EURES Partners. The amendments to Article 7(2) and to the first part of Article 7(3) also provide technical improvements. Lastly, the new wording of Article 7(6) is again designed to ensure that all questions relating to labour mobility are dealt with as locally as possible.

### Amendment 8

#### Article 8. Authorisation of EURES Partners

Text proposed by the Commission	CoR amendment
<p>1. Each Member State shall set up a system to authorise EURES Partners to participate in the EURES network, monitor their activities and their compliance with national and Union law when applying this Regulation. This system shall be transparent, proportionate and respect the principles of equal treatment for applicant organisations and due process of law.</p>	<p>1. Each Member State shall set up a system to authorise EURES Partners to participate in the EURES network, monitor their activities and their compliance with national and Union law when applying this Regulation. This system shall be transparent, proportionate and respect the principles of equal treatment for applicant organisations and due process of law.</p> <p><u>The EURES cross-border partnerships proposed by the services territorially responsible for border regions shall be exempted from this national authorisation procedure and, once established, shall be considered EURES Partners as of right.</u></p>

Text proposed by the Commission	CoR amendment
<p>2. Member States inform the European Coordination Office about their national systems put in place and the EURES Partners they authorised to participate in the EURES network accordingly.</p> <p>3. Any employment services lawfully operating in a Member State can request in that Member State participation in the EURES network as a EURES Partner, subject to the conditions laid down in this Regulation and to the system set up by that Member State.</p> <p>4. EURES Partners are authorised to participate in the EURES network in accordance with the minimum common criteria laid down in the Annex.</p> <p>5. The minimum common criteria are without prejudice to the application by a Member State of additional criteria or requirements deemed necessary by the Member State for the purpose of a correct application of the rules applicable to the activities of employment services and the effective management of labour market policies on its national territory. To ensure transparency such criteria and requirements are an integral part of the system referred to in paragraph 1.</p> <p>6. EURES Partners may involve other EURES Partners or other organisations in order to comply together with the criteria in the Annex. In such cases, the continued existence of an appropriate partnership is an additional condition for participation in the EURES network.</p> <p>7. To amend the Annex, the Commission shall be empowered to adopt delegated acts in accordance with the procedure referred to in Article 33.</p> <p>8. The Commission may, by means of implementing acts, adopt a template for the description of the national system and procedures for sharing information on national systems between Member States. Those implementing acts shall be adopted by the Commission in accordance with the advisory procedure referred to in Article 34(2).</p>	<p>2. Member States inform the European Coordination Office about their national systems put in place and the EURES Partners they authorised to participate in the EURES network accordingly.</p> <p>3. Any employment services lawfully operating in a Member State can request in that Member State participation in the EURES network as a EURES Partner, subject to the conditions laid down in this Regulation and to the system set up by that Member State.</p> <p>4. EURES Partners are authorised to participate in the EURES network in accordance with the minimum common criteria laid down in the Annex.</p> <p>5. The minimum common criteria are without prejudice to the application by a Member State of additional criteria or requirements deemed necessary by the Member State for the purpose of a correct application of the rules applicable to the activities of employment services and the effective management of labour market policies on its national territory. To ensure transparency such criteria and requirements are an integral part of the system referred to in paragraph 1.</p> <p>6. EURES Partners may involve other EURES Partners or other organisations in order to comply together with the criteria in the Annex. In such cases, the continued existence of an appropriate partnership, <u>particularly designed to resolve the specific problems of EU regions and/or municipalities</u>, is an additional condition for participation in the EURES network.</p> <p>7. To amend the Annex, the Commission shall be empowered to adopt delegated acts in accordance with the procedure laid down in Article 33.</p> <p>8. The Commission may, by means of implementing acts, adopt a template for the description of the national system and procedures for sharing information on national systems between Member States. Those implementing acts shall be adopted by the Commission in accordance with the advisory procedure referred to in Article 34 (2).</p>

### Reason

The amendment to Article 8(1) is designed to uphold the provisions on EURES cross-border partnerships on the basis in particular of Article 21a of Regulation 1296/2013 of 11 December 2013 establishing a European Union programme for Employment and Social Innovation (EaSI).

Regarding Article 8(6): Cooperation among EURES Partners or between them and other organisations to adapt to the requirements set out in the Annex to the proposed regulation could help to make EURES Partners' activities more effective. The regulation should therefore require such cooperation to take due account of the differing characteristics of the EU's regions and/or municipalities.

### Amendment 9

#### Article 11. The Coordination Group

Text proposed by the Commission	CoR amendment
<p>1. The Coordination Group is composed of representatives of the European Coordination Office and the National Coordination Offices.</p> <p>2. The Coordination Group supports the implementation of this Regulation by exchanging information and developing guidance. In particular it helps preparing the draft technical standards and formats referred to in Articles 14(8) and 16(5).</p> <p>3. The European Coordination Office organises the work of the Coordination Group and chairs the meetings. It invites representatives of the social partners at Union level to attend the meetings.</p>	<p>1. The Coordination Group is composed of representatives of the European Coordination Office and the National Coordination Offices.</p> <p>2. The Coordination Group supports the implementation of this Regulation by exchanging information and developing guidance. In particular it helps preparing the draft technical standards and formats referred to in Articles 14(8) and 16(5).</p> <p>3. The European Coordination Office organises the work of the Coordination Group and chairs the meetings. It invites representatives of the social partners at Union level to attend the meetings, <u>with particular regard to the provisions of Article 28(4).</u></p>

#### Reason

This amendment makes the regulation more cohesive. One of the main aims of allowing the social partners at Union level to attend meetings of the EURES Coordination Group is for them to be consulted on the draft work programmes that each National Coordination Office is to draw up annually.

### Amendment 10

#### Article 18. Principles

Text proposed by the Commission	CoR amendment
<p>1. Member States shall ensure that workers and employers can gain access to support services at national level.</p> <p>2. Member States shall support the development of a coordinated approach at national level to such services.</p> <p>3. Member States shall ensure the provision of the support services referred to in Articles 20 to 23 through EURES Partners as follows:</p>	<p>1. Member States shall ensure that workers and employers can gain access to support services at national level.</p> <p>2. Member States shall support the development of a coordinated approach at national level to such services, <u>designed to address the specific needs of regions and/or municipalities.</u></p> <p>3. Member States shall ensure the provision of the support services referred to in Articles 20 to 23 through EURES Partners as follows:</p>

Text proposed by the Commission	CoR amendment
<p>a) by the public employment services of the Member State concerned themselves, in accordance with Article 10;</p> <p>b) by organisations acting under the responsibility of the public employment services of the Member State concerned, on the basis of delegation, outsourcing or specific agreements signed either with these public employment services or other bodies on the services delivered by those organisations;</p> <p>c) through one or more EURES Partners or</p> <p>d) with a combination of points (a) to (c).</p> <p>4. In each Member State the support services referred to in Articles 20 to 23 shall be provided at least by organisations referred to in either paragraph 3 (a) or 3 (b).</p> <p>5. Support services for workers as set out in Articles 20, 22 and 23 and the assistance with registration on the EURES portal referred to in Article 17(1) are free of charge.</p> <p>6. Support services for employers referred to in Articles 21 and 22 and the assistance with registration on the EURES portal referred to in Article 17(2) may be subject to fee. Any fee charged, cannot differentiate between the fees levied for EURES services and those applicable to other comparable services provided by the organisation concerned.</p> <p>7. The EURES Partners concerned shall clearly indicate to workers and employers the range of support services they provide, where and how those services are accessible and the conditions under which access is provided, using their information channels. That information is published on the EURES portal.</p>	<p>a) by the public employment services of the Member State concerned themselves, in accordance with Article 10;</p> <p>b) by organisations acting under the responsibility of the public employment services of the Member State concerned, on the basis of delegation, outsourcing or specific agreements signed either with these public employment services or other bodies on the services delivered by those organisations;</p> <p>c) through one or more EURES Partners or</p> <p>d) with a combination of points (a) to (c).</p> <p>4. In each Member State the support services referred to in Articles 20 to 23 shall be provided at least by organisations referred to in either paragraph 3 (a) or 3 (b).</p> <p>5. Support services for workers as set out in Articles 20, 22 and 23 and the assistance with registration on the EURES portal referred to in Article 17(1) are free of charge.</p> <p>6. Support services for employers referred to in Articles 21 and 22 and the assistance with registration on the EURES portal referred to in Article 17(2) may be subject to fee. Any fee charged, cannot differentiate between the fees levied for EURES services and those applicable to other comparable services provided by the organisation concerned.</p> <p>7. The EURES Partners concerned shall clearly indicate to workers and employers the range of support services they provide, where and how those services are accessible and the conditions under which access is provided, using their information channels. That information is published on the EURES portal.</p>

### Reason

The success of the EURES network demands that Member States foster its linkage with the specific interests of the EU's regions and/or municipalities.

### Amendment 11

Article 25. Exchange of information on flows and patterns

Text proposed by the Commission	CoR amendment
<p>The Commission and the Member States monitor labour mobility flows and patterns in the Union on the basis of Eurostat statistics and the available national data.</p>	<p>The Commission and the Member States monitor labour mobility flows and patterns in the Union on the basis of Eurostat statistics and the available national <u>and regional</u> data.</p>

**Reasons**

The monitoring of labour mobility flows and patterns by the Commission and Member States will produce more accurate results if it takes closer account of the differing characteristics of the EU's regions.

**Amendment 12**

## Article 26. Exchange of information between Member States

Text proposed by the Commission	CoR amendment
<p>1. Each Member State shall, in particular, collect and analyse information on:</p> <p>a) labour shortages and labour surpluses on national and sectoral labour markets and the extent to which labour mobility can address them;</p> <p>b) EURES activities at national level;</p> <p>c) the position of the EURES network on the market for recruitment services at national level as a whole.</p> <p>2. The National Coordination Offices are responsible for sharing the information within the EURES network and contributing to the joint analysis.</p> <p>3. Taking into account the exchange of information and the joint analysis, Member States shall develop mobility policies as an integral part of their employment policies. These mobility policies provide the framework on the basis of which Member States carry out the programming referred to in Article 28.</p> <p>4. The European Coordination Office sets up procedures and makes practical arrangements to facilitate the exchange of information between the National Coordination Offices and the development of joint analysis.</p>	<p>1. Each Member State shall, in particular, collect and analyse information on:</p> <p>a) labour shortages and labour surpluses on national and sectoral labour markets and the extent to which labour mobility can address them;</p> <p>b) EURES activities at national level;</p> <p>c) the position of the EURES network on the market for recruitment services at national level as a whole.</p> <p>2. The National Coordination Offices are responsible for sharing the information within the EURES network and contributing to the joint analysis.</p> <p>3. Taking into account the exchange of information and the joint analysis, Member States shall <u>endeavour to</u> develop mobility policies as an integral part of their employment policies. These mobility policies provide the framework on the basis of which Member States carry out the programming referred to in Article 28.</p> <p>4. The European Coordination Office sets up procedures and makes practical arrangements to facilitate the exchange of information between the National Coordination Offices and the development of joint analysis.</p>

**Reason**

Title IX of Part Three of the TFEU, in particular Articles 147(1) and 149 *in fine*, confirms that although regulatory competence in the field of employment policies is formally shared between the EU and the Member States, in practice it is retained by the latter. Obliging Member States to develop mobility policies goes further than the mere setting out of guidelines (Article 148(2) TFEU) by EU lawmakers or the adoption by them of measures to support Member States' employment initiatives (Article 149 TFEU). The obligation should be replaced by a simple recommendation to Member States to intervene in this area.

**Amendment 13**

## ANNEX

Common criteria for the authorisation of organisations seeking to act as EURES Partners

## 1. SERVICE DELIVERY

Text proposed by the Commission	CoR amendment
1. Existence of adequate mechanisms and procedures to verify and ensure full respect for applicable labour standards and legal requirements, including applicable data protection law and requirements and standards on quality of job vacancy data.	1. Existence of adequate mechanisms and procedures to verify and ensure full respect for applicable labour standards and legal requirements, including <u>the principles of non-discrimination, particularly with respect to persons excluded from the labour market</u> , applicable data protection law and requirements and standards on quality of job vacancy data.

**Reason**

The amendment is designed to safeguard the EU principles of non-discrimination (Articles 10, 19 and 45 TFEU) and the groups referred to in Article 5 of the regulation.

Brussels, 25 June 2014

*The president  
of the Committee of the Regions*  
Ramón Luis VALCÁRCEL SISO



## Opinion of the Committee of the Regions — Structural reforms of EU banks and transparency in shadow banking

(2014/C 271/15)

**Rapporteur:** Henk Kool (NL/PES), Alderman of The Hague

**Reference documents:** Proposals for regulations of the European Parliament and of the Council on:

— Structural measures improving the resilience of EU credit institutions

COM(2014) 43 final

— Reporting and transparency of securities financing transactions

COM(2014) 40 final

### I. GENERAL COMMENTS

#### THE COMMITTEE OF THE REGIONS

1. points out that local and regional authorities (LRAs) cooperate closely with banking institutions to finance their medium- and long-term projects. Given that LRAs are responsible for two thirds of all public investment in the EU and that, for 2011 alone, this represented 179 billion euros or 1,4 % of the EU's GDP, more than the Union's overall budget (1 %), it is very clear that banks' resilience is of prime interest for LRAs and that the ongoing banking regulation reform will have a strong impact on them;

2. highlights the broad political and economic/academic support for the view that supervising banks and overseeing reforms would be more effective if implemented at European level than at national level;

3. welcomes the Commission regulations on Structural measures improving the resilience of EU credit institutions and on Reporting and transparency of securities financing transactions; underlines that it is of crucial importance to avoid creating regulatory and administrative burdens;

4. regrets however that the scope and ambition of the suggestions made by the High-level Expert Group (HLEG) appointed by the Commission in February 2012 have been significantly reduced; notes that the proposals will have little impact on the targeted banks, considering in particular that France, Germany and the UK have already adopted national reforms of a similar nature <sup>(1)</sup>;

#### **Subsidiarity and proportionality**

5. notes that the two draft regulations presented by the Commission both intend to harmonise certain rules aiming at strengthening the regulatory framework on banking and financial institutions. Due to the vast interconnections between the targeted entities and the systemic risk they could represent, these Regulations can only be implemented at the level of the European Union. The CoR therefore believes that the legal basis (Article 114 TFEU) is correct and that the proposed legislation complies with the principle of subsidiarity;

### II. POLICY RECOMMENDATIONS

#### II.A. *Common recommendations*

##### **Banks' role in financing local development**

6. reiterates the importance of credit for financing public investment by local and regional authorities in projects of general interest such as infrastructure, research and education; observes that these investments represent a substantial share of public spending and are vital for the growth and well-being of citizens;

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<sup>(1)</sup> These three countries account for 16 of the 30 largest EU banks ranked by total assets (the regulation covers around 30 banks).

7. underlines the specificity of loans contracted by local and regional authorities. LRAs can by no means be assimilated to private or business customers and the nature, amounts and duration of these loans therefore require specific targeted expertise from the banks;
8. recognises the key role of local, regional and LRA-specialised banks in the development and financing of regions and municipalities. They ensure fundamental support for local economic development by supporting SMEs, associations, and the social economy;
9. calls on the Member States and the European Commission to protect and reinforce the local business model of mutual, cooperative and savings institutions, especially small banks, which play an essential role in the real economy thanks to their dense and balanced presence in local and regional communities;
10. disapproves of the disproportionate and uncontrolled expansion of some local and regional banks, whose acquisition of toxic assets has severely endangered the economies of their territories of origin;

#### **Credit crunch consequences for local development**

11. notes a contraction of the supply of bank lending to LRAs, as expressed not only in lower volumes and higher margins but also in a worrying lessening of the length of loans; this may reflect a vicious circle in which universal banks reduce their involvement in the real economy and are therefore more likely to engage in trading and shadow banking activities;
12. is concerned about the significant interest rate spread between the ECB bank rate (0,25 % as from November 2013) and the rates offered by the banks to LRAs, considering that this spread is not based on an objective assessment of the financial situation of the locality concerned, whereas the default risk remains fairly low;
13. considers that these tightening conditions put significant pressure on local and regional authorities' budgets, making it increasingly difficult for them to balance their budgets, achieve a good absorption capacity and finance long-term projects that help to provide growth and employment;
14. therefore invites the Commission to present, at a subsequent stage, a legislative proposal to introduce effective measures to tackle the credit crunch for SMEs and LRAs;

#### **Financial instruments issued by local and regional authorities**

15. draws attention to the fact that some local and regional authorities issue financial instruments such as bonds as a means to finance their activities and policies;
16. deplores the fact that some banks have encouraged local and regional authorities to buy toxic and complex financial products in inordinate proportions, in full knowledge of the risks involved; underlines that, due to a lack of adequate expertise, most LRAs do not possess the requisite technical knowledge to understand these products fully; therefore regrets that the burden resulting from the failure of these assets falls entirely upon local and regional authorities and their taxpayers;
17. calls on the Member States and the European Commission to encourage the banks to adopt a comprehensive, fair and responsible approach towards local and regional authorities when advising them on the risks incurred; also calls for the development of simple and transparent financial instruments for local and regional authorities, whose terms and conditions must be clearly defined when a contract is signed; requests that these instruments offer legible rates in order to reach transparency in the democratic decision-making process of LRAs;

#### **II.B. Structural measures to improve the resilience of EU credit institutions**

18. agrees with the objective of strengthening banks' stability and resilience by banning proprietary trading and providing the capacity to separate risky trading activities;

19. endorses the objectives, as stated in Article 1, for preventing systemic risk, financial stress and the failure of large, complex and interconnected entities in the financial system;

20. invites the Commission to study the feasibility of extending the application of similar rules to banks of all sizes, taking into account the administrative burden and cost, as such initiatives could potentially make smaller banks safer as well;

21. supports the Commission's proposal on a ban for proprietary trading in financial instruments and commodities, i.e. trading with the sole purpose of making a profit for the bank, considering that the directive on markets in financial instruments (COM(2011)0656) (so-called MiFiD II) did not specifically address proprietary trading. The issuing of these instruments should be strictly reserved to market operators able to demonstrate that these products will be used to cover their own commercial or industrial risks. Otherwise, there would be a risk of confusion of roles between the advising and the investment activities of banks, thereby also creating an incentive for increased speculation and volatility of prices and systemic risks for the banking system;

22. has concerns about high-frequency trading, which might give rise to serious risks to the banking system, and asks the Member States and the Commission to implement effective measures to regulate this domain;

### **Separation of trading activities**

23. reiterates that the scope of the proposed regulation has been reduced considerably given that Member States have already passed or are considering the adoption of national rules of a similar nature and that the recommendations made by the Liikanen group have been noticeably lowered;

24. stresses the importance of ensuring uniformity at EU level in such a highly-integrated sector, in order to keep the compliance burden and costs down to a minimum, ensure a level playing-field and prevent distortions in competition and the functioning of the internal market in this sector;

25. welcomes the Commission's indication that these rules would be subject to review after implementation, and calls for thorough investigation of potential negative repercussions, in particular on financing of the real economy in the EU's cities and regions;

26. wonders if the fact that the decision on the separation of certain trading activities consists of a narrow test will provide sufficient legal means to achieve the regulation's general objectives, and whether they would not have been better addressed through a broader test that included all the objectives;

27. questions the effectiveness of the highly complex approach adopted, which may, on the one hand, make it difficult and costly to assess and monitor the implementation of the rules, and on the other, allow exemptions from regulation and opportunities for carrying out regulatory arbitrage;

28. deplores the reduced scope of the application of the draft regulation, chiefly the exclusion of derivatives trading from the decision-making process. Indeed, there are concerns that excessive speculative trading is resulting in oversized markets and generating distortions in both the financial market and the real economy. These distortions may well cause the mispricing of agricultural, energy and metals commodities derivatives markets, which are vital to the local and regional economy;

29. invites the Commission to exclude long term holding of securities (so-called buy and hold) from the definition given in Article 5.4 of the regulation on structural measures improving the resilience of EU credit institutions, as they are part of core banking activities.

### **Principle of Symmetry**

30. invites the Commission to include the principle of symmetry in their banking resolution mechanisms. That is to say, resolution authorities would be granted the possibility of making creditors bear losses, just as they would have benefited from any gains; this should apply equally to all types of creditor;

### II.C. *Reporting and transparency of Securities Financing Transactions*

31. endorses the Regulation on reporting and transparency of Securities Financing Transactions (SFTs) and identifies these measures as complementary to structural bank reforms that are essential to plug a legal loophole that has already been identified;

32. recognises that regulation is necessary, given the close connections between traditional banks and shadow banking and the fact that the latter performs the same economic functions as the banks, namely: credit intermediation, credit risk transfer, liquidity transformation and maturity transformation, without adequate control;

33. urges the ECB, the Commission, the Parliament and the Member States to intensively pursue their efforts to ensure that they get sufficient and comprehensive information on shadow banking. Information is the key factor that ought to allow the public authorities to be sufficiently responsive when it comes to regulating the system, despite the frenetic pace of evolution and attempts to circumvent the law;

#### **Registration and supervision of a trade repository**

34. welcomes the proposed obligation to report all transactions to a common database and considers that this will help to improve the monitoring of the risks and exposures associated with SFTs; welcomes the fact that these measures will also improve transparency for investors and provide them with tools to take investment decisions based on greater awareness of the characteristics of SFTs;

#### **Transparency of rehypothecation**

35. supports the setting of minimum conditions that will improve the transparency of rehypothecation by ensuring that clients give their consent and that they make their decisions based on full knowledge on the risks that they might entail;

### III. RECOMMENDATIONS FOR AMENDMENTS

#### III.A. *Structural measures improving the resilience of EU credit institutions — COM(2014) 43*

##### **Amendment 1**

New Recital after Recital 21

Text proposed by the Commission	CoR amendment
	<p><u>The issuing and selling of financial instruments linked to trading in raw materials should be strictly reserved to consumers and producers who can demonstrate that these products will be used to cover their own commercial or industrial risks.</u></p>

**Amendment 2**

New Recital after Recital 24

Text proposed by the Commission	CoR amendment
	<p><u>The case of High-Frequency Trading (HFT) raises particular concerns as it appears that it can evaporate instantly and that some trading firms take the risks incurred too lightly by constantly and promptly issuing sloppy new trading algorithms. The lack of rigour of some actors that rely on other trading stakeholders to compensate for their erroneous trade or uncontrollable algorithms shows that risk management remains essential to protect the banks from bad tweaks of their own products and therefore obliges the public authorities to take measures. Member States or the competent authorities should decide to impose further regulatory measures in order to control this market.</u></p>

**Reason**

Self-explanatory.

**Amendment 3**

Recital 27

Text proposed by the Commission	CoR amendment
<p>Groups that qualify as mutuals, cooperatives, savings institutions or similar have a specific ownership and economic structure. Imposing some of the rules related to separation could require far-reaching changes to the structural organisation of those entities the costs of which could be disproportionate to the benefits. To the extent that those groups fall within the scope of the Regulation, the competent authority may decide to allow core credit institutions that meet the requirements set out in Article 49 (3)(a) or (b) of Regulation (EU) No 575/2013 to hold capital instruments or voting rights in a trading entity where the competent authority considers that holding such capital instruments or voting rights is indispensable for the functioning of the group and that the core credit institution has taken sufficient measures in order to appropriately mitigate the relevant risks.</p>	<p>Groups <del>that</del> <u>whose business models are by nature</u> <del>qualify as</del> mutuals, cooperatives or savings institutions <del>or similar</del> have a specific ownership and economic structure. Imposing some of the rules related to separation could require far-reaching changes to the structural organisation of those entities the costs of which could be disproportionate to the benefits. To the extent that those groups fall within the scope of the Regulation, the competent authority may decide to allow core credit institutions that meet the requirements set out in Article 49(3)(a) or (b) of Regulation (EU) No 575/2013 to hold capital instruments or voting rights in a trading entity where the competent authority considers that holding such capital instruments or voting rights is indispensable for the functioning of the group and that the core credit institution has taken sufficient measures in order to appropriately mitigate the relevant risks.</p>

**Reason**

It is important to make sure that these institutions do not hide behind their statutes to practice activities similar to their counterparts that are ineffective in the real economy, therefore undermining the purposes of the proposed regulation.

**Amendment 4**

## Recital 29

Text proposed by the Commission	CoR amendment
<p>Irrespective of separation, the core credit institution should still be able to manage its own risk. Certain trading activities should therefore be allowed to the extent that they are aimed at the prudent management of the core credit institution's capital, liquidity and funding and do not pose concerns to its financial stability. Similarly, the core credit institutions needs to be able to provide certain necessary risk management services to its clients. However, that should be done without exposing the core credit institution to unnecessary risk and without posing concerns to its financial stability. Hedging activities eligible for the purpose of prudently managing own risk and for the provision of risk management services to clients can, but does not have to, qualify as hedge accounting under the International Financial Reporting Standards.</p>	<p>Irrespective of separation, the core credit institution should still be able to manage its own risk. Certain trading activities should therefore be allowed to the extent that they are aimed at the prudent management of the core credit institution's capital, liquidity and funding and do not pose concerns to its financial stability. Similarly, the core credit institutions needs to be able to provide certain necessary risk management services to its clients. However, that should be done without exposing the core credit institution to unnecessary risk and without posing concerns to its financial stability. <u>Furthermore, in application of the principle of symmetry, resolution authorities are granted the possibility of making creditors of all types bear losses, just as they would have benefited from any gains.</u> Hedging activities eligible for the purpose of prudently managing own risk and for the provision of risk management services to clients can, but does not have to, qualify as hedge accounting under the International Financial Reporting Standards.</p>

**Reason**

Self-explanatory.

**Amendment 5**

## Article 2

Text proposed by the Commission	CoR amendment
<p>This Regulation lays down rules on:</p> <p>(a) the prohibition of proprietary trading;</p> <p>(b) the separation of certain trading activities.</p>	<p>This Regulation lays down rules on:</p> <p>(a) the prohibition of proprietary trading;</p> <p><u>(b) the prohibition of speculation in raw materials;</u></p> <p><del>(b)</del> (c) the separation of certain trading activities.</p>

**Amendment 6**

## Article 5.4

Text proposed by the Commission	CoR amendment
<p>'proprietary trading' means using own capital or borrowed money to take positions in any type of transaction to purchase, sell or otherwise acquire or dispose of any financial instrument or commodities for the sole purpose of making a profit for own account, and without any connection to actual or anticipated client activity or for the purpose of hedging the entity's risk as result of actual or anticipated client activity, through the use of desks, units, divisions or individual traders specifically dedicated to such position taking and profit making, including through dedicated web-based proprietary trading platforms;</p>	<p>'proprietary trading' means using own capital or borrowed money to take positions in any type of transaction to purchase, sell or otherwise acquire or dispose of any financial instrument or commodities for the sole purpose of making a <u>short-term</u> profit for own account, and without any connection to actual or anticipated client activity or for the purpose of hedging the entity's risk as result of actual or anticipated client activity, through the use of desks, units, divisions or individual traders specifically dedicated to such position taking and profit making, including through dedicated web-based proprietary trading platforms;</p>

**Reason**

As long term holding of securities (so called buy and hold) is part of core banking activities, it should be excluded from the given definition.

**Amendment 7**

## Article 5.4

Text proposed by the Commission	CoR amendment
	<p><u>'speculation in raw materials' through proprietary trading by banks means using trading of future contracts for the sole purpose of making a profit; this excludes direct or indirect activities between producers and consumers who can demonstrate that these products will be used to cover commercial or industrial risks;</u></p>

**Amendment 8**

## Article 6 — Paragraph 1

Text proposed by the Commission	CoR amendment
<p>1. Entities referred to in Article 3 shall not:</p> <p>(a) engage in proprietary trading;</p> <p>(b) with its own capital or borrowed money and for the sole purpose of making a profit for own account:</p>	<p>1. Entities referred to in Article 3 shall not:</p> <p>(a) engage in proprietary trading;</p> <p>(b) <u>speculate in raw agricultural materials;</u></p> <p><del>(b)</del>(c) with its own capital or borrowed money and for the sole purpose of making a profit for own account:</p>

Text proposed by the Commission	CoR amendment
<p>(i) acquire or retain units or shares of AIFs as defined by Article 4(1)(a) of Directive 2011/61/EU;</p> <p>(ii) invest in derivatives, certificates, indices or any other financial instrument the performance of which is linked to shares or units of AIFs;</p> <p>(iii) hold any units or shares in an entity that engages in proprietary trading or acquires units or shares in AIFs.</p>	<p>(i) acquire or retain units or shares of AIFs as defined by Article 4(1)(a) of Directive 2011/61/EU;</p> <p>(ii) invest in derivatives, certificates, indices or any other financial instrument the performance of which is linked to shares or units of AIFs;</p> <p>(iii) hold any units or shares in an entity that engages in proprietary trading or acquires units or shares in AIFs.</p>

### Amendment 9

#### Article 6 — Paragraph 2

Text proposed by the Commission	CoR amendment
<p>2. The prohibition in point (a) of paragraph 1 shall not apply to:</p> <p>(a) financial instruments issued by Member States central governments or by entities listed in point (2) of Article 117 and in Article 118 of Regulation (EU) No 575/2013;</p> <p>(b) a situation where an entity referred to in Article 3 meets all of the following conditions:</p> <p>(i) it uses its own capital as part of its cash management processes;</p> <p>(ii) it exclusively holds, purchases sells or otherwise acquires or disposes of cash or cash equivalent assets. Cash equivalent assets must be highly liquid investments held in the base currency of the own capital, be readily convertible to a known amount of cash, be subject to an insignificant risk of a change in value, have maturity which does not exceed 397 days and provide a return no greater than the rate of return of a three-month high quality government bond.</p>	<p>2. The prohibition in point (a) of paragraph 1 shall not apply to:</p> <p>(a) financial instruments issued by Member States central governments, <u>financial instruments issued by Member States' regional governments, exposures to which are assigned a 0 per cent risk weight in accordance with Article 115 of Regulation (EU) No 575/2013</u> or by entities listed in point (2) of Article 117 and in Article 118 of Regulation (EU) No 575/2013;</p> <p>(b) a situation where an entity referred to in Article 3 meets all of the following conditions:</p> <p>(i) it uses its own capital as part of its cash management processes;</p> <p>(ii) it exclusively holds, purchases sells or otherwise acquires or disposes of cash or cash equivalent assets. Cash equivalent assets must be highly liquid investments held in the base currency of the own capital, be readily convertible to a known amount of cash, be subject to an insignificant risk of a change in value, have maturity which does not exceed 397 days and provide a return no greater than the rate of return of a three-month high quality government bond.</p>

#### Reason

There is no objective reason for treating financial instruments issued by central government differently from financial instruments issued by Member States' regional governments, exposures to which are assigned a 0 per cent risk weight in accordance with Article 115 of Regulation (EU) No 575/2013.



**Amendment 10**

Article 6 — Paragraph 4 new

Text proposed by the Commission	CoR amendment
	<p><u>4. Neither shall the limitations laid down in point (b) of paragraph 1 apply to market operators able to demonstrate that their trading of raw agricultural products will be used to cover commercial or industrial risks;</u></p>

**Amendment 11**

Article 6 — Paragraph 6

Text proposed by the Commission	CoR amendment
<p>6. The Commission shall be empowered to adopt delegated acts in accordance with Article 36 to exempt from the prohibition referred to in point (a) of paragraph 1:</p> <p>(a) financial instruments other than those referred to in point (a) of paragraph 2 issued by governments of third countries that apply supervisory and regulatory arrangements at least equivalent to those applied within the Union, exposures to which are assigned a 0 per cent risk weight in accordance with Article 115 of Regulation (EU) No 575/2013;</p> <p>(b) financial instruments issued by Member States' regional governments, exposures to which are assigned a 0 per cent risk weight in accordance with Article 115 of Regulation (EU) No 575/2013.</p>	<p>6. The Commission shall be empowered to adopt delegated acts in accordance with Article 36 to exempt from the prohibition referred to in point (a) of paragraph 1:</p> <p>(a) financial instruments other than those referred to in point (a) of paragraph 2 issued by governments of third countries that apply supervisory and regulatory arrangements at least equivalent to those applied within the Union, exposures to which are assigned a 0 per cent risk weight in accordance with Article 115 of Regulation (EU) No 575/2013;</p> <p><del>(b) financial instruments issued by Member States' regional governments, exposures to which are assigned a 0 per cent risk weight in accordance with Article 115 of Regulation (EU) No 575/2013.</del></p>

**Reason**

There is no objective reason for treating financial instruments issued by central government differently from financial instruments issued by Member States' regional governments, exposures to which are assigned a 0 per cent risk weight in accordance with Article 115 of Regulation (EU) No 575/2013.

**III.B. Reporting and transparency of securities financing transactions — COM(2014) 40****Amendment 1**

New Recital after Recital 12

Text proposed by the Commission	CoR amendment
	<p><u>Furthermore, as SFTs could be indirectly sold to SMEs, LRAs and individuals through financial instruments, it is indispensable that bank and shadow-banking entities adopt a comprehensive, fair and responsible approach towards those bodies when advising them on the risks incurred.</u></p>

**Reason**

As sophisticated stakeholders are involved, the SMEs, LRAs and individuals could be indirectly involved in these kinds of instruments. Providing proper information is a key role for the banks, and for the entities that might play the same role as banks.

Brussels, 26 June 2014

*The president  
of the Committee of the Regions*  
Michel LEBRUN

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