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108th plenary session, 6—8 October 2014

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I

(Resolutions, recommendations and opinions)

OPINIONS

COMMITTEE OF THE REGIONS

108TH PLENARY SESSION, 6—8 OCTOBER 2014

Opinion of the Committee of the Regions — Long-term financing of the European economy

(2014/C 415/01)

Rapporteur	Witold Krochmal (PL/EA), Member of the City and Municipal Council of Wołów
Reference document	Communication on Long-Term Financing of the European Economy COM(2014) 168 final

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

1. welcomes the European Commission's communication to the Council and the European Parliament on the long-term financing of the European economy, which represents an acknowledgement of long-time financing as an essential factor in overcoming the economic crisis and putting European business on track towards stable and competitive growth;
2. believes that the actions proposed in the communication will contribute to establish basic principles for the financing of the European economy, which, can stimulate job creation;
3. long-term financing of the European economy will contribute to increase the possibilities for funding of major infrastructure investments, which will make it easier for local and regional authorities to implement these projects;
4. to this end, long-term financing sources should be targeted at economic projects consistent with EU policy objectives and the Europe 2020 strategy, at the same time as reflecting the climate and energy package for 2030;
5. is confident that suitable legal regulation of the European economy's long-term economic financing system will overcome risk aversion among potential investors;
6. calls therefore for an EU policy framework to promote the quality of public investment in matters subject to EU action as outlined in the European Council conclusions from December 2012 which called on Member States and EU institutions to *'(exploit) the possibilities offered by the EU's existing fiscal framework to balance productive public investment needs with fiscal discipline objectives (...) in the preventive arm of the SGP⁽¹⁾'*;

⁽¹⁾ Conclusions of the European Council of 14 December 2012 on completing EMU, point 2.

7. stresses that the conditions for financing of the real economy are fundamentally reshaped by the on-going financial, economic and social crisis. Against this backdrop, the public and private long term investments are increasingly complementary. Indeed, public investment is not only a stimulus for private investment but constitutes most often a prerequisite for setting the appropriate structural conditions of a regional economy and plays a role as an automatic stabilizer, that is to say a countercyclical buffer in times of negative economic conditions. Public investment is also about implementing objectives of general interest in areas (such as education, training, research, infrastructure, health, environment...) where public intervention is needed because the wider benefits to society are not matching private investment patterns and thus market failures are likely to lead to under-expenditure;

8. argues that financing mechanisms should be assessed as part of a complete reform of working life. With the right rules in place, the conditions could be created for a significant reform of working life and job creation enabled by digitalisation. There could also be greater capacity to channel savings through an open, secure and competitive financial sector. In combination, this would boost the competitiveness of the European economy and industry;

Banking Sector

9. underlines that any regulation on capital requirements in relation to liquidity management should take into account the impact of such regulation on banks' capacity to lend at long maturities;

10. feels that regional and municipal banks could play a special role in some Member States in relation to long-term financing, as they have the best knowledge of a given region's economy, and are often in a position to pursue effective and efficient long-term economic financing policies in that region;

11. also points out that — particularly for SMEs — financial reporting systems should be sufficiently transparent and credible to enable banks located outside the company's region of operations to take decisions on financial support;

12. reiterates its support⁽²⁾ for the proposal to structurally reform the European banking sector⁽³⁾, by separating financial activity in the form of loans to business from speculative activity. Such regulation should help to limit the use of deposits to finance speculative activities, and to channel funding into the real economy;

Insurance Sector

13. calls for conditions to be put in place enabling long-term financing of the economy by insurance companies. This could involve investments in infrastructure, SMEs and social enterprises;

14. feels that pension funds are the most strongly predisposed to invest resources long-term given that they have long-term liabilities to meet; encourages EU, national and regional institutions to establish guarantee schemes in order to reduce risks and encourage investors to use pension and insurance scheme resources for long-term financing;

15. in view of low annual returns on pension funds and long-term insurance schemes, due in part to national fragmentation of markets, urges the Commission to consider creating a new portable European savings product certified by *an European passport for savings/pensions products based on that which already exists for unit trusts*. Such a system should ensure that personal pension products are able to provide secure and efficient financing of long-term investments;

16. feels that public finances are not yet being sufficiently harnessed, a situation reflected in excessively low returns on public investments and the limited leverage capacity of private investments, reducing their contribution to economic growth;

⁽²⁾ See CoR opinion ECOS-V-055, 26 June 2014.

⁽³⁾ COM(2014) 043.

Capital Markets

17. feels that as part of efforts to diversify financing sources for the European economy, the best possible conditions must be put in place for the development of European capital markets, with financial instruments structured so as to enable investment in listed SMEs;

18. believes that knowledge on the functioning of capital markets must be disseminated among entrepreneurs and potential investors. In this connection, EU institutions and agencies will have to work together with national and regional institutions on current measures to enhance scope for capital to support the economy, including SMEs;

19. draws attention to the development of private equity markets in some EU countries, and to the growing number of European issuers on the US private equity market. Calls on the European institutions to adopt rules removing the barriers inhibiting the development of such markets, particularly in relation to information concerning issuers;

20. calls on the Commission to speed up work on defining EU rules on credit rating and assessing the feasibility of harmonising/increasing the comparability of SME data across the EU;

Infrastructure Financing

21. given that the ordinary sources of funding for infrastructure investments are running out, feels that a new approach to financing is needed, taking into account all the policies currently implemented by the EU. This approach should consider various financing sources, including private ones, as well as the state of infrastructure development in the different Member States;

22. is disappointed at the European Commission's lack of ambition in terms of introducing an European savings account, reflected in its announcement that *'the Commission services will undertake by the end of 2014 a study of possible market failures and other shortcomings regarding cross-border flows of savings, including an overview of national savings account models and an assessment of the opportunity of introducing an EU savings account'* ⁽⁴⁾;

23. encourages local and regional authorities to carry out structural investments with yields sufficiently high to make cooperation on infrastructure project implementation attractive for infrastructure investment funds;

24. feels that it is essential to disseminate private equity infrastructure investment best practices among both public institutions and potential investors. Best practices can be used to develop procedural models to improve the infrastructure funding process;

25. feels it is important to support all local and regional investment initiatives to fund infrastructure from private equity linked to the area in which that infrastructure operates, thus significantly helping both investors and residents to identify with and assume responsibility for projects;

26. fully agrees with the statement that attracting capital for the long-term financing of the European economy is largely dependent on the regulatory and business environment of the European economy as well as of the national economies of EU Member States;

Final Remarks

27. believes that the following measures by the European institutions set out in the Communication are of great importance:

- corporate governance based on employee financial participation. This should help to enhance the quality and efficiency of work, ensuring a long-term orientation, which is a major consideration for potential investors. Such an approach to corporate governance means greater job security, which is important for local and regional communities;

⁽⁴⁾ Communication from the Commission, p. 8.

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- clear and comprehensive reporting on corporate governance and reliable information channels enable investors to take the right decisions, keeping in mind the needs of SMEs, which have greater difficulties in taking investment decisions due to their more limited access to consultancy;
 - defining accountancy standards conducive to long-term investments and making it possible to apply simplified accountancy standards to listed SMEs while maintaining an adequate level of investor trust;
 - a self-standing accounting framework for non-listed SMEs, which should activate cross-border groups, the emergence of which is being held back by the fact that SMEs are subject to national accountancy standards;
 - eliminating the preference for debt financing of companies over equity financing, by enabling deduction of the costs incurred in raising equity, or by ending deduction of interest costs;
 - ending legal differences between countries, which are hampering long-term cross-border investments and thus affecting the ability of firms to get established and grow, particularly SMEs, and especially those in poor financial condition.

Brussels, 7 October 2014

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

Opinion of the Committee of the Regions — Measures to support the creation of high-tech start-up ecosystems

(2014/C 415/02)

Rapporteur Markku Markkula (FI/EPP), Member of the Espoo City Council**I. POLICY RECOMMENDATIONS**

THE COMMITTEE OF THE REGIONS

Introduction

Recent studies ⁽¹⁾ suggest that the internet economy in the developed markets of the G-20 will grow at an annual rate of 8 % over the next five years. Furthermore, the number of applications developers in Europe is set to rise from 1 million in 2013 to 2,8 million in 2018 ⁽²⁾. Support and marketing staff, meanwhile, accounted for a total of 1,8 million jobs in 2013, and this number is set to grow to 4,8 million by 2018. These figures provide good reason to pay the high-tech start-up phenomenon special attention, as if it is properly managed it could become a genuine driver for growth and job creation in Europe. Consideration should, however, also be given to the fact that entrepreneurship has not been systematically nurtured in Europe; from now on, efforts in this regard will have to be much more focused and effective. Being responsible for a third of public spending and two-thirds of public investment, local and regional authorities actually play a decisive role in pursuing the EU's objectives and fostering entrepreneurship.

Underlying considerations

1. High-tech start-up ecosystems cannot be planned or designed in advance in full. Many of the variables in an ecosystem cannot be managed. **However, factors can be identified that facilitate entrepreneurship**, namely: better access to credit, efficient regulation and taxation, promotion of a culture of entrepreneurship and greater risk-taking. These factors have been stressed on a number of occasions by the European Commission, particularly in the Entrepreneurship 2020 Action Plan ⁽³⁾. At the same time, having in place the infrastructure that ensures access to broadband is a prerequisite for fostering high-tech entrepreneurship.

2. It is therefore impossible to predict where an ecosystem will take root. It is not policymakers who decide where start-ups will be set up, but the start-ups themselves, on the basis of where the conditions on offer are conducive to development.

3. Supporting ecosystems of this kind will mean mobilising public administration, policymakers, the business and academic worlds, students and all the other players, and providing them with the appropriate literacy and culture. **Education has a decisive role to play in this context where excellence and innovation come from individuals.**

4. In order to minimise the risk of failure and inefficiency, it is necessary to coordinate resources at national level and concentrate them on a small number of ecosystems selected on the basis of well-defined criteria. It is at regional level that ways of pooling resources should be devised.

5. In Europe, both national and regional initiatives are excessively fragmented. What is needed is a common frame of reference.

Mapping

The starting point for taking decisions with a view to achieving targets is clear, exhaustive information on the matter in question. The CoR therefore believes it would be useful to:

6. carry out a survey of what has actually been done in practice, given that various European regions are already equipped with instruments and/or adopting policies to promote high-tech start-ups. This will enable a quickly- and easily-readable dashboard to be put together;

⁽¹⁾ BCG, 'The \$4,2 trillion opportunity — the internet economy in the G-20', March 2012.

⁽²⁾ GIGAOM RESEARCH, 'Sizing the EU app economy', February 2014.

⁽³⁾ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2012:0795:FIN:EN:PDF>

7. group the information so as to identify the most important data: it would then be possible to analyse the measures already adopted by the regions and identify trends;
8. set up a dedicated database, within which local and regional authorities could share best practice. This might also pave the way for a benchmarking system, which would be very useful, particularly for regions that are lagging further behind in terms of legislation;
9. **introduce a mechanism for evaluating the efficiency of measures**, to be able to carry out periodic and interim checks on the results achieved;
10. be quite clear about which stakeholders are most important at regional level and what their responsibilities are in supporting the start-up. Tools that are already available and used in other European projects will also be used for this purpose: Dynamic Mapping of the Web Entrepreneurs and Startups' Ecosystem; the Cluster Observatory.

Streamlining and harmonising administrative procedures

11. Given that the start-up concept is bound to that of flexibility, red tape should be cut to a bare minimum. Red tape is still being flagged up as of the main problems requiring action. The CoR therefore proposes that:

- 11.1. **regional regulations be simplified and harmonised** so as to avoid adding unnecessarily to national legislation;
- 11.2. as much relevant information as possible be made available on line, in a structured manner, while respecting data protection rules;
- 11.3. **a minimum standard be established for the information** be provided in order to enable the recipients to evaluate and draw comparisons;
- 11.4. all the procedures be made available on line, reducing any overlaps to a minimum, with the possibility of completing administrative formalities directly on line;
- 11.5. on-line information be made available in both the local language and English.

12. Points 11.1-11.5 should therefore be implemented using existing tools such as the portal http://ec.europa.eu/internal_market/eu-go/

Training civil servants

As part of the overall strategy for supporting the creation of high-tech start-up ecosystems, the CoR stresses that:

13. **training is needed for regional and local authority staff.** The people whose task it is to map out the future of the economy must be as well prepared as possible and fully *au fait* with the cutting edge of innovation;
14. **local and regional authorities and individuals in general need to develop the capacity to plan**, i.e. the capacity to come up with a programme that will achieve a result. Training in entrepreneurship is also necessary;
15. **service provision quality assessment mechanisms need to be designed** to encourage public administrations to provide the best possible service;
16. like national governments, regions need to be encouraged to start **thinking digital**. This would both boost efficiency and provide the public with a better service;
17. more must be done to ensure that, just like every Member State, every region has a **chief digital officer (CDO)**. A permanent, full-time CDO will help to ensure that digital innovations have as wide and effective an impact as possible.
18. **regional data should be made public, while complying with data protection rules.** This information is the life blood of start-ups. Making regional data public would boost transparency and confidence. It would also make it easier for innovative companies to seize potential opportunities;

19. **all regions should establish at least a limited number of quantitative targets** when it comes to smart growth and the creation of high-tech start-up ecosystems; alternatively, they should adopt a qualitative approach involving a positive 'path to change' contributing to the targets;

20. policy monitoring and assessment should be carried out by a dedicated technical committee made up of independent experts. After monitoring has been carried out, each region should publish a **regular (at least yearly) report on achievements in implementing the targets set**. This report should above all examine the implementation of the region's RIS3 smart specialisation strategy with particular reference to progress made in developing the innovation ecosystem and to how growth has been achieved and new high-performing businesses created. Another purpose of assessment is to promote coordination in Europe between activities in this sphere. However, the report should not add to the administrative burden of local and regional players;

21. timely development of an appropriate statistical basis at regional and local level is needed, along with the **development of regional progress indicators for monitoring the results achieved**, so as to be able to see which policies have been most and which least effective and shape future policies accordingly.

Supporting business education and inspiring innovation

Practical experience shows that there is a positive correlation between entrepreneurial success and entrepreneurs' level of education, regardless of their training profiles⁽⁴⁾. In some Member States, the figures show that five years after graduating only 1 % of people with master's degrees describe themselves as entrepreneurs. There is also a growing gap between employers' requirements and workers' capabilities: 26 % of employers in Europe have trouble recruiting because of a lack of talent⁽⁵⁾. The Committee therefore stresses the importance of:

22. having an **institution to refer to which is responsible for promoting a culture of entrepreneurship on an ongoing basis**. This process should be encouraged by publicising success stories. Young people throughout Europe must be made aware of the opportunities that are currently on offer as a result of new technologies;

23. **encouraging young people to be proactive**, breaking down the cultural and psychological barriers that restrict access to entrepreneurship. This points to the need for a comprehensive entrepreneurship education strategy, as already stressed by the CoR in its opinion on *Rethinking Education*⁽⁶⁾;

24. **generating excitement about setting up in business**. Successful entrepreneurs, whose businesses have had a real impact on people's lives, should be celebrated and held up as role models. We need to be spurred on with regard to entrepreneurship and innovation alike;

25. **making business incubators an integral part of educational curricula and linking education with the business world**. This gives students a taste of what starting a business entails without having to give up their studies, which, in the event of failure, would provide a safety net;

26. **giving support to education programmes run in cooperation with the business world**: programmes with an international outlook for start-up and high-growth companies, combining the latest technology, business and design developments with entrepreneurial discovery. These have benefits for the local area and that have proved they can produce optimum results.

27. A good approach to adopt in order to ensure that different educational and vocational training programmes effectively respond to market needs could be that of **co-investment and/or partial cost cover**: companies could, and in the case of some programmes should, put in some of their own money in order to show that they are genuinely committed to the initiative. Ideally, these programmes would bring together people from companies operating in different regions and sectors, make the latest knowledge and technology accessible to them, and generate partnership projects between companies and educational and research establishments;

⁽⁴⁾ European Commission, 'Effects and impact of entrepreneurship programmes in higher education', March 2012.

⁽⁵⁾ McKinsey Global Institute, 'Help wanted: The future of work in advanced economies', March 2012, by James Manyika, Susan Lund, Byron Augustine and Sreenivas Ramaswamy.

⁽⁶⁾ CoR2392/2012.

28. In addition, the accreditation procedures for these programmes need to be streamlined.

29. It is essential that synergies be generated between the various European projects supporting entrepreneurship, particularly Horizon 2020, the COSME programme for the competitiveness of Enterprises and SMEs and the European Structural and Investment Funds (ESIF).

Smart specialisation of ecosystems

As it has already pointed out in its previous opinion *Closing the innovation divide* ⁽⁷⁾, the CoR reiterates:

30. that the Council of the EU has highlighted the embedded role of smart specialisation in the Europe 2020 policy framework. The EU Guide to Research and Innovation Strategies for Smart Specialisation (RIS3) defines these strategies as integrated, place-based economic transformation agendas;

31. that the Smart Specialisation platform (S3Platform) needs to give more support for local and regional level activities, with particular emphasis on the less-developed regions. This means above all supporting the processes that help to identify high-value added activities in each region. It also means providing the best opportunities to strengthen region's competitiveness and the policy portfolio that should be put in place to draft their smart specialisation strategies;

32. the importance of EU- and regional-level funding of innovation and production ecosystems with strong local, regional, or trans-regional characteristics.

Other useful measures

The CoR strongly urges the regions of the various Member States to:

33. **coordinate the contributions of the ecosystem's various players.** Encouraging interaction and formation of networks of ecosystem players is public authorities' main task;

34. **purchase more from small and medium-sized high-tech enterprises.** Throughout the EU, most public contracts are won by major multinational companies. It is time to comply with the new public procurement directives ⁽⁸⁾, which considerably improve market access for SMEs.

35. endeavour to attract leading high-tech companies so as to broaden the technological talent base and generate positive spillover effects. All this should be planned within a framework that looks beyond the local dimension.

Brussels, 7 October 2014

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

⁽⁷⁾ CdR 2414/2012 fin.

⁽⁸⁾ Directive 2014/24/EU replacing Directive 2004/18/EC; Directive 2014/25/EU replacing Directive 2004/17/EC.

Opinion of the Committee of the Regions — European strategy for coastal and maritime tourism

(2014/C 415/03)

Rapporteur	Vasco Ilídio Alves Cordeiro (PT/PES) President of the Autonomous Regional Government of the Azores
Reference document	Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: European Strategy for more Growth and Jobs in Coastal and Maritime Tourism COM(2014) 86 final

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

1. welcomes the first European strategy on coastal and maritime tourism and the recognition of the importance of a clear and sustainable framework to boost growth and create jobs, in particular amongst young people;
2. calls on the Commission to also turn its attention, in the future, to the situation of tourism in other regions with specific natural features, such as mountainous or sparsely populated regions, and draw up specific strategies for them;
3. underlines the role of local and regional authorities in planning and implementing tourism policy; welcomes the mainstreaming of coastal and maritime tourism into other relevant EU policies such as IT connectivity, transport, the environment, safety and consumer protection and labour mobility;
4. welcomes the European Commission's recognition of the specific nature of islands and other remote destinations as regards accessibility, transport costs, seasonality and connectivity and their impact on tourism and the economy;
5. considers it necessary, in order to implement this strategy, to define and broaden the scope of activities which can be characterised as 'coastal and maritime tourism,' understanding these to include not only sea and beach-based tourism, cruise and yachting, boating and connected inland activities ⁽¹⁾, but also sea-related activities and sports, such as diving, the observation of wild animals, and wave and wind activities, and activities associated with cultural tourism: discovery of heritage and gastronomy, attending cultural events and learning about different types and methods of fishing;
6. underlines the need to underpin the EU's strategy goals with adequate funding opportunities provided within the new financial framework and to fully respect the subsidiarity principle, thus developing this strategy in cooperation with and involving coordination between the EU institutions, Member States, regions and stakeholders;
7. stresses the need to recognise that tourism, in coastal and maritime regions, has the capacity to boost awareness of the need to attain environmental and cultural sustainability, to add value to and preserve Europe's maritime heritage and encourage behaviour patterns (responsible and participatory tourism) to achieve these goals;
8. underlines the increasing pressure on natural resources arising from multiple economic uses and activities developed along the European coasts and pleads that sea-basin strategies address urgently issues related to these activities, namely energy efficiency, use of renewable energies, waste collection, storage and treatment, the loss of biodiversity, the destruction of natural habitats, coastal degradation and soil erosion, protection of potential drinking water and treatment of waste water; considers that these challenges exceed the competence of any individual region or state and that a coordinated, sea basin-wide action, coupled with the necessary funding and an effective sharing of best practices, is necessary;

⁽¹⁾ See COM(2014) 86, footnote 4.

9. reiterates that the effects of climate change need to be taken into due account, and as far as possible prevented, through the protection and recovery of natural areas as well as by incorporating tourism into the Integrated Coastal Zone Management scheme;

10. recognises the role of European organisations and initiatives (e.g. Blue Flag Status, Quality Coast Award, European Blue Growth Strategy) in the promotion of European tourism quality principles such as environmental protection, sustainable tourism, education and awareness-raising among European coastal and maritime regions, and strongly urges the Commission to establish a dialogue with the institutions that promote them in order to widen their impact and encourage regions to voluntarily support such initiatives;

11. believes that the EU strategy for Blue Growth coupled with innovation presents an important opportunity to boost the local and regional economy and create jobs, which can be expected to also make the coastal regions more attractive for tourists. Proposals on innovation and Blue Growth, can be found in the CoR opinion COR-2014-02645-00-00;

On performance and competitiveness

12. highlights that, although coastal and maritime tourism have been more profitable in the last decade than tourism in general, average expenditure per night and the average length of stay have decreased; considers therefore that it is of the utmost importance to counter this trend and strive to increase expenditure and the duration of stays in coastal and maritime areas through innovative, fit-for-purpose measures while addressing the problems of seasonality;

13. stresses the need for European coastal and maritime regions to develop local strategies aimed at preserving, adding value to and promoting distinctive local features, thus increasing their visibility as tourist destinations based on their uniqueness;

14. observes that demand is increasing for niche tourism, such as that in the health, medical, sports, adventure, wildlife, nature, eco-gastronomy, cultural and luxury sectors, all of which present a potential for growth, economic development and job creation;

15. stresses the need to develop the range of integrated tourism offers, involving different stakeholders from local communities and fostering job creation in the regions; notes the potential for link-ups between traditional activities in European coastal and maritime regions (e.g. agriculture and fisheries, local crops, wine-making, heritage and local traditions and customs) in order to develop new tourism products, as well as link-ups involving activities which make tourism less seasonal, such as sea sports and/or sports which take place in foreshore areas;

16. encourages the Commission to collate examples of good practice and publish a study on the reconversion of mass tourism destinations, and on examples of stable and integrated tourism projects in coastal and maritime regions; urges the Commission to foster a debate on the outcomes of such a study with a pan-European conference bringing together Member States, regions and stakeholders;

17. points out that seasonality often affects coastal and maritime tourism more than other destinations which benefit from a more balanced arrival pattern; emphasises, therefore, that these regions need more assistance in diversifying their tourism flows, and encourages the local business community to promote and use creatively their local heritage and service provision so as to offer a broader range of products and services extending beyond the local level, regardless of weather conditions;

On improving knowledge to increase competitiveness

18. supports the use of IT and innovation tools as a means to enhance the visibility of coastal and maritime regions and requests that the Commission enhance the Tourism section of the European Atlas of the Seas so as to boost awareness of coastal and maritime regions, their values and their attractiveness for both tourists and other regions;

On labour force, skills and innovation

19. recognises the challenges that the tourism sector faces in order to foster sustainable jobs, increase the salaries offered and attract skilled individuals;

20. calls upon the Commission to facilitate labour mobility in the tourism sector through Erasmus Plus and to set up an exchange and training programme for coastal and maritime regions, aimed particularly at young people, in the low season to enhance vocational training opportunities as well as the sharing of examples of best practices and foster entrepreneurship among this workforce;

21. supports the development of clusters among tourism SMEs as a way to provide complementary and quality tourism services (e.g. accommodation, transportation, recreation services), and thus a more diverse and complete range of tourism offers; recommends that regional and local authorities promote such clusters among local businesses by setting up meeting forums and involving public and private tourism stakeholders in these forums, providing joint platforms which preserve the identity, integration and image of the destination; while, at the same time, providing for types of tax exemption and/or incentives for SMEs that form clusters and promote projects;

22. agrees with the need to recognise SMEs which support the promotion of sustainable tourism in such areas as environmental and food security, water and waste management and the reduction of greenhouse gas emissions;

23. states that the licensing procedures and qualifications required for recreational boat operators differ widely between Member States and is concerned that this may hamper the development of the sector; suggests a mutual recognition of recreational navigation certificates and requirements for skippers as a solution and calls upon the Commission to look into this question. This recommendation to standardise training and skills can be extended to staff working in marinas, with different training and legal and employment cover depending on the Member State;

24. considers, however, that the added value of open online courses to upgrade or re-orient skills in the coastal and maritime field cannot neglect the practice component of certification;

On strengthening sustainability and accessibility

25. reiterates that coastal zones are among the areas most vulnerable to climate change and natural hazards and that the impact of such phenomena are far reaching and may adversely affect the lives and livelihoods of coastal and maritime communities, particularly on islands; is thus in favour of an integrated coastal management scheme, promoting sustainable development in coastal zones by means of an approach which respects the limits of natural resources and ecosystems;

stresses the particular case of islands and the outermost regions, where the limitations of the existing areas and the overlap between economic activities in coastal areas require greater assistance from EU funding to prevent such risks, which can hinder economic activities. In particular, such assistance should be secured for drawing up and implementing a strategy for integrated coastal management;

26. recommends, in order to guarantee the sustainability of maritime and coastal tourism in protected areas (e.g. walking trails) involving wild animals (e.g. birds, marine mammals, sharks), that codes of conduct be adopted and published in order to promote animal welfare, tourist security and an environmental balance;

27. stresses the need, in order to achieve the full potential of eco-tourism, to identify clearly as preferential venues for sustainable tourism activities (e.g. diving, the observation of wild animals, walking trails) maritime and coastal protected areas such as those of Natura 2000 or OSPAR sites;

28. notes that, in 2020, over one-fifth of Europeans will be over 65 and thus encourages the Commission to pursue its work on the 'Senior Tourism' strand, in particular by supporting barrier-free tourism;

29. welcomes the Commission's revision of the Visa Code and its initiatives targeting third-country nationals to draw them to Europe for holidays, including to European coastal and maritime destinations;

On maximising available EU funding

30. welcomes the Commission's intention to publish a guide on EU funding for tourism while stressing the need to publicise it more widely and make it known among coastal and maritime regions;

31. during the current phase of negotiations for the operational programmes, calls upon the European Commission, in keeping with the subsidiarity principle, to accept the regions' investment priorities as eligible, particularly those such as investment in and development of infrastructure, especially the restoration and re-use of historical sites (civil and industrial architectural heritage), for recreational boating or maritime tourism activities, which have a leverage effect on the strategy for coastal and maritime tourism;

32. calls for effective, coordinated use of all available resources, including European Investment Bank loans and guarantees for small and medium-sized businesses, for promoting maritime and coastal tourism to be ensured for the 2014-2020 period, particularly in the context of the European Regional Development Fund (ERDF), the Horizon 2020 programme and the COSME, Creative Europe and LIFE + programmes;

On connectivity

33. stresses that islands, outermost regions and other remote locations are highly dependent on air transport, and maritime connections, which are in turn dependent on tourists; tourism operators point out that they have to close their business once transport services cease, and transport operators point out that their services cease because tourism operators close their businesses; there is thus a need to promote policies to break this cycle; expresses its concern that the current economic crisis and high tourism seasonality further compound the problem. At the same time, given that 90 % of goods and products which are subsequently used in the island tourism industry are transported by sea and that, in reality, freightage is profitable in one direction only, aid policies should be promoted which seek to remedy this imbalance;

34. in this connection, calls upon the Commission to properly consider the specific features of islands, which are almost exclusively dependent on air transport, not only to improve the accessibility of tourists, but also for the economic activities on which their development depends and that can, in turn, benefit the tourism sector. (For example, the CO₂ emissions tax on the aviation industry cannot be increased without taking other types of measures in island regions, given that air transport in these regions is a captive market.); such factors should be particularly considered in discussions concerning the Single European Sky and the Guidelines on State Aid to airports and airlines, and by allowing ERDF financing of investments in airport infrastructures.

Similarly, ferry connections to the mainland and to other islands should be promoted for islands situated near a coast;

35. likewise asks, with regard to the outermost regions, that the unique constraints which are their hallmark (namely their distance and isolation from the rest of European territory) be taken into account when devising and implementing European policies which contribute to their connections with the outside, by adapting these policies to their particular situation;

36. deplores the fact that many coastal regions are not well connected with their hinterland and neighbouring regions and countries; calls for a strategic reflection on inter-modal connectivity between transport hubs (i.e. airports, train stations, ports), as well as with neighbouring countries, enabling passengers to get in and around different sea basins with greater ease;

On local communities, their heritage, identity and cuisine

37. maintains that coastal and maritime tourism must benefit local coastal communities and thus argues for specific measures promoting local hiring, the sourcing of local products and developing local food systems; considers that such a commitment to act locally will improve the efficiency of coastal and maritime tourism offers, reinforce local employment and generate jobs in sustainable farming, fishing and services, thus also helping to achieve the EU's goals concerning social and territorial cohesion and rural development;

38. observes that the local maritime heritage is not sufficiently promoted in many European coastal areas; stresses the need to make the protection of the maritime and coastal heritage compatible with commercial or economic developments such as cable or pipe laying, oil and gas prospecting and recovery, the mining of coal or minerals, sand or gravel extraction and waste and spoil disposal; considers that sunken wrecks, underwater ruins, historic ships and port facilities, traditional fishery trade and traditions and other related trades (associated with traditional shipyards, net making, preserving foodstuffs, etc.) must be a highlight of local tourist attractions;

39. underlines the untapped potential of fishing tourism (pesca-tourism) and considers that it may offer significant benefits to coastal communities, making fishing activities profitable, preserving local fishing traditions and diversifying local income sources;

40. agrees that, in cases where fleets use selective and traditional methods of fishing, the investments necessary to promote fishing tourism should be backed and considered by the EU as a complementary activity to commercial fishing, promoting additional revenues for fishing communities; calls on countries and regions, together with the fishing and tourism industries and other stakeholders, to overcome any legal and administrative obstacles there might be in order to develop fishing tourism;

41. calls upon the Commission to enhance its collaboration with the Council of Europe and to improve communication about and the promotion of the new and existing cultural routes along the European coast;

42. supports the creation of a Federation of Coastal and Maritime Regions' Tourist Offices or Agencies serving as a platform for cooperation and exchanges between professional bodies of coastal and maritime regions as well as helping the development and implementation of cooperation programmes aiming at the promotion of these regions;

On the cruise sector

43. encourages local and regional authorities to engage in a constructive dialogue with the cruise industry to ensure the local supply of goods for these ships and to try to capture a larger part of passenger expenditure by creating more attractive reception areas at or near the cruise terminal with shops, bars, restaurants and local tourist agents able to offer hassle-free trips, designed with sustainability criteria in mind, to nearby attractions;

44. considers that the public authorities may help local business operators to better promote and market their deals, making sure that information about local attractions is available in different languages and that travellers' safety and comfort are assured. The process of supplying the ships and organising the product at the destination is tied to the work of shipping agents with whom the local and regional authorities must cooperate in order to promote use of the product and local complementary activities;

45. observes that large cruise ships bring significant crowds to any destination which may create a challenge for transportation to all disembarking tourists; welcomes the development of integrated transport planning and design projects to meet the needs of travellers coming en masse without disrupting local populations;

On marinas and nautical sports

46. recognises the growing popularity of nautical sports and activities and welcomes the fact that they are often designed and delivered by small local companies; is of the opinion that European common standards in this area would boost consumers' confidence and improve safety;

47. calls upon the Commission to assess the need for a common framework for marina infrastructure development; invites the Commission, given the 4 500 or so recreation boat harbours in Europe and the growing popularity of yachting, to promote a study on common standards which addresses, in particular, issues concerning accessibility for people with reduced mobility, safety standards or the carrying capacity of leisure ports;

48. calls upon local and regional authorities hosting marinas to develop strategies together with local stakeholders and tourism operators in order to better connect their harbours to the region as a whole, thus encouraging leisure sailors to explore the land behind the port and discover its heritage, promoting specifically nautical and maritime tourism through nautical clubs, marinas and nautical resorts, for example.

Brussels, 7 October 2014

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

Opinion of the Committee of the Regions — A policy framework for climate and energy in the period from 2020 to 2030

(2014/C 415/04)

Rapporteur	Annabelle Jaeger (FR/PES) Member of Provence-Alpes-Côte d'Azur Regional Council
Reference document	Referral letter by the European Commission of 12 February 2014

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

at a time when the latest IPCC scientific data is warning us that global warming and its effects are worsening, and following on from the previous Committee of the Regions report (CDR 5810/2013),

1. calls on the EU to opt for a winning trio of binding climate and energy goals for 2030:
 - a 50 % reduction in greenhouse gas emissions compared with 1990;
 - a 40 % share of renewable energies, expressed as national targets;
 - a 40 % reduction in primary energy consumption compared with 2005 achieved through efficiency gains, also expressed as national targets.

These three goals are needed to give us a chance of preventing a catastrophic temperature rise of more than 2 °C and of reaching the EU's long term objective (an 80-95 % reduction in greenhouse gas emissions);

2. refers to the European Council Conclusions of 20/21 March 2014, in which the heads of state and government agreed to reach a decision on a new policy framework by October 2014. The CoR expects this decision to set out ambitious goals; is concerned in this context at the lack of ambition in the proposals so far made by the European Commission; which are too weak in relation to the percentages proposed, in terms of the obligation to meet them at EU level only, and with regard to the proposed governance structure;

3. believes that these three goals are technically realistic and would be beneficial for the European economy; they are a pre-condition for a long-term structural approach that would give Europe a sustainable, safe and secure energy future;

4. adds that the EU should set itself an almost zero net emissions target by the middle of the century, but in such a way as not to further exacerbate energy poverty. At the same time as continuously reducing greenhouse gas emissions, further efforts are needed on research and development enabling the removal of carbon dioxide from the atmosphere, with a greater role for natural carbon sequestration;

5. notes that, bolstered by these stated objectives, the EU would then be ready to negotiate a global climate agreement for the 21st Conference of the Parties (COP21) to the United Nations Framework Convention on Climate Change (UNFCCC) to be held in Paris in November-December 2015, particularly by announcing its intentions of making 'national contributions' under the UNFCCC as soon as possible and by the end of March 2015 at the latest;

A. Governance

6. recommends that this proposed new energy governance framework builds on the lessons from the 2020 package, notably by setting binding targets at EU and national levels for which Member States would be liable; therefore believes that the proposed cooperative approach with targets set only at EU level will not provide the necessary incentives to reach such targets and achieve more ambitious results;

7. considers it absolutely necessary that the national targets aimed at increasing the share of renewables and reducing energy consumption should be made compulsory for each Member State and that countries should accordingly base their approach on regional and local strategies which would not only be more effective, but also in line with the principle of subsidiarity. This architecture should be reflected in the new energy governance framework;
8. stresses that the new CAP can play a key role in reducing greenhouse gases and in promoting carbon sequestration in the agriculture, forestry and livestock sectors;
9. underlines the fundamental role of the local and regional levels in drafting and implementing policies on climate change, developing renewables and energy efficiency, but also stresses that their initiatives cannot be optimised without recognition in the form of a mandate and long-term funding;
10. therefore calls on the Commission to recognise and make use of local and regional authorities for meeting the climate and energy challenges, to include them in the 2030 framework policy and involve them in a new energy governance in line with the principles of multi-level governance, which recognise the role of each level of government in producing effective public policies;
11. finally calls on local and regional authorities to rise even further to the climate challenge by setting their own ambitious targets for 2030 and taking forward initiatives together to prepare for the COP21 in December 2015 in Paris; this would closely reflect the COP19 decisions taken in Warsaw in November 2013 as regards recognition for local and regional authorities until a global agreement is reached;

B. *Three inseparable targets*

12. stresses the fact that, whilst a GHG reduction target is essential to give a clear signal that would make it possible to internalise all the costs of pollution and thus bring down its level, it is equally necessary for this objective to be accompanied by targets on renewable energy and energy efficiency to ensure that the energy transition actually results in a low carbon economy that is secure, competitive and sustainable and has a synergistic effect on climate change;
13. emphasises the need for binding objectives that help channel investments into developing clean technologies. In this connection, there is also a pressing need to offer regulatory certainty to investors in low-carbon technologies. The Member States will have to guarantee a clear and stable legal framework to prevent new legislative measures from having retroactive effect;
14. points out that it is necessary to achieve a fair division of costs between countries, regions and cities and to take account of the regional development requirements and the locally available sources of renewable energy without preventing some regions and cities/town from committing themselves further if they so desire;
15. emphasises that, when drafting policies at EU and Member State level, it is necessary to bear in mind the need for keeping the energy bill at a reasonable level and that energy efficiency is a crucial means of achieving this, because it would allow consumers and EU Member States to save more than EUR 200 billion every year up to 2030 ⁽¹⁾; also considers that it would be useful to recommend that Member States as well as local and regional authorities adopt specific measures for families and vulnerable consumers as regards fighting energy poverty. One of the main ways of improving efficiency has to be the renovation of buildings, which will provide an important source of job creation in a sector as socially sensitive as construction. In addition, it will allow innovation in new energy-efficient and bio-sourced materials, which will entail making investments in RDI. To this end, special funds should be created at European level to promote energy efficiency improvements in buildings;

C. *Europe's energy independence*

16. points out that Europe is the world's largest energy importer and considers that more ambitious European targets aimed at making energy savings by 2030 and at the same time increasing the share of renewables would considerably reduce Europe's energy imports and increase its energy independence;

⁽¹⁾ Ecofys, February 2013: *Saving energy: bringing down Europe's energy prices for 2020 and beyond*.

17. one of the main ways of improving efficiency has to be the renovation of buildings, while at the same time constructing new energy-efficient housing. However, a one-size-fits-all approach is not appropriate here; relevant decisions on specific issues are best taken at the level of local and regional authorities. All of this will provide an important source of job creation in a sector as socially sensitive as construction. In addition, it will allow innovation in new energy-efficient and bio-sourced materials, which will entail making investments in RDI;

18. emphasises that renewables could account for almost half of Europe's energy consumption by 2030 (Sources: Fraunhofer Institute ⁽²⁾ and the German Aerospace Centre ⁽³⁾);

19. underscores the scale of the potential for energy savings which is the greatest for those EU countries that rely most on imports of oil and gas. Investing in the EU's energy efficiency up to 2030 would enable the EU to substantially cut European energy imports, thereby improving the EU's energy security as well as the development of new, more efficient, safer and more economical technologies which create jobs;

20. feels, moreover, that the EU's energy independence and security of supply could be strengthened by exploiting all renewable local energy resources, further developing the single energy market, for example, via small-scale production by consumers themselves, new interconnections, energy storage and smart networks and requiring all Member States to have favourable legislation to this end. It stresses that diversity of renewable energy sources acts as a buffer against price fluctuations, makes the energy system less vulnerable and makes it possible to prevent supply disruptions;

21. considers that the European Union and Member States should facilitate the transformation of energy infrastructures with a view to improving cross-border interconnections. Particularly urgent are those between Member States that are furthest from meeting an objective that has already been agreed on, namely guaranteeing a level of electricity interconnections equivalent to or above 10 % of their installed production capacity;

D. *Structural reform of the EU Emissions Trading Scheme*

22. welcomes the adoption of 'backloading' to improve the functioning of the ETS, but believes that it is necessary to carry out a structural reform of the emissions trading system; in this context supports the European Commission's proposal to also create a 'market stability reserve', which should, however, enter into force well before 2020; deems it essential that the stability reserve is accompanied by other measures, such as permanently removing surplus emission permits and creating a floor price;

23. calls on the European Commission to restrict the use of purchases of international carbon compensation credits. These credits are not conducive to triggering the structural changes that need to be undertaken within the EU, neither do they encourage investments in the regions. In addition, it calls for the implementation of measures to encourage carbon storage in sustainably managed forests;

24. considers that a portion of revenues from emissions trading should be earmarked for measures at local and regional level;

25. believes that it is important also to develop other joint instruments for mitigating the impact of climate change, e.g. ecodesign and public procurement. Carbon taxes are an effective instrument with which there is positive experience to build on;

E. *The importance of local production*

26. considers that the small-scale production of energy from renewable sources by consumers themselves should be part of the solutions encouraged by a future energy Europe which would strengthen the European economy's ability to withstand price fluctuations. All Member States should be required to have favourable legislation to this end;

27. believes that local and regional citizen cooperatives for promoting renewable energy need special attention, firstly because they create additional energy providers and secondly because they play a significant educational role in consolidating awareness of rational energy use;

⁽²⁾ Fraunhofer Institute, May 2011: *Long Term Potentials and Costs of RES*.

⁽³⁾ Greenpeace, 24 October 2012: *EU-27 Energy [R]evolution*; WWF, 6 November 2013: *Renewable energy: a 2030 scenario for the EU*.

28. points out that, if the price is the same, it is in people's interest to seek guidance on their energy problems from their nearest authorities who are best placed to help and for local energy production solutions to be developed in response to rising prices on world markets. As owners of energy production facilities, local and regional authorities should also play a greater role in the expansion of renewables;

29. draws attention to the need to ensure consistency between competition law at EU level, for which the EU has exclusive competence, and the fundamental principles of EU energy policy which provide for shared competence between the EU and its Member States, and which necessarily entail taking account of the subsidiarity principle and the important role of local and regional authorities, especially local and regional energy agencies;

F. Local and regional levels are the leaders in meeting climate and energy challenges

30. stresses that, as demonstrated by numerous extreme climate phenomena recently, it is local authorities that bear the brunt of the consequences of inaction and that will have to pay the price of future repercussions if we fail to speed up the energy transition;

31. notes that the UNDP⁽⁴⁾ believes that more than 70 % of climate change reduction measures and up to 90 % of climate change adaptation measures are undertaken by local authorities;

32. points out that the European Union has adopted an adaptation strategy and that regions and local authorities will face the greatest challenges to adapt to climate change in the coming decades. With a view to reviewing this strategy for the post-2020 period, significant steps will therefore have to be taken in regions, towns and cities in order to undertake climate change adaptation programmes, with funding from the EU;

33. underlines the fact that, because of their proximity to people, local and regional authorities can provide information and raise awareness on the economic and social benefits of the energy transition measures at the local level;

34. emphasises the need for the 2030 policy framework to be based on, and to strengthen, the impact of EU local initiatives such as the EU Covenant of Mayors (which we would like to see extended until 2030), Mayors Adapt and other EU funded projects; calls in this context on the European Commission to ensure policy coherence and synergies between the different initiatives and to involve the CoR in the design and implementation as appropriate. It is vital that small towns and rural areas have access to these possibilities offered by the EU;

35. stresses that, in order to make even greater progress, it will be useful for local and regional authorities to set specific quantified targets on emissions reduction, renewable energy and energy savings for 2030, supported by suitable local and regional strategies to speed up the dynamic generated by the regions. These objectives could be set by reinforcing and extending the Covenant of Mayors, which should be prolonged beyond 2020;

36. calls on the European Commission to make proposals for funding energy transition measures, particularly through the EIB, that could support existing or future local funding structures in addition to the European funding scheduled for the periods 2014-2020 (Life+Clima, structural funds, Horizon 2020, Connecting Europe Facility, etc.);

37. and, on the basis of this opinion, calls on local and regional authorities to join forces in a combined effort to make their voices heard before and during the COP21, an important staging point being the climate summit organised by the United Nations secretary general on 23 September in New York.

Brussels, 8 October 2014

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

⁽⁴⁾ UNPD report *Charting a new low-carbon route to development: A primer on integrated climate change planning for regional governments* (2009).

Opinion of the Committee of the Regions on 'Mobility in geographically and demographically challenged regions'

(2014/C 415/05)

Rapporteur

Gordon Keymer (UK/ECR), Member of Tandridge District Council

Reference document**I. POLICY RECOMMENDATIONS**

THE COMMITTEE OF THE REGIONS

Introduction

1. underlines the importance of geographically and demographically challenged EU regions, including those outlined in Articles 174 and 349 TFEU, which today face increasing difficulties when providing transport locally;
2. notes that such regions, termed 'challenged regions' in this opinion, include: border regions; mountainous regions; island regions; sparsely populated regions (including northernmost regions) (Article 174 TFEU); the nine outermost regions (Article 349 TFEU); and any other EU region facing similar challenges. In addition, there are regions with highly dispersed populations;
3. considers that challenges in relation to public transport in such regions can include: the increased costs and funding required for the provision of services, demographic change: depopulation, a remaining ageing population and population dispersion; and fluctuating consumer demand for public transport services. Economic decline is also evident in some of these regions; also, in the case of the outermost regions, remoteness, isolation and extreme dependency on effective transport system is evident;
4. considers that mobility, the ability to move easily from one location to another, is above all a right connected with the free movement of persons enshrined in the Treaties and a prerequisite for the quality of life of individuals in such regions as they seek to access essential public services (such as education, health and social services), commute to their place of work or seek employment opportunities, pursue leisure activities, visit relatives, purchase goods and services, or exercise their freedom to travel further afield;
5. underlines that the maritime and road and rail public transportation systems which meet these basic mobility needs are, in many cases, owned or managed by local, regional and national authorities. There are also a significant number of local and regional authorities who own or part own regional airports;
6. notes that Article 174 TFEU states that 'particular attention' must be paid to certain regions, and that Article 349 TFEU states that outermost regions must benefit from 'specific measures' in EU and national policy making. Whilst the regulations for ESIF for 2014-20 take some account of challenged regions, the current provisions in the EU's policies in other areas affecting transport should be better exploited in order to reflect the Treaty commitments;
7. considers that one reason for this is likely to be that Article 174 TFEU does not specify the size of the 'region' concerned. Some governments interpret this article at the NUTS2 level, whilst Commission research work and other stakeholders have suggested NUTS3 as appropriate. The CoR believes that, in the context of promoting mobility (rather than for ESIF purposes), it is appropriate to take challenged regions of all sizes into consideration, including those at NUTS3 level and below;

Transport and regional development in challenged regions

8. notes that challenged regions fulfil essential tasks for the balanced development of the EU notably through access to raw materials, agriculture, fisheries, environmental protection, tourism, cross-border relations and leisure opportunities. Improved transport links both within these regions and with the rest of the EU should therefore be an essential component of both the EU's Cohesion Policy and the EU's mobility policies, not only for passengers but also for freight. Promoting greater economic growth in challenged regions would contribute to the effective functioning of the internal market and the territorial cohesion of the Union as a whole;

9. considers it necessary to analyse the impact of these regions' mobility challenges on the progress of the economic and territorial development models of these regions and, therefore, on current and future employment. The remoteness and isolation of some of these regions mean that their markets are small and unattractive and therefore incapable of generating sufficient jobs. In turn, the labour mobility difficulties suffered by people living in these regions confine them to their geographical area, increasing unemployment rates;

10. welcomes therefore the inclusion in the ESIF 2014-20 programme of a specific thematic objective on 'sustainable transport' and the several other thematic objectives which can be used to help promote mobility;

11. similarly welcomes the possibility to modulate the ESIF cofinancing rates to take account of areas with 'severe and permanent natural or demographic handicaps' (Article 121 Common Provisions Regulation) and the possibility under ERDF to grant a 'specific additional allocation' to outermost and northernmost regions and exempt them from the thematic concentration requirement (Articles 10 to 12 ERDF Regulation);

12. underlines the importance of ESIF in promoting sustainable mobility in all European regions. Regrets, however, that although the regulations allow it in all the regions, financing of Thematic Objective 7 'promoting sustainable transport and removing bottlenecks in key network infrastructures' could be made difficult in the most prosperous regions by the European Commission taking a restrictive view of the matter during bilateral negotiations on future operational programmes;

13. calls therefore, on the Member States and ESIF management authorities to address the pressing mobility needs of all challenged regions and factor these in when defining partnership agreements and operational programmes for implementing ESIF;

14. believes other EU funds, European Investment Bank funding, and private sector financing could also play a stronger supporting role. The CoR underlines the importance of monitoring the inclusion of the territorial dimension in the ESIF (and their alignment by means of the Common Strategic Framework), and also the importance of monitoring the territorial impacts of thematic funds such as the Connecting Europe Facility (CEF) and the associated TEN-T programme, and Horizon 2020 and the associated CIVITAS programme. The programmes financed by these funds do not prioritise mobility in challenged regions and therefore the onus is on all levels of government to bring these different funds together in a more coordinated and innovative fashion on the ground;

15. notes the EU's commitment, for example, to use TEN-T funding to promote the 'accessibility and connectivity of all regions of the Union, including remote, outermost, insular, peripheral and mountainous regions, as well as sparsely populated areas' (Article 4 Regulation 1315/2013);

16. observes however that 95 % of TEN-T monies, as funded by the Connecting Europe Facility (CEF), are spent exclusively on the core network. This strengthens the core of Europe and its dense network of major cities. Additional specific actions should also be undertaken to ensure the positive effects of TEN-T improvements also benefit local connectivity in challenged regions in order to facilitate their access to the main national and European corridors;

17. stresses the need therefore to fund interconnections between the TEN-T core and comprehensive network, and between the comprehensive network and local transportation links in challenged regions. Furthermore, the budget for the CEF should be increased as part of the mid-term review of the multi-annual financial framework in order to fund cross-border interconnections and bottlenecks within the TEN-T core network. This will help integrate all European regions into a sustainable and effective European transport system for passengers and freight. Given that tackling disparities in development is an aim of the TEN-T programme, the needs of regions that are challenged in terms of implementing their economic and territorial development models should also be borne in mind as part of the review of the TEN-T maps scheduled for 2016/17;

18. notes that Horizon 2020 and the associated CIVITAS programme for clean transport focuses on advanced vehicle technology in order to make transport more resource-efficient. Such goals are very worthy as they also contribute to improving public transport in challenged regions where the cost effectiveness of vehicles is the key concern;

19. underlines that new approaches to funding transport in challenged regions are therefore needed. This could include offering citizens personal transport budgets, such as 'mobility cheques' as have been successfully developed in some Member States, tax exemptions for transport providers, or cooperative arrangements allowing different transport operators to share vehicles;

20. believes that new approaches to funding also need to be supported by new tools. Intelligent transport systems (ITS) and improved ICT could be used to replace timetable- and route-based public transport with on-demand transport such as 'on-call' buses, collective taxis, or car sharing. The use of on-demand transport makes it possible to provide more efficient and competitive public road transport at a lower cost since services are carried out in response to actual demand. Shared transportation systems, mixing schoolchildren with the public for example, have also worked well in some remote regions, as has the promotion of walking and cycling. Such systems generate savings, reduce dependencies on car use and cut emissions;

21. notes that such solutions could be supported by facilitating measures such as integrated e-ticketing or smartcards across modes, inter-compatible e-payment standards; integrated timetabling for those legs of a journey which are not 'on demand'; or the use of smartphone applications to provide new information and payment possibilities to citizens;

22. notes that it is important to ensure that such new mobility solutions are well publicised as well as affordable, accessible and acceptable to users. The active participation of users (actual and potential) in the definition of their needs can help to ensure success;

23. emphasises that local and regional authorities will be the key driving force behind many of these innovations;

24. stresses however that such mobility projects should only benefit from funding when they are part of a sound mobility policy covering the area concerned and can be justified by sound estimates of potential demand;

Ports and airports

25. wishes to underline the important role ports and airports, and their connections with their hinterland and inland areas, can also play in promoting the development of challenged regions and in connecting citizens with larger urban centres. For island communities and outermost regions for example such connections are the only possible means of transport and are essential to their very survival and for enabling them to connect, both to their respective countries and to the rest of the EU. Ports and airports in challenged regions therefore merit special consideration in the EU's rules: in public procurement and concessions rules (including the use of public service obligations) and in the EU's state aid rules governing ports, aviation, and Services of General Economic Interest;

26. recalls that under the Treaties (Protocol 26) Member States have a wide margin of discretion in defining public service obligations and Services of General Economic Interest as closely as possible to the needs of the user, and that the European Commission can only intervene in the case of 'manifest error';

27. points also to a lack of information in a single source on the public service obligations in place for transport providers across the EU. Greater transparency here could address market failures and foster increased competition between operators in challenged regions;

28. welcomes the European Commission's recent guidelines on state aid for aviation which foresee certain flexibilities allowing the granting of aid for airport investments and operation, as well as start-up aid for airlines in remote and poorly accessible regions. Such airports often have to be able to cope with high seasonal demand, even if during other periods of the year they have spare capacity;

29. regrets, however, the restriction imposed by the ERDF for the financing period 2014-20, in which financing of airport infrastructure is, in most cases, prohibited in practice;

30. underlines the importance of a robust, transparent, and fully-enforced passenger rights regime covering all modes of public transport but also multi-modal journeys. In the case of multi-leg journeys by air or rail, combined interline ticketing agreements should be further encouraged. They are beneficial to airline passengers from remote regions in terms of both simplicity and price. The compensation costs borne by regional feeder airlines or providers of local rail routes for missed onward interconnections at hub airports or major train stations must however not be so disproportionate so as to prevent the increased use of such agreements;

Governance

31. believes more can be done to ensure that a holistic, multi-modal, sustainable and coordinated approach to mobility challenges in these regions is adopted by policy makers. In line with the principle of subsidiarity, answers must be found primarily at local and regional level, with EU supporting actions only where they add value;

32. underlines that bureaucracy must be kept to an absolute minimum in any new actions proposed by the European Commission;

33. notes that decentralised governance models which devolve transport powers and the associated funding to the sub-national level have proved effective in a range of Member States;

34. recognises furthermore that mobility in challenged regions should not only be a matter of developing transport infrastructure and services. Mobility projects must form an integral part of development planning for the challenged region as a whole. Any new commercial, industrial or residential sites which are poorly connected for example could require a developer contribution towards the cost of new public transport services;

35. stresses the important role of local mobility planning, and that any local mobility plans should not be limited to urban areas but extended to, or at least developed in conjunction with, neighbouring areas, including rural areas, as part of a wider place-based development strategy. This will ensure that transport systems in more populated areas also work to the benefit of remote areas. Such transport plans should take into account not only the short itineraries necessary to satisfy immediate needs locally, but also longer itineraries which would connect challenged regions with larger urban centres;

36. highlights particularly the case of cross-border public transport in Europe which often faces particular challenges. These include differences between Member States in: environmental requirements; electrical power supply; safety standards, training of personnel, and also legal differences or lack of agreement on funding by the competent authorities. New governance models, the use of a common legal framework, such as a European Group of Territorial Cooperation (EGTC), cooperation agreements, or the creation of a joint cross-border transport authority could help to address these challenges, for instance by granting concessions that facilitate mobility between cross-border areas, provided they can be delivered with a minimum of bureaucracy;

Legislative and territorial impact assessments

37. calls on the European Commission, when undertaking legislative impact assessments in the field of mobility, to pay specific attention to the impact of EU mobility policies and programmes on challenged regions;

38. also calls on the European Commission to adopt territorial impact assessments, as proposed by the Committee of the Regions, which would give the opportunity to take account of the territorial impact of the EU's mobility policies in challenged regions. Demographic issues such as an ageing population, depopulation, population dispersion and 'brain drain' should also be taken into account;

An EU Green Paper on mobility in challenged regions

39. believes the provision of transport services in regions at risk is not yet perceived as a European challenge. The EU's regulatory focus is on ensuring minimal market distortion rather than creating a legal framework which proactively supports the development of mobility solutions in challenged regions;

40. calls therefore on the new European Commission to publish a Green Paper on the issue, in order that the topic can be fully debated by stakeholders and the EU institutions, and that appropriate responses can be developed. The aim should be that mobility issues in challenged regions are better recognised and addressed in the full range of the EU's policies and programmes, thus increasing access to mobility and reducing the risk of depopulation;

41. believes, more specifically, that the Green Paper should: launch a debate; assess progress to date, outlining the current legal framework and relevant policy initiatives; analyse the particular strengths and weaknesses of geographically and demographically challenged regions in terms of mobility and their contribution to territorial cohesion as a whole; analyse the disconnect between Treaty commitments and EU practices when developing passenger and freight transport policies affecting challenged regions; determine the impact of all of the above on the economy and employment in these regions; it should also promote better coordination between mobility funding sources, programmes and policies; stimulate research and innovation and develop pilot projects; and explore options for the future including what measures or incentives might be appropriate and at what level of governance;

42. emphasises that in developing the Green Paper particular attention must be paid to where non-legislative actions such as a strategy, action plan, recommendations, guidelines, or the sharing of best practice could add value to national and sub-national initiatives;

43. calls on the Commission to raise awareness about mobility in challenged regions via a specific event such as the annual Mobility Week.

Brussels, 8 October 2014

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

III

(Preparatory acts)

COMMITTEE OF THE REGIONS

108TH PLENARY SESSION, 6—8 OCTOBER 2014

Opinion of the Committee of the Regions — The Clean Air Policy Package for Europe

(2014/C 415/06)

Rapporteur	Cor Lamers (NL/EPP), Mayor of Schiedam
Reference documents	Communication from the Commission on a Clean Air Programme for Europe COM(2013) 918 final Proposal for a Directive of the European Parliament and of the Council on the limitation of emissions of certain pollutants into the air from medium combustion plants COM(2013) 919 final — 2013/0442 (COD) Proposal for a Directive of the European Parliament and of the Council on the reduction of national emissions of certain atmospheric pollutants and amending Directive 2003/35/EC COM(2013) 920 final — 2013/0443 (COD)

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

A. General comments

1. has taken note of the European Commission's proposals for a new policy package for cleaner air in Europe and broadly supports them, welcoming in the main their approach to tackling sources of pollution (improving implementation of the test cycle for Euro 6 passenger vehicles, national reduction commitments for 2020 and 2030, regulating emissions from medium combustion plants, etc.);
2. points out that air pollution is a transnational phenomenon that must be tackled at European level, and also notes in this regard that the initiatives and new legislation proposed by the European Commission are in line with the subsidiarity and proportionality principles;
3. agrees with the European Commission that air pollution is a serious problem: it is the number one environmental cause of premature death in the EU, responsible for ten times the toll of road traffic accidents and is linked to respiratory and cardiovascular diseases, strokes and cancer. Air pollution is most prevalent in urban areas, where population density is also high, as well as in areas where the effects of emissions can lead to high concentrations of air polluting substances, as specific topographical features such as narrow transit routes or certain (river) valleys combine with prevailing weather conditions. Public health and the environment must continue to be at the heart of European air policy;

4. observes that air quality in Europe has continued to improve gradually over recent years, but that progress has been too slow. Many Member States will not be able to meet the standards on time, and 17 of them are currently subject to infringement proceedings;

5. welcomes the level of long-term ambition displayed by the Commission, but observes that, based on the proposed emissions policy, it will be about two generations before the people of Europe can breathe genuinely clean and healthy air. This is a point of considerable concern;

6. highlights the transnational nature of air pollution, and feels that the issue needs to be addressed using a multilevel approach in which each level of government (European, national, regional and local) takes its share of the responsibility. A holistic approach is necessary that takes into account polluter responsibilities, legal competences and a fair allocation of costs. All levels of governance have taken a multitude of measures to help improve local air quality over recent years, and are continuing to do so, but they require adequate financial support as well as effective policy and regulatory tools that deliver the intended results (e.g. Euro 6 emission standards). Local and regional action is important, but has only a limited positive (local) impact and often requires significant investment. Local authorities often have limited influence, limited resources and limited policy freedom. For the most part, European source-based policy and national regulations have much more impact in improving air quality, and are also usually more cost-efficient. Immissions requirements therefore need to be preceded by policy to tackle pollution at source;

7. refers to the Committee of the Regions' outlook opinion of 2012 on the review of EU air policy, which calls for attention to be paid to improving the workability of the policy, and therefore for an integrated approach, an ambitious European source-based policy, and links between immissions and emissions policies in terms of both ambitions and timeframes;

8. also draws attention to the key principles of the 7th Environment Action Programme and the associated Committee of the Regions opinion concerning better integration, better implementation and better coordination between layers of government when it comes to environment policy, and takes account of those principles in this opinion;

9. notes that the Commission's proposals involves practical measures with regard to policy to tackle pollution at source, but that the proposed deadlines mean that we will have to wait far too long to see the positive impact of that source-based policy. The proposed policy will not help Member States or sub-national authorities to meet the standards in the Ambient Air Quality Directive by the deadline. The Committee therefore concludes that there is still a considerable mismatch between European emissions and immissions policies. This needs to be resolved;

B. *The communication*

B.1 Mismatch between emissions and immissions policies

10. welcomes the fact that the European Commission has set its ambitions high and is striving, in the long term, for a situation where air quality no longer has (negative) effects on human health and ecosystems. The Commission quite rightly refers in this connection to the strict guidelines developed by the World Health Organisation, but does not set a deadline for this goal;

11. takes note of the Commission's observation that compliance with the Ambient Air Quality Directive is unsatisfactory: most Member States have not met the standards (on time), and 17 of them are currently subject to infringement proceedings. The Commission is therefore not going to revise the directive in the short term, but will focus on improving its implementation so that the existing standards are met everywhere by 2020 at the latest. Formally, however, nothing will change: the (legal) obligation to meet the existing targets is not being deferred;

12. highlights the fact that the greatest progress needs to come from European policy to tackle emissions at source. Over recent years, this policy has not produced enough of the desired impact. For example, emissions from a number of categories of vehicles have turned out in practice to exceed the European requirements for those categories; this includes real-world emissions from the newest category of vehicles covered by the Euro 6 standard. This causes major problems, particularly in urban areas and along transit routes. The Committee would point out, however, that in many cases policy and EU legislation have not been sufficiently ambitious;

13. broadly supports the European Commission's proposals with regard to source-based policy (improving implementation of the test cycle for Euro 6 passenger vehicles, reducing NECs, regulating emissions from medium combustion plants, etc.). Heavy-duty vehicles should be type tested by being operated in real traffic with emissions measured on board, with upper limits that should not be exceeded under any circumstances. The Committee also agrees that the existing and other planned source-based measures (such as the ecodesign directive, agricultural measures, the industrial emissions directive and the directive on non-road mobile machinery, including inland waterway vessels) can make a significant contribution to achieving the required reductions. To this end, it will be important in the coming years for the necessary ambitions to be demonstrated and translated into technical reference documents (BREFs);

14. regrets, however, that the proposed source-based policy is not synchronised with obligations under the Ambient Air Quality Directive in terms of either timeframe or ambition. The positive impact of this policy will not be felt soon enough. In its previous opinion in 2012, the Committee called for European immissions and emissions policies to be linked. The Commission has chosen to leave the revision of the Ambient Air Quality Directive until the source-based policy has done its job. However, the timeframes involved mean that it is expected to be 2020-2030 before source-based policy gradually produces positive effects, which suggests that the Commission's ambitious targets will not be reached until 2030-2050 at the earliest;

15. notes that, the European Commission has launched infringement proceedings against 17 Member States even though the timescales applied do not take enough account of how long it takes before source-based policies realise their effects. The Committee urges the Commission to be particularly careful when launching such proceedings, and to opt for a more constructive approach based on realistic timescales;

16. proposes an approach whereby Member States are given a longer conditional 'clean-up period' that takes account of the timescales in which the Commission's proposed source-based policy is expected to produce results. The conditions would include establishing a 'clean-up programme' comprising measures aiming to meet the immissions limits;

17. stresses that this proposal does not relieve Member States of their obligation to take measures. With due consideration for the principle of legal equivalence, the Commission could after all set conditions that fit in with those it applies (and has applied) when granting derogations ⁽¹⁾. The aim is to ensure that the Member States in question do enough, in terms of policy and action, to meet the concentration limits set out in the Ambient Air Quality Directive by a reasonable deadline;

18. notes that the above-mentioned alternative approach differs from the transitional period of derogations as currently applied by the European Commission, in that it also takes account of the timescales in which the impact of the Commission's proposed source-based policy will be felt;

19. points out in this connection that local air pollution is caused by a combination of international, national, regional and local sources and their associated emissions. All levels of government bear responsibility, and the Committee therefore feels that Member States should draft 'clean-up programmes' in close cooperation with sub-national authorities. These plans may, for example, involve a Member State adjusting its national tax system to promote cleaner transport and discourage polluting transport. Sub-national authorities could then respond to this by, for example, introducing environmental zoning;

⁽¹⁾ Directive 2008/50/EC of the European Parliament and of the Council of 20 May 2008 on ambient air quality and cleaner air in Europe, Articles 22 and 23 and Annex XV.

20. also considers it important to show restraint in launching infringement proceedings because such they can result in fines, and several Member States have, or are drafting, legislation that passes such fines on to local and regional authorities. In its 2012 opinion, the Committee of the Regions said that it considered the transfer of fines to local and regional authorities to be unjustified. With regard to air quality, there is considerable reciprocity between the responsibilities of various levels of government. It is unreasonable to focus, or impose fines, on just one level of government. It is also unjustifiable to place the responsibility on the level of government that has the least influence, given that, in many Member States, key decisions are made at national level;

B.2 Research, innovation, knowledge sharing and resources

21. points out that it stated, in its 2012 opinion, that it was important to investigate whether elemental carbon/black carbon might be a better indicator than PM_{2.5} and PM₁₀ from a health perspective. The European Commission has not included a closer investigation of this type in its proposals. The Committee of the Regions continues to highlight the importance of further research in this field. In the Clean Air Programme, the European Commission does pay attention to black carbon and the Committee welcomes the commitment it makes: 'In implementing the PM_{2.5} reductions, particular emphasis will be placed on reduction of black carbon (BC), the other major short-lived climate pollutant';

22. welcomes the integrated approach advocated by the European Commission, and reiterates that it is very important to coordinate related policies such as climate and energy policy, economic and industrial policy, agricultural policy and transport policy;

23. notes that this integrated approach also has an impact on European funds. Better flexibility and prioritisation within European funds to promote air quality measures will make it easier to achieve air quality targets, and form a good response on the Commission's part to the desire for an integrated approach. The Committee encourages local and regional authorities to be proactive in applying for European funds;

24. endorses the importance that the Commission has attached to innovation and the exchange of knowledge with regard to air quality, for example in the form of pilot schemes and the expansion of the local and regional air quality management toolbox;

25. notes that a significant proportion of air pollution is caused by motorised road transport. In line with the 2012 opinion, it is important to continue to support research into and promotion of alternative propulsion technologies such as plug-in hybrid vehicles, electric or hydrogen-powered vehicles, etc. The Committee would also point in this connection to the recommendations it made in its opinion on the CARS 2020 communication;

26. feels that it is important to ensure that these and other initiatives to improve air quality continue to receive adequate funding in future, for example via the Structural Funds, Horizon 2020 and Life;

C. *Proposal for a directive on the reduction of national emissions of certain atmospheric pollutants*

27. considers European policy on the reduction of national emissions of certain atmospheric pollutants to be a key tool in reducing air pollution within the EU. It promotes absolutely vital efforts to address key sources of pollution, such as agricultural and industrial emissions;

28. in that connection, supports the Commission's proposal for new national reduction commitments for the Member States applicable from 2020 and 2030. This will be an important element in reducing (background) concentrations at local and regional level;

29. acknowledges the need to set new international objectives for 2020 via the revised Gothenburg Protocol, which also encourages countries outside the EU to pursue policies to improve air quality. However, the revision of the Gothenburg Protocol does not require any additional measures from the Member States before 2020, and additional reduction commitments are only envisaged for the longer term;

30. notes that this excludes the possibility of reducing pollutant emissions substantially in the near future, and means that local and regional authorities will not receive any additional support in achieving the emissions requirements in the Ambient Air Quality Directive until the impact of stricter national emissions requirements is felt;

31. strongly welcomes the provision of proposed Article 6 that Member States in their national air pollution control programmes have to assess to what extent national emission sources are likely to impact air quality in their territories and neighbouring Member States, and to take account of the need to reduce air pollutant emissions for the purpose of reaching compliance with air quality objectives in their territories and, where appropriate in neighbouring Member States. The CoR wishes this provision to be retained in the final Directive;

32. advocates the Commission proposal being sufficiently ambitious in respect of national emission reduction commitments for 2030. The Commission's impact assessment shows that there is scope to cost-effectively secure a more ambitious proposal than that currently being envisaged. The Committee therefore calls for the proposed reduction commitments for 2030 at least to remain unchanged and calls for reduction commitments to be strengthened further where possible. Nevertheless, the necessary reduction commitments must be achievable and geared to the technological options that can be applied using viable economic criteria;

33. recommends setting interim targets for 2025 that are as binding as those for 2020 and 2030. This would provide an additional checkpoint, thus requiring Member States to start reducing harmful emissions in good time;

34. supports the proposed flexibility mechanisms, but stresses that they must not be used as an excuse for not intervening if the impact of the policy is disappointing;

D. *Proposal for a directive on the limitation of emissions of certain pollutants into the air from medium combustion plants*

35. supports the European Commission's initiative proposing legislation laying down emissions requirements (for SO₂, NO_x and particulate matter) for medium combustion plants with a rated thermal input between 1 and 50 MW, of which there are approximately 142 986 in the EU. This proposal provides a European legal framework for this category of combustion plants that has previously been lacking. The Commission proposal relates only to SO₂, NO_x and particulate matter. The Committee calls on the Commission to examine whether CO emission requirements are advisable with a view to future legislation;

36. considers ambitious targets for medium combustion plants to be extremely important in achieving the targets in the national emission reduction commitments and the Ambient Air Quality Directive but also recognises the importance of changing energy sources from fossil fuels to, in some cases, biomass, introducing the mechanisms and systems necessary to reduce emissions produced by biomass combustion. It is therefore essential to lay down best available techniques. There are good examples available for new plants that make it possible to achieve strict emissions standards using primary measures, for example in natural-gas-fired boilers and turbines;

37. believes that it should be possible to consider the contribution to national net emissions of emissions from small and medium-sized energy-producing combustion plants with reference to the cost-effectiveness of emissions reductions;

38. expects EU air quality policy to provide predictability, a long-term approach and a natural coherence with climate and energy policy and other EU policies;

39. sees a need for greater clarity in Annex IV regarding the measurement frequency, parameters and measurement methods referred to in the directive. This information is crucial in order to allow for a discussion of feasibility, and thus of the emissions requirements in the directive;

40. points out that a number of Member States already have national legislation on medium combustion plants. In some cases the emissions requirements are stricter than the proposed European requirements, while in others they are not. In the interests of health and the environment, it is important to allow Member States that have stricter requirements to continue to enforce them;

41. considers it essential that the MCP directive takes account of cost-effectiveness when setting limit values for emissions such as particulates that would apply to both existing and new plants;

42. with a view to feasibility and proportionality, suggests looking into additional differentiation options, for example on the basis of capacity and the fuel used, certainly wherever the targets can only be met by using expensive end-of-pipe techniques and where costs fall more heavily on smaller types of plant. In the case of non-standard fuels (such as process gases and liquids, biogas, etc.) opportunities should be sought to adopt a more tailored approach. Given the major differences in underlying technology, the possibility should also be examined of differentiating between types of plant (for example gas turbine, combustion, boiler and other types). With a strict one-size-fits-all approach, there is a risk that requirements will sometimes be unnecessarily strict for certain types of plant;

43. notes that the proposed requirements on registration and monitoring may in some cases entail considerable (additional) administrative costs for authorities and businesses. This needs to be examined critically. One practical example relates to boilers, where a high measurement frequency would have little added value as they are less affected by ageing and fouling than e.g. engines.

II. RECOMMENDATIONS FOR AMENDMENTS

Amendment 1

Proposal for a Directive of the European Parliament and of the Council on the reduction of national emissions of certain atmospheric pollutants and amending Directive 2003/35/EC — COM(2013) 920 final — 2013/0443(COD), Article 4(1)

Text proposed by the Commission	CoR amendment
Member States shall, as a minimum, limit their annual anthropogenic emissions of sulphur dioxide (SO ₂), nitrogen oxides (NO _x), volatile organic compounds other than methane (NMVOC), ammonia (NH ₃), particulate matter (PM _{2,5}) and methane (CH ₄) in accordance with the national emission reduction commitments applicable from 2020 and 2030, as laid down in Annex II.	Member States shall, as a minimum, limit their annual anthropogenic emissions of sulphur dioxide (SO ₂), nitrogen oxides (NO _x), volatile organic compounds other than methane (NMVOC), ammonia (NH ₃), particulate matter (PM _{2,5}) and methane (CH ₄) in accordance with the national emission reduction commitments applicable from 2020, <u>2025</u> and 2030, as laid down in Annex II.

Reason

Interim targets for 2025 should be just as binding as those for 2020 and 2030. This is very important in helping to ensure that Member States actually meet the national emission reduction commitments for 2030 by that year. This amendment would need to be reflected in Annex II and elsewhere in linear reduction trajectories between the emission levels for 2020 and those defined by the reduction commitments set for 2030.

Amendment 2

Proposal for a Directive of the European Parliament and of the Council on the reduction of national emissions of certain atmospheric pollutants and amending Directive 2003/35/EC — COM(2013) 920 final — 2013/0443(COD), Article 4(2)

Text proposed by the Commission	CoR amendment
Without prejudice to paragraph 1, Member States shall take all the necessary measures not entailing disproportionate costs to limit their 2025 anthropogenic emissions of SO ₂ , NO _x , NMVOC, NH ₃ , PM _{2,5} and CH ₄ . The levels of those emissions shall be determined on the basis of fuels sold, by a linear reduction trajectory established between their emission levels for 2020 and the emission levels defined by the emission reduction commitments for 2030.	Without prejudice to paragraph 1, Member States shall take all the necessary measures not entailing disproportionate costs to limit their 2025 anthropogenic emissions of SO₂, NO_x, NMVOC, NH₃, PM_{2,5} and CH₄. The levels of those emissions shall be determined on the basis of fuels sold, by a linear reduction trajectory established between their emission levels for 2020 and the emission levels defined by the emission reduction commitments for 2030.
Where the emissions for 2025 cannot be limited in accordance with the determined trajectory, the Member States shall explain the reasons in their reports submitted to the Commission in accordance with Article 9.	Where the emissions for 2025 cannot be limited in accordance with the determined trajectory, the Member States shall explain the reasons in their reports submitted to the Commission in accordance with Article 9.

Reason

Article 4(2) contains provisions for 2025, which are no longer relevant if binding interim targets have been set for that year.

Amendment 3

Proposal for a Directive of the European Parliament and of the Council on the reduction of national emissions of certain atmospheric pollutants and amending Directive 2003/35/EC — COM(2013) 920 final — 2013/0443(COD), Article 5(6)

Text proposed by the Commission	CoR amendment
The Commission may adopt implementing acts specifying the detailed rules for the use of the flexibilities as referred to in paragraphs 1, 2 and 3, in accordance with the examination procedure referred to in Article 14.	The Commission may <u>shall</u> adopt implementing acts specifying the detailed rules for the use of the flexibilities as referred to in paragraphs 1, 2 and 3, in accordance with the examination procedure referred to in Article 14.

Reason

With regard to the flexibility mechanisms, it is necessary (not just possible) to adopt an implementing act containing further details.

Brussels, 7 October 2014

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

Opinion of the Committee of the Regions — The aid scheme for the supply of fruit and vegetables, bananas and milk in educational establishments

(2014/C 415/07)

Rapporteur	Povilas Žagunis, Mayor of Panevėžys District Municipality (LT/EA)
Reference document	Proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 1308/2013 and Regulation (EU) No 1306/2013 as regards the aid scheme for the supply of fruit and vegetables, bananas and milk in the educational establishments COM(2014) 32 final

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

1. whereas the development of a healthy lifestyle is important even from school age, and having regard to the European Union's capacity to boost people's ability to lead a healthy lifestyle and to the capacity of local and regional authorities to adopt and implement measures supported by joint European programmes in a way that is tailored to the individual case;
2. underlines that organic and non-GMO food should form an important part of a sustainable diet for children;
3. highlighting the significance of the programme for the supply of fruit and vegetables in which 25 Member States participate (the United Kingdom, Finland and Sweden do not participate) and from which 8,4 million children in 61 396 schools benefited in 2012/2013; and of the programme for the supply of milk, in which all Member States participate and from which 20,3 million children across the whole EU benefited in 2011/2012; and highlighting the opportunities enjoyed by all participating Member States;
4. whereas this legislative initiative, despite its narrow thematic limits, affects several important areas of the EU's and Member States' competences: the CAP and the single market; public health; and, to a limited extent, the education sector;
5. welcomes the proposal, drawn up with reference to the 2011 report of the European Court of Auditors⁽¹⁾, to merge the schemes for distributing milk and fruit in schools (the former introduced in 1977 and extended to secondary schools in 2008, and the latter introduced in 2009) and to lay down common rules for their co-financing, as well as the recommendations on increasing efficiency and improving coordination;
6. welcomes the option given to the Member States under Regulation (EC) No 1308/2013 as amended of transferring a portion of the funding earmarked for distribution of fruit and vegetables, bananas and milk, within the national allocations (Article 23a(4)); this ensures not only greater flexibility in the use of resources, but also creates the conditions at Member State level to avoid possible problems related to the worryingly high proportion (in some cases 30 %) of unused funds that are set out in the financial statement on the proposal (Point 1.5.1), and calls for local and regional authorities to be involved in this transfer process;
7. expresses concern, however, regarding the share of funding which the Member States may transfer at their own discretion under the proposal, noting that the proposed percentage of 15 % is not based on a thorough assessment, particularly bearing in mind that the proportion of unused funding is as much as 30 % in some cases with both the schemes that are to be amended, and that the proposal therefore does not really seem to be sufficiently consistent with the principles of good governance;

⁽¹⁾ Special Report No 10/2011 of the European Court of Auditors on whether the School Milk and School Fruit Schemes are effective (ECA/11/35 of 24.10.2011).

8. welcomes the provision in amended Regulation (EC) No 1308/2013 that would allow the Member States to supplement the scheme from their own resources or by attracting private funding, which it sees as a good basis for synergies in the deployment of national and European funding, with the aim of achieving a positive outcome irrespective of Member State preferences;

9. recommends improving the aid scheme for the distribution of fruit and vegetables and milk in schools by providing the option of switching national aid allocations. For example, if it transpires just before the expiry of the six-year scheme that one Member State has not used up the funding allocated to it, the first step should be to consider transferring funds to regions that have made greater use of their funding; it should subsequently be possible to switch the national allocation to Member States that have used up or exceeded their funding, so as to encourage Member States that have successfully implemented the scheme and motivate those that have not implemented it so efficiently to make further efforts;

10. points out that the principles currently applied for dividing allocations between the Member States, namely the empirical criterion (how the Member States have used the aid in the past) and need (actual number of children aged six to ten as a percentage of the Member State's population) are very rigid and may not be adequate to effectively determine the need for support;

11. suggests, in view of the diversity existing within Europe, considering the introduction of additional criteria on which to base national allocations for the school milk and fruit scheme. Such criteria could include: the region's level of development, mean vitamin deficiency calculated (using the method of the World Health Organisation) as the difference between objective nutritional requirement (400 g fruit per day) and actual mean fruit consumption of children, eating habits (the diet of the southern Member States traditionally contains more fruit and vegetables than that of the northern Member States), etc.;

12. questions the appropriateness of the proposal in recital 7 to give the Commission delegated powers to adopt certain acts in respect of adopting additional rules concerning the balance between the two criteria, and thinks that this might be an attempt to expand the Commission's powers at the expense of the Member States' competences;

13. is concerned about the obligation imposed on the Member States under the Regulation to monitor the scheme ⁽²⁾, and in particular about the red tape this obligation would entail for national as well as local and regional authorities in the Member States, and urges the Commission and the Member States to ensure that red tape associated with monitoring the scheme is kept to a minimum;

14. has reservations about the principle established in the Regulation that the EU would pay a maximum amount of aid per portion of product rather than a defined percentage of the aid, and notes the risks entailed in calculating the amount in this way, i.e. that setting a specific amount of aid could eventually lead to attempts to use cheaper, but lower-quality products; proposes that the EU financial aid (ceiling) and actual size of the subsidy should continue to be set in accordance with Article 43(3) of the Treaty on the Functioning of the European Union;

15. in view of the risk that fixing an amount of EU aid per portion could lead to compromises on the quality of products delivered, calls on all interested parties to take measures to guarantee and check that the agricultural products delivered are of sufficiently high quality;

16. with reference to the conclusion of the European Court of Auditors report that the lack of a mechanism for targeting priority needs has contributed significantly to the discrepancy between the objectives and outcome of the school milk scheme, is unhappy with the wording of Article 23 of Regulation (EC) No 1308/2013 (on the supply of agricultural products to educational establishments), which does not specify how important it is when developing the six-year schemes to distribute fruit and vegetables to consult local and regional authorities and take their experiences into account;

⁽²⁾ Article 24 of Regulation (EC) No 1308/2013.

17. calls on the Commission, given that any attempt to impose EU-level requirements relating to intra-state consultations on the Member States would have to be considered a violation of the subsidiarity principle, to include in the Regulation a recommendation that the Member States make more use of feedback from local and regional authorities, since these bodies are closest to the end user and target group; in particular, local authorities should be involved in hearings taking place in conjunction with drawing up the national six-year schemes to deliver fruit and vegetables;

Scope of the scheme

18. points out that if people get into the habit of consuming fruit, vegetables and milk, this will also have long-term economic effects and would help in achieving the common European goals of improving competitiveness and strengthening cohesion;

19. notes that with only a few exceptions, foods are local products and that promoting their consumption therefore contributes to increasing current demand and — at the macro level — meeting the CAP objectives. Encouraging children to eat more healthy foods also promotes healthy eating habits and ensures sustainable consumption in the future. Stimulating the consumption of fruit, vegetables and milk should therefore be seen as part of joint efforts to increase Europe's competitiveness;

20. taking account of ongoing discussions on the degree of processing of products eligible for aid under this scheme and given the importance of the principle of establishing a healthy diet at an early age, suggests that financial support under the aid scheme should be limited to products that are unprocessed or minimally processed, and which contain no harmful additives, sweetening agents, flavour enhancers or salt;

21. in view of Europe's diversity, believes that it is not sensible to try and lay down at European level what types of fruit and vegetables can be distributed in schools under the aid scheme, but that instead each Member State, at regional or local level, should decide itself what fruit, vegetable and milk products are suitable for distribution in schools;

22. is critical of the proposal under the new scheme to limit milk distribution to drinking milk, and considers that minimally-processed milk products without harmful additives — natural (unsweetened) milk products such as yoghurt or fresh cheeses — should also be eligible for aid;

23. points out that limiting the range of eligible products would not only reduce choices for children and make the scheme less attractive, but also means that children with lactose intolerance, but who are able to eat fermented milk products such as unsweetened yoghurt, would not benefit from the scheme;

24. underlines the importance of the quality of products distributed under the aid scheme, an aspect that is ignored in the Regulation; consultations with beneficiaries, schools and other social and economic partners have shown that trying to acquire larger quantities for the same price often results in poorer quality, and that procurement procedures are often only pro forma, leading to instances of children receiving products that are far from the highest quality;

25. therefore calls on the Commission and the Member States to adopt measures to establish minimum standards for the quality of the food supplied under the aid programme and to ensure compliance with these standards;

26. points to the conclusions of the report by the European Court of Auditors stating that the school milk programme is not very efficient and has not achieved the expected results, as the subsidised produce would probably in any case have been included in school meals or been bought by the beneficiaries even without subsidy. Moreover, when designing and implementing the programme, insufficient consideration was given to the educational goals that had been set ⁽³⁾;

⁽³⁾ Special Report No 10/2011 from the European Court of Auditors entitled 'Are the School Milk and School Fruit Schemes effective?', ECA/11/35 dated 24/10/2011.

27. for this reason and having regard to the value of milk for children, calls on the Member States to look into the demand for milk products that are to be supplied under the school milk programme and to use EU financial support exclusively to supply school canteens with milk products that meet the criteria for healthy nutrition and are of the highest nutritional value;

28. is concerned about the worrying statistic that shows that 22 million children in the EU are overweight and 5 million of them are obese ⁽⁴⁾ and that in 2011, adult EU citizens in the EU-27 ate, averaged out over the year, less than half the quantity of fruit and vegetables recommended by the World Health Organisation ⁽⁵⁾; in this context, highlights the important role played by schools as places where young people are prepared for life in imparting knowledge on healthy eating and developing healthy eating habits;

29. in this context, points to the role of local and regional authorities, which in many cases are responsible for educational establishments, in promoting healthy lifestyles and calls for measures and cooperation in this area to be a priority;

30. is satisfied with the quality requirements ⁽⁶⁾ contained in legislation to date and recommends that these be retained, or if possible further tightened in accordance with the recommendations of nutritionists;

31. points out that, despite the wide range of regional, national and European health initiatives ⁽⁷⁾, the general social environment is detrimental to a healthy lifestyle: in 2011, EU-27 citizens ate, on average, less than half the quantity of fruit and vegetables recommended by the World Health Organisation ⁽⁸⁾; in this context, expresses doubt about the age limit set out in the programme, which restricts support to children aged between six and 10 years, and considers this inadequate to develop healthy eating habits in the current unfavourable circumstances for healthy lifestyles, and recommends considering the possibility of extending this programme both to younger children who attend a crèche, nursery school or other pre-school facility and to children over the age of ten;

Sustainable development and environmental protection

32. points to the sustainable development dimension of distributing fruit, vegetables and milk, and in particular the negative impact that transporting goods has on the environment and public health, and therefore calls for the supply of products under the aid scheme to involve more foods produced or grown locally or in neighbouring regions;

33. in view of sustainable development considerations and the need to cultivate a sustainable consumption culture among EU citizens at an early age, calls on the Commission and the Member States to launch a more comprehensive debate among experts and policy-makers on legal options for favouring fruit, vegetables and milk products sourced regionally, including possible exemptions from public procurement laws and any amendments to them;

⁽⁴⁾ School Fruit Scheme, http://ec.europa.eu/agriculture/sfs/european-commission/index_en.htm

⁽⁵⁾ Despite 2 % growth on 2010, EU-27 citizens consumed a daily average of 185,52 g of fruit and vegetables in 2011 — much less than the 400 g recommended by the WHO. See the Freshfel Consumption Monitor, http://www.freshfel.org/asp/what_we_do/consumption_monitor.asp

⁽⁶⁾ Requirements for the composition of milk products: the milk content by weight must not be less than 90 %, sugar content is limited (to less than 7 %), fruit and vegetables must meet EU quality requirements, and no added sugar is allowed in juice.

⁽⁷⁾ On 30 May 2007, for instance, the Commission published its White Paper *A Strategy for Europe on Nutrition, Overweight and Obesity-related Health Issues*.

⁽⁸⁾ Despite 2 % growth on 2010, EU-27 citizens consumed a daily average of 185,52 g of fruit and vegetables in 2011 — much less than the 400 g recommended by the WHO. See the Freshfel Consumption Monitor, http://www.freshfel.org/asp/what_we_do/consumption_monitor.asp

34. calls for these schemes to allow for the possibility of prioritising support for local production and short marketing chains and urges that priority also be given to organic food products;

Potential educational impact

35. is concerned by the alarming statistic that 22 million children across the EU are overweight and 5 million actually obese, and that in 2011 the average fruit and vegetable consumption of the adult population in the EU-27 was less than half the WHO-recommended amount⁽⁹⁾; notes in this regard that school plays an important role in giving young people life skills and in cultivating healthy eating habits;

36. highlights here the role of local and regional authorities, which are often responsible for educational establishments, in promoting a healthy lifestyle, and urges that more emphasis be placed on measures and cooperation in this area;

37. points to the potential educational impact of the scheme for distributing fruit, vegetables and milk, which both informs young people about the EU and improves their understanding of farming — with a view to creating closer links between consumers and local, food producers and supporting local, environmentally friendly forms of farming — stockbreeding, healthy and unhealthy foods, a balanced diet, and the relationship between what they eat and their own health, as well as reducing food waste; welcomes the option provided for of also financing supporting measures, e.g. to raise awareness of the benefits of healthy and essential foods;

38. points to the findings of scientific studies showing that the proliferation of unhealthy foods and obesity can only be combated effectively through a range of different measures, with both schools, parents and society involved in the nutritional education of children; therefore regards the information and awareness-raising effort addressing these target groups as an integral part of the scheme for the supply of fruit, vegetables and milk in schools⁽¹⁰⁾;

39. bearing in mind the trend in today's consumer society to consume appealingly presented and packaged products and given the fact that attractive presentation often results in the consumption of substances whose effect on health is unclear, urges with respect to the scheme under discussion that more attention be paid to providing information about unprocessed foods and the benefits of the nutrients they contain;

40. shares the European Commission's concerns that, unlike the school fruit programme, few educational measures have hitherto been implemented in connection with the school milk programme⁽¹¹⁾, and points out that local and regional authorities are in a position to carry out such measures efficiently by adapting them to the information needs of the children in each locality or region;

41. in consideration of the subsidiarity principle and the fact that education programmes fall within the remit of the Member States and EU involvement in national education programmes may therefore be inappropriate, suggests that all educational measures relating to the scheme for distributing fruit, vegetables and milk should be taken principally at the level of individual Member States and that no minimum level of funding be imposed on them.

⁽⁹⁾ Despite a 2 % increase on 2010, EU-27 citizens consumed a daily average of 185,52 g of fruit and vegetables in 2011 — much less than the 400 g recommended by the WHO. See Freshfel Consumption Monitor, http://www.freshfel.org/asp/what_we_do/consumption_monitor.asp

⁽¹⁰⁾ Public Health Nutr. October 2009; 12(10):1735-42. doi: 10.1017/S1368980008004278. Epub 2008 Dec 23. Downward trends in the prevalence of childhood overweight in the setting of 12-year school- and community-based programmes.

⁽¹¹⁾ Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1308/2013 and Regulation (EU) No 1306/2013 as regards the aid scheme for the supply of fruit and vegetables, bananas and milk in the educational establishments COM(2014) 32 final, 30.01.2014.

II. RECOMMENDATIONS FOR AMENDMENTS

Amendment 1

Article 23(2)

Text proposed by the Commission	CoR amendment
(2) Member States wishing to participate in the aid scheme established in paragraph 1 ('the school scheme') may distribute either fruit and vegetables including bananas or milk falling within CN code 0401, or both.	(2) Member States wishing to participate in the aid scheme established in paragraph 1 ('the school scheme') may distribute either fruit and vegetables including bananas or milk falling within CN code 0401, or both other unsweetened dairy products like yogurt (neither flavoured nor containing added fruit, nuts or cocoa (CN code 0403 10 11 to 0403 10 39) or cheese and curd (CN code 0406).

Reason

See point 21 of the draft opinion.

Amendment 2

Article 23(3)

Text proposed by the Commission	CoR amendment
(3) As a condition for their participation in the school scheme Member States shall draw up, prior to their participation in the school scheme, and subsequently every 6 years, at national or regional level, a strategy for the implementation of the scheme. The strategy may be amended by a Member State, in particular in the light of monitoring and evaluation. The strategy shall at least identify the needs to be met, the ranking of the needs in terms of priorities, the target population, the results expected and the quantified targets to be attained in relation to the initial situation, and lay down the most appropriate instruments and actions for attaining those objectives.	(3) As a condition for their participation in the school scheme Member States shall draw up, prior to their participation in the school scheme, and subsequently every 6 years, at national or regional level, a strategy for the implementation of the scheme. The strategy may be amended by a Member State, in particular in the light of monitoring and evaluation interim evaluations. The strategy shall at least identify the needs to be met, the ranking of the needs in terms of priorities, the target population, the results expected and the quantified targets to be attained in relation to the initial situation, and lay down the most appropriate instruments and actions for attaining those objectives.

Reason

An attempt to streamline the procedure administratively. See also point 10 of the draft opinion.

Amendment 3

Article 23a(8)

Text proposed by the Commission	CoR amendment
(8) Member States participating in the school scheme shall publicise, at the places where the food is distributed, their involvement in the scheme and the fact that it is subsidised by the Union. Member States shall ensure the added value and the visibility of the Union school scheme in relation to the provision of other meals in educational establishments.	(8) Member States participating in the school scheme shall publicise, at the places where the food is distributed, their involvement in the scheme and the fact that it is subsidised by the Union. Member States shall ensure the added value and the visibility of the Union school scheme in relation to the provision of other meals in educational establishments.

Amendment 4

Article 24(1)

Text proposed by the Commission	CoR amendment
In order to promote the healthy eating habits of children and to ensure that the aid under the school scheme is aimed at children in the target group referred to in Article 22, the Commission shall be empowered to adopt delegated acts in accordance with Article 227 concerning rules on: (a) the additional criteria related to the targeting of aid by Member States; (b) the approval and selection of aid applicants by Member States; (c) the drawing-up of the national or regional strategies and on the supporting educational measures.	In order to promote the healthy eating habits of children and to ensure that the aid under the school scheme is aimed at children in the target group referred to in Article 22, the Commission shall be empowered to adopt delegated acts in accordance with Article 227 concerning rules on: (a) the additional criteria related to the targeting of aid by Member States; (b) the approval and selection of aid applicants by Member States; (c) the drawing-up of the national or regional strategies and on the supporting educational measures.

Reason

See point 11 of the draft opinion.

Brussels, 7 October 2014

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

Opinion of the Committee of the Regions — An European Platform Against Undeclared Work

(2014/C 415/08)

Rapporteur	Dainis Turlais (LV/ALDE), Chairman of the Security, Corruption Prevention and Public Order Issues Committee, Riga City Council
Reference document	Proposal for a Decision on Establishing an European Platform to Enhance Cooperation in the Prevention and Deterrence of Undeclared Work COM(2014) 221 final

I. GENERAL COMMENTS**THE COMMITTEE OF THE REGIONS**

1. welcomes the Commission's proposal relating to an European platform against undeclared work and recognises that this phenomenon must be fought in a coordinated, united manner so as to maintain high standards of employment in the European Union, to avoid serious social and economic consequences and to resolve problems related to the mobility of workers, as well as to make fuller and more effective use of human capital;
2. supports the proposal to include bogus self-employment within the scope of the platform. Such inclusion is essential, as falsely declared self-employed work, the purpose of which is to evade legal or fiscal obligations, causes harmful effects similar to those of undeclared work, in particular on working conditions, social security systems and their long term funding;
3. recognises that the European platform proposed for enhancing cooperation aimed at preventing and deterring undeclared work is a tangible contribution to the effort currently being made towards finding innovative solutions so as not only to raise the employment rate and achieve the objectives of the Europe 2020 strategy but also to improve the quality of employment and job security in the European Union;
4. notes that the Eurofound report ⁽¹⁾ stresses that 'there is a strong correlation between the wider austerity measures pursued and the size and growth of the undeclared economy'; therefore regrets the disparity between the modest economies achieved through austerity measures and the potential economies which could be achieved by combating undeclared work;
5. agrees with the Commission that undeclared work has a grave budgetary impact in that it causes a drop in tax receipts and social security contributions and, by extension, has negative repercussions on employment, productivity, working conditions, the development of skills and lifelong learning, ultimately leading to diminished pensions rights and more limited access to healthcare; underlines that undeclared work poses a serious threat to socio-economic cohesion;
6. stresses that these matters are of particular importance to local and regional authorities, as a drop in tax receipts has a negative influence on the budget receipts of local and regional authorities whilst increasing their expenditure aimed at ensuring the basic needs of citizens. The short and long-term effects of undeclared work include lower wages in the given labour market, and directly for the people undertaking such work: lack of healthcare, social security, or considerably lower pensions than in the case of people employed legally. Consequently, authorities affected by the problem of undeclared work are less able to expand the range of services they provide to the public and to improve their quality in the long term;
7. regrets that the Commission proposal does not mention the importance of local and regional authorities or of the Committee of the Regions itself, and reaffirms that it is often the local and regional levels that are closest to job seekers and employers, and that the labour market is primarily local in nature ⁽²⁾;

⁽¹⁾ <http://www.eurofound.europa.eu/pubdocs/2013/243/en/1/EF13243EN.pdf>

⁽²⁾ Opinion Cdr 5278/2013 on *Enhanced Cooperation between Public Employment Services*.

8. in this context, calls on the Commission to recognise that local and regional authorities have an important role to play in combating undeclared work if we consider the cooperation that already exists between local authorities and employers' organisations, workers' organisations and employment bodies, as well as the good practices in the field developed at local and regional level. In fact, action by local players is key to the success of the platform, since such bodies are best placed for following local developments and understanding the background to local people's lives. We could also, along the lines of the EURES network, include civil society partners with a view to expanding the platform's sphere of action;

9. considers that the platform, the purpose of which is to exchange information and good practices and to lay down common principles, could provide significant added value in the light of the current economic and financial crisis and the need to put the available human and economic resources to use as efficiently as possible. The platform is likely to encourage coherent planning of the measures to be taken with a view to combating undeclared work, whilst taking account of the widespread nature of the phenomenon and understanding, at the same time, that eliminating it requires specific, targeted measures;

II. POLICY RECOMMENDATIONS

10. has reservations about the Commission's failure to provide a more substantive explanation regarding the compatibility of the proposed mandatory participation of Member States in the platform with the legal basis for the proposal, Article 153 of the Treaty on the Functioning of the European Union, which only allows measures designed to encourage cooperation between Member States; also notes that the Commission's assessment of the proposal's compliance with the principles of subsidiarity and proportionality merely justifies the choice of legal instrument (a decision of the European Parliament and the Council) and cites the overall added value of the proposal, rather than justifying mandatory participation in the platform; therefore has reservations regarding the compliance of the proposal's mandatory nature with the principle of subsidiarity;

11. stresses the need to implement accessible and effective measures without delay. These should be carried out by all Member States so as to prevent undeclared work and bogus self-employment;

12. notes that, to achieve the platform's objectives in practice, it would be useful to draw on the knowledge and experience of local and regional authorities, given that they cooperate with employment services, social security bodies, interested parties, and formal and informal citizens' networks, and given that they have knowledge and direct experience of the reasons for the existence of the shadow economy at local and regional level;

13. stresses that, when adopting strategies at regional or European level to raise awareness of the issue of undeclared work, the platform must consult with representatives of local and regional authorities so as not to be at cross purposes with those that local and regional authorities have drawn up and so as not to cause additional administrative and financial burdens. For this reason, local and regional authorities should be guaranteed greater freedom as regards the nature of their participation in the work carried out by the platform;

14. points out that undeclared work is a particularly harmful phenomenon: it deprives the worker of the ability to benefit from appropriate healthcare if he is the victim of an occupational accident, falls ill or contracts an occupational disease, and also of the welfare benefits to which social security contributors are entitled; it also exposes workers to the risk of poverty in retirement, whilst at the same time reducing the funding available to enhance the quality and range of public services. Moreover, it is often women and adolescents who are involved in undeclared work, which is utterly unacceptable for Member States of the European Union;

15. in particular, draws attention to the need to promote information and education campaigns to raise public awareness of the negative aspects of undeclared work so that the various segments of the public, and in particular young people, are well informed of the extent of this phenomenon and its negative repercussions for national economies and the standard of living of citizens, working conditions, lifelong social security and the capacity of local and regional authorities to expand the range of services they provide and enhance the quality of those services; underlines that the responsibility lies with the individual as well as with a potential employer;

16. points out that, considering the direct link they have with the population and their cooperation with employers based in their area, local and regional authorities could, with support from national government, provide a significant contribution in detecting undeclared work and helping workers, particularly the most vulnerable groups, to become integrated into the declared labour market;

17. points out that it is important not only to combat undeclared work, but also to reduce the attractiveness of this type of activity and promote legal employment by reducing, where appropriate, the tax and administrative burden;

18. reiterates that it is necessary to combat undeclared work by looking at the wider context of migration, as opportunities to do such work are one of the factors that encourage the inflow of illegal migrants and their exploitation on the labour market ⁽³⁾;

Composition, objectives and activities of the platform

19. welcomes the fact that the social partners, the European Foundation for the Improvement of Living and Working Conditions (Eurofound), the European Agency for Safety and Health at Work (EU-OSHA), the International Labour Organization (ILO) and the EEA countries have all been given observer status in the platform, and calls for this same observer status to be granted to the Committee of the Regions, under Article 1(3) of the proposal, as representative of Europe's local and regional authorities;

20. considers that a top-down approach should be avoided and that action should be taken to tackle the social causes of undeclared work at local level by adapting measures to different social, economic and geographical situations;

21. welcomes the proposal to use effective tools for the platform's work: knowledge bank, mutual trust and accumulation of experience, joint training and staff exchanges, and common guidelines and operating principles. In the current economic context, these forms of cooperation take on particular importance by offering the opportunity to use human and financial resources more efficiently;

22. highlights the importance of promoting projects between and within Member States for the exchange of data between public bodies working in the areas of employment and social support, so as to improve knowledge about the problem and make it easier to identify cases of fraud;

23. supports the stated intention of organising campaigns on undeclared work at European level. Efforts to inform the population of the damage undeclared work and bogus self-employment inflict on the health and safety of workers, welfare systems, national, regional and local budgets and, by extension, society as a whole, need to be stepped up. Given the current scale of euroscepticism in Europe, it would be especially important to improve the knowledge of civil society in the broadest sense of the advantages of coordinating the Member States' employment policies at European level;

24. calls on the Member States to consult local and regional authorities or their representative bodies during the process of appointing a single contact point in each Member State and a possible alternate as a member of the platform;

25. encourages the Member States and their contact points to determine clearly the relevant representatives of local and regional authorities or their representative bodies with whom they will engage in structured dialogue and regularly exchange information on undeclared work so as to ensure that representatives of the national level have access to the knowledge and experience acquired at local and regional level. This way of doing things would also ensure that information on progress made at Member State and EU level effectively reaches the local and regional levels;

Other measures

26. considers that the tools used by the platform should also be accessible to local and regional authorities so that they can be effective partners for national bodies in preventing and deterring undeclared work;

⁽³⁾ Opinion Cdr 9/2012 on *The Global Approach to Migration and Mobility*.

27. encourages the Member States, the European Commission and Eurostat to collect and process more and better-quality data on undeclared work, including from the local and regional levels, so as to improve the understanding of this problem and help resolve it;

28. stresses that it is important to ensure that the aim of developing evaluation tools, indicators and joint comparative analyses is not to assess the situation in the different Member States in a competitive manner by establishing league tables, but rather that these initiatives provide means of detecting undeclared work, making recommendations and improving knowledge of the phenomenon of this type of work in the EU;

29. supports the European Parliament's request to the Commission, as set out in its resolution of 14 January 2014, to introduce and — if appropriate — make available a European social security card, on which could be stored all the data needed to verify the bearer's employment relationship, such as details on social security status and working hours;

30. stresses how important it is for Member States to strengthen their labour inspection resources in order to reach the target of one inspector per 10 000 workers, in line with ILO recommendations, namely through national action plans to improve labour inspection measures, which could if necessary benefit from co-financing under the European Structural Funds;

31. calls on the Commission to issue a proposal for a directive that sets minimum labour inspection standards to be implemented in Member States on the basis of ILO Convention No 81. This directive should establish how the labour inspection system would function as well as the cross-border training of labour inspectors and their powers and obligations.

III. RECOMMENDATIONS FOR AMENDMENTS

Amendment 1

Article 1(3)

Text proposed by the Commission	CoR amendment
3) The following may attend the meetings of the Platform as observers under the conditions set in its rules of procedure:	3) The following may attend the meetings of the Platform as observers under the conditions set in its rules of procedure:
a) representatives of the cross-industry social partners at Union level, as well as social partners in sectors with a high incidence of undeclared work,	a) representatives of the cross-industry social partners at Union level, as well as social partners in sectors with a high incidence of undeclared work,
b) a representative of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) and a representative of the European Agency for Safety and Health at Work (EU-OSHA),	b) a representative of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) and a representative of the European Agency for Safety and Health at Work (EU-OSHA),
c) a representative of the International Labour Organization (ILO),	c) a representative of the International Labour Organization (ILO),
d) representatives of EEA states.	<u>d) a representative designated by the Committee of the Regions.</u> d)e) representatives of EEA states.

Reason

Given the local nature of the labour market and the activities that, amongst those provided for within the platform's role, have a local and regional dimension, such as the adoption of a regional strategy, it is essential that a representative designated by the Committee of the Regions participates as an observer in meetings of the platform in order to represent the Member States' local and regional authorities.

Amendment 2

Article 4(1)

Text proposed by the Commission	CoR amendment
(1) For the execution of its mission, the platform shall in particular carry out the following tasks: (a) Improve the knowledge of undeclared work by means of common concepts, measurement tools and promotion of joint comparative analysis and related relevant indicators, (b) Develop the analysis of effectiveness of different policy measures in curbing the incidence of undeclared work, including preventive and punitive as well as deterrence measures in general, (c) Establish tools, for instance a knowledge bank of different practices/measures, including bilateral agreements used in the Member States to deter and prevent undeclared work, (d) Adopt non-binding guidelines for inspectors, handbooks of good practice and common principles of inspections to tackle undeclared work, (e) Develop forms of cooperation increasing the technical capacity to tackle cross-border aspects of undeclared work by adopting a common framework for joint operations for inspections and exchange of staff, (f) Examine ways to improve data sharing in compliance with the Union data protection rules, including exploring possibilities to use of the Internal Market Information System (IMI) and the Electronic Exchange of Social Security Information (EESSI), (g) Develop permanent training capacity for enforcement authorities and adopt a common framework for carrying out joint trainings, (h) Organise peer reviews to follow Member States progress when fighting undeclared work, including support for the implementation of country-specific recommendations related to fight or prevent undeclared work issued by the Council, (i) Increase awareness of the problem by carrying out common activities such as European Campaigns and adopting regional or EU wide strategies, including sectoral approaches.	1) For the execution of its mission, the platform shall in particular carry out the following tasks: (a) Improve the knowledge of undeclared work by <u>drawing up a methodology for measuring undeclared work</u>, by means of common concepts, measurement tools and promotion of joint comparative analysis and <u>processing more and higher-quality data</u>related relevant indicators, (b) Develop the analysis of effectiveness of different policy measures in curbing the incidence of undeclared work, including preventive and punitive as well as deterrence measures in general, (c) Establish tools, for instance a knowledge bank of different practices/measures, including bilateral agreements used in the Member States to deter and prevent undeclared work, (d) Adopt non-binding guidelines for inspectors, handbooks of good practice and common principles of inspections to tackle undeclared work, (e) Develop forms of cooperation increasing the technical capacity to tackle cross-border aspects of undeclared work by adopting a common framework for joint operations for inspections and exchange of staff, (f) Examine ways to improve data sharing in compliance with the Union data protection rules, including exploring possibilities to use of the Internal Market Information System (IMI) and the Electronic Exchange of Social Security Information (EESSI), (g) Develop permanent training capacity for enforcement authorities and adopt a common framework for carrying out joint trainings, (h) Organise peer reviews to follow Member States progress when fighting undeclared work, including support for the implementation of country-specific recommendations related to fight or prevent undeclared work issued by the Council, (i) Increase awareness of the problem by carrying out common activities such as European Campaigns and adopting regional or EU wide strategies, including sectoral approaches.

Reason

One way of ensuring the operational effectiveness of the platform is through appropriate decisions based on sound evidence. To that end, a comprehensive database containing comparable, high-quality data is needed. Establishing such a database must be one of the first acts of the platform if it is to fulfil its mission successfully.

Amendment 3

Article 5(2)

Text proposed by the Commission	CoR amendment
2) In appointing their representatives, Member States should involve all public authorities having a role in the prevention and/or deterrence of undeclared work, such as labour inspectorates, social security authorities, tax authorities, employment services and migration authorities, hereinafter referred to as 'enforcement authorities'. They may also, in accordance with national law and/or practice, involve the social partners.	2) In appointing their representatives, Member States should involve all public authorities having a role in the prevention and/or deterrence of undeclared work, such as labour inspectorates, social security authorities, tax authorities, employment services and migration authorities, hereinafter referred to as 'enforcement authorities'. They may also, in accordance with national law and/or practice, involve <u>local and regional authorities and</u> the social partners.

Reason

Considering the direct link that local and regional authorities have with the public and their cooperation with employers and authorities responsible for matters relating to employment, undeclared work and social security, it is essential also to highlight the contribution that local and regional authorities make to raising awareness of the problems related to undeclared work and to looking for and implementing solutions to them.

Brussels, 7 October 2014

*The President
of the Committee of the Regions*
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