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## Information and Notices

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## I

(Resolutions, recommendations and opinions)

## RESOLUTIONS

## COMMITTEE OF THE REGIONS

121ST PLENARY SESSION, 8-9 FEBRUARY 2017

**Resolution of the European Committee of the Regions — The European Commission's Annual Growth Survey 2017**

(2017/C 207/01)

**Submitted by the PES, EPP, ALDE, EA and ECR political groups**

THE EUROPEAN COMMITTEE OF THE REGIONS (CoR),

- having regard to the European Commission's Communication on the Annual Growth Survey 2017 <sup>(1)</sup> and to the start of the 2017 European Semester;
- having regard to the European Parliament's resolution of 26 October 2016 on the European Semester for economic policy coordination: implementation of 2016 priorities <sup>(2)</sup>;

1. welcomes the Annual Growth Survey's (AGS) focus on investment, structural reform and responsible public finances but would have expected a stronger focus on the implementation of the Sustainable Development Goals as one of the pillars of a European economic, social and environmental strategy after 2020;

2. notes that several indicators — GDP, investment, job creation, employment and activity rates — signal that the recovery of the EU economy is ongoing despite increasing uncertainty worldwide; shares however the Commission's view that there is no scope for complacency, since unemployment rates are still too high in many regions of Europe and several cumulative years of under-investment (the 'investment gap') weigh heavily on Europe's competitiveness and cohesion;

3. is concerned that existing imbalances within the EU and the Euro area pose a major challenge for growth and cohesion and that convergence among and within Member States has stalled in many cases; stresses that disparities within Member States are a major source of economic and social disparities, which are further increasing in the EU, and regrets that they are not addressed in a structured manner in the AGS;

<sup>(1)</sup> COM(2016) 725 final.

<sup>(2)</sup> <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+TA+P8-TA-2016-0416+0+DOC+PDF+V0//EN>

4. underlines that a European pillar of social rights, which must respect the principles of subsidiarity and proportionality, could make a major contribution to the coordination and upward convergence of social standards and strengthen the democratic legitimacy of the EU;

5. calls on the Commission to put forward a proposal for a fiscal capacity for the Eurozone open to all Member States coupled with a budgetary impact analysis <sup>(3)</sup>;

### Relaunching investment

6. welcomes the result of the first year of the EFSI in terms of the amount of investment it managed to activate; is concerned however by the uncertain results of the EFSI in respect of additionality, by the unbalanced geographic distribution of the projects it has funded and by the lack of detailed and transparent information surrounding it; notes that these concerns are shared by the European Court of Auditors <sup>(4)</sup> and the independent evaluation published by the Commission <sup>(5)</sup>; stresses that projects should be eligible for EFSI support as of a project value of EUR 10 million so that local and regional authorities should make more use of the EFSI, including through investment platforms, and regrets that many of them still lack information on it; is convinced that addressing the problems of administrative capacity which often prevent the local and regional authorities from making use of the EFSI should be seen as a priority in the context of the European Semester;

7. welcomes the AGS reference to the existence of obstacles to investment at local and regional level; regrets however that the analysis of obstacles to investment launched in the 2016 European Semester, and to which the CoR has contributed by way of an analysis of such obstacles at territorial level <sup>(6)</sup>, is not followed up in the 2017 AGS; considers it important that measures to deepen the single market are recognised as having an important role in improving the overall investment environment at EU level and removing obstacles to investment at national, regional and local level;

8. stresses the contribution given by the ESI Funds to investment, highlighting that 61 of the Country-specific Recommendations for 2016 are taken up in cohesion policy programmes at the country level; shares the view that the ESI Funds could be used in combination with the EFSI, while stressing that the ESI Funds are the EU's main investment tool, and are aimed at increasing cohesion, as stated in the Treaties;

9. welcomes the AGS reference to the need for the benefits of globalisation to be distributed fairly and to, increase the legitimacy of trade policy; highlights also the weight of citizens' concerns and the need for the European Union and the parliaments and governments of its Member States and regions to retain their room for manoeuvre and democratic discretion, thus also safeguarding the public's democratic opportunity to exert influence; is of the opinion that the Commission should take a stronger stand, when negotiating and concluding trade agreements, for retaining European quality standards and national regulations and standards in areas such as environmental, animal, climate, data, health and consumer protection, in order to ensure that trade agreements can produce fair and transparent results;

10. welcomes the AGS recognition of the role that clear guidance regarding the application of State aid rules on public funding of infrastructure plays in facilitating the financing of the real economy; stresses that a major part of this funding concerns services of general economic interest (SGEI) and calls on the Commission to widen the scope of SGEIs to take new challenges into account;

### Pursuing structural reform

11. notes that structural reforms are key factors for enhanced competitiveness, which is ever more needed to promote sustainable and inclusive growth and jobs in a context of global trade and competition;

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<sup>(3)</sup> See CoR draft opinion on *Fiscal capacity and automatic stabilisers in the Economic and Monetary Union*, rapporteur: Carl Fredrik Graf (EPP/SV), ECON-VI-018, due for adoption at February 2017 CoR plenary session.

<sup>(4)</sup> ECA, 'EFSI: an early proposal to extend and expand', Opinion No 2/2016.

<sup>(5)</sup> [https://ec.europa.eu/priorities/publications/independent-evaluation-investment-plan\\_en](https://ec.europa.eu/priorities/publications/independent-evaluation-investment-plan_en)

<sup>(6)</sup> 7th CoR Monitoring Report on Europe 2020 and the European Semester <http://portal.cor.europa.eu/europe2020/pub/Documents/2016/7mp.pdf>

12. welcomes the recognition of the important role of public procurement in enhancing competitiveness and innovation and stresses that a large share of public procurement is carried out by local and regional authorities; stresses that efforts aimed at improving administrative capacity to deal with public procurement should be directed specifically towards local and regional authorities;

13. stresses that SMEs, start-ups and entrepreneurship should be supported by facilitating access to finance, providing incentives for R & D, reducing administrative burdens and keeping better regulation high on the agenda; stresses the need to ensure that SMEs in all sectors, including service providers, can take part in global value chains, inter alia, by supportive industrial and regulatory policy;

14. stresses that the lack of administrative capacity of the public administration at all levels, and in particular at local and regional level, is an obstacle to the implementation of structural reforms and that the Commission should issue a single strategic document coordinating all streams of EU-funded technical assistance for improving administrative efficiency, including the Structural Reform Support Programme;

15. is pleased that the Annual Growth Survey refers to prioritising investment in human capital. In particular, underscores the importance of boosting the roll-out of the Youth Guarantee and tackling youth unemployment, as this is still high in many regions and local communities;

#### **Ensuring fiscal expansion and responsible public finance**

16. welcomes the debate about a positive fiscal stance for the Euro area as a whole which would necessarily need to be coupled with the implementation of structural reforms;

17. stresses that local and regional authorities are interested in the full use of the flexibility allowed by the Stability and Growth Pact; reiterates its request that investment made by local and regional authorities under the ESI Funds be excluded from the calculations of the deficit and debt ceilings in all EU countries;

18. stresses the need to ensure sound public finances and the limitation of public debt at all levels of government; as part of this overall effort, stresses that the composition of public expenditure should be improved, in the light of the OECD principles for effective public investment across levels of government; is engaged in launching a monitoring exercise on the implementation of such rules; invites the Commission to take action to promote fiscal decentralization across the EU, which, according to available evidence, would help in improving the effectiveness of public spending;

#### **Improving the governance of the European Semester**

19. notes that more than half of the Country-specific recommendations concern structural reforms which can only be addressed in partnership with local and regional authorities; stresses therefore that the limited involvement of local and regional authorities is one of the reasons for the lack of effectiveness and ownership of economic policy coordination under the European Semester, as is shown by the modest levels of delivery on the structural reforms outlined in the Country-specific recommendations;

20. welcomes the fact that the European Semester Officers seconded by the Commission to the Member States are already cooperating with local and regional authorities in some Member States. This should be the standard approach in all Member States;

21. regrets that the role of local and regional authorities is not acknowledged in the AGS and that country specific recommendations don't take into account the fact that many competences are exclusive to the regional level; stresses that it is preparing an opinion proposing a Code of Conduct on the involvement of local and regional authorities in the European Semester; welcomes the support for this proposal expressed by the European Parliament; requests that EU institutions debate the proposal as soon as it is published;

22. notes that several country-specific recommendations call for structural reforms whose implementation may take much longer than one year, so that measurement of implementation after one year may underestimate the progress achieved, which might be both misleading and discouraging for the national and sub-national levels of government involved; invites, therefore, the Commission and the Council to draft the country-specific recommendations in a way that allows fair and transparent measurement of progress in their implementation;

23. instructs the President to forward this resolution to the Commission, the European Parliament, the Maltese Presidency of the Council and the President of the European Council.

Brussels, 8 February 2017.

*The President  
of the European Committee of the Regions*

Markku MARKKULA

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**Resolution of the European Committee of the Regions — 60th anniversary of the signature of the Treaty of Rome**

(2017/C 207/02)

THE EUROPEAN COMMITTEE OF THE REGIONS

*We, the members of the European Committee of the Regions (CoR):*

1. join in the celebration of the signing of the Treaty of Rome as a key moment for a wide reflection on the future of the European Union (EU), and reiterate that the Union's *raison d'être* is to ensure respect for the fundamental rights, peace, prosperity, stability and new EU-wide opportunities for all of its citizens;
2. call for a Europe able to strengthen the trust of its citizens and to be better able to meet the challenges ahead of us both within the EU and globally, and take decisions for joint action in a spirit of solidarity while respecting the principle of subsidiarity;
3. recall that Europe's identity is historically rooted in its regions, cities and villages; and that the contribution of local and regional authorities to the European integration process has been constantly increasing in economic, cultural and political terms;
4. recalls the acknowledgment of the gap between citizens and the EU addressed 25 years ago in the Maastricht Treaty, which created, *inter alia*, European Union citizenship and the European Committee of the Regions. Nonetheless, the key role of devolved local and regional bodies envisaged by the Lisbon Treaty still needs to safeguard subsidiarity and participation in the European legislative process. Therefore it is imperative to improve the current situation where all too often local and regional bodies are still merely the addressees of EU policies rather than genuine protagonists in their development, above all in terms of legislation, despite the effort and political and institutional commitment of the European Committee of the Regions in its relations with the other European institutions;
5. believe that, as the EU's assembly of regional and local representatives, the CoR stands for a Union united in its cultural and linguistic diversity in a globalised world; we are fully committed to promoting European democracy and active citizenship, to contributing towards the anchoring of fundamental rights and the protection of minorities, to strengthening security and to promoting equality and to securing harmonious and sustainable development in line with our objectives of economic, social and territorial cohesion;
6. stress the urgent need to strengthen the democratic link between the European Union and its citizens, by ensuring that the Union provides effective and prompt solutions to the major common challenges that cities, regions and Member States cannot tackle by themselves, *i.e.* enhancing the EU's competitiveness; strengthening cohesion; making the EU a safe space where freedom, security and justice are guaranteed for all; giving young people real prospects for the future, in work and in education; addressing the migrants and refugees' crisis; safeguarding the Schengen Area; tackling climate change and disaster resilience; promoting a low carbon economy and supporting the Energy Union; strengthening the Union's role as a key global player, and in particular in achieving the Sustainable Development Objectives of Agenda 2030; combating unemployment; fighting against terrorism;
7. emphasise that the 'four freedoms' of the EU's Single Market, *i.e.* free movement of people, services, goods and capital, represent concrete achievements for EU citizens and an indispensable element of the European political project; they constitute an indivisible set of rights that cannot be considered piecemeal, otherwise we would overshadow values that underlie the EU's existence itself; express, therefore, their concern at attempts by some Member States to limit their application, particularly that of free movement of people;
8. reaffirm nevertheless that the 'single market' should also guarantee social progress and that the rules of the main economic freedoms and competition do not take precedence over fundamental rights, starting with the fight against discrimination, poverty and unemployment;
9. consider that the celebration of the Treaty of Rome must be the opportunity to achieve the direct participation, critical thinking and active interest of the citizens of the Union in shaping the Union's future, with decisions taken at the closest possible level to them; believe that such a process should be participatory and representative, where all citizens enjoy equal opportunities to participate, contribute and commit to the Union. As such, local and regional authorities are ideally placed to drive this process forward and to help make a Citizens' Europe a reality;

10. believe in particular that it is important to obtain an accurate picture of citizens' aspirations and hopes towards the EU on the one hand, and their concerns and frustrations on the other; thus we welcome the third EU Citizenship Report 2017 based on the information provided by citizens through surveys and a public consultation;

11. therefore, highlight that the EU:

- must be able to address the imbalanced impact of globalisation on European lives by strengthening the principles of a Europe based on social justice, economic strength and solidarity;
- should be empowered by its Member States to act, together with its local authorities and regions, when major challenges hit society and citizens, with appropriate governance instruments and adequate financial means;
- must ensure a decentralised approach in its communication, by which it informs on its policies and processes in an accessible way relating clearly the relevance of EU level decisions to the realities on the ground in different parts of the EU; in this context, the role of the Europa Direct information centres and other European information networks bringing together regions and local authorities is crucial;
- needs to have clearer and more transparent division of political responsibilities, ensure accountability of its institutions and guarantee the openness of its decision-making processes to the citizens, which may imply the need for further treaty reforms;
- should examine institutional reforms to reinforce the involvement of the regions and local authorities, reflecting their legislative role in implementing the principle of subsidiarity and in ensuring bottom-up democratic governance in a Europe of the citizens, regions, territories and local authorities;

12. in view of preparing our input into the upcoming political discussions on the future of our Union, commit to:

- launching an extensive process of citizens' dialogues to hear views, proposals and concerns directly from those at the grassroots throughout the EU. This process will be accompanied by a political consultations involving European and national associations of regional and local authorities and other stakeholders across all Member States with a view to developing concrete innovative and practical solutions to the challenges ahead;
- sharing the results of these parallel processes with the other EU institutions with a view to contributing to a future Convention preparing Treaty changes for the future of the European Union;
- increase its efforts in promoting the rights linked to the EU citizenship and our common values, as well as citizens' participation in the democratic life of the Union;
- exploring ways to further reinforce its dialogue with the European institutions, notably the European Parliament;
- deepening dialogue and discussion with the European institutions, in particular the European Parliament, drawing inspiration from initiatives such as 'Improving the functioning of the European Union building on the potential of the Lisbon Treaty' or 'Possible evolutions and adjustments of the current institutional set up of the European Union' with a view to making the Committee of the Regions even more active and effective in the European legislative process;

13. stress the importance of ensuring the rights of young people across Europe. A more accessible EU will foster open dialogue between peoples of all generations. With regards to the founding principles of peace and prosperity, a responsive EU will speak to the aspirations of young people;

14. instruct our President to forward this resolution to the European Parliament, European Council, the Council, the Commission, the European Economic and Social Committee, national and regional parliaments and governments as well as local governments.

Brussels, 9 February 2017.

*The President  
of the European Committee of the Regions*

Markku MARKKULA

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## OPINIONS

## COMMITTEE OF THE REGIONS

121ST PLENARY SESSION, 8-9 FEBRUARY 2017

**Opinion of the European Committee of the Regions — Bridging the Investment Gap: How to tackle the challenges**

(2017/C 207/03)

**Rapporteur:** Markku Markkula (FI/EPP), City councillor of Espoo**POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS

***The current investment gap in Europe's cities and regions***

1. notes that investment in Europe has decreased by 15 % overall as a direct result of the financial and economic crisis, that public investment has also fallen due to constraints introduced by budget regulation mechanisms at EU and national level, and that the level of total investment in the EU as a whole remains below pre-crisis levels in nominal terms, in 2015 almost EUR 60 billion lower than that in 2008 <sup>(1)</sup>; considers that, as well as a drop in investment in absolute terms, the European Union is also suffering from a competitiveness deficit due to ageing infrastructure and insufficient investment in digital and ecological transition and innovation;
2. underlines that local and regional authorities (LRAs) are responsible for more than half of public investment in the EU, and that their investments in areas such as infrastructure, energy, public transport education, healthcare, and many more, have a direct impact on local economies, the dynamism of businesses, and the life and well-being of European citizens;
3. welcomes the European Parliament's call for a greater ownership at national, regional and local level of the formulation and implementation of growth and jobs strategies and welcomes the support for the CoR's demand for a code of conduct for the involvement of the local and regional authorities in the European Semester <sup>(2)</sup>;

<sup>(1)</sup> See Eurostat, dataset code: tec00011 'Gross fixed capital formation (investments)' and teina210, 'General government fixed investment'.

<sup>(2)</sup> European Parliament resolution of 26 October 2016 on the European Semester for economic policy coordination: implementation of 2016 priorities (2016/2101(INI)) '6. [The EP] fully supports the efforts made to ensure greater national ownership in the formulation and implementation of CSRs as an ongoing reform process; considers that, in order to increase national ownership and foster the effective implementation of CSRs, and in view of the fact that local and regional authorities have to implement more than half of CSRs, these should be clearly articulated around well-defined and structured priorities at European level, involving national parliaments, regional and local authorities where appropriate; reiterates that, in view of the distribution of powers and competences in various Member States, delivery on the Country-Specific Recommendations might improve with the active participation of local and regional authorities and, to this end, supports the proposal of a code of conduct for the involvement of the local and regional authorities in the European Semester as suggested by the Committee of the Regions; calls on the Member States to ensure a proper democratic scrutiny of their National Reform Programmes in their respective national parliaments;'

4. in this context, highlights that the current public expenditure on investment remains half of what it was before the crisis, which implies that hundreds of millions of euros worth of investments are not taking place each year in Europe's regions and cities;
5. recalls a joint survey by the European Committee of the Regions (CoR) and the OECD in 2015, in which 96 % of respondents representing cities and regions reported having gaps in public investment spending<sup>(3)</sup>. This has been reconfirmed by a recent CoR survey<sup>(4)</sup> in which 75 % of respondents at local and regional level said they saw a significant decline in total investments in their city or region between 2008 and 2014 and only one third consider that the situation is getting better now;
6. echoes the OECD<sup>(5)</sup> and IMF's call for a coordinated global fiscal stimulus programme, in view of the currently limited room for manoeuvre in monetary policy, extremely low interest rates and the fact that the fiscal consolidation efforts of recent years have reduced the debt-to-GDP ratios of many countries and now offer room for manoeuvre. To successfully boost activity, the additional public spending should be proportionate and above all clearly focused on investments which favour growth, such as research and development, employee training and green infrastructure;
7. stresses that the potential of strategic investments in cities and regions is much higher than the general pre-crisis trends show, not least due to the extensive knowledge and competence development, drop in interest rates and the opportunities offered by digitalisation, the collaborative and circular economies and the existing scope for getting SMEs more involved in the increasingly global business environment;
8. reiterates that this sustained decrease in overall investment is unsustainable and that low investment is not only slowing down recovery, but also threatens the EU's future potential to grow and innovate by harming long-term economic performance and job creation;
9. stresses that investment in Europe's cities and regions is crucial — for driving sustainable growth and job creation across Europe, as well as sustaining existing jobs which are struggling due to current under-investment; thus urges the need to work on removing the obstacles to reaching pre-crisis investment levels in Europe, and invest in the true potential that regions and cities hold as the powerhouses of Europe;
10. supports the development at global, European and national level of 'patient capital' as part of a long-term approach to funding basic needs which do not fit the logic of annualised public spending or the usual quarterly approach of private finance. The focus in this should be on investing in measures to tackle climate change, on strategic infrastructure, as well as on innovation and access to scarce resources;
11. highlights the importance of having an overall vision on sustainable and smart investment as the key political priority for the 2015-2020 mandate<sup>(6)</sup>. This opinion — among others and alongside the Bratislava declaration<sup>(7)</sup> and the CoR action plan on investment — is an instrumental stepping stone in this process;

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<sup>(3)</sup> CoR, *Results of the OECD — CoR Consultation of Sub-national Governments: Infrastructure planning and investment across level of government: current challenges and possible solutions*, March 2016. Available online here.

<sup>(4)</sup> CoR, *Results of the CoR online consultation on obstacles to investments at local and regional level*. September 2016. Available online here.

<sup>(5)</sup> See the Global Economic Outlook presented by the OECD on 28 November 2016: <https://www.oecd.org/eco/economicoutlook.htm>

<sup>(6)</sup> CoR, *The political priorities of the European Committee of the Regions 2015-2020*, October 2015, Available online here.

<sup>(7)</sup> CoR, *A fresh start for Europe: Regions and cities launch an investment plan for a citizen-centred EU*: <http://cor.europa.eu/en/news/Pages/Regions-and-cities-launch-investment-plan-for-a-citizen-centred-EU.aspx> and CoR Bratislava declaration 'Invest and Connect', July 2016 — available online here.

***A holistic approach to investment in our regions and cities: the role of cohesion policy, the investment plan and other financial instruments***

12. welcomes the initiatives of the European Commission and the European Investment Bank (EIB) and their crucial focus on boosting investment, and recalls the fruitful cooperation between the EIB and the CoR through their joint Action Plan <sup>(8)</sup>;

13. highlights the measures put forward by the European Commission and the European Investment Bank (EIB) on implementing financial instruments involving several regions, as they contribute significantly to increasing liquidity in the markets and generating investment;

14. underlines that European investment tools can have a positive impact on public funds, notably in terms of prior administrative capacity, particularly where revenue-generating projects are concerned; which is why such tools should move towards the use of loans, innovative financial instruments and innovative public procurement; however, also highlights the role of grants as a crucial financial instrument in regions and cities for projects which address situations of market failure, or which do not generate sufficient revenues to attract investors;

15. stresses the importance of cohesion funding, which needs to continue to be the backbone of EU investment policy and to enhance partnership between European regions as a true expression of cooperation and solidarity: the future of cohesion policy is linked to the future of the EU. We therefore need to secure the role of cohesion policy in the EU beyond 2020 <sup>(9)</sup>;

16. reiterates the need to assess all forms of funding: the MFF, Cohesion policy and ESIF, the Juncker Plan and EFSI as well as other financial instruments: they all have unique but not opposite philosophies and therefore should act complementarily, while operating in synergy where and if needed;

17. welcomes the principle of the extension of the EFSI <sup>(10)</sup> in terms of both duration and financial capacity, which provides an opportunity to fine-tune the existing procedures; notes however, that to make EFSI 2.0 a bigger success, the synergies with the European Cohesion Policy through ESIF need to be further clarified; considers that EFSI shall not be designed to replace existing EU cohesion policy instruments; given their role in proposing and planning medium- and long-term investments, calls for regional and local authorities to be more closely involved in the management of this fund, in particular in the establishment of financing platforms at regional or multi-regional level;

18. demands that more detailed information be made publicly available on EFSI-financed projects, in particular highlighting their additionality and complementarity when applicable. The CoR's closer involvement in the reporting and monitoring exercises helps the information flow between regions and cities; in this sense stresses the need to ensure a true additionality of projects financed through EFSI, in particular with respect to the use of funds from the EU budget, such as the Connecting Europe Facility and Horizon 2020;

19. calls for the EFSI not to be financed by other funds or competing programmes;

***Obstacles to reaching the full investment potential of the EU's cities and regions***

20. points out that tackling obstacles to investment involves far-reaching reforms at all levels of governance, aiming to remove administrative, regulatory and other types of barriers that deter investors, in order to improve the investment environment;

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<sup>(8)</sup> CoR, EIB and Committee of Regions intensify cooperation to boost Europe's economic recovery, September 2015, Press Release available here.

<sup>(9)</sup> Draft Opinion on the future of cohesion policy beyond 2020 'For a strong and effective European cohesion policy beyond 2020' by rapporteur Dr Michael Schneider (EPP/DE).

<sup>(10)</sup> For the CoR's position on the extension of the duration of the European Fund for Strategic Investments as well as the introduction of technical enhancements for that Fund and the European Investment Advisory Hub, please consult: the draft CoR opinion EFSI 2.0 by rapporteur Wim van de Donk (EPP/NL).

21. recalls that investments at local and regional level are made across various cross-cutting sectors such as infrastructure, transport, education, research and innovation, environment, healthcare, social services, and other forms of societal and human capital, imperative to increasing the long-term impact of strategic investments;

22. observes that LRAs can be catalysts bringing together different public and private actors for investment projects, in particular in the case of larger projects or public-private partnerships; considers, however, the need to further promote cross-border connections and multi-level cooperation by actively promoting cross-regional investments to speed-up the Pan-European Single Market, in particular through the development of the Capital Markets Union (CMU), while at the same time continue to address regulatory and administrative challenges, through the EC's Better Regulation agenda, as a way of ensuring that policy objectives are reached in the most effective and least burdensome way;

23. highlights the importance of regional smart specialisation strategies as vehicles to co-create European partnerships for bench-learning and orchestrating high-quality multi-stakeholder and multidimensional investment projects; in this contexts underlines that tackling obstacles to investment can go hand in hand with the EU wide implementation of regional innovation strategies based on Smart Specialisation (RIS3), which can be a useful tool to focus policy support and investment on key priorities and challenges and thus stimulate private investment;

#### ***Territory related obstacles: heavy regulatory burden***

24. points out that a significant share of obstacles to investment outlined in the European Semester are 'territory related' in the sense that they either are relevant to the functions of LRAs as regards investment, or there is potential for LRAs to contribute towards easing or removing them;

25. as a result, the current obstacles to investment might often have their roots — but consequentially also their solutions — at the local and regional level and within transnational cooperation;

26. stresses, however, that there is a great deal of diversity across Member States in investment patterns and barriers to investment, and therefore no one-size-fits-all solution exists;

27. observes that this is mainly due to the various different roles of LRAs in relation to investment: first and foremost, cities and regions are *investors*, as they are responsible for more than half (54 %) of EU's public investment. These investments are made in diverse and complementary sectors and functions: human capital, skills, education, healthcare, and many more. Cities and regions are thus *providers and enablers of services*. LRAs are also *planners*, given that they lead development strategies and by planning ahead, LRAs can focus policy support and investment on key priorities and challenges, and thus stimulate investment. Cities and regions are change *catalysers and regulators*, with regards to spatial planning and construction permits for instance. Finally, they are *investment partners*, bringing together different public and private actors for the realisation of investment projects<sup>(11)</sup>;

28. welcomes the focus of the European Commission on the identification of such obstacles and challenges to investment in the European Semester, from the Annual Growth Survey (AGS) and its list of investment challenges to the Country Reports (CR) and Country Specific Recommendations (CSR); however, with a view to contributing to a more quality-focused EU approach to public spending, supports the proposal that under the European Semester CSRs should also contain minimum public investment targets, particularly in relation to current expenditure<sup>(12)</sup>;

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<sup>(11)</sup> The multi-faceted roles of local and regional authorities with regards to public and private investment are explored in more details in a study commissioned by the CoR. See in particular Chapter 4: Metis GmbH, *Obstacles to investments at local and regional level*, Study commissioned by the CoR, 2016. Available online here.

<sup>(12)</sup> This proposal would be in line with the recommendations made by the European Parliament in November 2012 in its Resolution on 'Social Investment Pact — as a response to the crisis'<sup>(11)</sup>. Report by Danuta Jazłowiecka (PL/EPP): <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2012-0419+0+DOC+XML+V0//EN>

29. reiterates in this regard its call for the European Commission to present a White Paper setting out an EU-level typology for quality of public investment in the accounts of public expenditure according to its long-term effects<sup>(13)</sup>;

30. also points to its proposal<sup>(14)</sup> for the European Commission to officially approve the recommendation by the Organisation for Economic Cooperation and Development (OECD), which sets out a series of principles for public investment<sup>(15)</sup> (March 2014); welcomes the fact that throughout the areas of policy action (coordination of public investment, capacity-building, setting of framework conditions), the recommendation recognises the important and growing role of regional and local authorities in planning and implementing public investment;

31. highlights that of the 178 territory-related issues raised in the 2016 CRs spread across all countries and policy areas, almost 60 %, address obstacles to investment, mainly consisting in burdensome horizontal and sectoral regulations, insufficient quality of public administration, specific barriers in the labour market as well as in the market of funding for small and medium-sized enterprises<sup>(16)</sup>;

32. underlines that the recent CoR survey of local and regional authorities reconfirms that burdensome rules affecting the investment and business environment, labour market, retail trade and other areas, as well as costly/long/burdensome administrative procedures to launch, extend or close an activity, and judicial procedures being too slow or burdensome, are indeed deemed obstacles to investment by approximately 9 out of 10 respondents;

33. recommends that the identification of challenges to investment remains a principal focus of the European Semester, including yearly updates of the Challenges to Member States' Investment Environments presented alongside the AGS for the first time in November 2015;

34. urges for a stronger and more structured involvement of local and regional authorities in the European Semester to effectively address these territory-related challenges to investment; calls on the European Parliament to involve the CoR in this process by active participation at the inter-parliamentary meetings on the European Semester;

#### ***Lack of administrative capacity at local and regional level***

35. recalls the need for further simplification of EU shared management funds, in particular with regards to the use of financial instruments highlighting the importance of increasing administrative capacity and institutional expertise of public authorities by bridging the EU's investment gap;

36. observes that the respondents to the CoR survey on obstacles to investment<sup>(17)</sup>, most of them representing local or regional authorities themselves, highlighted administrative capacity of LRAs as a challenge to investment in their city or region. Indeed, the capacity to get involved in public private partnerships (PPPs) was deemed a challenge or major challenge to investment by 71 %, while 70 % said it was a challenge or major challenge to managing public procurement, in particular more complex procedures<sup>(18)</sup>;

37. points out that lack of administrative capacity is not limited to a few of the EU's less developed Member States and regions, since in the 2016 CSRs, 20 out of 28 Member States were addressed recommendations to improve the quality of public administration, including at subnational level<sup>(19)</sup>;

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<sup>(13)</sup> CoR opinion on Promoting quality of public spending in matters subject to EU action (CdR 4885/2014 — rapporteur: Catuscia Marini (IT/PES), 3 December 2014).

<sup>(14)</sup> Ibid.

<sup>(15)</sup> <http://www.oecd.org/gov/regional-policy/oecd-principles-on-effective-public-investment.htm>

<sup>(16)</sup> CoR, *Territorial Analysis of the Country Reports and accompanying Communication*, Report of the Steering Committee of the Europe 2020 Monitoring Platform. May 2016. Available online here.

<sup>(17)</sup> See footnote 4.

<sup>(18)</sup> See footnote 4.

<sup>(19)</sup> See footnote 16.

38. urges the Commission and Member States to step up efforts to cut administrative burdens and also develop new initiatives and strengthen existing ones in order to increase knowledge, skills and competencies needed for public-private partnership processes and administrative efficiency, in particular that of local and regional authorities, and especially considering the multiple roles they play with regards to investment (planner, investor, investment partner, regulator, provider and promoter/facilitator);

39. highlights that strategic investments in complex global settings call for new types of administrative and managerial capacities to enhance future business model development and value creation, engaging the for-profit and non-profit organisations in the local and regional value creation ecosystems;

40. highlights that effective tools to increase administrative efficiency include competence development by the help of exchanges, expert missions, study visits and workshops between LRAs as peers; also refers in this sense to the model used by the 'TAIEX REGIO PEER 2 PEER' tool<sup>(20)</sup>, which deserves to be emulated and broadened;

41. stresses the difficulty to effectively make use of financial instruments regarding the administrative capacity of local and regional authorities, as highlighted by the CoR survey<sup>(21)</sup>; commends in this regard, the establishment of the Fi-Compass platform<sup>(22)</sup>, as well as the Commission's 'off-the-shelf' financial instruments<sup>(23)</sup>, both of which are valuable initiatives in particular for LRAs with larger administrative capacity challenges; encourages LRAs to make use of these tools to mobilise further private and public resources for their investment projects; and stresses the Committee's readiness to work together with the European Commission to facilitate and promote this initiative;

#### ***Lack of awareness in regards to funding, financing and investment opportunities***

42. underlines that, while the local and regional authorities have a crucial role to play in successful implementation of EFSI, they have little awareness of it. A CoR survey of LRAs found that only 7 % of respondents considered themselves 'well informed' about how EFSI could be used in their city or region, with a further 18 % somewhat informed, while 35 % declared they had only basic information, and 39 % considered themselves 'not informed'<sup>(24)</sup>;

43. highlights that this lack of awareness extends to other initiatives associated with EFSI: 73 % of respondents to the CoR survey stated that they were 'not informed' about the possibility of setting up investment platforms to finance investments in their city or region with support from EFSI, while only 2 % stated they were 'well informed' about the European Investment Project Portal or the European Investment Advisory Hub<sup>(25)</sup>;

44. calls on the Commission and EIB to do more to improve the awareness and understanding of the EFSI and associated initiatives such as the advisory hubs of public and private actors at local and regional level, as the current situation threatens the success of the Investment Plan;

45. suggests working with LRAs, the CoR, its networks, and national and regional promotional banks and other institutions, in order to identify national and regional examples of successful projects and affirms the CoR's readiness to support the bench-learning potential of regions and cities through exchange of best practices, thereby creating a critical mass of beneficiaries and managing authorities;

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<sup>(20)</sup> More information on the TAIEX REGIO PEER 2 PEER tool: [http://ec.europa.eu/regional\\_policy/en/policy/how/improving-investment/taix-regio-peer-2-peer](http://ec.europa.eu/regional_policy/en/policy/how/improving-investment/taix-regio-peer-2-peer)

<sup>(21)</sup> Two thirds of survey respondent stated that using innovative financial tools, including financial instruments, was a challenge or major challenge to investment in their city or region. CoR, *Results of the CoR online consultation on obstacles to investments at local and regional level*. September 2016. Available online here.

<sup>(22)</sup> More information on the Fi-Compass platform can be found here: <https://www.fi-compass.eu/>

<sup>(23)</sup> More information on the off the shelf products can be found under 'EC Regulatory Guidance' here: <https://www.fi-compass.eu/resources>

<sup>(24)</sup> See footnote 4.

<sup>(25)</sup> See footnote 4.

46. welcomes the European Commission's efforts to increase awareness of financing possibilities during their investment roadshows in Member States;

47. points out a mismatch of advisory and awareness raising strategies, and is concerned that the sole advisory role of existing hubs could be insufficient to identify and attract new projects in regions that have low awareness of investment opportunities;

48. stresses that it should be ensured that the EFSI does not increase disparities in terms of cohesion within the EU, services and incentives should be put in place to address the geographical imbalance, including broadening the range of general objectives eligible for EFSI support, improving or even decentralising advisory and expert services and strengthening the role of the European Investment Advisory Hub, as well as making better use of the European Investment Project Portal, which aims at bridging the gap between EU project promoters seeking financing and investors across the globe seeking investment opportunities;

#### ***Economic governance and fiscal framework***

49. underlines that, in order for our economies to attract more investments and capital, fundamental changes regarding the economic and fiscal framework are necessary, which need to be coupled with increased efforts to remove regulatory obstacles; even though economic governance and fiscal rules may not be directly considered an element of the investment environment or an obstacle to investment, they form an overarching framework in particular from the perspective of public investment;

50. is deeply concerned that public investment is often cut in times of crisis, since it is less visible and politically easier to decrease than many other types of public spending, in particular the fundamental investments in human capital, health and education that deliver high long-term returns; therefore stresses that future sustainable growth and well-being are dependent especially on improving the economic climate for start-up and growth companies as well as attracting private investments and maintaining long-term public investments which should be preserved even in times of fiscal consolidation;

51. observes that — even though the CoR supports a strong rules-based approach to fiscal policy — renewing public investment could be difficult within the constraints of the current fiscal rules, and thus stresses the need to look into a more favourable approach to investment, in particular but not limited to PPPs, that ensure both a full application of fiscal rules, while at the same time seek to maximise investment opportunities in Europe's regions and cities;

52. a good solution could be found within the current fiscal framework, notably in the debt brake of a structural deficit for the medium term objective (MTO) contained in the SGP and the Fiscal Compact. To ensure there is enough room to invest while respecting the fiscal rules there should be a fixed real deficit for public investments for local and regional governments; which would not be counted as part of the structural deficit to be measured against the MTO;

53. recalls, in this context, its opposition to the suspension of the ESIF as a direct consequence of macroeconomic conditionality in the framework of the Stability and Growth Pact, since this would have negative effects on the implementation of EU co-funded projects, and more broadly worsen the investment situation of the Member States and regions concerned;

54. reiterates the demand for public spending by Member States and local and regional authorities under ESIF and EIB co-financing not to be included in structural expenditure as defined in the SGP, given that such investments are by definition of general European interest and have a proven leverage effect when it comes to fostering economic growth;

#### ***Looking for solutions: increasing the potential for local and regional investment***

55. recalls that the CoR's top priority is to kick-start the EU's economy based on a bottom-up approach by stimulating targeted investment based on local needs, drawing on best practices at grass-roots level and encouraging a new entrepreneurial spirit; and stresses the need to create an innovative and entrepreneurial Europe that is citizen-focused;

56. stresses the CoR's commitment to support cities and regions to perform all of their roles better: by facilitating peer-to-peer practices tying together knowledge and stimulating match-making in increasing European partnering to, build up the necessary capacity to co-create high-quality and complex projects by using financial instruments, ESIF and EFSI, as well as others;
57. highlights the importance of data on currently existing investment projects at grassroots level, which is currently underdeveloped but is of great added value to all levels of governance; proposes, therefore, the establishment of a European Scoreboard on local and regional investment and calls on its members to share their projects, testimonials and concerns, in order to establish such a database;
58. highlights the need to continue the EU's work on cutting excessive red tape, in order to make the investment environment more accessible for new — but also already existing — businesses; underlines that, even though cities and regions can do much at their level to lighten regulatory burden, their actions must be complemented by initiatives at the national and European levels;
59. reiterates that investment is not just about transport and other infrastructure, but also needs to be targeted at human capital, skills, education, research and innovation, smart energy networks, housing, social and health facilities, and in support for the start-ups and scale-ups of innovative and dynamic enterprises;
60. recalls that investment plans should aim at creating a greener, smarter, more inclusive and more territorially-balanced economy for the EU to remain competitive on the global scene;
61. is committed to look for solutions with the private sector for more investments in cities and regions, which is also the key political message coming out of the Bratislava Declaration 'Invest and Connect' adopted by the CoR on 8 July 2016 <sup>(26)</sup>.

Brussels, 8 February 2017.

*The President  
of the European Committee of the Regions*  
Markku MARKKULA

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<sup>(26)</sup> See footnote 7.

**Opinion of the European Committee of the Regions — Fiscal capacity and automatic stabilisers in the Economic and Monetary Union**

(2017/C 207/04)

**Rapporteur:** Carl Fredrik Graf (SE/EPP), Member of Halmstad Municipal Council

## I. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

## II. INTRODUCTION

1. acknowledges that the euro was meant as a shield against exchange-rate fluctuation and was conceived as a tool for ensuring better long-term growth. However, its introduction has eliminated policy options for counterbalancing asymmetric shocks, including exchange-rate devaluation;
2. regrets that shortcomings have existed in the Economic and Monetary Union (EMU) since its design under the Maastricht Treaty, with the attribution of monetary policy to the European level while budgetary policy remains the responsibility of the Member States and is only framed by provisions for relatively light coordination of national policies;
3. considers that EMU exposed its vulnerability during the global financial and economic crisis when, in the context of excessive public and private debt levels, unsustainable imbalances led to a sovereign debt crisis, in which government borrowing costs dramatically increased in some Member States, jeopardising, in the absence of a proper fiscal backstop, the very existence of the euro area;
4. acknowledges the results achieved since the beginning of the crisis in the area of risk reduction and the many measures taken by the EU institutions to strengthen coordination of national fiscal policies;
5. notes that notwithstanding these efforts and the return to positive growth rates in several EU regions, due in large part to external factors, mere coordination of national fiscal policies has neither enhanced the national capacity to absorb economic shocks, nor prevented the emergence of an investment gap and rising levels of inequality within the EMU <sup>(1)</sup>, and that the policies have proved insufficient to trigger growth-enhancing, sustainable and socially balanced structural reforms;
6. recognises that the ECB has ensured the stabilisation of the economic cycle since the beginning of the crisis. The President of the ECB has called for integrated institutions, for a stronger and more proactive fiscal policy on a euro area scale and for euro area Member States to deliver on structural reform. While warning that monetary policy on its own cannot stimulate the economy, underlines that the current low interest rates are conducive for borrowing and investments. Fundamental structural reforms and ownership of them at the level closest to citizens and fiscal responsibility are the paving blocks to return to long-term, sustainable growth;
7. notes that the Five Presidents' Report on Completing Europe's Economic and Monetary Union points out that a shock absorption capacity at euro area level is needed to complement automatic stabilisers at national level, if and where necessary;
8. believes that in order to regain trust, the euro must deliver on its promise of stability, convergence, growth and jobs. A fiscal capacity could help in achieving such goals. Solidarity is closely linked to and dependent on responsibility, meaning that additional financial support at the euro-zone level should only be provided in the continuous presence of both fiscal responsibility and structural reforms;

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<sup>(1)</sup> Cf. Annual review of Employment and Social Developments in Europe, published by the European Commission on 20 December 2016.

9. reiterates its request that in all decision-making regarding the development of EMU, such as the introduction of a fiscal capacity and automatic stabilisers, the role of local and regional authorities in creating the conditions for sustainable growth should be fully recognised, and strengthened wherever possible, particularly as concerns the implementation of economic and social policies and structural reforms, the creation of a business-friendly environment which facilitates the creation of jobs, and the promotion of investment;

### III. GENERAL PRINCIPLES

10. reiterates its belief that, in the short term, completion of the Banking Union is the most effective instrument for preventing crises in the financial system and minimising the negative effects of economic shocks <sup>(2)</sup>;

11. believes that the Banking Union adds credibility to the ECB's principle that the financing needs of national banking systems must be uncoupled from the national public budgets and that a banking crisis in one country must not lead to a banking crisis throughout the EU;

12. stresses that local and regional authorities as well as economic and social partners must be included and involved in the discussion on the introduction of new instruments such as automatic stabilisers that aim to soften the impact of asymmetric shocks;

13. believes that the social dimension of EMU should be strengthened by following up on development indicators in individual regions and countries, with a focus on active labour market initiatives and structural social indicators. The social partners at regional, national and EU level should be involved in following up on these indicators;

14. takes note of the belief that fiscal capacity is necessary to equip EMU with a temporary shock absorption mechanism <sup>(3)</sup>. A possible fiscal capacity should not overlap with cohesion policy instruments but be complementary to those instruments;

15. considers however that a fiscal capacity at the EU level should not be designed in such a way that the risk of permanent transfers would arise, thus undermining the incentives for sound economic and social policy making and policy implementation at national or regional levels or incentives to address national or regional structural weaknesses. Accordingly, and to prevent moral hazard, it should be tightly linked to compliance with the broad EU governance framework and progress in convergence;

16. requests that Member States be required to demonstrate responsible economic policy in order to gain access to European economic stabilisation instruments. Use of these instruments should go hand in hand with the full implementation of structural reforms, with a view to greater convergence, coordination and integration, and stabilisation should not under any circumstances result in permanent, one-way flows between countries <sup>(4)</sup>. This assistance must be defined at European level and must be temporary, with a clear schedule;

17. highlights that the Stability and Growth Pact must be respected, as specified in the Commission Communication on making the best use of the flexibility within the Stability and Growth Pact of January 2015, and stresses the importance of each Member State having a sound economy and stable public finances, as a prerequisite for the necessary short- and long-term public investment;

18. considers further that in order to ensure there is enough room to invest while respecting the fiscal rules, there should be a fixed real deficit for public investments for local and regional governments, in addition to the medium-term objective (MTO) of a debt brake of structural deficit;

19. reiterates its call for more economic and social convergence and strengthening of good governance as they are crucial for preventing permanent transfers and moral hazard, and stresses that more convergence is needed;

20. at the same time emphasises that social, economic and territorial disparities both between Member States and within Member States can only be reduced through a concept that includes a territorial dimension. The concept of fiscal responsibility must not be reduced to the centralised application of common rules. Indeed, the more decentralisation and localisation in public expenditure, the more the incentives and the conditions for fiscal responsibility, reforms and attractiveness of investments;

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<sup>(2)</sup> Paul Lindquist's opinion on the Follow-up to the Five Presidents' report: Completing Europe's Economic and Monetary Union, adopted 7 April 2016, COR-2015-05112, point 24.

<sup>(3)</sup> Lindquist's opinion, point 35.

<sup>(4)</sup> Lindquist's opinion, point 33.

21. considers it necessary to address regional disparities in order to tackle social inequalities, boost growth and jobs, and improve competitiveness and cohesion within the EMU and the EU, and highlights the key role played by local and regional authorities as employers, investors, providers and enablers of services, planners, catalysts for and regulators of change, and investment partners;

22. points out that a high level of ownership of structural reforms on the ground by the relevant local and regional authorities is essential for their success, and highlights the territorial dimension of the European Semester. The Committee reiterates its call for the Commission and the European Parliament to adopt a code of conduct to guarantee that local and regional authorities are involved in a structured way in the European Semester, which is also a means of preparing structural reforms <sup>(5)</sup>;

23. urges Member States to implement the Capital Markets Union, which will enable capital flows across borders without threatening the stability of different regions and countries, and help businesses, and particularly microenterprises and SMEs, to access a wide range of funding sources, and thus contribute to reducing economic shocks <sup>(6)</sup>;

#### IV. BUDGETARY ASPECTS

24. notes that the euro was introduced without a fiscal support structure to handle imbalances in the euro area and that the EU budget is largely inappropriate for mobilising funding rapidly where needed to stabilise markets, refinance banks and deal with balance of payments crises;

25. calls on the Commission to allow for the option of using economic indicators for each region which identify its economic well-being in terms of public debt and its contribution to the growth of Europe's GDP, when framing future European economic and financial policies;

26. underlines the need for an intensive discussion about the structure and design of fiscal capacity and the need to reach a solution that is in line with demands for transparency and democratic scrutiny, and with the 'bailout ban' in Article 125 TFEU <sup>(7)</sup>;

#### V. CONSIDERATIONS FOR THE FISCAL CAPACITY

27. considers that two functions could be fulfilled; firstly, Member States' structural reforms could be incentivised in good economic times in order to foster economic and social convergence within the euro area and improve its economic competitiveness and resilience; and, secondly, differences in the business cycles of euro area Member States stemming from structural factors could be smoothed out by the creation of an instrument to address asymmetric shocks;

28. stresses that significant progress in sustainable structural reforms is needed in order to foster convergence, growth, jobs, and competitiveness so as to effectively prevent asymmetric shocks;

29. urges Member States to consider more fiscal autonomy for local and regional authorities as a way of creating ownership, and ensuring better implementation, of structural reforms;

30. considers that financial support from the European level, other than the existing cohesion policy instruments, for the implementation of agreed structural reforms in the Member States should be approached with caution. Any potential additional support should not overlap with, but rather should complement, existing instruments;

31. considers that financial support should be linked to the implementation of the country-specific recommendations and that the Structural Reform Support Programme (SRSP), which is designed to provide technical support to national authorities, could be further developed as a contribution to the structural reform function of the fiscal capacity;

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<sup>(5)</sup> COR-2016-05386-00-00-DT.

<sup>(6)</sup> Lindquist opinion, point 30.

<sup>(7)</sup> Resolution on a Sustainable future for the Economic and Monetary Union (EMU), point 21.

32. points out that it would be worth examining whether an additional tool to enhance structural reform, designed to provide funding in the form of loans for a Public Investment Strategy, would be useful. This could allow the identification of a pool of financing sources and investment projects needed to support the implementation of the necessary reforms;

33. believes, that, regardless of present efforts regarding convergence and sustainable structural reforms, asymmetric shocks with an impact on the stability of the euro area as a whole cannot be ruled out completely, given the strong integration of the euro area Member States; therefore stresses the need to have an instrument available to provide an immediate stabilisation effect in the event of emergencies;

34. highlights that local and regional authorities in some countries can be more vulnerable to the effects of asymmetric shocks, given their important role in the social welfare systems of Member States;

35. calls for the European Stability Mechanism (ESM) to be further developed and turned into a European Monetary Fund with adequate borrowing and lending capacity and a clearly defined mandate, including its possible contribution to a euro area fiscal capacity;

36. considers that the fiscal capacity should be subject to joint decision-making and implementation at the level of EMU, but should also be open on a voluntary basis to Member States outside the Euro area;

#### VI. FINAL COMMENTS

37. reiterates its request that it be involved in the preparation of the White Paper on the transition between phase 1 and phase 2 of the reform of EMU;

38. highlights the importance of ensuring that efforts to deepen monetary union also take account of the implications for non-euro countries;

39. stresses that any measures regarding the completion of EMU should be implemented as transparently as possible and with the democratic legitimacy of the currency union in mind.

Brussels, 8 February 2017.

*The President  
of the European Committee of the Regions*

Markku MARKKULA

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**Opinion of the European Committee of the Regions — Missing transport links in border regions**

(2017/C 207/05)

**Rapporteur:** Michiel Scheffer (NL/ALDE), Member of the Executive Council of the Province of Gelderland**POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS

1. points out that European integration can be seen first and foremost at borders. Open borders and infrastructure that connects people are at the heart of the European idea. The development of border regions in Europe is therefore largely determined by the availability of infrastructure that facilitates links between cities, businesses and people on both sides of the border.

The recent refugee crisis leading to the closing of borders poses for many regions along the borders new challenges for an integrated development of the region.

2. Border regions are increasingly recognised as functional regions that can only exploit the potential for growth and employment if there is sufficient connectivity between both sides of the border and the European network. The impact of migration in border regions should be assessed in a balanced way taking into account the interests of cross-border workers, shoppers, SMEs and tourists.

3. Cooperation between regions and countries should also aim to facilitate employment on both sides of the border. Development of infrastructure and high-quality transport links acts as an incentive for people living in border regions to take up jobs that match their education, even if this means a longer commute to work. This would improve the employment rate as well as the match between qualifications and labour market needs, thus making better use of human capital potential. It is not only a question of the accessibility of economic centres but also of the accessibility of facilities.

4. This opinion focuses on cross-border rail and road links, and to a lesser degree, water links. It only deals with border regions within Europe. However, and having regard to its opinion on aviation strategy<sup>(1)</sup>, the CoR has not forgotten the importance of both air and sea connections between the peripheral and island regions, the outermost regions and neighbouring cross-border regions, and calls on the Commission to ensure that the forthcoming review of TEN-T will take this into account.

5. Missing links in border regions are part of a broader issue, namely the lack of financial resources for developing local and regional infrastructure. Innovative thinking is needed to solve mobility challenges in border regions.

6. In recent years, the European Union has primarily focused on delivering centralised solutions for the large-scale trans-European transport network, specifically through the Connecting Europe Facility (CEF), but also Horizon 2020. There are relatively few resources available for decentralised tools such as the Interreg programme for bridging missing small-scale links in Europe's border areas, even though these programmes are much better at taking into account the local needs of the cross-border region in question.

7. The Connecting Europe Facility (CEF) for the 2014-2020 seven-year period has already funded numerous projects of significant value for EU mobility, and most of the relevant resources have already been allocated. It would therefore be highly advisable to renew the CEF's economic commitment by increasing its finances, in part by encouraging initiatives to implement the comprehensive network and the system for linking up with the TEN-T network in border areas.

<sup>(1)</sup> COR-2016-00007.

8. A key task is therefore also to explore and offer financial support for establishing, developing or reopening cross-border transport links, shifting towards more uniform treatment of states with regard to co-financing methods. The Member States nevertheless have a special role to play in financing work.

9. The TEN-T network is crucial for the sustainable development of Europe's regions. The overwhelming majority of financial resources go to the key corridors of the TEN-T network, but links with local and regional comprehensive networks should not be forgotten. The European Commission's CEF call made in October 2016 specifically for cross-border links is greatly welcomed as a first step.

10. This CEF call on missing links is a good example of the possible outcome of inter-institutional cooperation between the European Commission, the European Parliament and the European Committee of the Regions, the Member States and the autonomous communities or regions affected in defining common challenges in border regions, describing possible solutions and providing the necessary means to address these challenges. This cooperation could serve for drawing possible conclusions for the future design of CEF beyond 2020 and be a model for similar activities in other EU policy fields.

11. The review of the EU's multiannual financial framework at the end of 2016, and the discussions currently taking place regarding the design of cohesion policy after 2020, offer an excellent opportunity to bring forward some new proposals for EU support for building missing infrastructure in border regions. In accordance with the subsidiarity principle, the most appropriate solution would be to enable this infrastructure (including small-scale infrastructure) to be funded as part of the cross-border cooperation programmes (Interreg A) and to increase the resources allocated to it accordingly.

12. The study on 'The potential of closing missing links of small scale infrastructure in Europe's border regions for growth and employment'<sup>(2)</sup> identifies a number of case studies that endorse this view.

### **Opportunities for economic development**

13. Border regions are often seen as peripheral, but they can be an economic hub. A well-functioning mobility system is a precondition for regional economic growth and territorial cohesion, and for developing the potential of cross-border functional regions. There are still many gains to be made through economic development and the growth of jobs, particularly in border areas.

14. Highlights the fact that many border regions benefit from cross-border trade. Improving accessibility and the quality of road, rail and waterway links would indirectly help solve socioeconomic problems, including cutting unemployment and improving people's standard of living. These aspects should be considered matters of priority when accessing the border financing mechanism.

15. Tourism can serve as a driving force for improving infrastructure. Conversely, improvements in infrastructure can also lead to more tourism. These kinds of catalyst should be used for development. In particular, it is important not to neglect the role of cross-border cycle networks when developing tourism.

16. In the case of cross-border links, it can take longer for market demand to develop. Higher costs also create a delicate cost/benefit balance, particularly during the start-up period. This must be taken into consideration in the financial engineering of projects. The financial engineering of projects is also of paramount importance in terms of return on investment and because of the impact on economic activity of the infrastructure investments carried out under cross-border cooperation and transport development programmes. The varied composition of the funding sources, the amount of own contribution, the rate of funding for activities and the costs for consortium members are also determining factors when it comes to projects. With all these factors in mind, the Committee advocates that — where the work on transport infrastructure is considerable for both countries involved — guidelines be adopted for each border area, together with a single set of rules, common to the Member States, for even more effective financial eligibility for projects.

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<sup>(2)</sup> <http://cor.europa.eu/en/documentation/studies/Documents/Potential-missing-link.pdf>

### **Infrastructure and services**

17. Bridging missing links involves building infrastructure but also facilitating services such as new links for public transport and for the transport of goods. It may also involve reopening existing lines. Market demand has a significant bearing on the feasibility of these new links.

18. Solving missing cross-border links requires an integrated approach for the transport of both goods and passengers, and for all transport modes: road, rail and water. Special attention must be paid to barrier-free cross-border ticketing and information, favouring intermodality. To this end, it is essential to involve and coordinate the various companies operating these links, especially the state-owned companies, as well as the states and regions in their areas of competence.

19. A first step is to improve the coordination of public transport timetables in border regions. A second step could be to create cross-border concessions for public transport.

20. Slow means of transport such as cycling can play an important role in border regions. Cycling often serves as a complementary mode of transport alongside public transport. It is becoming more and more popular and competitive, especially in towns and cities suffering from congestion. A cross-border approach and a cross-border network of high-quality cycling infrastructure are therefore necessary. Developing transport linked to the EuroVelo cycle route networks also helps to improve the accessibility of tourist destinations and as such can be considered a social and economic objective.

21. Integrated planning is also recommended in more rural and less economically developed areas in order to remove barriers to accessing workplaces and facilities

### **The need for multi-level cross-border cooperation**

22. Border crossings must be situated not only on the main infrastructure network, but also on comprehensive networks. This allows for more flexible commuting and makes jobs on the other side of the border accessible. Creating a seamless mobility system requires stronger cross-border cooperation between all levels of government and relevant partners.

23. It will also require a joint political initiative from the European Parliament, the European Commission, the European Committee of the Regions and the Member States, which could include the following elements:

- using the ongoing cross-border review of the European Commission to remove existing obstacles to cross border transport solutions. The Committee of the Regions is committed to playing an active role in overcoming these barriers;
- setting up a platform for assessing existing projects and disseminating guidelines and best practice;
- developing a common project pipeline for transport infrastructure in border regions with the strong support of DG Move of the European Commission, promoting knowledge exchange and cooperation on cross-border mobility challenges;
- using the Interreg A programmes to facilitate the better planning of cross-border infrastructure, facilities, and service integration, and making more use of a European Grouping of Territorial Cooperation (EGTC) for the implementation of cross-border investments, including at borders between Member States and third countries, and particularly for developing cross-border sections of transport infrastructure and other cross-border cooperation structures which through their institutional activities contribute to this planning.

24. The initiative could include a common project pipeline for transport infrastructure and for harmonisation of operating standards in border regions. This can be politically monitored and supported through policy.

DG MOVE could play a role in coordinating initiatives, knowledge exchange and cooperation on cross-border mobility challenges and the project pipeline.

25. Interreg can offer more than funding; it can also facilitate the better planning of cross-border infrastructure and facilities. Cooperation through Interreg A can play an important role in coordinating and solving cross-border mobility challenges.

26. The implementation of investments could be improved by making more use of a European Grouping of Territorial Cooperation (EGTC). This also has advantages when developing cross-border sections of transport infrastructure.

### **Early public participation**

27. Involve the public at an early stage when developing cross-border projects. This is vital for the success of the projects and helps ensure acceptance. It also raises public awareness of the opportunities that exist in the border area.

28. Take account of changing attitudes to open borders when developing cross-border links, particularly due to the refugee crisis, unemployment and rising nationalism.

29. Initiatives to integrate communities living in the border regions between EU Member States, and border regions of countries neighbouring the European Union, should be promoted. Supporting networks of transport links would contribute to better mutual understanding. These improvements will bring people and companies closer together with a beneficial effect on the quality of life of people on both sides of a border.

### **Technical and regulatory harmonisation required**

30. Technical, regulatory and funding-related harmonisation is necessary to ensure well-connected cross-border infrastructure which the various Member States approach in the same way. Above all, railway lines and links need to be standardised, e.g. electrification and European safety systems (ERTMS), or problems relating to different railway track gauges in many eastern European countries. As far as standardisation of technical aspects is concerned, it is also worth mentioning the removal of obstacles to the communication and dissemination of information and the creation of a common platform to provide information to users, online ticket sales and modernising transmission of data relating to infrastructure. In order to achieve these objectives, it will be essential to involve and coordinate the state administrators of rail infrastructure responsible for these cross-border links.

31. In addition to technical harmonisation, the harmonisation of regulatory measures and of authorising procedures is also necessary, in order to align timeframes for implementing cross-border interventions. Granting cross-border concessions for public transport can serve as a catalyst for improving the cross-border mobility system. Much more work must be done with regional cross-border transport areas and cross-border transport authorities.

32. Applying and possibly expanding on the proposal by Luxembourg to introduce a 'tool for the attribution and application of specific provisions in cross-border regions', which would allow the application of legal and technical provisions of one country in a bordering country, in the case of small stretches of cross-border transport links. This could reduce technical barriers and costs. The CoR invites the Commission to consider the proposal for a European cross-border convention on specific provisions in cross-border regions, evaluate the possible use of this convention and put forward a proposal suggesting ways that it could be implemented.

### **Infrastructure opens borders and deserves to be funded**

33. The vast majority (95 %) of EU funds (TEN-T-CEF) now go to the core corridors of the TEN-T. Small projects on the comprehensive network and interventions linking up with the TEN-T network, although essential to solving specific problems and to the development of cross-border connections and economies, are now often not eligible for (co-)financing, or for national financing. This is partly due to the border location. Domestic routes and connections often have more volume.

34. Coherent packages of relatively small projects could make a considerable contribution to eliminating barriers in border regions. Smaller cross-border infrastructure projects should therefore be as high on the European agenda as larger TEN-T projects. Together with infrastructure interventions, there should be a special focus on initiatives to develop services and initiatives that are coordinated between bordering states in order to manage demand for mobility, such as steps to deter

the use of private vehicles and encourage the use of public or shared means of transport. Investment in infrastructure also requires an own contribution, in tandem with EU resources. Small and large projects financed by EU funds (ESI Funds) require an own contribution from the project partners. This contribution should also be supplemented at Member State level by varying amounts of national (co-)financing, based on the Member State's division of responsibilities. Cross-border projects and the financial stability of the consortium partners are the guarantees of successful implementation and raising of funds.

35. Regarding goods transport, it can be useful to promote steps to harmonise road traffic rules, through initiatives to reduce the impact on road traffic of restrictions in force in some states, and to encourage the development of rail-to-road intermodal terminals to serve cross-border traffic.

36. Alternative financing models can help. The simplification of public procurement rules and state aid rules is essential in this context. When planning the use of direct Union resources, uncertainty may arise — from the development phase of the project onwards — about the guarantees of own contributions from state and non-state entities. Given the large scale of infrastructure investments, it could be worth considering setting up a fund of own resources for the development of transport and aid for the development of projects, as well as common and national funds. In the case of cross-border cooperation projects, problems may arise for partnerships from the planning stage onwards due to a lack of own contributions.

37. The European Fund for Strategic Investments (EFSI) offers innovative financing opportunities for mobility and infrastructure projects in border regions. The CoR therefore welcomes the increased focus of EFSI 2.0 on financing more cross-border and sustainable projects.

38. The EFSI works better when cross-border financial organisations or cooperation are in place. It should be explored how EGTC could be suitable structures and how they can be capitalised in order to be eligible for EFSI and/or EIB support.

39. Regarding the EFSI, further financial instruments should be developed in relation to guarantees so as to facilitate interventions of cross-border value which, while essential with a view to networks and enhancing mobility and networks, offer poor prospects of profitability.

40. The electrification of existing and well-used rail infrastructure may lend itself well to coordinated use of the EFSI.

### **Geography and costs and benefits are important**

41. Not every border region has the same characteristics and is at the same level. There are metropolitan border regions and more rural border regions. The geographical location and naturally-occurring barriers have a bearing on the possibilities for introducing adequate and efficient cross-border links, as well as being factors that should favour more rural or peripheral regions, which are in a strategic position and have few cross-border links. The different levels of regional development mean that economic and social phenomena in regions bordering third countries — in particular the employment situation — have a significant impact on the economic development efforts of border regions.

42. In regions with islands, ferries are often the only link with the surrounding area. Specific attention should be paid to this.

43. Particular attention must also be paid to cross-border mountain regions, since some mountain ranges constitute border barriers which are difficult to access and require specific and costly infrastructure (viaducts, tunnels, etc.). Better rail connections in mountainous areas can significantly reduce CO<sub>2</sub> emissions and improve air quality as well as optimise touristic potential and thus contribute to demographic and environmental viability of mountain regions.

44. Carry out cost-benefit analyses, as well as preparations to ensure the success of development projects, when developing and deciding on cross-border projects. An infrastructure link such as a railway line is often very expensive. Thought should be given when implementing projects to tendering, legal, financial and risk analysis procedures, which often differ between the Member States. The operating costs of the rail link must also be taken into consideration in the decision process.

45. Avoid relying solely on short-term business cases. Also consider the more strategic value of new links that could serve as a catalyst for developments in (peripheral) border regions. This is why, for cross-border projects, account should be taken, starting from the stage of planning and analysis of the costs of the infrastructure, of the transport development strategies adopted by the Member States and the related national development strategies for environmental protection, technological research and innovation, and coherence with these should be ensured.

Brussels, 8 February 2017.

*The President  
of the European Committee of the Regions*  
Markku MARKKULA

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**Opinion of the European Committee of the Regions — Regeneration of port cities and port areas**

(2017/C 207/06)

**Rapporteur:** Stanisław SZWABSKI (PL/EA), Member of Gdynia City Council

**POLICY RECOMMENDATIONS**

## THE EUROPEAN COMMITTEE OF THE REGIONS

1. Stresses that port cities and areas are an essential element of the economic system of the European Union (EU) which, against a background of increasing globalisation, greatly affects the opportunities for reviving the economy, improving efficiency, promoting innovation and ensuring long-term competitiveness.
2. Points out that technological changes in maritime and inland waterway transport are leading to the geographical concentration of port operations and affecting the importance of numerous small and medium-sized ports, leading to the loss of their economic functions and the deterioration of port areas and the urban areas linked to them.
3. Points out that the tendency to liberalise the management of ports is important in helping improve their efficiency, which in turn helps in the competitiveness of the European transport sector. Takes note in this context of concerns over liberalisation, potentially making it more difficult for ports to provide services of general economic interest (and other port functions which are an essential part of the operation and development of port-city complexes). However, Article 345 TFEU stipulates that the Treaties shall in no way prejudice the rules in Member States governing the system of property ownership and EU regulations do not impose a specific port management model on the managing bodies of ports.
4. Believes that efforts so far made at local and regional level to revitalise port cities and areas, including islands, require more intensive and targeted support from cohesion policy and other EU policies, in the spirit of, and making use of the opportunities created by, the Territorial Agenda, the Urban Agenda, the Leipzig Charter and the Pact of Amsterdam.
5. Welcomes the principles laid down by Article 15 of the Ports Regulation and, without putting into question the agreement reached, invites the European Commission to provide for further guidance when it comes to its implementation. Points out that commercial port operations are carried out by private operators and that there is a need for port authorities to consult with private operators on port developments.
6. Calls for dialogue between the managing authorities of ports, shipowners, waterway authorities, private terminal operators and their European and regional groupings on the one hand, and the local and regional authorities of coastal, island and riverine areas on the other, aimed at designing flexible, compromise-based solutions for revitalising all types of maritime and inland ports cities and areas.

**PROBLEMS AND CHALLENGES****The importance of ports and port cities for the EU economy**

7. Realises that seaports, and particularly the 104 TEN-T core network ports, remain the main gateways to the European economic area, and that their links with ports and port cities of global significance (e.g. in China) are of fundamental importance for maintaining and improving the competitiveness of the EU economy, and thus prosperity and social harmony.
8. Realises that inland ports, and particularly the 79 TEN-T core and comprehensive network inland ports function as nodal points for regional and local economies. They serve as efficient multimodal nodes on the European inland waterway corridors. They are the interface between the intercontinental/maritime transport leg and the land modes of transport (rail, road and IWT); they serve as extended gates for seaports.

9. Highlights that some European local authorities, especially those in rural and island communities, also act as functioning harbour authorities with a broad range of responsibilities to support coastal societies, promote economic development and develop well-functioning and sustainable marine ports. Regional and local authorities can provide crucial public interventions in the effective management of ports.

10. Draws on numerous empirical studies showing that the reciprocal relations established over centuries between European ports and port cities have recently been undergoing drastic change as a result of the increase in the size of cargo and passenger ships and the ongoing process of containerisation and the geographical concentration of port functions.

11. Points out that, despite the overall growth in maritime transport, many European port cities and the regions linked to them are losing economic functions and jobs, and inner-city port areas are deteriorating.

12. Reiterates that due to the current low economic cycle and prognoses, further innovation, automatisation, digitalisation and untapping the potential of new continental and sustainable markets like the circular economy and bioeconomy are important requisites for future economic growth;

13. Stresses there is a need for a stable investment climate and continuous EU funding for innovative projects and initiatives. Supports bottom-up initiatives and ideas like the long-term European IWT platform between public and private stakeholders and governmental institutions supporting research and innovation in order to improve the port-city relations and improve the innovative capacity of the sector.

14. Draws particular attention to the process whereby the positive external effects created by ports, even the largest ones, are being lost to distant regions and cities, also outside Europe, as a result of globalisation; on the other hand, welcomes the diversification of previously deteriorated ports in attracting new economic activity and generating positive spillover locally.

15. Notes that, in view of the need to reduce pressure on the roads and the EU objective to shift 30 % from the road to rail and waterborne transportation by 2030 (White Paper on transport, 2011, COM(2011) 144 final), the developed network of inland waterways and the many related inland ports have the potential to take on a greater role in improving links between seaports and their hinterland.

16. In addition, notes the role of medium-sized ports belonging to the TEN-T network, along with small ports in the islands, archipelagos and the outermost regions, as drivers of economic growth. They are also key to territorial cohesion in the EU. They should therefore have significantly better access to funding under the Connecting Europe Facility.

17. Considers that increasing the efficiency and competitiveness of sea and inland ports, improving the operation of port cities and revitalising port areas are of key importance for solving the current development problems of the EU and its Member States and regions, and for global re-industrialisation.

18. Considers moreover that greater support for the upgrading of port cities and areas under cohesion policy and other sectoral policies would act as a catalyst for economic, social and territorial development in the EU.

## **RECOMMENDATIONS**

### **Types of port-port city complex**

19. Points out that European sea and inland ports and port cities are highly diverse with regard to size, geographical location, potential and cargo-handling specialisation, other related economic functions and their importance for the city economy.

20. Notes that relations between local, regional and metropolitan coastal cities and ports with a small, medium-sized or large cargo-handling business create different kinds of problem requiring different approaches, and suggests that the

European Commission, when suggesting policies designed to address these problems, take account of these differences, and of the views of stakeholders in the maritime economy and of the local and regional authorities of coastal areas in line with the principle of subsidiarity.

21. Notes that the domination of a city by a port or vice versa generally leads to development disparities in the port-city complex, which are detrimental to both parties; this problem needs to be tackled, in accordance with the Territorial Agenda, by developing joint ventures between economic operators in the maritime sector, industry and services, and urban and regional authorities, with the support of legal and financial instruments in the framework of coordinated EU sectoral policies.

### **An integrated approach to upgrading port cities and areas**

22. Realises that port areas are a special kind of area, in which numerous economic activities, and the needs and interests connected with them, are concentrated in a very confined space, creating a complex territorial, economic and social unit and leading to inevitable contradictions and conflicts that require a special, integrated, partnership-based, multi-level approach.

23. Points out that many European ports, particularly those dating from the 19th century, in effect constitute port-industrial districts, which are home to manufacturing businesses reliant on access to the water and businesses involved in processing raw materials and semi-manufactured products trans-shipped in the port, as well as many service activities linked to shipping, cargo handling and other port activities such as fishing and aquaculture, recreation and energy production.

24. Points to the need to ensure good coordination between ports in a single administrative region as well as greater cooperation between ports along a single coastline, regardless of the region to which they belong.

25. Highlights the need to improve institutional relations between port areas and cities and recommends setting up port-city integration committees, following best practice on the part of European ports where such committees exist, comprising the local, regional and port authorities.

26. Calls for TEN-T Corridor Forums to address links between port cities and areas and recommends that specific platforms be created for port cities defined as urban nodes.

27. Stresses that the upgrading of port cities and areas must take account of a whole range of factors in an integrated way: the strategic management of port cities, synergies between port cities and in port-city-coastal region relations, public incentives and investments, diversification of the economic structure of port cities and areas, links with terrestrial and inland waterway transport, links with rail transport, environmental problems, spatial planning of ports, cities and coastal areas, linking ports to the life of urban society.

28. Points out that the need for balanced development of port cities requires innovative, integrated solutions, in accordance with the principles of the integrated development of cities in the EU and taking account of the economic, social and environmental aspects of these areas.

### **Need for synergies in port-city relations**

29. Recognises that, despite the observed trend for modern large-scale container terminals to move away from port areas located in cities and often city centres, synergies in port-city relations are being transformed, but not weakened, especially with regard to transport links with the hinterland, telecommunications and electrical energy infrastructure, access to urban services, skilled workforces, security, and also highly specialised port services and business environments.

30. Stresses that synergy effects in port-city relations need to be identified and enhanced. Where necessary, soft law policy instruments, such as the creation of the conditions for the exchange of experience, communications, codes of conduct, guidelines may serve as useful instruments.

**Incentives and public investment in port areas**

31. Notes that port areas where cargo handling or waterfront industrial activity has been reduced or has disappeared are, on the one hand, a serious burden for port cities, but on the other hand also a great development opportunity, and that the relationship between opportunity and risk depends mainly on the type of port-city complex.

32. Points out that former port and waterfront industrial areas nearly always require expensive, time-consuming and difficult technical and environmental upgrading, and that the surrounding urban areas may require social upgrading, a basic and necessary condition for making them available for investment. Investments supporting upgrading and promoting transformation may be essential.

33. Calls for legal instruments providing legal and financial support for the technical and environmental upgrading of these areas to be created in the process of implementing the Urban Agenda and the Pact of Amsterdam.

34. Ports are also important economic, cultural and historical lifelines to rural, island and peripheral areas. Expanding tourism, cruises and sailing activities that maximise natural and cultural heritage is key to growth. In more rural, island or remote communities the importance of town centre regeneration and investment can be even more vital.

35. Suggests that it be made possible to establish institutional solutions similar to special economic zones in former port and waterfront industrial areas, while maintaining the principle of subsidiarity, as well as financial transparency and laying down clear criteria for State aid.

36. Also highlights the opportunities for making use of existing experience and public-private partnership solutions developed at EU and Member State level, particularly in urban waterfront areas.

**Private investment in port areas**

37. Points out that ports are part of the EU's public transport infrastructure and that they are usually managed by the national, regional or local authorities, a situation which should continue given the need to stimulate economic growth at EU level and ensure that it is sustainable.

38. Realises that the revitalisation of port areas and the related economic regeneration of port cities require investment on a scale which is well beyond the scope of public budgets, and that the participation of private investment, and thus also financial institutions, is therefore required. Therefore urges public authorities at all levels across Europe to ensure a policy mix that is attractive to such investment. This way, public budgets, especially those being seriously stretched, can be better targeted at those cases where market forces alone cannot provide adequate responses.

39. Stresses that, in view of the varying importance for the EU and level of development of ports and port cities, balancing the public and private interest requires a case-by-case approach and compromises aimed at ensuring long-term mutual benefits.

40. Calls on the European Commission to draw up measures providing for private investment in port areas that guarantee economic freedoms, equal treatment of parties, financial transparency and clear criteria for public aid, while also taking account of long-term regional and local interests.

**Functional diversification of port cities and areas**

41. Points out that, as a result of ongoing globalisation and technological change in maritime and terrestrial transport, the position of many European ports and port cities in national and regional settlement, transport and economic systems is changing.

42. Points out that these changes are leading not only to the weakening of the economic base but also to functional diversification of cities and their local communities and the need to upgrade abandoned port and waterfront industrial

areas. Stresses that the new economic functions of ports and port cities do not always require a coastal location, but investors choose them because of their good urban communications, existing infrastructure and their landscape and cultural attractions.

43. Particularly emphasises that many European sea and inland waterway ports have major cultural assets and, in view of their specific features, require special activities under programmes and projects designed to conserve European cultural heritage.

44. Considers that programmes and instruments aimed at supporting the upgrading of former port and waterfront industrial areas should support private and public projects aimed at more efficient use of these areas, even if the programmes and instruments are not linked to the maritime economy and water transport.

#### **Importance of transport links between a port and the port city and its hinterland**

45. Points out that the limitations on the development of European seaports derive to a great extent from their inadequate transport links with their hinterland which hinders the efficiency of transport and logistics chains. Therefore, encourages a better linking of ports and port areas with all other transport modes, particularly rail, and hosting added value activities in order to contribute to the sustainable development of their territories.

46. Points out that with a view to integrated logistics, an efficient transport network necessarily requires the establishment of logistics platforms in inland areas for storing, sorting and keeping goods, as well as meeting intermodality requirements.

47. Considers that the European Commission should support projects to improve transport links between existing and planned ports and their hinterland, as well as the connectivity of remote, island and outermost areas, particularly by creating a legal framework and new financial instruments; to this end, existing transport links should be modernised under TEN-T and TEN-R together with the trans-European networks for energy (TEN-E) and telecommunications (TEN-Telecom), taking account of the needs and interests of port cities in the area of urban and regional transport.

48. Coastal regions especially with ports have great potential to become centres of excellence for renewable energy, sustainable tourism and creative industries, given their natural assets. However, coastal areas are often in peripheral and outermost regions, requiring the development of infrastructure to link them to the core EU single market and to the rest of their own regions.

#### **Environmental aspects of the operation and development of ports and port cities**

49. Notes that the operation and development of ports lead to numerous serious environmental problems affecting not only the port cities themselves but also whole coastal and estuarine areas: disturbance of the natural balance and building in riparian zones, water pollution, degradation of aquatic ecosystems, and at local level — the generation of waste, including toxic waste, bacteriological risks, noise and damaging atmospheric emissions.

50. Points out that former port and waterfront industrial areas are usually seriously polluted and require environmental rehabilitation, which should receive special support from environmental programmes and projects at various levels, including those aimed at protecting the environment and coasts and riverbanks. This applies in particular to terminals handling crude oil, oil products, natural gas and the related processing installations, which cause particular environmental risks.

51. Stresses that the construction of new trans-shipment terminals, usually far from existing port areas, generally leads to serious environmental damage, which requires particularly careful planning with the participation of local and regional authorities, social stakeholders and environmental organisations, with a view to minimising damage of this kind and providing for possible remedial environmental measures.

52. Risk assessment and safety management systems where the workforce are supported are of utmost importance in the continued operation of ports, marinas and harbours. Reputational damage in this regard cannot be afforded to EU ports and surrounding areas.

53. Points out that Directive 2014/94/EU introduces the obligation to install alternative fuels infrastructure in ports, requiring that LNG (liquefied natural gas) and electricity be made available on the quayside by 31 December 2025. These new provisions are completely justified on grounds of environmental considerations and public health in port cities, but require European financial support which should be included in the transport package both immediately and primarily in the post-2020 programming period.

54. Points out that environmental issues should be a permanent aspect of all EU programmes and projects aimed at revitalising port cities and areas, in connection with programmes and projects aimed at environmental conservation, particularly conservation of the marine and aquatic environment.

#### **Involving ports in the life of port cities**

55. Points out that, because of the technical and economic conditions of the time, historic port areas are generally adjacent to city centres and are sometimes their most attractive feature.

56. Recognises that, as a result of the decentralisation of many functions to city outskirts, many European city centres require technical, economic and social upgrading, in order to make them more attractive for residents, businesses, catering establishments, cultural amenities and public and social institutions.

57. Sees an opportunity for an integrated approach to run-down city centre areas and former port and waterfront industrial areas requiring upgrading and support in accordance with the aims of the Urban Agenda and the Pact of Amsterdam.

58. Stresses that the involvement of the local community and the conversion of at least part of the revitalised area into public spaces which are accessible both to permanent residents and tourists are key to the success of this kind of project.

59. Points out that, when upgrading port areas, greater use should be made of European, national and regional programmes and projects aimed at shaping public spaces and supporting local communities.

#### **Strategic and spatial planning — sea, coasts, port cities and areas**

60. Recognises that effective upgrading of port cities and areas requires close cooperation between all stakeholders (private, public and social) and innovative solutions with regard to the strategic and spatial planning of coastal areas at local and regional level, regarding sea basins, inland waterways, port cities and coastal areas.

61. Recognises that lack of coherence in the principles and procedures of strategic and spatial planning and the management of port areas seriously hinders their revitalisation, requiring support, exchange of experience and possible EU soft regulation.

#### **The Urban Agenda for the EU and the Pact of Amsterdam in relation to the problems of port cities and areas of different sizes**

62. Calls for the Urban Agenda for the EU to take account of the geographical and functional differences between cities, including the specific development problems of port cities, which should be addressed by means of further work on their implementation.

63. Welcomes the fact that both documents are based on the partnership principle and the decisive participation of urban authorities, civil society organisations, knowledge and innovation institutions and business.

#### **FINAL CONCLUSIONS AND RECOMMENDATIONS**

64. Considers that while the problems of ports and port cities fall primarily under the responsibility of the regional and national authorities, there can be benefits from effective cooperation and support at EU level. It is important to continue developing the various trans-European networks — TEN-T, TEN-E and TEN-Telecom, with a particular focus on modernising transport links, with TEN-R as a priority — without ruling out the creation of new ones.

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65. Recommends that EU policies in the areas of transport, the maritime economy and protection of the marine and aquatic environment take account of the development challenges of ports and port cities.
  66. Recommends that, in the course of further work on the implementation of the Urban Agenda and the Pact of Amsterdam, account be taken of the specific features of the operation and development of port cities.
  67. Recommends that the rail links of ports and port cities in peripheral regions be expanded and upgraded.

Brussels, 8 February 2017.

*The President  
of the European Committee of the Regions*

Markku MARKKULA

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**Opinion of the European Committee of the Regions — Partnership Framework with third countries  
on migration**

(2017/C 207/07)

**Rapporteur:** Peter Bossman (SL/PES), Mayor of the Municipality of Piran

**Reference document:** Communication from the Commission to the European Parliament, the European Council, the Council and the European Investment Bank on establishing a new Partnership Framework with third countries under the European Agenda on Migration

COM(2016) 385 final

#### **POLICY RECOMMENDATIONS**

##### **General context**

According to the UNHCR, there are over 60 million refugees and displaced persons worldwide, half of which are from two regions of the world: the Middle East and Africa.

The International Organisation for Migration estimates that more than 1,2 million migrants arrived in Europe by sea in 2015 and almost 35 000 by land. This compares with 280 000 who arrived by land and sea for the whole of 2014. These figures do not include those who got to Europe undetected.

While the EU agreement with Turkey has considerably reduced the numbers of migrants by boat from Turkey, the flow from the northern coast of Africa has once again increased. Niger in West Africa is the main crossroads for migrants from western and central Africa: as of May 2016 it is estimated that more than 16 000 people per week transit through Niger on their way north. By some estimates there are thousands of migrants in Libya looking for ways to enter the EU.

The Committee of the Regions has been prominently advocating the adoption of a holistic approach to migration, allowing for a more decentralised and efficient management of migration movements. The CoR is fully committed to the 2030 Agenda for Sustainable Development's recognition that international migration is a multidimensional reality of major relevance for the development of countries of origin, transit and destination, which requires coherent and comprehensive responses.

The CoR is further committed to implement obligations stemming from four pillars of migration management according to the EU Agenda for Migration of 2015: reducing the incentives for irregular migration, improving border management and security of EU external borders, including efforts to prevent perils at sea involving migrants, implementing a strong common asylum policy and introducing a new policy on legal migration.

The CoR has pointed out that the root causes of irregular migration, including economic or social causes, should be tackled by the EU at the source.

The CoR supports regional and local cooperation to ensure safe, orderly and regular migration, involving full respect for human rights and humane treatment of migrants regardless of their migration status, of refugees and of displaced persons, as emphasised in the 2030 Agenda for Sustainable Development.

#### **THE EUROPEAN COMMITTEE OF THE REGIONS**

1. Welcomes the communication on 'Establishing a new Partnership Framework', as it underlines the fact that the migration problem is complex and has to be tackled on different levels. Points out that asylum is a fundamental human

right protected by international law and by international obligations that are binding on all the Member States. Therefore urges the EU and the Member States to set up safe, legal routes for refugees such as humanitarian corridors, visas on humanitarian grounds and enhanced family reunification. The Member States should examine the possibility for asylum applications to be submitted in their embassies and consulates.

2. Recognises that the communication encompasses an innovative approach based first and foremost on cooperation with third countries, taking into account both the EU's interests and the interests of the partner countries, in order to ensure a better management of migration.

3. Supports and acknowledges the need for the EU to speak with a single voice and to involve all relevant stakeholders and institutions. Local and regional authorities can and should play a role in the joint effort with the EU and national level and with third countries to implement comprehensive migration partnerships (compacts), especially those regions and municipalities with a significant diaspora population from the countries covered by the Partnership Framework.

4. Agrees that much more needs to be done as the EU is still faced with a humanitarian crisis. Third countries and EU partners are sheltering millions of refugees, many of them unaccompanied minors, forced to leave their homes, as well as many economic migrants who aspire to come to Europe. In that regard, international cooperation between the EU and third countries has to take on a new dimension and introduce additional instruments tailored to respond well to recent and upcoming migration challenges.

5. Urges the European Commission to encourage all actors — Member States, EU institutions and key third countries — to work together in partnership to bring order into migratory flows and to prevent dangerous sea journeys for asylum-seekers and undocumented economic migrants in the hands of human smugglers or traffickers. At the same time, the CoR is aware of the urgency in tackling and removing the root causes of irregular migration and forced displacement in countries of origin. International, national, regional and local cooperation is crucial for making a common European migration policy a reality, in line with the European Agenda for Migration.

6. Recognises that migration and development policies are closely linked. This link has been an essential part in the discussions around the post-2015 UN development agenda decided in September 2015 in New York. Effective and humane migration management must be considered crucial for the successful implementation of the agenda. The CoR is well aware of benefits and opportunities of safe, orderly and regular migration for migrants, countries of origin, transit and destination. In addition, it emphasises the importance of involving diaspora populations in the development of their countries of origin. It is also aware of the detrimental impact of irregular migration to migrants and the obligation of countries of origin to receive their nationals in readmission and return procedures, in line with the EU Return Directive and international instruments.

7. Reiterates its support for the European Agenda on Migration presented in 2015, which indicates the various actions that have to be taken in parallel to address both the external and internal aspects of the current migration challenge. The external agenda focuses on partnerships with third countries in forging credible and reachable goals to reduce the number of people forced to flee, taking into consideration the root causes of irregular migration.

8. Agrees that apart from measures already taken by the EU such as the Valletta Summit, the EU-Turkey Statement, high-level dialogues on migration, the reviewed European Neighbourhood Policy, the Western Balkans Leaders Meeting, there is a need to further strengthen the EU's strategic, long-term approach vis-à-vis third countries and enhance internal coherence and coordination with the EU Member States. A more coordinated, systematic and structured approach to maximise the synergies and leverages of the Union's internal and external policies is required. Moreover, direct access by regional and local authorities to European Neighbourhood Policy funds and other funds relevant to the Mediterranean region must be guaranteed.

9. Agrees that, as well as reducing the possibilities for irregular migration and possibilities for illegal entry to the EU, the EU needs to strengthen coherent, credible and effective readmission and return policies with countries of origin that actively involve immigrant communities in EU countries, respecting human rights and the principle of non-refoulement, and taking account of the real capacity of the countries of origin and of transit to guarantee the rights of those people who are readmitted or returned.

10. Without prejudice to international obligations to provide protection to asylum-seekers and all those entitled to other forms of international protection regardless of regularity of their entry to the EU, the CoR calls for establishment of hotspots to third countries, for people requesting international protection. These hotspots should be set up in third countries, managed by the EU and international bodies (UNHCR) and tasked with examining the legitimacy of requests for asylum. For people recognised as entitled to asylum or international protection, regular means of transport to the European countries of their choice should be provided, so as to avoid crossings made in fragile craft operated by traffickers.

11. Agrees that the EU needs to put in place pathways for people to come to the EU legally — whether to seek international protection, or to seek work, education, research or investment opportunities.

12. Urges the EU and the Commission to insist on better cooperation between the various bodies and agencies fighting against the traffickers and smugglers — Frontex, Nato, EU Navfor MED, European Migrant Smuggling Centre in Europol — and on a better sharing of intelligence data between these agencies and agencies of Member States.

13. Calls upon the EU to provide extra support to organisations such as the International Office of Migration (IOM), who are helping to return migrants who reach transit countries and realise that they have been deceived or just do not wish to continue to the EU.

#### ***The Partnership Framework — A new comprehensive cooperation with third countries on migration***

14. Welcomes the ultimate aim of the Partnership Framework to be a coherent and tailored engagement where the Union and its Member States act in a coordinated manner putting together instruments, tools and leverage to reach comprehensive partnerships (compacts) with third countries to better manage migration in full respect of all partners' humanitarian and human rights obligations.

15. Fully supports the short-term objective to save lives in the Mediterranean sea and calls for a long-term objective to work with partner countries to prevent perilous sea journeys controlled by organised criminal groups; supports the aim to introduce incentives for return and readmission to countries of origin and enable migrants and refugees to stay as close as possible to their homes. Priority should be given to vulnerable applicants and particularly, unaccompanied minors whose best interests should always be a primary consideration in line with decisions of the Court of Justice; in this regard, calls on the European Commission to continue working on the question of unaccompanied minors in the migration process, as dealing with them is often the responsibility of the regions. Eagerly awaits the Commission's new comprehensive strategy, which is to be implemented as a follow-up to the Action Plan on Unaccompanied Minors (2011-2014), so that the situation of missing and unaccompanied children is taken into account.

16. Reiterates the EU commitment to tackle long-term economic, social and demographic challenges and labour shortages in the EU through targeted new policies on legal migration, in line with the EU Agenda for Migration and other key migration policy instruments. This can be done also supporting legitimate aspirations of long-term residents to take part and make a contribution to public and political life. Migration from third countries might ensure sustainable growth of the EU economy and Europe needs qualified people to ensure competitiveness at the global level. At the same time, partner countries fear a 'brain drain'. Circular migration could be a solution to avoid the danger of a brain drain in partner countries.

17. Reminds the Council that the CoR can facilitate dialogue and cooperation with local and regional authorities in countries of origin and transit of migrants, for instance through the existing bodies and platforms (ARLEM, Corleap, Joint Consultative Committees and Working Groups). This cooperation is a necessary condition to implement the pre-departure measures that prepare the migrants before coming legally to the EU or refugees prior to resettlement from partner countries currently hosting them (like Turkey, Lebanon and Jordan).

18. Suggests facilitation of information exchange between EU local and regional authorities and countries of origin of economic migrants that would significantly reduce incentives for irregular migration; such information exchanges should

include awareness-raising on readmission agreements, informing the people wishing to reach the EU regarding the real work opportunities in the EU, the dangers of taking irregular routes of migration, the real situation regarding rules and regulations related to international protection which are often distorted to lure migrants into entrusting themselves to traffickers, employment possibilities, available social welfare benefits, etc.

19. Agrees that positive incentives should be part of the EU's development policy, rewarding those countries that fulfil their international obligation to readmit their own nationals and those that cooperate in managing migration from third countries, as well as those taking action to adequately host persons fleeing conflict and persecution.

20. Agrees that, in order to make the new approach successful, there is a need to mix positive and negative incentives with regards to partner countries. In the same time, there is a need to strike a careful balance between migration management incentives and global EU development aid. Aid should not be entirely conditioned by fulfilment of obligations under readmission agreements with third countries, as this could jeopardise the achievement of the Sustainable Development Goals and the EU Treaty of Lisbon's commitments to eradicate extreme poverty and inequality. Ability and willingness of partner countries to cooperate in migration management with the EU should be clearly separated, as they are substantially different. In this sense, the CoR considers that the use of official development assistance should focus on projects in the field of security and border management only when they are clearly beneficial for the recipients. Partner countries unable to implement migration arrangements should still benefit from financial and other instruments aimed at achieving operationalisation of EU migration compacts.

21. Therefore urges the EU to try to develop tailored partnership arrangements with third parties that genuinely reflect the needs, concerns and capacities of the third parties, taking into account the fact that different partners face different challenges and different circumstances.

22. Encourages Member States of the EU who have traditionally close ties with particular countries (historical, cultural, economic, etc.) to use these connections to promote the cooperation with and between those countries, to facilitate the readmission and reintegration of readmitted persons.

23. Encourages the European Commission to finalise the new partnership priorities with Jordan and Lebanon following the European Neighbourhood Policy Review of 2015 as soon as possible. Lebanon and Jordan, together with Turkey, host most of the 5 million Syrian refugees. In Jordan, currently one person in nine is a refugee from the Syrian civil war — almost 700 000 out of 6,7 million inhabitants. In Lebanon, this figure stands at 1,1 million out of 4,6 million and in Turkey at more than 2,5 million out of 79,5 million inhabitants.

24. Is concerned with regard to the EU-Turkey Agreement of 18 March 2016 on refugees, in particular because of several serious human rights issues relating to the detention of asylum-seekers in 'hotspots' on the Greek Aegean islands, but also in view of the return of asylum-seekers to Turkey as a 'first country of asylum' or 'safe third country', and because of fears that Turkey may be returning refugees to Syria itself. The CoR is also worried by the slow build-up of the Greek asylum systems' capacity to administer the asylum process in the hotspots and delays in the provision of support to Greece, the so far very low level of resettlement of refugees from Turkey, and delays in the disbursement of EU financial assistance to Turkey's efforts in supporting Syrian refugees.

25. Is critical of the establishment, without real guarantees, of the 16 priority countries identified in the communication for the new agreements as not all of them can be considered 'safe third countries' and/or have acceptable human rights records. Even if the 'safe third country' rule does not apply in these agreements, the example of Turkey sends worrying signals in this respect. Mechanisms for the EU to monitor reception in these countries should be set up.

26. Is looking forward to the adoption of the strategic communication on Tunisia. The continuation of its peaceful and democratic post-revolution transition towards economic and security stability would send a very positive signal to the area and should therefore be supported by the EU.

27. Recalls that the situation in Libya requires particular attention and strategic steps, and welcomes the engagement in this respect foreseen in the communication. The CoR stresses the importance of the cooperation with the Libyan LRAs and asks the Commission to give full support to the efforts made by the CoR and ARLEM to promote the cooperation initiatives between EU LRAs and their Libyan counterparts, started at the last ARLEM Plenary in Nicosia (the Nicosia Initiative).

28. Welcomes the emphasis on cooperating with transit countries, which usually bear significant financial burden — particularly at the local and regional levels — in hosting asylum-seekers and irregular migrants. The UN New York Declaration for Refugees and Migrants adopted in September 2016 has recognised that large movements of refugees and migrants disproportionately affect neighbouring and transit countries and stretch their capacities. Therefore, local and regional authorities of transit countries should benefit from EU-led capacity building, financial assistance and information sharing. Calls on the EU to include facilities that support direct peer-to-peer cooperation between local and regional authorities from the EU and partner countries to increase planning and governing capacities at the local and regional level.

29. Agrees that an essential part of any compact will be the joint efforts to make returns and readmission of unsuccessful asylum-seekers and irregular migrants work. The CoR recognises that local and regional authorities of countries of origin are at the forefront of migration policies with many key responsibilities such as providing access to the labour market, housing, education and healthcare, all of which impact directly on their capacity to reintegrate returnees and thus to ensure social cohesion and sustainable societies. Everyday questions of reception, integration and reintegration of migrants are felt particularly at local and regional level. Thus, compacts should seek to increase the effectiveness and sustainability of the return process and provide adequate funding for voluntary returns, as well as to help countries of origin in reintegrating readmitted nationals.

30. Believes that multilevel governance is the most appropriate means to generate the necessary mix of measures and initiatives, in order to achieve optimum results in the reception, integration and reintegration of migrants.

31. Recalls that best practices must be shared among local and regional authorities in the EU and in third countries regarding all aspects of migration, including but not limited to, integration and reintegration policies, tackling irregular migration, recognising early warning signs and/or early prevention of crisis situations, fighting human smuggling and trafficking of migrants (in line with EU Action Plan Against Migrant Smuggling 2015-2020, UN Protocol on Smuggling of Migrants by Land, Sea and Air, the EU Strategy towards the Eradication of Trafficking in Human Beings 2012-2016 and the Palermo Protocol). The CoR is well placed to reach out to cities and regions in partner countries to facilitate and encourage the exchange of innovative ideas and practices and to promote more effective involvement of local and regional authorities in the design and the implementation of migration and integration policies, in line with multilevel governance and the subsidiarity principle.

32. Agrees that the expertise and resources of Member States are essential in delivering the compacts and that effective cooperation depends on networks of EU experts on the ground including those with a knowledge of local and regional dimension of migration. Therefore, the CoR welcomes the deployment of European Migration Liaison Officers to priority source and transit countries to help coordinate EU cooperation against migrant smuggling and urges Member States to quickly nominate the appropriate experts for this task.

### **Financial Aid**

33. Supports the use of existing financial instruments and existing trust funds to achieve the short-term objectives of the compact, but calls on the EU Member States in this context to provide their respective contributions to these funds as agreed without delay.

34. Highlights the importance of exploiting synergies between existing funds such as: the Facility for Refugees in Turkey (EUR 3 billion), the EU Emergency Trust Fund for Africa (EUR 1,8 billion), the EU Regional Trust Fund in Response to the Syrian Crisis (EUR 1 billion) as well as other financial instruments which potentially could provide up to EUR 8 billion over 2016-2020 to deliver the compacts. Possible synergies with the Structural Funds should also be examined.

35. Welcomes the Commissions' proposal for an ambitious external investment plan that that would tackle root causes of irregular migration and support partner countries in managing consequences of irregular migration in Africa and in the EU Neighbourhood countries, while contributing to the achievement of other UN development goals and calls on the Commission to develop this tool as quickly as possible, in close dialogue with EU Member States and international partners.

36. Welcomes the proposed external investment plan package for Africa and EU Neighbourhood countries aimed at mobilising investments (through an improved business environment, a single entry point for financing requests for investments and private sector financing) and boosting job creation in partner countries.

37. Welcomes stepping up EU technical assistance and support for economic and structural reforms to improve the business environment. The CoR particularly calls for the proposed technical assistance to involve local authorities and companies, and support them in developing a higher number of bankable projects which improve the general business environment and making them known to the international investor community.

38. Is convinced of the short-term and long-term impact of the proposed investment plan on improving sustainable development of EU partner countries which are major countries of origin of migrants or countries of transit of asylum-seekers and irregular migrants. Therefore, the proposed plan will directly tackle root causes of irregular migration, and will help reduce incentives to engage in irregular migration.

39. Recognises the importance of the EU, Member States, third countries, international financial institutions and European bilateral development institutions as well as the private sector all contributing to the investment plan. The CoR welcomes the initiative by the Commission of presenting an ambitious external investment plan, which aims to mobilise EUR 62 billion to contribute to achieving the UN development goals and thus tackling the root causes of irregular migration.

40. In this regard, calls for the Commission's initiative to be implemented via the signature of a specific agreement with the Member States and other international partners, requiring them to match the total contributions made available by the EU, as incentives for further public and private investment.

41. Welcomes the plan presented in September which is based on three pillars: mobilising private investment, stepping up technical assistance, and improving the general business environment; regrets the absence of any reference to local and regional authorities in the communication and stresses the importance of directing assistance and resources to local and regional authorities. The second pillar must clearly also involve the LRAs and the CoR should be a partner in its implementation. The CoR Atlas of Decentralised Cooperation can be a useful tool to help to identify projects in need of financing and possible cooperation partners. Calls for representation of local and regional authorities in the governance structure of the external investment plan.

42. Urges therefore the EC to involve the CoR in the design of the plan as the voice of local and regional authorities in the EU, many of which have extensive experience in development cooperation.

43. Urges the Commission to explore ways to engage different diaspora groups in EU Member States in being partners in financing investments in their countries of origin. In 2013, migrants from developing countries sent home over EUR 400 billion. These remittances tend to be more stable than other private capital flows, declining by a mere 5 % during the recent global financial crisis and recovering rapidly to pre-crisis levels. A good example of the potential of remittances is the fact that in 2013, remittances sent by the diaspora to Senegal made up 10 % of its GDP.

#### ***Role of local and regional authorities in providing information***

44. Reiterates that LRAs both in the EU and third countries can and should play a role in the joint effort with the EU and national level and with countries to implement migration partnerships. In particular, LRAs have a key role in raising awareness and providing necessary information to citizens in the countries of origin, transit and destination.

45. Potential migrants have to be aware of the risks and dangers they face when trying to enter the EU irregularly. They must also be informed about the conditions and structures in the countries of destination including information on the labour market, access to relevant training and language courses, and the conditions for family reunification. Potential migrants should be made aware of the cultural differences between their country of origin and their country of destination, alerting them to unacceptable behaviour and practices.

46. People and companies in the countries of destination should be informed about the benefits of migration and be properly trained to help with migrants' integration. This information can best be achieved at local and regional level where the authorities have the greatest proximity to citizens. Good legal migration and long-term integration policies at local and regional level are means against the phenomena of racism and xenophobia.

47. Recalls that, while the proposed Partnership Framework does mention the need to reinforce local capacity building through the development and neighbourhood policies in its introduction, it does not elaborate further on concrete measures to fulfil this need. The CoR can and should be a partner in local and regional capacity building efforts in partner countries.

48. Underlines the need to invest in local capacities and in actions of local and regional governments of partner countries. Local governments should be made partners in all pillars of the external investment plan and the CoR supports Platforma's suggestion on EU city-to-partner-country-city cooperation as a key instrument for the implementation of the new approach and building capacity and sharing technical expertise in local migration management; in this sense, believes the external investment plan should fund city-to-city and region-to-region cooperation.

49. Emphasises that cooperation among EU, Member States, EU-LRAs and LRAs in the countries of origin and transit of migrants can help manage migration more efficiently to the benefit of all parties. To this end the EU and Member States need to support the LRAs both financially and politically.

Brussels, 8 February 2017.

*The President  
of the European Committee of the Regions*

Markku MARKKULA

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**Opinion of the European Committee of the Regions on the Proposal for a new European Consensus on Development — Our World, our Dignity, our Future**

(2017/C 207/08)

**Rapporteur:** Jesús Gamallo Aller (ES/EPP), Director-General for External Relations and Relations with the European Union, Regional Government of Galicia

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## **POLICY RECOMMENDATIONS**

### THE EUROPEAN COMMITTEE OF THE REGIONS

#### **Introduction**

1. recognises that the 2030 Agenda for Sustainable Development, adopted by the United Nations in September 2015, provides a new and ambitious framework of commitments, calling on all countries to strive for change in order to move towards inclusive and sustainable development strategies on a national and international scale;
2. understands that the 2030 Agenda has been conceived from the outset as universal, meaning it commits every single country, including the EU and its Member States, to review their domestic policies and international commitments to bring them into line with the objectives and goals of the 2030 Agenda; warns, however, that this task must be carried out not only at national level, but also with respect to the policies and competences falling to the regional and local governments of the EU;
3. emphasises that the EU and its Member States must play a crucial role in developing and implementing Agenda 2030 and to this end welcomes the progress made by the Communication on the *Next steps for a sustainable European future: European actions for sustainability* and the *Global Strategy on the EU's Foreign and Security Policy*;
4. considers that the 2030 Agenda for Sustainable Development should be seen as a multi-level and multi-stakeholder agenda that lays obligations upon all public authorities at the various levels (local, regional, national and international), together with other social actors beyond governments; at the same time points out that many of the 2030 Agenda's objectives and goals directly impinge upon areas of work and competences that belong to subnational authorities. If they are to be met, therefore, the full involvement of the regions and local authorities in transposing the SDGs and in framing the policies to achieve them needs to be promoted;
5. agrees with the Commission on the need to define a new consensus on development, revising and updating the 2005 agreement, in order to tackle the challenges posed by the 2030 Agenda and the changes that have taken place on the international scene and in the development cooperation system;
6. agrees with the Commission that the best way to carry the 2030 Development Agenda forward is to enhance coordination of cooperation policies between the EU and its Member States; emphasises, however, that due to the comprehensive nature of the 2030 Agenda and the interconnections between its objectives, progress must also be on made with ensuring that EU and Member State policies are consistent;

#### **Global challenges and the 2030 Agenda**

7. notes that accelerating globalisation has produced a more integrated and complex world, with changes in the nature and distribution of power at international level, greater variety in the developing world, a redistribution of world poverty, with widening inequalities within countries, and widening space for international public goods; considers the 2030 Sustainable Development Agenda to mark the clear intention to respond to the transformations mentioned above and to the challenges raised by promoting development in the following decades;

8. takes on board the universal nature of the 2030 Agenda, which obliges all countries and societies to make a cooperative effort to align their policies with the objectives set out in the Agenda; draws attention, nevertheless, to the need for this effort to be made at all levels of public intervention, including regional and local authorities;

9. confirms that the intentions that underpin the SDGs entail going beyond the working bounds of official development assistance (ODA); considers that although ODA will continue to be crucial as a source of funding for the poorest countries and as a catalyst for change in other categories of country, the new Agenda necessarily involves a broader view including other flows and instruments that lie outside ODA as such;

10. considers that the need to mobilise resources and capacities beyond aid requires working more strategically with the different existing schemes and methods for cooperation at international level; while north-south cooperation will continue to play a major role in the future, it must be coordinated more closely with south-south or triangular forms of cooperation; similarly, draws attention to the active role that decentralised cooperation can have in the new Agenda by fostering exchange of experiences between substate actors in their particular areas of competences; lastly, considers that EU and Member State cooperation will have to be stepped up with the various mechanisms for regional and multilateral cooperation, in keeping with the multi-level approach of which the 2030 Agenda forms part;

11. considers that, due to its ambition and comprehensive character, the 2030 agenda requires the active support of more, and more varied, actors, including local and regional authorities, as well as civil society organisations, businesses, foundations, universities and other study centres among others, in order to mobilise and harness the added value that each of them can offer in accordance with their experience and field of work;

### **The EU response**

12. supports the proposal for the EU and its Member States to be firmly and actively committed to implementing the 2030 Agenda. To this end, consistent mainstreaming of the SDGs across all the public policies that are applied within the EU at Union, national, regional and local levels should be promoted; and stresses the need to progressively align the policies and incentives with which actors work with the agreed aims of the Agenda;

13. agrees that the EU's external action has a key role to play in making the SDGs a reality and therefore welcomes the progress made in this task by means of the priorities defined in the Treaty on European Union (TEU — Article 21(2)) and in the Treaty on the Functioning of the European Union (TFEU — Article 208); it also supports the Commission's intention to ensure that the new Consensus on Development helps to put the European Union's external action priorities, as defined in the Global Strategy on the European Union's Foreign and Security Policy, into practice;

14. supports the Commission's aim of stepping up coordination between development policy and other EU policies of international scope, including humanitarian aid, trade, regional integration, health, education, energy, fisheries, agriculture, the environment, science and technology, migration and asylum, and the European Neighbourhood Policy; emphasises however that improving the level of policy coordination is not enough. Consistency between these policies and the internationally-agreed development objectives also needs to be increased;

15. agrees with the Commission that if it is to be effective, the response must be collective and subject to criteria that are shared by the European Union; points out, however, that links must be forged not only between the EU and the Member States, but also between the Member States and the regional and local authorities, who hold a part of the competences need to achieve the SDGs;

16. backs the Commission's aim of grounding EU and Member State development cooperation on a rights-based approach, making people active players in development efforts as well as their main focus; considers, moreover, that this approach is in keeping with the SDGs and with the guiding principle of the 2030 Agenda to leave no-one behind, seeking to ensure that progress in development reaches the most fragile and vulnerable sectors of society;

17. agrees with the Commission in emphasising that gender equality is a key element in this rights-based approach and must underpin all the EU's and the Member States' development cooperation work as well as decentralised cooperation, which entails not only taking steps against existing inequalities in this area, but also promoting women's rights, empowerment and access to education at all levels;

### **Our common priorities**

18. considers that one of the central aims of EU and Member State development policy is to support countries in combating poverty, including improvements in the provision and quality of basic social services for all, as laid down in the 2030 Agenda; draws attention, nevertheless, to the fact that many of these services are provided by decentralised administrations, as a result of which support for local and regional administrations in implementing the SDGs is crucial;

19. backs the 2030 Agenda's proposal to build inclusive societies by tackling inequality and promoting social cohesion; at the same time, considers that decentralised administration plays a key role in identifying and remedying the processes of social exclusion and marginalisation that underlie inequalities;

20. points to the importance of building peaceful, well-governed societies, eradicating insecurity and violence and reinforcing effective and transparent institutions; draws attention to the need for this process to be built up from the territorial base closest to citizens, supporting improvements to local and regional institutions, to help put tools firmly in place for people who are committed to achieving the targets of the 2030 Agenda's Sustainable Development Goals to take part and exercise democratic control; education for global citizenship must therefore become an essential dimension of the policies and strategies of the various stakeholders and actors, whether governmental or non-governmental, that form part of the international system of development cooperation;

21. agrees with the aim of the 2030 Agenda to bring about the conditions for development processes to be environmentally sustainable by enhancing the management of natural resources and protection of the most fragile ecosystems; once again, local and regional authorities are key to pushing ahead with these policies, striving to balance sustainability with the economic and social progress of affected communities; this aim is particularly relevant to SDG 11, which states the need to 'make cities inclusive, safe, resilient and sustainable';

22. believes it is important to guide countries towards the path of inclusive and sustainable growth that can create decent jobs, as argued by the 2030 Agenda; highlights the role that regional and local authorities can play in promoting these processes, creating a resilient economy on clearly defined territorial foundations by means of alliances between actors, including local small and medium-sized enterprises;

23. in brief, draws attention to the importance in the partner countries of decentralised public administration in putting the 2030 Agenda into practice; emphasises the role that decentralised cooperation can play in transferring know-how and skills between these actors; and argues that the new Consensus on Development should acknowledge and foster the potential of this type of cooperation;

### **Partnership: the European Union as a driver for implementing the 2030 Agenda**

24. recognises that while each country must be responsible for its own development, the SDGs can only be achieved by building a Global Partnership bringing in all countries, multilateral institutions and other social actors, working together to build inclusive and sustainable development strategies as called for by the 2030 Agenda; at the same time, states once again that regional and local authorities must be part of this cooperative effort, bringing their own skills and resources to bear on this area of work;

25. draws particular attention to the crucial role that decentralised cooperation can play in forming multi-stakeholder partnerships geared to promoting change in developing countries as indicated in the 2030 Agenda; the contribution made by this type of cooperation and its complementarity with other types should be acknowledged in the New Consensus on Development;

26. emphasises that the European Union and its Member States should facilitate the processes of coordination, division of tasks and coherence between actors within such a Global Partnership; considers that this objective will be more easily achieved if the European Union and its Member States step up joint programming in the area of development cooperation, based on shared visions, negotiated between the partner countries; draw attention, however, to the need for regional and local authorities to take part in this process of dialogue and consultation;

27. considers similarly that this coordination effort must, in operational terms, take the form of joint indicative programmes in the partner countries; also underlines the importance of working, wherever possible, through joint actions at national, regional or international level, in order to increase the collective impact of European and Member State action; points out, in addition, that the actors of decentralised cooperation must also be involved in the processes of framing and implementing these programmes, as well as in monitoring and evaluating them;

28. urges that, in the partner countries, wherever possible use be made of form of cooperation, such as direct budget support or EU Trust Funds, that make coordination between actors easier and facilitate more integrated and flexible use of resources in the partner countries;

29. shares the Commission's views on the importance of large-scale mobilisation of public and private and domestic and international resources to help implement the aims of the 2030 Agenda, as set out in the Accra Agenda for Action; considers that, to this end, public resources should be deployed with the aim of mobilising and leveraging private resources to serve development, by making use of innovative financial instruments and different types of blending (combining donations and loans); warns, nevertheless, of the need to guarantee sufficiently that the resources mobilised: (i) have a clear development purpose; (ii) match the priorities of the partner country; (iii) bring clear additionality compared to public funds; and (iv) are subject to effective control mechanisms regarding their use/destination and to progressive checks on the progress towards the development objectives set;

30. underlines the importance of the EU and Member State development cooperation reaching out to, mobilising and drawing in as many actors as possible in support of the SDGs, including local and regional authorities, the private sector, civil society and academia among others, each of them contributing its own capacities, know-how and resources; points out that decentralised cooperation is a particularly apt form of cooperation for promoting and coordinating such territorial based multi-stakeholder partnerships; urges the Commission and the Member States to support local and regional public administrations, so that they are able to mainstream the SDGs into their policies; and stresses that decentralised cooperation provides a favourable environment for creating spaces for global citizenship so as to encourage citizens to reflect upon the sustainable development goals, participate in public policies to achieve these goals, and monitor the application of the 2030 Agenda;

31. points to the importance of building technical and institutional capacities in the partner countries so they can effect a shift to inclusive and sustainable development strategies, as called for by the 2030 Agenda; draws attention to the need for this process to extend to decentralised administration in the partner countries;

32. emphasises that EU and Member State development cooperation must distribute its resources in keeping with clear and transparent rules, taking account of the needs, structural gaps and capacity to mobilise alternative resources of the partner countries; at the same time, argues that resources and activities must be applied in compliance with the principle of leaving no-one behind;

33. points out, in this regard, that the lowest-income countries and in particular the least developed countries (LDCs), together with fragile and post-conflict states, must be the prime focus of the most favourable components of international aid from the EU and its Member States;

34. warns, nevertheless, that broad swathes of middle income countries are affected by serious structural shortcomings, with highly varied internal situations, fragile institutions and fractured societies; development cooperation, including financial cooperation, can be use in helping these countries to overcome their shortcomings and promote a process of sustained development that also enhances their capacity to play an active part in implementing the 2030 Agenda;

35. is of the view that ordered migration can act as lever for progress in both the countries of origin and of destination, as well as being of benefit to migrants themselves; considers that the ordered management of migration must be one of the aims of development action, seeking to provide appropriate regulatory responses and support measures to protect migrants' human rights along their migratory route and in the destination country, and also offering them opportunities in their countries of origin, with the aim of slackening the pressure of uncontrolled migration flows;

36. notes that the instruments available to development cooperation extend beyond the specific instrument of international aid, including means that, while they cannot be quantified in the same way as ODA, can potentially generate development opportunities; considers that EU and Member State development cooperation must make active use of this set

of instruments and adapt the sources and instruments used to the specific conditions of each of the partner countries, including the middle income ones;

37. supports the Commission's proposal to put in place an ambitious External Investment Plan with a view to mobilising private investment, increasing technical assistance so local authorities and businesses can frame projects effectively, and generating a business-friendly environment, with due consideration of local and regional authorities' territorial development priorities; considers that the Plan must be aligned with the objectives defined in the 2030 Agenda and must facilitate the participation of local and regional authorities to ensure proper implementation;

38. agrees with the Commission on the importance of supporting regional integration schemes to boost development processes in the countries involved and enhance the provision of regional public goods, in order to better implement the 2030 Agenda; and takes note of the revision of the Neighbourhood Policy in keeping with the new priorities flowing from the 2030 Agenda; at the same time stresses the need, as part of this policy, to strengthen cooperation between regions by means of appropriate support measures;

### **Enhancing the impact of the European Union**

39. underlines the need to continue efforts to enhance the effectiveness of development cooperation, applying the agreements reached at the Rome, Paris, Accra and Busan summits; considers, at the same time, that it is important to support institutional capacity-building in the partner countries and, inter alia, to encourage partner countries to also include local and regional authorities' top priorities in their national planning documents, so that cooperation work bears fruit and responds to the needs of various areas and their inhabitants;

40. notes that development cooperation cannot by itself fund the transformations called for by the 2030 Agenda; emphasises, therefore, the need for the EU and the Member States to use cooperation as a lever for additional resources from other sources and as a catalyst to change incentives and promote positive change in the developing countries;

41. reiterates that if the countries of the EU wish to constitute a credible benchmark on the international scene they must fulfil their commitments; consequently considers that the countries should set themselves the target of achieving the EU's objectives with regard to the international agenda on development funding; and also advocates that they should meet the commitment contained in the United National Framework Convention on Climate Change, including agreements on environmental funding;

42. confirms the value of adjusting cooperation to the range of instruments and steps which, above and beyond aid, are coming into play in the international system supporting development processes; to this end, agrees with the value of following up on the OECD's work to provide development financing with new means of measurement, including the development of the concept of Total Official Support for Sustainable Development;

43. recognises that reliable technical solutions do not exist for many of the problems mentioned by the 2030 Agenda, and that alternatives based on creativity, knowledge promotion and technological and social innovation need to be sought; considers that in this area, decentralised cooperation can play an important role, transferring the experience gained at the local and regional levels;

44. notes that the 2030 Agenda cannot be put into practice unless policy coherence is improved substantially, taking account of the effect that all public policies have on development objectives; emphasises, moreover, that progress in the area of coherence must be made both in areas of (horizontal) public action and between levels of government (local, regional, national and EU) by means of a 'whole-of-government' approach to public policies and programmes in the short, medium and long term;

45. draws attention to the need for all EU cooperation actors to join in a drive for transparency, which should cover the resources mobilised by each of them; considers that the public authorities (EU, national, regional and local) must be actively involved in this drive as a means of improving accountability and the quality of interventions;

46. considers that territorially-based transformative action, involving local actors and with the support of decentralised cooperation, can be the best way of promoting a dense yet widespread process of transition towards inclusive and sustainable development models;

47. with regard to the above, the Committee of the Regions once again offers to contribute to the implementation of the 2030 Agenda and to exchange of know-how and experience with other public powers and with the counterpart authorities in the developing countries by means of the information and discussion platform (portal) for local and regional authorities for development, the biennial dialogue on decentralised cooperation (known as the 'Assises') and the international forums provided by the Euro-Mediterranean Regional and Local Assembly (ARLEM) and the annual Conference of Regional and Local Authorities for the Eastern Partnership (CORLEAP); The Committee of the Regions would like to boost and coordinate decentralised cooperation between local and regional authorities in the European Union and those of neighbouring countries as part of specific initiatives, such as the Nicosia Initiative for Libya;

48. believes it is important to develop a sound communication policy for sustainable development, as this would foster a more informed understanding both of the challenges faced and of the policies that need to be implemented, and would result in more conscious and active support from the general public, including with regard to development cooperation and committing to the 2030 Agenda as an investment for the future; the relevance of the development cooperation goals should also be communicated to European citizens, thus raising awareness about the mutual benefits of this policy, such as the fact that it creates areas of regional stability; finally, the activities of the various stakeholders involved in the process should be made visible, including local and regional authorities and particularly the ORs, which have for years been developing successful policies for cooperating with their neighbouring countries;

#### **Following-up on our commitments**

49. advocates all cooperation actors progressively adjusting their reporting systems and follow-up indicators to the content of the 2030 Agenda; also advocates producing joint summary progress reports on the 2030 Agenda that can be submitted to the UN High Level Political Forum; and calls for regional and local authorities to be actively involved in preparing these reports on the steps taken in areas falling within their remit and by means of decentralised cooperation;

50. agrees on the need to reinforce statistical systems in order to follow up on the 2030 Agenda; draws attention to the need for this reinforcement to apply also to the production of regional and local information, in order to ensure that progress is made in all sectors and territories.

Brussels, 8 February 2017.

*The President  
of the European Committee of the Regions*  
Markku MARKKULA

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**Opinion of the European Committee of the Regions — Effective water management system: an approach to innovative solutions**

(2017/C 207/09)

**Rapporteur:** Cees Loggen (NL/ALDE) Member of the Executive Council of the Province of North-Holland

**POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS

**General comments**

1. notes that clean and sufficient water, as the source of life, is essential for our health and well-being. Water offers many opportunities for development; however, it also constitutes a threat. Floods, droughts and poor water quality pose a threat to our lives, our health and our prosperity;
2. praises the European Commission for introducing the Water Framework Directive in 2000 which, complemented by more specific Community legislation <sup>(1)</sup>, streamlined a large portion of the existing legislation, regulated a river basin approach to water management and introduced ambitious long-term water management objectives;
3. is aware that the European Commission is working on the following elements of European water policy:
  - a) The review of the Water Framework Directive (2000/60/EC) in 2019: the European Parliamentary Research Service has carried out an analysis entitled 'Water Legislation — Cost of Non-Europe Report' which sets out a list of implementation problems;
  - b) Measures, including a proposal for a legislative instrument to develop water reuse: water reuse is a key component of the EU eco-industrial landscape. The initiative to promote water reuse is a key factor in the circular economy action plan. This also requires a legislative proposal on minimum quality requirements for reused water, e.g. for irrigation and groundwater recharge;
  - c) The upcoming revision of the Drinking Water Directive (98/83/EC) (DWD) in 2017: the consultations and preparatory studies have highlighted the need to improve EU drinking water policy with respect to the enforcement of the human right to water and sanitation;
  - d) The possible revision of the Urban Waste Water Treatment Directive (91/271/EEC) (UWWTD).
4. draws attention to the fact that in most Member States local and regional authorities have institutional and political responsibilities and competences relating to water management and thereby shape the implementation of most EU water directives. Local and regional authorities are also usually responsible for policy areas that are relevant to sustainable water management, including spatial planning, infrastructure, mobility policy, licensing, agriculture and landscape management, the supply of water, surface and ground water protection, adaptation to climate change and flood protection;
5. takes note of the conclusions of the Council of 17 October 2016 on sustainable water management. The Committee supports the Council's conclusions that water is a top priority and agrees with the recognition that tasks relating to water differ between Member States and that, therefore, there is a need for flexibility in the choice of measures, which include the need to put in place infrastructure to regulate water resources in order to achieve a good status of the environment and water bodies and meet demand;

<sup>(1)</sup> The Groundwater Directive (2006), the Environmental Quality Standards Directive (2008), the Urban Wastewater Directive (1991), the Nitrates Directive (1991), the new Bathing Water Directive (2006), the Drinking Water Directive (1998), the Floods Directive (2007), the Marine Strategy Framework Directive (2008), and two Commission Decisions (2005 and 2008) on ecological status.

6. points therefore to the importance of respecting the subsidiarity and proportionality principles. The national, regional and local context is pivotal, for example, in water reuse and efficiency improvement measures on the demand side (water efficiency), since the degree of water availability varies. It is therefore important to provide scope for examining such issues at national, regional and local level, within a European framework, and for taking the necessary measures at those levels;
7. acknowledges the very ambitious, voluntary 'Urban Water Agenda 2030' set up by the Leeuwarden Cites and Water Conference in February 2016, and encourages cities in Europe to sign up to it;
8. supports the European Commission's intention to put forward, in 2017 — as part of the implementation of the Action Plan for the Circular Economy — a proposal for minimum requirements regarding the reuse of water and a (REFIT) review of the Drinking Water Directive <sup>(2)</sup>, ensuring that there are no disproportionate negative effects on other sectors, such as agriculture;
9. stresses that differences between regions in terms of water availability must be taken into account. There should be no obligation to reuse water unless this can be justified. Essentially, water reuse is able to offer solutions in regions where water availability poses problems;
10. in this context calls on the European Commission to ensure, as part of a balanced and coherent approach, that water reuse is only employed as an additional water supply option and in parallel with improvements in efficiency on the demand side, and that the possible impacts of reduced availability of water have to be analysed and taken into account;
11. deems it essential that local and regional authorities put forward recommendations through this own-initiative opinion for improving the implementation of EU water legislation, and that they continue to be closely involved in future European water policy;

#### **Background and scope of the opinion**

12. has already adopted a position on issues related to water management on several occasions. This own-initiative opinion is a follow-up to the previous CoR opinions such as:
  - a) Opinion on the 'Proposal for a Directive of the European Parliament and of the Council amending Directives 2000/60/EC and 2008/105/EC as regards priority substances in the field of water policy', CdR 1120/2012 <sup>(3)</sup>;
  - b) Opinion on the '7th Environment Action Programme', CdR 593/2013 <sup>(4)</sup>;
  - c) Opinion on 'The award of concession contracts', CdR 100/2012 <sup>(5)</sup>;
  - d) Opinion on 'The role of regional and local authorities in promoting sustainable water management', CdR 5/2011 <sup>(6)</sup>;
13. underlines with respect to the effects of climate change on water management, the need to ensure the coherence and consistency of EU, national, regional and local policy measures with those in the context of the EU's strategy for adaptation to climate change, and refers in this connection to the opinion on 'Towards a new EU climate change adaptation strategy — taking an integrated approach', CdR 2430/2016;
14. acknowledges the breadth of the policy area of water and considers that this own-initiative opinion focuses on domestic water management, i.e. water quality, the shortage of fresh water and flood defences. Sea and ocean water management, and therefore the Marine Strategy Framework Directive and the Directive on maritime spatial planning, as dealt with by previous CoR opinions are not taken into consideration in this opinion;

#### **The importance of good water management**

15. draws attention to the major challenges we are facing in the area of water management as a result of climate change and the further intensification of land-use:

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<sup>(2)</sup> Commission Work Programme 2017, COM(2016) 710 final, Annex I.

<sup>(3)</sup> OJ C 17, 19.1.2013, p. 91.

<sup>(4)</sup> OJ C 218, 30.7.2013, p. 53.

<sup>(5)</sup> OJ C 277, 13.9.2012, p. 74.

<sup>(6)</sup> OJ C 259, 2.9.2011, p. 13.

- a) In the short term, the growing variability of rainfall patterns increases the risk of flooding and drought. The increase in water temperature and the variation in extreme phenomena, including flooding and drought, affect water quality; similarly, changes in the quantity and quality of water affect its availability, stability and accessibility and impact on the functioning and use of existing infrastructure, as well as management practices;
- b) In the medium term, the challenge is to successfully meet the desired water quality objectives;
- c) The main challenges in the longer term are the impact of rising sea levels and the scarcity of (fresh) water, which has major socioeconomic consequences, such as migration from areas that will be flooded by the sea and/or where fresh water is no longer available due to scarcity; the projected changes in rainfall and temperature are also likely to affect the frequency of flooding, with major socioeconomic and health-related consequences;

16. draws attention to the major economic value of the water sector and the economic importance of good water management. Examples include:

- a) The global supply, treatment and distribution of water is a critical enabler of our society: it guarantees our food, sanitation, health and well-being. Around EUR 63 trillion of the total global economy — worth approximately EUR 70 trillion — is directly dependent on water <sup>(7)</sup>;
- b) A recent UN report estimates that 1 billion jobs worldwide — equivalent to 40 % of the total number of jobs — are highly dependent on water and a further 1 billion jobs are partly dependent on water. This means that 80 % of jobs worldwide are water-dependent <sup>(8)</sup>;
- c) The European water sector consists of 9 000 active small and medium-sized enterprises and provides 600 000 jobs in utilities alone <sup>(9)</sup>;
- d) The total estimated gross value added (GVA) of the industry covering sanitation and water supply services reached EUR 44 billion in 2010 and represented about 500 000 jobs that year <sup>(10)</sup>;
- e) Over the last 15 years, floods have led to at least EUR 25 billion worth of insured damage, not including uninsured costs. In 2014 alone, the estimated damage amounted to almost EUR 5 billion. According to projections, total annual damage will be five times greater in 2050 <sup>(11)</sup>;

### ***The need for a different type of policy***

17. believes that, as there is still so much uncertainty regarding the extent and impact of future water problems and the legislative framework is also variable, developing policy based on a blueprint could be considered a good starting point for improving the links between the various institutions and exploring new innovative approaches to policy-making that enable cooperation between the various sectors by seeking synergies and avoiding conflicts. It is necessary to implement what is known as 'adaptive policy'. The table below provides a recap of the different possibilities:

		Standards and values	
		common	variable
<b>Knowledge</b>	consensus	Planned policy	Negotiations on standards
	controversy	Negotiations on knowledge	<b>Adaptive policies</b>

<sup>(7)</sup> WssTP Water Vision 2030 'The Value of Water: Towards a Future proof model for a European water-smart society', October 2016. <http://wsstp.eu/publications/>

<sup>(8)</sup> The United Nations World Water Development Report 2016.

<sup>(9)</sup> COM(2012) 216 final.

<sup>(10)</sup> Eurostat (2013) in COM(2014) 363 final.

<sup>(11)</sup> Forzieri, G. et al., 'Multi-hazard assessment in Europe under climate change', *Climatic Change*, Vol. 137, Issue 1, July 2016, pp. 105-119.

18. calls on the European Commission to explore the possibilities for adaptive policy within the area of water policy as part of the upcoming review of the Drinking Water Directive, the measures relating to the use of water, the possible review of the Urban Waste Water Directive and ultimately the review of the Water Framework Directive. This exploration should focus on the most important requirements for adaptive policy, i.e. comprehensiveness, information exchange, flexibility and differentiation in objectives and the efforts to be made, and innovation. When exploring possibilities for a new policy, the Commission should consult with local and regional authorities to ensure any future proposals are in the best interests of local and regional authorities, supporting rather than reducing their competencies;

#### ***Comprehensive policy***

19. calls on the European Commission to convert its largely sectoral water policy into comprehensive policy and therefore asks the European Commission to ensure that water management is included as a horizontal element in other policy areas that are closely connected with this resource, such as human consumption, energy, agriculture, fisheries, tourism, the environment, etc.;

20. believes that the precautionary and the polluter-pays principles should continue to be used as the starting point in water policy. However, when taking a differentiated approach, all possibilities should remain open with a view to adopting the most effective and efficient solutions, in order to be able to deviate from this starting point in exceptional cases. These solutions will be implemented using innovative, targeted and environmentally sustainable scientific approaches;

21. draws attention, in this connection, to the notion that energy and energy costs can prove to be a major obstacle in implementing innovation and unconventional solutions to water shortages, as well as in transporting water to drought areas or desalination plants and underlines that the use of renewable energy in this context, as well as the potential of water itself as a source of energy, must be taken into account when designing EU policies;

22. draws attention to the increasing use of medicines such as antibiotics, for example, the active ingredients of which find their way into surface water via the sewer system. This creates more work for the sector producing drinking water from surface water, but may also lead to a greater risk of antibiotic resistance. The solution to this problem lies in an approach focusing on the diffuse sources of residual medications: leftover medicines and drug residues in urine and faeces;

23. encourages Member States and local and regional authorities to include in their water policies the concepts of green infrastructure and natural water retention measures (NWRM) in addition or as alternatives to traditional grey structural measures (e.g. to reduce hydro-morphological pressures in river basins), in their operational programmes under ESIF funding (e.g. for the restoration of wetlands and forests), or in urban planning (e.g. for storage of rainwater (for reuse) or to increase water retention to reduce the impact of flooding);

24. draws attention to the need to improve water management by helping protect clean water supplies in times of natural disasters <sup>(12)</sup>;

25. encourages local and regional authorities to engage with insurance companies and the national government to ensure that all households, farms and businesses which could be affected by flooding can obtain affordable insurance. Further work is also needed to guarantee that all stakeholders recognise that building resilience at the outset is the most effective way to minimise risks and reduce long-term costs from natural disasters;

#### ***Information exchange between policy-makers and those who implement it***

26. notes that the objectives of the various policy areas are in themselves acceptable (planned policy), but the necessary measures often conflict when it comes to their implementation. The Committee draws attention to the fact that regions and cities, where implementation takes place, often have to balance these kinds of conflicting measures;

27. asks the European Commission to boost the exchange of information from those who implement water policy, i.e. local and regional authorities, to policy-makers in Brussels and to factor this information, e.g. about conflicting objectives, into its new policy or any adjustments to its policy;

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<sup>(12)</sup> CdR 2646/2014.

**Revision and implementation of existing legislation**

28. expects the planned revision of the Drinking Water Directive to improve the monitoring systems and analysis parameters, ensure better access to information on drinking water quality for citizens, address the problem of leakages, develop the regulatory framework for small or individual drinking water supplies, propose solutions to the problems caused by materials in contact with drinking water, and update the existing derogations from the legislation;

29. insists that a future revision of the Urban Waste Water Treatment Directive (UWWTD) should aim in particular at improving the monitoring, reporting and public dissemination of data, and strongly recommends that links to the circular economy and resource efficiency in the EU be taken into account. Member States should have their reporting requirements relaxed at least to the extent of the obligations they have already met;

30. welcomes the European Commission's new approach of assessing 'distance to compliance' focusing on the remaining gaps in the actually correctly collected, connected and treated waste water and complementing the official assessment of compliance with legal obligations arising from the Urban Waste Water Treatment Directive (UWWTD); notes with satisfaction that the European Commission in its 8th implementation report of the UWWTD has for the first time processed and included results at regional level and calls on the European Commission to maintain both the 'distance to compliance' and the regional approaches and further develop them in cooperation with local and regional actors;

31. calls on the European Commission, the Member States and the local and regional authorities to reduce water scarcity and further increase water efficiency, in particular by:

- a) clearly prioritising water demand management, water efficiency in irrigation, buildings and in the energy sector;
- b) tackle over-extraction by the revision of permits or better enforcement in line with the Water Framework Directive;
- c) take action at the earliest possible stage in product policy, including future legislation to increase the water efficiency of devices in the working plans under the Eco-design Directive;
- d) further support water metering across all sectors and users;
- e) address water loss through leakages by encouraging infrastructure investment, financed also through adequate water pricing and appropriate enforcement measures;

**Flexibility and differentiation in objectives**

32. notes that there is tension between the water quality objectives and the Common Agricultural Policy (CAP) and asks the European Commission to ensure better alignment between these two policy areas. The EU should avoid increasing such conflicts and the related administrative burdens of having to implement potentially conflicting legislation, but rather seek the most efficient, cost-effective and mutually reinforcing compromises;

33. believes it is appropriate and necessary to integrate Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources into the WFD, with a view to standardising measures for obtaining a good status of water bodies and safeguarding the quality of drinking water;

34. asks the European Commission to explore the possibilities for a more flexible, differentiated water policy. Flexibility is necessary due to the uncertainty surrounding future water problems. Water policy — both its objective and approach — will therefore need to find a balance between the necessary legal certainty to allow long-term planning and multiannual, cost-intensive investments on the one hand, and the need to adapt to new circumstances when necessary, on the other. It is therefore necessary to differentiate objectives in terms of time and place in order to boost the effectiveness of measures and increase ownership <sup>(13)</sup>, without this leading to more modest ambitions;

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<sup>(13)</sup> For example, it is much more effective to adopt measures against flooding or to improve water quality in a river basin upstream than further downstream. At the same time, it is clear that downstream regions should contribute to upstream measures.

35. asks the European Commission to develop an alternative to the 'one out = all out' monitoring standard in the WFD. The 'one out = all out' principle does not provide as good a picture of the actual ecological and chemical situation and of the efforts already undertaken to improve water quality. It is necessary to develop a monitoring tool that reflects the results already achieved in the Member States, in order to ensure ownership of the necessary measures among other things;

#### **Research and Innovation**

36. is convinced that, alongside innovation in policy, further technical innovations are of the utmost importance in order to face current and future water problems <sup>(14)</sup>. In order to support this kind of innovation, the Committee stresses the possible benefit of an EU-level European water innovation action agenda towards a sustainable and circular water-smart society. Such a framework would help to encourage Member States and local and regional authorities, with support from the European Commission, to apply systemic innovative approaches and set up or facilitate partnerships in water innovation projects. Although existing knowledge platforms and financing opportunities for innovation are developing, increasing and expanding significantly, the Committee identifies two obstacles hampering the implementation of innovative solutions. The Committee therefore calls on the Commission to:

- a) further reduce the administrative burden involved in accessing European innovation funds through collaboration and investment to prevent major long term challenges to water management across the EU. An important point of concern is the conflicting legislation on state aid and the difficulty businesses experience in accessing innovation funds;
- b) explore the possibility of allowing room for experimentation in situations where restrictions from other policy areas are hampering the implementation of innovative solutions;

#### **Conclusion**

37. stresses that water management is a capital-intensive policy area in which major investments are made, and that these investments will only increase further in the future. Adopting a broader scope to defining problems and approaching problem-solving and improving the integration of related policy areas (such as agriculture, energy, health), as already advocated by the existing legislation, reduces the chance of disinvestment and creates new opportunities and a breeding ground for innovation. The challenge lies in making sensible decisions that do justice to what we wish to preserve now, but that also provide sufficient scope for tackling uncertain future challenges, in order to **manage the source of life!**

Brussels, 9 February 2017.

*The President*  
*of the European Committee of the Regions*  
Markku MARKKULA

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<sup>(14)</sup> For example, after secondary purification, waste water is a good source for drinking water production, particularly when compared to desalination. The task here, though, is to win public acceptance.

**Opinion of the European Committee of the Regions — Towards a new EU climate change adaptation strategy — taking an integrated approach**

(2017/C 207/10)

**Rapporteur:** Sirpa Hertell (FI/EPP), City councillor of Espoo

**POLICY RECOMMENDATIONS**

THE COMMITTEE OF THE REGIONS

1. underlines that many of its original recommendations on the EU adaptation strategy (CoR 3752/2013) remain valid and should be read in conjunction with the present opinion; in particular, draws attention to the suggestions to link the adaptation strategy more directly with the concept of climate resilience and develop further the concept/assessments of 'vulnerability' of different territories; to the proposal to put more emphasis on adaptation solutions based on green infrastructure as well as biodiversity and ecosystem considerations; and also to the warning that it may be necessary to also develop scenarios for adaptation to a temperature increase which is not limited to 2 degrees, if global efforts in the context of the Paris agreement are not successful;

2. acknowledges that work is ongoing on all eight actions of the EU Strategy on Adaptation to Climate Change (SACC) and results are beginning to show (e.g. adoption of National Adaptation Strategies in 75 % of the EU Member States, launch of the Mayors Adapt initiative, now integrated into the Covenant of Mayors) and therefore looks forward to the European Commission evaluation and review of the SACC. Underlines that this is an ongoing process in which Member States should also update their own strategies continuously to keep up with the evolving knowledge base and the relevant legal frameworks and international agreements;

**A. GOVERNING**

**Reinforcing the multi-level governance framework**

3. acknowledges that, whilst the European Commission and Member States are key players in setting up the policy and regulatory frameworks, local and regional authorities stand at the frontline of reducing the vulnerability of their territories to the various impacts of climate change through concrete adaptation actions, and therefore stresses that a well-functioning multi-level governance framework is of crucial importance;

4. calls on the European Commission to encourage stronger collaboration between the different levels of government (EU, Member States, regional and local authorities) in order to align priorities, minimise contradictory or parallel disconnected processes, maximise synergies between the strategies and plans developed at the EU and national levels and those developed at the regional and local levels — and thus ensure greater policy coherence but also coordinated and complementary action;

5. supports EU initiatives such as the Covenant of Mayors for Climate & Energy and the new EU Urban Agenda Partnerships that foster the emergence of coordinated multi-level governance schemes and cooperation platforms. They should be considered to play a role in reflecting on cities' and regions' needs and improve collaboration. The CoR also looks forward to the timely creation of an urban agenda partnership on the thematic priority of climate change adaptation, including its economic, social and environmental dimension;

6. emphasises, in this regard, the need for a greater involvement of the cities and regions in the preparation and implementation of the national adaptation strategies and plans. Calls therefore on the EU Member States to create the appropriate institutional structures or platforms to foster continuous consultation and closer cooperation (e.g. through working groups) — taking into account Member States' specificities and asks the European Commission to support and encourage this development;

7. considers that the essential role of the regions shall be better reflected in the review of the SACC (e.g. through a dedicated chapter), and their efforts better supported. Indeed, regions play a coordinating/intermediary role in the adaptation process, making sure the priorities defined by Member States correspond to the needs and expectations

expressed on the ground and vice versa. They can also act as catalysts, supporting the efforts deployed by local authorities in strengthening their resilience to climate and disaster risks, building capacities and deploying available financing — as demonstrated by the regions already engaged in the Covenant of Mayors as ‘Coordinators’. The CoR invites the European Commission to further recognise the responsibilities taken and the actions carried out not only by local but also regional authorities in the framework of its Covenant of Mayors initiative (e.g. in a similar vein to what the RegionsAdapt initiative is currently doing);

8. points out that the absence of a legislative prescriptive framework is perceived by local and regional authorities as an obstacle to action in certain Member States. These would therefore welcome a clearer mandate from the EU and national authorities to take action on adaptation. At the national level, the CoR welcomes the recent efforts taken by some Member States in mainstreaming adaptation considerations into specific legislation (e.g. following the Water Framework Directive and Floods Directive);

9. calls on the European Commission to examine how many local and regional authorities, in the EU and per Member State, have an adaptation strategy or plan. On this basis, the European Commission, in cooperation with local and regional authorities, could propose EU-wide and national targets to foster further development of local and regional adaptation strategies/plans by local and regional authorities;

## **B. INVOLVING and MANAGING**

### **Strengthening multi-stakeholder engagement & breaking the ‘silos-thinking’**

10. stresses that — in addition to a well-functioning multi-level governance framework — the review of the SACC shall put more emphasis on the necessity of multi-stakeholder involvement and a cross-sectoral (instead of silo-based) approach for a more efficient and integrated local adaptation action. The review could integrate (or redirect to) a few concrete examples that demonstrate the benefits of working together rather than in isolation for the co-creation of solutions at regional/local levels. Such participatory approaches should be strongly encouraged and supported, including through EU-funded projects (e.g. under future LIFE or Horizon 2020 calls);

11. highlights the importance of investigating thoroughly the success factors and barriers to different forms of cooperation between scientists, practitioners, and policy makers at local/regional levels. This information should lead to practical recommendations based on concrete examples of (multi-stakeholder/public-private) partnerships which should be disseminated widely, e.g. through the European Climate Adaptation Platform (Climate-ADAPT);

12. recalls the need to raise awareness of the necessity to take integrated adaptation and mitigation action through all possible communication channels in order to achieve the greatest possible synergies between the two strands of the climate policy and avoid ‘maladaptation’. To this end, the CoR calls on the European Commission to explore in the review innovative mechanisms for awareness-raising, increasing acceptance among local and regional players (incl. citizens and businesses) and encouraging behavioural change;

### **Investing in capacity building and knowledge sharing**

13. highlights the importance of building further capacities and addressing knowledge gaps in European cities and regions; and considers the Climate-ADAPT portal — and its associated Urban Adaptation Support Tool — as a good basis for this. The latter however needs to be continuously consolidated and enriched, further promoted and better linked with the Covenant of Mayors platform, and its user-friendliness improved. The CoR invites the Commission to consult cities and regions to identify together how to tailor the Climate-ADAPT portal to best meet their needs, and decide whether the tool should be integrated into the Covenant of Mayors website;

14. underlines the need to continue the collection of good practice examples tested on the ground. The good practices identified in cities and regions need to be stored in a single, publicly accessible and easily searchable repository (such as the Climate-ADAPT portal and/or the catalogue of Benchmarks on the Covenant of Mayors website) to facilitate experience sharing between peers. In particular, such a database should contain the appropriate features that help identify examples which are based on similar circumstances (e.g. climate hazard risks, population density) or present similar geographical characteristics (e.g. location on or next to mountains, a river or the sea) with a view to developing adaptation typologies. The CoR is ready to contribute in the identification of successful regional practices and the mobilisation of pioneer regions,

starting with the work carried out by its ENVE Commission and the group of 'CoR Covenant Ambassadors' which should be further expanded and promoted;

15. emphasises that knowledge transfer shall also be facilitated through city-to-city cooperation. Appropriate peer-to-peer and mentoring activities shall be identified, promoted and financed adequately by the European Commission. The twinning programmes already proposed by the Covenant of Mayors initiative have proven to be successful and valuable, and should therefore be replicated and expanded in the future (e.g. through annual calls for applications);

16. urges the European Commission to consolidate efforts to create an enabling framework for capacity building in cities and regions. The profusion of EU initiatives, tools and programmes that already offer various capacity-building opportunities for cities and regions (e.g. workshops, webinars, guidance materials) currently causes confusion among their beneficiaries;

17. although some efforts are being made — notably with the recent launch of a new 'one-stop shop' portal in the framework of the EU Urban Agenda —, the Commission should clarify specificities but also complementarities between the different services proposed to cities and regions in the adaptation (-related) field(s), and undertake to fill knowledge gaps that arise during this identification and compilation exercise. In this process, the CoR calls on the Commission to:

- a. Make best use of its major EU initiative for cities and regions on adaptation, the Covenant of Mayors for Climate and Energy, and position it as the main umbrella initiative for local climate action;
- b. Continue mainstreaming adaptation considerations into other existing EU initiatives with an urban, regional or rural dimension;
- c. Reinforce synergies with other partner initiatives (e.g. Regions Adapt, Under2MoU, Resilient Cities Campaign) to harness their experience and know-how, ensure greater coherence and stimulate joint actions for the benefits of the cities and regions;
- d. Encourage linkages with national, regional and local initiatives, which pursue ambitious targets regardless of their involvement or not in any of the above mentioned initiatives, offer networking opportunities and partnerships.

### **Increasing the knowledge base about climate risks and vulnerabilities**

18. acknowledges that all levels of government — including cities and regions — need a sound understanding of the climate risks and vulnerabilities on their territory to guide their decision making and policy shaping processes. In this regard, the CoR calls on the Commission to further support regional- and local-level risk and vulnerability assessment frameworks as they constitute the starting point of any adaptation strategy and support evidence-base action;

19. underlines that local and regional authorities regularly point out 1) the lack of (access to) useful and understandable climate information and 2) the lack of expertise and experience in interpreting this information as barriers to adaptation action. Further assistance — through documentation and good practice sharing — is therefore required to first guide them through the already-existing information, and secondly to help them in the exercise of downscaling and interpreting impacts at a city/region scale;

20. invites the Commission to further support the ongoing efforts of the cities and regions in climate projection and risk assessment by reinforcing its (research) activities related to the identification of appropriate (risk modelling) tools and methods, the development of (macro-)regional climate impact scenarios and the creation of climate service networks (under the H2020 programme) at international, European and (sub-)national levels. Such climate service networks mobilise the relevant experts and data providers (e.g. the research community) and make the existing information and knowledge accessible to and understandable by local and regional policy makers;

21. highlights the importance of supporting the disclosure of climate risks to encourage adaptation action and stimulate investment. Several new voluntary and/or private-led climate risk disclosure initiatives are emerging and could be further supported and promoted by the Commission;

22. welcomes, in this regard, the initiative of the Commission to explore collaboration opportunities with the insurance sector as a key provider of data and potential investment. Encourages the Commission to assess insurance mechanisms that could incentivise prevention of risk and support damage reduction and to work with insurance companies to ensure that they share their knowledge and expertise in risk modelling as well as in disaster risk management with the public sector. Existing successful partnerships should be further promoted in the review in order to inspire and motivate others. Also highlights in this context that, inversely, cities or regions deemed by insurers to be at 'high risk' may also face particular obstacles to investment and development and encourages the European Commission to explore in the review how such problems could be addressed;

#### **Exploring socioeconomic benefits**

23. considers that the review shall promote further the advantages of carrying out an assessment of the socioeconomic implications of adaptation. Such a socioeconomic analysis guides decision-makers by providing them with a clearer overview of the possible costs and benefits of adaptation action as opposed to inaction, and therefore helps to raise awareness, understand capacity constraints and identify the most economically viable policy options;

24. points out that cities and regions need further information on the different existing methods that can be applied for such an assessment (e.g. cost-benefits, multi-criteria, stakeholder decision, experiment and observe) and their relevance in different contexts, and therefore suggests that the Commission provide appropriate support through its reference platforms, Climate-ADAPT and the Covenant of Mayors;

#### **Monitoring, reporting and evaluating the action**

25. stresses the need to equip local and regional authorities with the appropriate monitoring, reporting and evaluation (MRE) tools and indicators to inform and support local adaptation planning. The latter could once more be promoted through the reference adaptation platforms (Climate-ADAPT and the Covenant of Mayors);

26. is convinced of the importance of making sure that the international, European, national and regional/local MRE frameworks are mutually compatible and build on each other — this will guarantee coherence and minimise the burden on cities and regions;

27. welcomes the progress which has been achieved to this end since the publication of the SACC with the development of the 'adaptation preparedness scoreboard' for EU Member States and the 'Covenant of Mayors monitoring and reporting template' for signatory cities and is pleased about the strong linkages ensured between the two, but considers that further promotion and guidance on their use are still required (e.g. through the Covenant of Mayors website);

28. underlines that further synergies with other partner initiatives proposed in parallel at international or European levels (e.g. Regions Adapt, CRAFT, Resilient Cities) that have their own MRE systems should still be explored, but points out that further harmonisation efforts or collaboration should not be to the detriment of cities'/regions' needs and interests;

### **C. FINANCING**

#### **Supporting the access to public finance**

29. welcomes the existing EU financing instruments to support local and regional climate action (e.g. European Structural and Investment Funds, but also Horizon 2020, LIFE, EU Solidarity Fund, Natural Capital Financing Facility), but stresses that accessing those funds is still the biggest challenge faced by cities and regions. Calls therefore on the Commission to provide European local and regional authorities with 1) easily-accessible and understandable information on funds and financial instruments available for the development and implementation of their action plans and 2) further guidance and support on how to access and apply the existing instruments, and also possibly combine them (e.g. through tailor-made training);

30. recalls its proposal to adopt a 'whole lifecycle' approach to assessing costs and benefits of capital to secure long term payback associated with climate-resilient investments. Accounts and risk registers should be required to include the economic, environmental and social implications of action and capital investments that fail to account for the changing climate, or of the no-action option;

31. hopes that the review will put more emphasis on the potential role of regions in facilitating access to certain financing schemes. Some regions already assist with managing and redistributing the EU Structural Funds, bundling and pooling smaller-scale projects set up by municipalities in their territory, or directly offer financing. The CoR however stresses that further guidance is still needed to help these managing authorities use the full potential of the available European funds and innovative financial instruments;

32. invites the Commission to explore further the idea of a fast-stream access to financial instruments for particular local and regional authorities, based on factors — such as being already publicly committed to comprehensive adaptation (e.g. by joining the Covenant of Mayors initiative), having carried out a comprehensive risk and vulnerability assessment, having developed an adaptation action plan. The revision of the pre-conditions for access to certain funds or the selection and award criteria for grants under the different programmes (i.e. H2020 and LIFE) by the Commission could enable and foster such 'fast-track access'. This course should also be explored more resolutely under the European Structural and Investment Funds, with the recommendation that all management authorities take up the option already contained in some regional operational programmes of prioritising initiatives in sustainable energy action plans (SEAPs) and sustainable energy and climate action plans (SECAPs) adopted by municipalities participating in the Covenant of Mayors;

#### **Fine-tuning existing financing instruments**

33. welcomes the European Commission's initiative — in the preparation of the next Multiannual Financial Framework (MFF) — to take stock of the progress in implementing the various EU funds as well as using grants and other financial instruments (e.g. lessons from the LIFE programme and the mainstreaming of climate action into ESI Funds). This should help to 1) propose the right mix of both mainstreamed and more adaptation-specific financing instruments without reducing the necessary budgetary resources for climate change mitigation, and 2) draw recommendations for the upcoming calls for projects (e.g. under the LIFE and H2020 programmes) — thus filling in the remaining gaps for financing local climate adaptation action;

34. underlines that the LIFE programme — and more specifically the LIFE Climate Action Integrated Projects (IPs) — is considered by cities and regions as one of the key financial tools to test, pilot and demonstrate adaptation actions through a cross-sectoral approach and at a large territorial scale (regional, multi-regional, national or transnational), and therefore highly encourages the Commission to extend and further support it;

#### **Fostering investments**

35. acknowledges that many European cities and regions have vast untapped potential to attract more investment and many of them also face serious obstacles in rolling out their own investments;

36. considers that the Commission shall therefore continue exploring innovative ways to channel investments for adaptation actions to local and regional authorities and calls on the Commission to provide them with appropriate expert advice, guidance and support in preparing viable investments (e.g. through the European Investment Advisory Hub or other targeted capacity-building activities) and securing financing. The review could provide examples of mechanisms to deal with private investors and cooperate with insurance companies — and the Commission shall further support pilot initiatives going in this direction;

#### **Blending and mixing public and private funds**

37. underlines that cities and regions should be helped to find the combination of public and private funds — from international, European, national and local sources — which is the most appropriate in their local circumstances to finance adaptation action. As highlighted in the mid-term review of the MFF 2014-2020, the Commission shall further look into ways to address the remaining investment needs by pooling EU, national and private funding;

#### D. EMBARKING on the international stage

##### An international challenge calling for an international response

38. acknowledges that, over the last years, the international dialogue on climate issues has intensified and led to new international agreements — such as the Sendai Framework for Disaster Risk Reduction 2015-2030, the 2030 Agenda for Sustainable Development and the Paris Agreement on Climate Change — and therefore invites the Commission to embed its action further in these global frameworks, reinforce its exemplary role as well as help to build synergies between them;

39. underlines that the review shall better reflect on the trans-boundary aspect of the climate risk management issue. In this regard, macro-regional cooperation appears as a relevant approach to advance EU climate change adaptation by fostering information exchanges and pooling efforts across administrative borders. Hence the Commission shall consider extending and further supporting its pilot transnational initiatives — such as the ones in the Danube, Baltic Sea, Alpine, Adriatic and Ionian Regions — to other macro-regions in Europe and beyond;

40. invites the Commission to put more emphasis on the benefits of region-to-region (and city-to-city) cooperation. In this regard, the new Global Covenant of Mayors for Climate and Energy shall provide other regions in the world with new opportunities to tap into the European experience and examples, but also offer European local and regional authorities the chance to learn from their peers in other continents;

41. points out that — considering the recent UNFCCC predictions for future migration flows — the review shall elaborate on the link between climate change adaptation and migration and therefore integrate a new chapter on the challenges and opportunities posed by climate-induced migration. In this regard, the Commission shall explore ways of supporting further cities and regions in facing the mobility and possibly the integration of migrants and refugees.

42. In conclusion, the Committee of the Regions would like to express its eagerness to take part in the stakeholder consultation process on the review of the SACC to be conducted by the European Commission in early 2017 and considers the recommendations included in the present opinion — but also in other opinions on adaptation-related topics <sup>(1)</sup> — as a good basis for the exchange to come.

Brussels, 9 February 2017.

*The President  
of the European Committee of the Regions*  
Markku MARKKULA

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<sup>(1)</sup> *Effective water management system: an approach to innovative solutions* — Rapporteur: Cees Loggen  
*Mid-term evaluation of the LIFE Programme* — Rapporteur: Witold Stepień  
*Action Plan on the Sendai Framework for Disaster Risk Reduction 2015-2030 — A disaster risk-informed approach for all EU policies*  
Rapporteur: Adam Banaszak  
*Delivering the global climate agreement — a territorial approach to COP22 in Marrakesh* — Rapporteur: Francesco Pigliaru.

**Opinion of the European Committee of the Regions — Supporting young European farmers**

(2017/C 207/11)

**Rapporteur:** Arnold Hatch (UK/ECR), Member of Craigavon Borough Council**POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS

1. notes that in the EU only about 6 % of all people in charge of farms are under 35 years old, whereas more than half are aged over 55. The increase in the proportion of elderly people is a general feature of the EU population due to increasing life expectancy and declining birth rates. However, this trend is more accentuated in agriculture compared to other sectors of the economy. With older farmers living longer, and with significant inducements for them to remain in farming and few incentives to leave, Europe's farm workforce is gradually ageing, creating substantial barriers for new entrants;
2. overall, the reluctance of older farmers to transfer their farm is also influenced by the fact that farming is a community-based lifestyle that prevails beyond the legal retirement age. In this respect, farming is different from many other economic activities. Impediments to transfers often result from the fact that it is difficult for elderly managers of farms to leave their holdings and phase out agriculture since their place of residence and place of agricultural activities are the same. The general 'brain drain' of rural areas is exacerbating the problem, as an increasingly better-educated work force is not any longer interested in jobs in agriculture;
3. believes that many young people tend to see agriculture as an undesirable profession owing to the low income, low return on investment, long working hours, few opportunities to take holiday leave — especially for livestock farmers — and the numerous associated risks and uncertainties. Whilst direct succession within the same family is still the most common mechanism to firstly access farming, there are indications that the number of new entrants not inheriting their farms is growing. The challenges facing rural areas — limited or difficult access to transport; poor communication; education, cultural, social or health services — compounds this problem. In order to stay in rural areas, young people require a developed rural economy with services and leisure opportunities; otherwise, they will often prefer to migrate to towns and into non-agricultural occupations;
4. considers that the shortage of young people pursuing careers in farming is jeopardising the economic and social sustainability of rural areas. Supporting young farmers is a prerequisite for preserving agriculture across the EU and for keeping rural areas alive, in order to meet the territorial cohesion objective enshrined in the Treaty of Lisbon;
5. reiterates its call on the Commission and Member States to be more proactive in encouraging and facilitating the establishment of young people in rural areas, particularly women, by promoting activities that help farmers to achieve a work/life balance more easily <sup>(1)</sup>;
6. considers that further work should be done to identify and address the barriers women continue to face when starting and building a career in the sector;
7. notes the 'Young Farmers Manifesto' which was launched in 2015 by European Council of Young Farmers, which calls for: access to land and credit through public support measures; regulation to curb unfair trading practices in the food supply chain; measures to reduce income volatility for young farmers; the legal protection of all EU standards in trade negotiations and increased promotion support for EU producers; and support for access to land in order to safeguard and protect soils and optimise land use by young farmers for food production;

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<sup>(1)</sup> OJ C 225, 27.7.2012, p. 174.

8. shares the concern expressed in the Cork 2.0 Declaration of 6 September 2016 about rural exodus and youth drain, and the need to ensure that rural areas and communities (countryside, farms, villages, and small towns) remain attractive places to live and work by improving access to services and opportunities for rural citizens and fostering entrepreneurship in traditional rural domains as well as new sectors of the economy;

### Finance

9. considers that the current economic crisis has made accessing credit more difficult for many young rural entrepreneurs, who often lack the security needed to guarantee their loans, and may face excessive red tape;

10. welcomes the creation of an agricultural guarantee instrument, proposed by the Commission and the European Investment Bank in March 2015, which should make it easier for young farmers to access credit;

11. welcomes the fact that CAP reform 2014-2020 introduced new measures to support young farmers in setting up farms. Expresses concern however that bureaucracy and red-tape may be inhibiting take-up of these measures. It is important to ensure that young farmers are not prevented by excessive bureaucratic rules from making the most of these new measures. In a number of Member States, for example, young farmers make use of partnership structures. Measures from Brussels therefore need to fit in with local legal and financial structures of this kind;

12. urges Member States to make use of the possibilities provided under the new CAP to support young farmers and generational renewal such as support under Articles 50 and 51 of Regulation (EU) No 1307/2013;

13. draws attention to the opportunities for young farmers offered in the ESI Funds <sup>(2)</sup> to design and implement financial instruments in the form of loan, guarantee or equity funds in order to provide access to finance to those in need;

14. notes, however, that young farmers' economic position is best and most effectively strengthened after they have actually taken over the farm. In order to strengthen the economic position of young farmers taking over farms in partnership structures, Article 50(5) of Regulation (EU) No 1307/2013 should be amended. The Committee of the Regions therefore suggests that, should that Regulation be revised in future, the whole second sentence of Article 50(5) should be deleted so that the text reads as follows: 'The payment for young farmers shall be granted per farmer for a maximum period of five years'. The Committee also asks the European Commission to find an interim solution that allows young farmers to make the best possible use of these measures;

15. notes that in the Omnibus Regulation proposed by the Commission in 2016, it intends to extend the possibility to use the financial instrument type of support also for young farmer start-up aid, which will allow for an increased level of financing to this group taking into account the nature of these types of instruments (the aid content of a loan or guarantee is much lower than that of the grant);

16. considers that support should be provided first and foremost to family farms on the grounds that they create added value and jobs, and help make it possible for new generations of farmers to enter the sector as it is easier to pass on farms that are viable and reasonably sized;

### Access to land and countering 'land-grabbing' <sup>(3)</sup>

17. recalls that the European Commission's Report on the Needs of Young Farmers shows that availability of land to buy and to rent are the biggest problems facing young farmers and new entrants into farming <sup>(4)</sup>;

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<sup>(2)</sup> Regulated in the Articles of 37-46 of the Common Provisions Regulation (EU) No 1303/2013 and its delegated and implementing acts.

<sup>(3)</sup> 'Land-grabbing' is the large-scale acquisition of agricultural land without consulting the local population beforehand or obtaining their consent. Ultimately, this diminishes the opportunities available to the local population to manage agricultural businesses independently.

<sup>(4)</sup> [http://ec.europa.eu/agriculture/external-studies/2015/young-farmers/final-report-1\\_en.pdf](http://ec.europa.eu/agriculture/external-studies/2015/young-farmers/final-report-1_en.pdf)

18. acknowledges with concern that farming is moving ever more rapidly away from the family-farm model, to the extent that 2014 was designated International Year of Family Farming to draw global attention to the issue. Believes that because land tends to be a safe investment for non-agricultural investors, access to land is becoming more and more difficult for young farmers wanting to set up a farming business;

19. calls on the Commission to evaluate the direct and indirect effects of European policy on land concentration and grabbing in Europe; for example, the Common Agricultural Policy (CAP) and the subsidies granted under it explicitly favour large farms and marginalise small farms, and may impact on different sectors in different ways;

20. noting that several Member States have national regulations that prevent forced land concentration and purchases by foreigners — for example by providing for a pre-emptive right — believes that the Member States and regions should be given more power to regulate farmland and set restrictions to that end, particularly to tackle Europe's land-grabbing and concentration phenomenon, which is limiting young farmers' options when starting out;

21. although there is a very limited scope of action for the European Commission to intervene in the land market legislation (which falls under a national competence), the following ideas could be explored:

- Stimulate the use of the possibilities under RD to support the new actions to foster land mobility (land banks, farmland matching initiatives and other initiatives promoted at local level to encourage the access to land to the new entrants).
- Broaden the scope of the support actions to new farm business models (in particular innovative types of partnerships among farmers).
- Encourage more active national policies with EU recommendations on access to land with best practices (depending on the level of ambition).

22. takes the view that industry, leisure and, above all, growing urbanisation are leading to rapid redevelopment and the disappearance of agricultural land. Considers therefore that local communities should be involved in decisions on land use and thereby given additional rights and opportunities;

### **Employment and training**

23. stressing the need to give young farmers long-term prospects in order to address rural depopulation, calls on the Commission and the Member States to introduce initiatives to support entrepreneurship, emerging industries and the labour market in agriculture and forestry in order to create new and maintain existing agricultural jobs as well as to make them more attractive to young people;

24. notes that the training and information needs of young farmers are considerable and highly varied: for some young farmers, the need for technological skills and skills related to the development of a farm strategy are paramount, for others there is a need for entrepreneurial skills — such as marketing, networking, communication and financial skills — to keep their farm viable. They are not always aware that they could benefit from all these different kinds of skills, tending to manage their farm in a traditional way and do not see the need to change;

25. believes therefore that efforts should be made to raise awareness of these opportunities and the benefits of upskilling in secondary and tertiary education. Local and regional authorities, as well as national and EU agencies, have an important room to play in this respect;

26. emphasises that young farmers are also young entrepreneurs and so points out that the Erasmus for Young Entrepreneurs programme (financed by the COSME framework programme focusing on the competitiveness of SMEs) has considerable potential. The programme facilitates cross-border discussion enabling new or aspiring entrepreneurs to benefit from the experience of established entrepreneurs and should be properly supported and rolled out, including in the primary sector;

27. recalls that, in its opinion on innovation and the modernisation of the rural economy, the Committee of the Regions recommends modernising the vocational training provided in rural regions and adapting it to global competitive conditions and the needs of local businesses, and increasing the ESF funding allocated to vocational training in rural areas <sup>(5)</sup>.

Brussels, 9 February 2017.

*The President  
of the European Committee of the Regions*  
Markku MARKKULA

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<sup>(5)</sup> OJ C 120, 5.4.2016, p. 10.

**Opinion of the European Committee of the Regions — The need for and way towards an EU strategy on alcohol-related issues**

(2017/C 207/12)

**Rapporteur:** Ewa-May Karlsson (SE/ALDE) Member of Vindeln Municipal Council

**POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS,

**REQUIREMENTS FOR EU ACTION ON ALCOHOL-RELATED ISSUES**

**Taking account of subsidiarity, context and job opportunities**

1. recommends as a general rule the need to define terms such as 'excessive' consumption, 'harmful' consumption and 'abusive' consumption using scientific criteria;
2. observes that the harmful use of alcohol has a significant social cost, and stresses that the wellbeing, health and welfare of the European public must take priority over economic interests;
3. notes that, under the Treaty, action on health matters should aim to improve public health, promote research and prevent illnesses and health risks, including lifestyle-related risks such as alcohol abuse;
4. acknowledges the particular vulnerability to alcohol exposure during pregnancy, infancy and adolescence and the neurological damage caused by neurodevelopmental disorders;
5. stresses that action on alcohol-related issues must respect the subsidiarity and proportionality principles and aim to complement national policies in the field and Member States' public health action as well as encouraging cooperation between Member States;
6. notes that national alcohol consumption patterns, people's state of health and health disparities, as well as cultural, geographical and historical context, must be taken into account. It is important to consider the varying situations and requirements prevailing in the different regions and municipalities in Europe;
7. stresses that the EU's institutions have an important function in providing various forms of support for Member States' efforts to promote research and in assessing policies, measures, action and the impact of changes to laws and restrictions;
8. notes the importance of the wine sector, which employs 3 million people<sup>(1)</sup>, the beer industry, which provides 2,3 million jobs along the whole production chain<sup>(2)</sup>, and the spirits sector which employs more than one million people in production and sale<sup>(3)</sup>. Production also benefits the hospitality industry, thus helping to provide more job opportunities;

<sup>(1)</sup> <http://www.ceev.eu/about-the-eu-wine-sector>

<sup>(2)</sup> [http://www.brewersofeurope.org/uploads/mycms-files/documents/publications/2016/EU\\_economic\\_report\\_2016\\_web.pdf](http://www.brewersofeurope.org/uploads/mycms-files/documents/publications/2016/EU_economic_report_2016_web.pdf)

<sup>(3)</sup> <http://spirits.eu/spirits/a-spirit-of-growth/introduction-2>

### Societal, social and economic impact of alcohol abuse

9. notes that alcohol is the biggest risk factor — above smoking — in the overall burden of disease for people aged 15 to 49 <sup>(4)</sup>. Statistics from the Member States show that alcohol consumption is responsible for 1 in 7 male deaths and 1 in 13 female deaths in the group aged 15-64 years <sup>(5)</sup>;
10. is aware that high-risk alcohol consumption and alcohol abuse and addiction have substantial economic costs in the form of lost productivity (EUR 11,3 billion) and unemployment (EUR 17,6 billion) <sup>(6)</sup>;
11. notes that the direct social costs of alcohol-related harm within the EU are estimated at EUR 155,8 billion, most of which (EUR 82,9 billion) fall outside the healthcare system <sup>(7)</sup>. If harm to others is also taken into account, e.g. the risk of harm to society and to minors and adults in contact with drinkers, this doubles the social costs of alcohol <sup>(8)</sup>;
12. insists upon the need to take steps to prevent violence, paying particular attention to the most vulnerable groups and to specific situations such as sexual abuse in nightlife venues;
13. points out that the social cost of alcohol is estimated to be, on average, around 1,3 % of a country's GDP <sup>(9)</sup>;
14. notes that alcohol abuse is a risk factor in more than 60 chronic diseases. Chronic diseases are on the rise in the EU, and the health costs are estimated to be EUR 700 billion per year <sup>(10)</sup>;

### Future action on alcohol-related issues at EU level

15. calls for a new EU alcohol strategy, and would like assurances that the EU's institutions will continue to strengthen Member States' capacities and provide effective coordination. The Committee thus endorses the call from both the Council of Ministers and the European Parliament for strong political leadership on the issue <sup>(11)</sup>;
16. points out that joint measures at EU level should include recommendations and good examples of what can be done to strengthen national, regional and local activities;
17. stresses that the European Commission needs to help, not hinder, those Member States that choose to develop their alcohol prevention measures;
18. highlights the importance of giving local and regional authorities the opportunity to contribute their experience and knowledge, as they have influence over and the best knowledge of the requirements and conditions for preventing the harmful use of alcohol and limiting its negative effects on society. Local authorities are particularly important as they are closest to individuals and their communities;

<sup>(4)</sup> [http://www.euro.who.int/\\_\\_data/assets/pdf\\_file/0008/178163/E96726.pdf?ua=1](http://www.euro.who.int/__data/assets/pdf_file/0008/178163/E96726.pdf?ua=1)

<sup>(5)</sup> [http://www.euro.who.int/\\_\\_data/assets/pdf\\_file/0017/190430/Status-Report-on-Alcohol-and-Health-in-35-European-Countries.pdf](http://www.euro.who.int/__data/assets/pdf_file/0017/190430/Status-Report-on-Alcohol-and-Health-in-35-European-Countries.pdf)

<sup>(6)</sup> Centre for Addiction and Mental Health (2012). *Alcohol consumption, alcohol dependence and attributable burden of disease in Europe*.

<sup>(7)</sup> Ibid.

<sup>(8)</sup> See footnote 4.

<sup>(9)</sup> [http://ec.europa.eu/health/archive/ph\\_determinants/life\\_style/alcohol/documents/alcohol\\_europe\\_en.pdf](http://ec.europa.eu/health/archive/ph_determinants/life_style/alcohol/documents/alcohol_europe_en.pdf)  
Anderson, P., & Baumberg, B. (2006). *Alcohol in Europe: A public health perspective*. London: Institute of Alcohol Studies.

<sup>(10)</sup> [http://ec.europa.eu/health/major\\_chronic\\_diseases/docs/reflection\\_process\\_cd\\_en.pdf](http://ec.europa.eu/health/major_chronic_diseases/docs/reflection_process_cd_en.pdf)

<sup>(11)</sup> [http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52015XG1216\(01\)](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52015XG1216(01))

19. feels that the alcohol prevention measures included in the Commission's future action on chronic diseases are good but not sufficient, as they do not cover preventive aspects or alcohol's harm to others <sup>(12)</sup>;
20. joint measures at EU level should include recommendations that aim to prevent alcohol abuse and its associated risks from being used to promote tourist destinations;
21. considers it important for strategic action on alcohol-related issues to support and be coordinated with ongoing international efforts. In this connection, the Committee of the Regions stresses that future action should seek greater synergies with the WHO's action plan <sup>(13)</sup> and the UN's sustainable development goals;
22. points out that, due to their expertise and experience at international, national, regional and local level, non-governmental organisations are important cooperation partners;

#### **FOCUS FOR FUTURE ACTION ON ALCOHOL-RELATED ISSUES AT EU LEVEL**

##### **Need for EU-level cooperation platforms**

23. points out that the action initiated and cooperation platforms established (CNAPA and EAHF) under the last alcohol strategy (2006-2012) <sup>(14)</sup> have to a certain extent been further built upon in the 4 years since the end of that strategy. There is still a need for these and other platforms for organising alcohol-related issues, and the skills and lessons they generate must be capitalised on and developed;
24. points out that both the Action Plan on Youth Drinking and on Heavy Episodic Drinking and the Joint Action on Reducing Alcohol Related Harm will conclude in 2016; notes that it is essential to extend the Joint Action and/or put in place a new action plan for children and young people;
25. underlines the importance of providing EU-level support for research and for ensuring that knowledge can be translated more quickly into practice and new working methods. It is important to highlight how measures can, at the same time, help to reduce health inequalities;
26. welcomes the exchange of good practice within and between Member States, which is strategically important and stimulates learning, knowledge and the identification of shared issues. Measures and action should be based on evidence and tried and tested methods, in the interests of cost effectiveness;
27. highlights the importance of effectively monitoring developments in alcohol policy. It is important to further develop existing databases in which comparable, reliable and standardised indicators are used for monitoring and analysis;
28. suggests that a science group be established to support the process of scientific evidence gathering;

##### **Marketing and advertising of alcoholic drinks**

29. stresses that marketing and advertising cross national borders, and therefore that cooperation between Member States is essential;
30. the measures to reduce the exposure of children and young, under-aged people to marketing and advertising for alcoholic drinks should be both restrictive and coercive, in other words they should prohibit both the marketing and advertising of alcohol to children;

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<sup>(12)</sup> The term 'harm to others' refers to the harm that may be caused to society or individuals in contact with people who drink alcohol.

<sup>(13)</sup> See footnote 4.

<sup>(14)</sup> Opinion of the Committee of the Regions on an EU strategy to support Member States in reducing alcohol-related harm (OJ C 197, 24.8.2007).

31. emphasises how important it is for producers and distributors of alcoholic drinks to fully comply with the marketing and advertising regulations in force;
32. feels that efforts to reduce the exposure of children and young people to alcohol marketing and advertising must take account of marketing via social media and the internet, as well as product placement and other products related to alcohol brands. In 2015, Finland banned the use of competitions and games in alcohol marketing, as well as alcohol advertising in public areas and on social media <sup>(15)</sup>;
33. points out that sponsorship of sporting and cultural events is a growing market and a cost-effective marketing strategy, and that this results in young people being exposed to alcohol marketing both at the events and via TV broadcasts;
34. underlines the importance of including information about the dangers of alcohol abuse in all marketing and advertising of alcoholic drinks;
35. is aware that self-monitoring and self-regulation are widely used within the EU in alcohol marketing, despite the fact that (a) there is no consensus on whether there is evidence justifying this approach in the alcohol sector <sup>(16)</sup> and (b) it does not do enough to protect pregnant women, children and young people from the negative impact of alcohol <sup>(17)</sup>;

#### **The rights of the child and of young people**

36. points out that far too many children and young people are growing up in families where there is alcohol dependency and abuse. It is estimated that between 5 and 9 million children in the EU live in families adversely affected by alcohol <sup>(18)</sup>. These children are at risk of worse health and educational opportunities;
37. believes that it is important to identify the areas of action that should be developed in the Member States to reduce large-scale alcohol consumption among young people, with the aim of ensuring a safe and healthy environment for children and young people; in this regard, underlines the importance of promoting leisure and party activities that do not involve drinking alcohol;
38. recognises that pregnancy and breastfeeding are particularly vulnerable periods, as this is when foetal alcohol spectrum disorders occur; alcohol can affect foetal growth and development at any stage of pregnancy and there is no known safe amount of alcohol to drink during pregnancy;
39. agrees that the Convention on the Rights of the Child requires that children and young people be protected against the harmful effects of alcohol. In line with Article 33 of the convention, the States Parties must act in the best interests of the child, and obtain and take account of the children's perspective in all decisions concerning them;
40. considers that preventative measures during pregnancy, childhood and adolescence should be prioritised, in order to promote a culture of prevention and health promotion;
41. points out that schools constitute an important sphere for promoting health by strengthening the protective factors for children, and for early identification of alcohol abuse and of children at risk. School-based education for children on the risks of alcohol must be based on scientific evidence, as programmes and activities that are merely informative will not have the required effect and should reach all stakeholders in the educational community — pupils, families and teachers — in a comprehensive way;

<sup>(15)</sup> <http://www.finlex.fi/sv/esitykset/he/2013/20130070.pdf>

<sup>(16)</sup> Babor, T. F. (2010). Alcohol: No Ordinary Commodity — a summary of the second edition. Addiction.

<sup>(17)</sup> CAMY. (2003). Alcohol Advertising on Sports Television 2001 to 2003: Center on Alcohol Marketing and Youth, Madden, P. A., & Grube, J. W. (1994). The frequency and nature of alcohol and tobacco advertising in televised sports, 1990 through 1992. *Am J Public Health*.

<sup>(18)</sup> [http://ec.europa.eu/health/archive/ph\\_determinants/life\\_style/alcohol/documents/alcohol\\_europe\\_en.pdf](http://ec.europa.eu/health/archive/ph_determinants/life_style/alcohol/documents/alcohol_europe_en.pdf), p. 6.

42. stresses that it is important to reduce alcohol abuse among adults, including through educational measures, as adult role models are a key factor in optimising the impact of preventive measures targeting youths and young adults. Educational material for both adults and young people should be designed by an independent research-based body. To this end, it is important to work with the hotel and catering industry to provide education about how to serve alcoholic drinks responsibly, in order to minimise excessive alcohol consumption among adults;

43. considers it a priority to conduct prevention programmes focused on the family, as this is a key setting for children's education and upbringing and for imparting strategies, values, skills and competences;

#### **Consumer information — ingredients listings with nutrition information and calories**

44. urges the EU institutions to improve alcohol labelling at EU level and to finalise the report on how to include alcohol packaging in existing legislation on content labelling with ingredients, nutrition information and calorie content; stresses that consumers have a right to know what products contain, so that they can make informed choices;

45. believes that a specific warning label aimed at pregnant women, children, young people and motorists is an important complement and tool in publicising and reducing the risks surrounding alcohol consumption. It is important to adapt warning labels to different target groups. Welcomes the action already taken in this area by some producers and distributors;

46. recommends that education and information campaigns focus on raising awareness of the risks of binge drinking and about where to get advice, support and care;

47. underlines the media's important role in terms of providing accurate information about the risks of alcohol consumption;

#### **Access to alcohol and sale of cheap alcohol**

48. points out that socioeconomically vulnerable groups and young people are at greater risk of poor health, and is keen to prevent rising health inequalities. One problem is excessively low-priced and easily accessible alcohol, which is liable to lead to high levels of alcohol consumption, which can in turn lead to liver damage and premature mortality<sup>(19)</sup>. The Member States could envisage joint efforts, including research, to prevent the sale of extremely cheap alcohol, including online sales;

49. notes that there is a connection between access to alcohol and the extent of alcohol abuse and alcohol-related harm. Research shows that easier access to alcohol results in higher consumption, leading to increases in health problems and harm<sup>(20)</sup>;

50. takes the view that Member States could further strengthen restrictions on and oversight of the purchase and sale of alcohol, even though the majority of Member States have a lower age limit of 18. Other options include restricting the number of sales outlets, banning consumption and sale of alcohol in public places at certain times, restricting opening times and licences, and promoting a responsible approach to serving alcohol by educating professionals, distributors and the hospitality industry. Restrictions should be complemented by enforcement;

#### **Preventive action in the workplace**

51. notes that high-risk alcohol consumption and alcohol abuse and addiction increase the risk of both absenteeism and lower productivity, and have a negative impact on other people. Intoxicated people present a safety risk: 20 to 25 % of all workplace accidents involve people under the influence of alcohol. The workplace is an important arena for action to prevent harmful consumption<sup>(21)</sup>;

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<sup>(19)</sup> [http://www.easl.eu/medias/EASLimg/News/3f9dd90221ef292\\_file.pdf](http://www.easl.eu/medias/EASLimg/News/3f9dd90221ef292_file.pdf)

<sup>(20)</sup> See footnote 4.

<sup>(21)</sup> [http://ec.europa.eu/health/alcohol/docs/science\\_02\\_en.pdf](http://ec.europa.eu/health/alcohol/docs/science_02_en.pdf)

52. points out that consideration should be given to the possibility of the offender following education/rehabilitation programmes as an alternative to fines or other enforcement measures, especially when the alleged offenders are minors;

53. stresses that alcohol consumption should be addressed in the workplace, through early intervention. Workplaces should have instructions on what to do in such situations. This would constitute good preventive occupational healthcare;

54. highlights the fact that the public sector can be a leader in alcohol prevention measures to ensure a safe and secure working environment, not least because many public sector employees provide important welfare services for the public;

#### **Preventive action in healthcare**

55. sees a need for access to early intervention, care and treatment, and a need to ensure that children whose parents are receiving treatment for alcohol dependence or abuse are given particular attention and offered advice and support. One way of preventing disease is to promote healthy lifestyles by providing support in changing high-risk alcohol consumption patterns;

56. believes that, in the world of work, agreements between trade unions and employers' organisations should be promoted, involving employers in the prevention measures being developed;

57. notes that alcohol-related liver diseases often affect people of working age. There is also a medical connection between alcohol abuse and many other serious diseases: cancer, cardiovascular diseases and mental illness <sup>(22)</sup>;

#### **Road safety**

58. points out that drink-driving limits, information campaigns and education, along with enforcement, help to improve road safety. Drink driving is responsible for 25 % of all fatal car accidents in the EU <sup>(23)</sup>;

59. welcomes the study published by the Commission in 2014 looking at alcolocks and their use in reducing the number of alcohol-related road accidents <sup>(24)</sup>;

60. feels that more can be done to work together to improve road safety in the EU, among other things by reviewing alcohol-related road accidents and sharing experience between Member States regarding effective measures in this field. It is important for new drivers to be aware of the consequences of drink driving.

Brussels, 9 February 2017.

*The President*  
*of the European Committee of the Regions*  
Markku MARKKULA

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<sup>(22)</sup> [http://www.eurocare.org/library/updates/eurocare\\_eu\\_alcohol\\_strategy2](http://www.eurocare.org/library/updates/eurocare_eu_alcohol_strategy2)

<sup>(23)</sup> [http://ec.europa.eu/transport/road\\_safety/topics/behaviour/fitness\\_to\\_drive/index\\_en.htm](http://ec.europa.eu/transport/road_safety/topics/behaviour/fitness_to_drive/index_en.htm)

<sup>(24)</sup> [https://ec.europa.eu/transport/road\\_safety/sites/roadsafety/files/pdf/behavior/study\\_alcohol\\_interlock.pdf](https://ec.europa.eu/transport/road_safety/sites/roadsafety/files/pdf/behavior/study_alcohol_interlock.pdf)

## III

*(Preparatory acts)*

## COMMITTEE OF THE REGIONS

121ST PLENARY SESSION, 8-9 FEBRUARY 2017

**Opinion of the European Committee of the Regions — Reform of the Common European Asylum System Package II and a Union Resettlement Framework**

(2017/C 207/13)

**Rapporteur:** Vincenzo Bianco (PES/IT), Mayor of Catania**Reference documents:** Proposal for a Directive of the European Parliament and of the Council laying down standards for the reception of applicants for international protection (recast)

COM(2016) 465 final

Proposal for a Regulation of the European Parliament and of the Council on standards for the qualification of third-country nationals or stateless persons as beneficiaries of international protection, for a uniform status for refugees or for persons eligible for subsidiary protection and for the content of the protection granted and amending Council Directive 2003/109/EC of 25 November 2003 concerning the status of third-country nationals who are long-term residents

COM(2016) 466 final

Proposal for a Regulation of the European Parliament and of the Council establishing a common procedure for international protection in the Union and repealing Directive 2013/32/EU

COM(2016) 467 final

Proposal for a Regulation of the European Parliament and of the Council establishing a Union Resettlement Framework and amending Regulation (EU) No 516/2014 of the European Parliament and the Council

COM(2016) 468 final

## I. RECOMMENDATIONS FOR AMENDMENTS

**COM(2016) 466 final (Qualification criteria for recognition of protection)****Amendment 1**

## Article 8(3) — Internal protection

Text proposed by the Commission	CoR amendment
<p>In examining whether an applicant has a well-founded fear of being persecuted or is at real risk of suffering serious harm, or has access to protection against persecution or serious harm in a part of the country of origin in accordance with paragraph 1, determining authorities shall at the time of taking the decision on the application have regard to the general circumstances prevailing in that part of the country and to the personal circumstances of the applicant in accordance with Article 4. To that end, determining authorities shall ensure that precise and up-to-date information is obtained from all relevant sources, including available Union level country of origin information and the common analysis of country of origin information referred to in Articles 8 and 10 of Regulation (EU) No XXX/XX [Regulation on the European Union Agency for Asylum], as well as information and guidance issued by the United Nations High Commissioner for Refugees.</p>	<p>In examining whether an applicant has a well-founded fear of being persecuted or is at real risk of suffering serious harm, or has access to protection against persecution or serious harm in a part of the country of origin in accordance with paragraph 1, determining authorities shall at the time of taking the decision on the application have regard to the general circumstances prevailing in that part of the country and to the personal circumstances of the applicant in accordance with Article 4. To that end, determining authorities shall ensure that precise and up-to-date information is obtained from all relevant sources, including available Union level country of origin information and the common analysis of country of origin information referred to in Articles 8 and 10 of Regulation (EU) No XXX/XX [Regulation on the European Union Agency for Asylum], as well as information and guidance issued by the United Nations High Commissioner for Refugees. <b>Information and guidance from independent sources and experts may also be examined.</b></p>

**Reason**

Independent information and assessments can help provide elements that are not always available via the official sources.

**Amendment 2**

## Article 15 — Review of refugee status

Text proposed by the Commission	CoR amendment
<p>In order to apply Article 14(1), the determining authority shall review the refugee status in particular:</p> <p>(a) where Union level country of origin information and common analysis of country of origin information as referred in Articles 8 and 10 of Regulation (EU) No XXX/XX [Regulation on the European Union Agency for Asylum] indicate a significant change in the country of origin which is relevant for the protection needs of the applicant,</p> <p>(b) when renewing, for the first time, the residence permit issued to a refugee.</p>	<p>In order to apply Article 14(1), the determining authority shall review the refugee status in particular:</p> <p>(a) where Union level country of origin information and common analysis of country of origin information as referred in Articles 8 and 10 of Regulation (EU) No XXX/XX [Regulation on the European Union Agency for Asylum] indicate a significant change in the country of origin which is relevant for the protection needs of the applicant,</p> <p>(b) when renewing, for the first time, the residence permit issued to a refugee, <b>by means of a simplified procedure: should elements emerge during the simplified procedure such as those specified in paragraph (a) which might result in any refusal to renew the permit, the simplified procedure must immediately be converted into the normal procedure and the interested party notified of this; in any case, the possibility remains of judicial appeal against the decision not to renew the permit.</b></p>

**Reason**

The Commission proposal introduces a review of the status granted to refugees; this happens a) as a matter of course, whenever significant changes in the situation in their country of origin are reported by EASO; b) in any case, at regular intervals, whether or not changes have been reported; however, in this second case we consider that the renewal can and should be accomplished through a simplified procedure in order to avoid placing excessive burdens on refugees and causing feelings of excessive instability.

**COM(2016) 467 final (Common procedures for recognition of international protection)****Amendment 3**

## Article 7(4) — Obligations of applicants

Text proposed by the Commission	CoR amendment
<p>The applicant shall inform the determining authority of the Member State in which he or she is required to be present of his or her place of residence or address <b>or a</b> telephone number where he or she may be reached by the determining authority or other responsible authorities. He or she shall notify that determining authority of any changes. The applicant shall accept any communication at the most recent place of residence or address which he or she indicated accordingly, in particular when he or she lodges an application in accordance with Article 28.</p>	<p>The applicant shall inform the determining authority of the Member State in which he or she is required to be present of his or her place of residence or address <b>and</b> telephone number where he or she may be reached by the determining authority or other responsible authorities. He or she shall notify that determining authority of any changes. The applicant shall accept any communication at the most recent place of residence or address which he or she indicated accordingly, in particular when he or she lodges an application in accordance with Article 28.</p>

**Reason**

The applicant should inform the authority of his or her place of residence and address and not only telephone number, so that he or she can be informed in good time of any decisions affecting the procedure.

**Amendment 4**

## Article 15(5) — Free legal assistance and representation (in the appeal procedure)

Text proposed by the Commission	CoR amendment
<p>The provision of free legal assistance and representation in the appeal procedure may be excluded where:</p> <p>(a) the applicant has sufficient resources;</p> <p>(b) <b>the appeal is considered as not having any tangible prospect of success;</b></p> <p>(c) <b>the appeal or review is at a second level of appeal or higher as provided for under national law, including rehearings or reviews of appeal.</b></p> <p><b>Where a decision not to grant free legal assistance and representation is taken by an authority which is not a court or tribunal on ground that the appeal is considered as having no tangible prospect of success, the applicant shall have the right to an effective remedy before a court or tribunal against that decision, and for that purpose he or she shall be entitled to request free legal assistance and representation.</b></p>	<p>The provision of free legal assistance and representation in the appeal procedure may be excluded where:</p> <p>(a) the applicant has sufficient resources.</p> <p><b>Where the appeal is lodged for purely instrumental reasons or is manifestly unfounded, the judge may decide to withdraw free legal representation and assistance and to reduce or completely withhold the payment owed to the professional by the state (where provided for).</b></p>

**Reason**

We consider that, particularly in the case of the appeal procedure (at both first and second levels and/or at higher levels), refusal of the right to legal assistance must only occur on the basis of a necessarily stringent criterion which leaves as little to chance and as little room for discretion as possible, and that it must of necessity be a judge who takes the decision.

**Amendment 5**

## Article 33(2) — Examination of applications

Text proposed by the Commission	CoR amendment
<p>2. The determining authority shall take decisions on applications for international protection after an appropriate examination as to the admissibility or merits of an application. The determining authority shall examine applications objectively, impartially and on an individual basis. For the purpose of examining the application, it shall take the following into account:</p> <p>(a) the relevant statements and documentation presented by the applicant including information on whether the applicant has been or may be subject to persecution or serious harm;</p> <p>(b) all relevant, accurate and up-to-date information relating to the situation prevailing in the country of origin of the applicant at the time of taking a decision on the application, including laws and regulations of the country of origin and the manner in which they are applied, as well as any other relevant information obtained from the European Union Agency for Asylum, from the United Nations High Commissioner for Refugees and relevant international human rights organisations, or from other sources;</p> <p>(c) the common analysis of the country of origin information referred to in Article 10 of Regulation (EU) No XXX/XXX (EU Asylum Agency Regulation);</p> <p>(d) the individual position and personal circumstances of the applicant, including factors such as background, gender, age, sexual orientation and gender identity so as to assess whether, on the basis of the applicant's personal circumstances, the acts to which the applicant has been or could be exposed would amount to persecution or serious harm;</p> <p>(e) whether the activities that the applicant was engaged in since leaving the country of origin were carried out by the applicant for the sole or main purpose of creating the necessary conditions for applying for international protection, so as to assess whether those activities would expose the applicant to persecution or serious harm if returned to that country;</p>	<p>2. The determining authority shall take decisions on applications for international protection after an appropriate examination as to the admissibility or merits of an application. The determining authority shall examine applications objectively, impartially and on an individual basis. For the purpose of examining the application, it shall take the following into account:</p> <p>(a) the relevant statements and documentation presented by the applicant including information on whether the applicant has been or may be subject to persecution or serious harm;</p> <p>(b) all relevant, accurate and up-to-date information relating to the situation prevailing in the country of origin of the applicant at the time of taking a decision on the application, including laws and regulations of the country of origin and the manner in which they are applied, as well as any other relevant information obtained from the European Union Agency for Asylum, from the United Nations High Commissioner for Refugees and relevant international human rights organisations, or from other sources;</p> <p>(c) the common analysis of the country of origin information referred to in Article 10 of Regulation (EU) No XXX/XXX (EU Asylum Agency Regulation);</p> <p>(d) the individual position and personal circumstances of the applicant, including factors such as background, gender, age, sexual orientation and gender identity so as to assess whether, on the basis of the applicant's personal circumstances, the acts to which the applicant has been or could be exposed would amount to persecution or serious harm;</p> <p>(e) whether the activities that the applicant was engaged in since leaving the country of origin were carried out by the applicant for the sole or main purpose of creating the necessary conditions for applying for international protection, so as to assess whether those activities would expose the applicant to persecution or serious harm if returned to that country;</p>

Text proposed by the Commission	CoR amendment
(f) whether the applicant could reasonably be expected to avail himself or herself of the protection of another country where he or she could assert citizenship.	(f) whether the applicant could reasonably be expected to avail himself or herself of the protection of another country where he or she could assert citizenship;  <b>(g) statements, if supported by official documents, or documents submitted by the applicant as proof of their preferences, family ties, connections with communities from their country of origin or language or professional skills which would facilitate their integration into one or more Member States of destination.</b>

### Reason

The amendment is consistent with the text of the opinion on the review of the Dublin Regulation (...), already adopted by the CIVEX commission, which states that the applicant's preferences and ties should be taken into account in order to determine the Member State responsible.

## Amendment 6

### Article 34 — Duration of the examination procedure

Text proposed by the Commission	CoR amendment
<p>1. The examination to determine the admissibility of an application in accordance with Article 36(1) shall not take longer than one month from the lodging of an application.</p> <p><b><i>The time limit for such examination shall be ten working days where, in accordance with Article 3(3)(a) of Regulation (EU) No XXX/XXX (Dublin Regulation), the Member State of first application applies the concept of first country of asylum or safe third country referred to in Article 36(1)(a) and (b).</i></b></p> <p>2. The determining authority shall ensure that an examination procedure on the merits is concluded as soon as possible and not later than six months from the lodging of the application, without prejudice to an adequate and complete examination.</p> <p>3. The determining authority may extend that time limit of six months by a period of not more than <b>three months</b>, where:</p> <p>(a) a disproportionate number of third-country nationals or stateless persons simultaneously apply for international protection, making it difficult in practice to conclude the procedure within the six-month time limit;</p> <p>(b) complex issues of fact or law are involved.</p>	<p>1. The examination to determine the admissibility of an application in accordance with Article 36(1) shall not take longer than one month from the lodging of an application.</p> <p>2. The determining authority shall ensure that an examination procedure on the merits is concluded as soon as possible and not later than six months from the lodging of the application, without prejudice to an adequate and complete examination.</p> <p>3. The determining authority may extend that time limit of six months by a period of not more than <b>a further six months</b>, where:</p> <p>(a) a disproportionate number of third-country nationals or stateless persons simultaneously apply for international protection, making it difficult in practice to conclude the procedure within the six-month time limit;</p> <p>(b) complex issues of fact or law are involved.</p>

**Reason**

The varying time limits may undermine the exercising of the right of defence, increasing the burden incumbent on the lawyer of ascertaining and updating the position of the person they are assisting.

Given the possibility of situations of crisis or excessive affluence, notwithstanding extraordinary support from EASO and other Member States, it would be advisable to increase the maximum length of the procedure from nine months to (a total of) a year.

**Amendment 7**

Article 36(2) — Decision on the admissibility of the application *and on responsibility*

Text proposed by the Commission	CoR amendment
<p>An application shall not be examined on its merits in the cases where an application is not examined in accordance with Regulation (EU) No XXX/XXX (Dublin Regulation), including when another Member State has granted international protection to the applicant, or where an application is rejected as inadmissible in accordance with paragraph 1.</p>	<p>An application shall not be examined on its merits in the cases where an application is not examined in accordance with Regulation (EU) No XXX/XXX (Dublin Regulation), including when another Member State has granted international protection to the applicant, or where an application is rejected as inadmissible in accordance with paragraph 1, <b>or where on the basis of Article 7 of Regulation (EU) XXX/XXX (Dublin Regulation), the applicant has expressed a preference for one or more Member States of destination where, according to EASO quarterly data, the threshold provided for by Articles 7 and 35 of this regulation has not been reached.</b></p>

**Reason**

Here, too, the amendment is consistent with the opinion on the proposed revision of the Dublin Regulation already adopted by the CIVEX commission; in the case outlined above, it is the responsibility of the designated Member State to examine the merit of the application on the basis of the preference/ties criterion, not the responsibility of the country of first entry, which is merely required to transfer the person in question to the country responsible.

**Amendment 8**

Article 39 — Implicit withdrawal of applications

Text proposed by the Commission	CoR amendment
<p>1. The determining authority shall reject an application as abandoned where:</p> <p>[...]</p> <p>2. In the circumstances referred to in paragraph 1, the determining authority shall discontinue the examination of the application and send a written notice to the applicant at the place of residence or address referred to in Article 7(4), informing him or her that the examination of his or her application has been discontinued and that the application will be definitely rejected as abandoned unless the applicant reports to the determining authority within a period of <b>one month</b> from the date when the written notice is sent.</p> <p>3. Where the applicant reports to the determining authority within that <b>one-month</b> period and demonstrates that his or her failure was due to circumstances beyond his or her control, the determining authority shall resume the examination of the application.</p>	<p>1. The determining authority shall reject an application as abandoned where:</p> <p>[...]</p> <p>2. In the circumstances referred to in paragraph 1, the determining authority shall discontinue the examination of the application and send a written notice to the applicant at the place of residence or address referred to in Article 7(4), informing him or her that the examination of his or her application has been discontinued and that the application will be definitely rejected as abandoned unless the applicant reports to the determining authority within a period of <b>two months</b> from the date when the written notice is sent.</p> <p>3. Where the applicant reports to the determining authority within that <b>two-month</b> period and demonstrates that his or her failure was due to circumstances beyond his or her control, the determining authority shall resume the examination of the application.</p>

Text proposed by the Commission	CoR amendment
4. Where the applicant does not report to the determining authority within this <b>one-month</b> period and does not demonstrate that his or her failure was due to circumstances beyond his or her control, the determining authority shall consider that the application has been implicitly withdrawn.	4. Where the applicant does not report to the determining authority within this <b>two-month</b> period and does not demonstrate that his or her failure was due to circumstances beyond his or her control, the determining authority shall consider that the application has been implicitly withdrawn.

**Reason**

Given the communication difficulties which may be encountered by the applicant, a time limit providing a greater guarantee must be introduced.

**Amendment 9**

## Article 43 — Exception from the right to remain in subsequent applications

Text proposed by the Commission	CoR amendment
<p>Without prejudice to the principle of non-refoulement, Member States may provide an exception from the right to remain on their territory and derogate from Article 54(1), where:</p> <p>(a) a subsequent application has been rejected by the determining authority as inadmissible or manifestly unfounded;</p> <p>(b) a second or further subsequent application is made in any Member State following a final decision rejecting a previous subsequent application as inadmissible, unfounded or manifestly unfounded.</p>	<p>Without prejudice to the principle of non-refoulement, Member States may provide an exception from the right to remain on their territory and derogate from Article 54(1), where:</p> <p>(a) a subsequent application has been rejected by the determining authority as inadmissible or manifestly unfounded;</p> <p>(b) a second or further subsequent application is made in any Member State following a final decision rejecting a previous subsequent application as inadmissible, unfounded or manifestly unfounded;</p> <p><b><i>the provisions of subparagraph (b) do not apply where the previous application was lodged before the entry into force of this regulation and, in the case in point, the applicant did not receive legal assistance;</i></b></p>

**Reason**

Given that the information, representation and assistance obligations are only introduced at all levels with this package of Commission proposals, we consider that Member States have to grant the right to remain in their country when the applicant did not receive legal assistance during their first application.

**Amendment 10**

## Article 45(3) — The concept of safe third country

Text proposed by the Commission	CoR amendment
<p>The determining authority shall consider a third country to be a safe third country for a particular applicant, after an individual examination of the application, only where it is satisfied of the safety of the third country for a particular applicant in accordance with the criteria established in paragraph 1 and it has established that:</p> <p>a) there is a connection between the applicant and the third country in question on the basis of which it would be reasonable for that person to go to that country, including because <b><i>the applicant has transited through that third country which is geographically close to the country of origin of the applicant;</i></b></p>	<p>The determining authority shall consider a third country to be a safe third country for a particular applicant, after an individual examination of the application, only where it is satisfied of the safety of the third country for a particular applicant in accordance with the criteria established in paragraph 1 and it has established that:</p> <p>a) there is a connection between the applicant and the third country in question on the basis of which it would be reasonable for that person to go to that country, including because <b><i>the applicant has stayed there for a considerable period of time or has ties or relationships with family members or compatriots there;</i></b></p>

Text proposed by the Commission	CoR amendment
b) the applicant has not submitted serious grounds for considering the country not to be a safe third country in his or her particular circumstances.	b) the applicant has not submitted serious grounds for considering the country not to be a safe third country in his or her particular circumstances.

**Reason**

Mere transit through a third country on the way to the EU (or a stay there purely for the time necessary to prepare for departure) cannot be considered sufficient grounds for returning the applicant to the country in question.

**Amendment 11**

## Article 53(6) — The right to an effective remedy

Text proposed by the Commission	CoR amendment
<p>Applicants shall lodge appeals against any decision referred to in paragraph 1:</p> <p>a) within <b>one week</b> in the case of a decision rejecting a subsequent application as inadmissible or manifestly unfounded;</p> <p>b) within <b>two weeks</b> in the case of a decision rejecting an application as inadmissible or in the case of a decision rejecting an application as explicitly withdrawn or as abandoned, or in the case of a decision rejecting an application as unfounded or manifestly unfounded in relation to refugee or subsidiary protection status following an accelerated examination procedure or border procedure or while the applicant is held in detention;</p> <p>c) within one month in the case of a decision rejecting an application as unfounded in relation to the refugee or subsidiary protection status if the examination is not accelerated or in the case of a decision withdrawing international protection.</p> <p>For the purposes of point (b), Member States may provide for an ex officio review of decisions taken pursuant to a border procedure.</p> <p>The time limits provided for in this paragraph shall start to run from the date when the decision of the determining authority is notified to the applicant or from the moment the legal adviser or counsellor is appointed if the applicant has introduced a request for free legal assistance and representation.</p>	<p>Applicants shall lodge appeals against any decision referred to in paragraph 1:</p> <p>a) within <b>a fortnight</b> in the case of a decision rejecting a subsequent application as inadmissible or manifestly unfounded;</p> <p>b) within <b>a fortnight</b> in the case of a decision rejecting an application as inadmissible or in the case of a decision rejecting an application as explicitly withdrawn or as abandoned, or in the case of a decision rejecting an application as unfounded or manifestly unfounded in relation to refugee or subsidiary protection status following an accelerated examination procedure or border procedure or while the applicant is held in detention;</p> <p>c) within one month in the case of a decision rejecting an application as unfounded in relation to the refugee or subsidiary protection status if the examination is not accelerated or in the case of a decision withdrawing international protection.</p> <p>For the purposes of point (b), Member States may provide for an ex officio review of decisions taken pursuant to a border procedure.</p> <p>The time limits provided for in this paragraph shall start to run from the date when the decision of the determining authority is notified to the applicant or from the moment the legal adviser or counsellor is appointed if the applicant has introduced a request for free legal assistance and representation.</p>

**Reason**

We consider that, including in the light of the case law of the Court of Justice, minimum time limits must be introduced which are consistent rather than differ.

**COM(2016) 465 final (reception conditions)****Amendment 12**

## Article 7(5) Residence and freedom of movement

Text proposed by the Commission	CoR amendment
Member States shall require applicants to inform the competent authorities of their current place of residence or address <b>or a</b> telephone number where they may be reached and notify any change of telephone number or address to such authorities as soon as possible	Member States shall require applicants to inform the competent authorities of their current place of residence or address <b>and</b> telephone number where they may be reached and notify any change of telephone number or address to such authorities as soon as possible.

**Reason**

The applicant should inform the authority of his or her place of residence and address and not only telephone number, so that he or she can be informed in good time of any decisions affecting the procedure.

**Amendment 13**

## Article 19 — Replacement, reduction or withdrawal of material reception conditions

Text proposed by the Commission	CoR amendment
<p>1. With regard to applicants who are required to be present on their territory in accordance with Regulation (EU) No XXX/XXX [Dublin Regulation], Member States may, in the situations described in paragraph 2:</p> <p>(a) replace accommodation, food, clothing and other essential non-food items provided in the form of financial allowances and vouchers, with material reception conditions provided in kind; or</p> <p>(b) reduce <b>or, in exceptional and duly justified cases, withdraw</b> the daily allowances.</p> <p>2. Paragraph 1 applies where an applicant:</p> <p>(a) abandons the place of residence determined by the competent authority without informing it or, if requested, without permission, or absconds; or</p> <p>(b) does not comply with reporting duties or with requests to provide information or to appear for personal interviews concerning the asylum procedure during a reasonable period laid down in national law; or</p> <p>(c) has lodged a subsequent application as defined in Article [4(2)(i)] of Regulation (EU) No XXX/XXX [Procedures Regulation]; or</p> <p>(d) has concealed financial resources, and has therefore unduly benefited from material reception conditions; or</p> <p>(e) has seriously breached the rules of the accommodation centre or behaved in a seriously violent way; or</p>	<p>1. With regard to applicants who are required to be present on their territory in accordance with Regulation (EU) No XXX/XXX [Dublin Regulation], Member States may, in the situations described in paragraph 2:</p> <p>(a) replace accommodation, food, clothing and other essential non-food items provided in the form of financial allowances and vouchers, with material reception conditions provided in kind; or</p> <p>(b) reduce the daily allowances.</p> <p>2. Paragraph 1 applies where an applicant:</p> <p>(a) abandons the place of residence determined by the competent authority without informing it or, if requested, without permission, or absconds <b>for a reasonable period laid down in national law</b>; or</p> <p>(b) does not comply with reporting duties or with requests to provide information or to appear for personal interviews concerning the asylum procedure during a reasonable period laid down in national law; or</p> <p>(c) has lodged a subsequent application as defined in Article [4(2)(i)] of Regulation (EU) No XXX/XXX [Procedures Regulation]; or</p> <p>(d) has concealed financial resources, and has therefore unduly benefited from material reception conditions; or</p> <p>(e) has seriously breached the rules of the accommodation centre or behaved in a seriously violent way; or</p>

Text proposed by the Commission	CoR amendment
<p>(f) fails to attend compulsory integration measures; or</p> <p>(g) has not complied with the obligation set out in Article [4(1)] of Regulation (EU) No XXX/XXX [Dublin Regulation] and has travelled to another Member State without adequate justification and made an application there; or</p> <p>(h) has been sent back after having absconded to another Member State.</p> <p>In relation to points (a) and (b), when the applicant is traced or voluntarily reports to the competent authority, a duly motivated decision, based on the reasons for the disappearance, shall be taken on the reinstatement of the grant of some or all of the material reception conditions replaced, withdrawn or reduced.</p> <p>3. Decisions for replacement, reduction or withdrawal of material reception conditions shall be taken objectively and impartially on the merits of the individual case and reasons shall be given. Decisions shall be based on the particular situation of the person concerned, especially with regard to applicants with special reception needs, taking into account the principle of proportionality. Member States shall under all circumstances ensure access to health care in accordance with Article 18 and shall ensure a dignified standard of living for all applicants.</p> <p>4. Member States shall ensure that material reception conditions are not replaced, withdrawn or reduced before a decision is taken in accordance with paragraph 3.</p>	<p>(f) fails to attend compulsory integration measures; or</p> <p>(g) has not complied with the obligation set out in Article [4(1)] of Regulation (EU) No XXX/XXX [Dublin Regulation] and has travelled to another Member State without adequate justification and made an application there; or</p> <p>(h) has been sent back after having absconded to another Member State.</p> <p>In relation to points (a) and (b), when the applicant is traced or voluntarily reports to the competent authority, a duly motivated decision, based on the reasons for the disappearance, shall be taken on the reinstatement of the grant of some or all of the material reception conditions replaced, withdrawn or reduced.</p> <p>3. Decisions for replacement, reduction or withdrawal of material reception conditions shall be taken objectively and impartially on the merits of the individual case and reasons shall be given. Decisions shall be based on the particular situation of the person concerned, especially with regard to applicants with special reception needs, taking into account the principle of proportionality. Member States shall under all circumstances ensure access to health care in accordance with Article 18 and shall ensure a dignified standard of living for all applicants.</p> <p>4. Member States shall ensure that material reception conditions are not replaced, withdrawn or reduced before a decision is taken in accordance with paragraph 3.</p>

### Reason

We consider that an absence should only be declared to be abscondment when it lasts for a substantial period, to avoid sporadic or necessary absences incurring excessive penalties. With regard to allowances, we propose merely the possibility of reducing them, in that withdrawing them completely could lead to situations of social instability.

### Amendment 14

#### Article 23 — Unaccompanied minors

Text proposed by the Commission	CoR amendment
<p>Unaccompanied minors</p> <p>Member States shall <b>as soon as possible and</b> no later than five working days from the moment when an unaccompanied minor makes an application for international protection take measures to ensure that a <b>guardian</b> represents and assists the unaccompanied minor to enable him or her to benefit from the rights and comply with the obligations provided for in this Directive.</p>	<p>Unaccompanied minors</p> <p>Member States shall no later than five working days from the moment when an unaccompanied minor makes an application for international protection, <b>or as soon as possible</b>, take measures to ensure that a <b>representative or sponsor</b> represents and assists the unaccompanied minor to enable him or her to benefit from the rights and comply with the obligations provided for in this Directive.</p>

Text proposed by the Commission	CoR amendment
	<p><i>The Member States shall guarantee that, for a transitional period until a representative or sponsor is appointed, any suitable form of representation provided for in a Member State that the law allows and that is capable of ensuring the child's welfare with regard to urgent matters that could cause irreparable harm to the child, shall also be sufficient for the purposes of this directive.</i></p>

### Reason

At times when large numbers of unaccompanied minors are being taken in, it might be necessary to avoid setting binding time scales for appointing a sponsor. The concept of 'guardian' and the term itself could be misleading and incompatible with the law in many Member States: we ask for 'sponsor' to be used instead.

## II. POLICY RECOMMENDATIONS

### THE EUROPEAN COMMITTEE OF THE REGIONS

#### General comments

1. stresses the need for a comprehensive, overall approach which fosters sustainable policies on asylum and integration of asylum seekers and which involves the EU as a whole, in the framework of a system of genuine solidarity, including among Member States;
2. moreover, stresses the huge particular interest of regional and local authorities, as necessary partners of the Member States and the European Union in managing and receiving asylum seekers, in fair, transparent regulation of the topic with due respect for social integration conditions and the fundamental rights of the individual; stresses, furthermore, that local authorities, which are guarantors of the rights of the citizens in general, will be able to perform this task better if they have Community legal provisions to refer to and the proper means to ensure the safety of the citizens and the fundamental rights of asylum applicants;
3. stresses, as it did in the opinion on the first package of proposals, the need for sustainable solutions that tackle the issue in a structural way, letting go of the illusion that it is a question of dealing with individual emergencies; therefore, while appreciating the Commission's effort to provide solutions to an urgent situation generating political pressure, believes that a more in-depth reflection is necessary which goes to the roots of the issue, taking into account international obligations, migrants' rights and the needs of the different levels of government, throughout the EU, without overburdening the border countries or countries most exposed or prized by asylum seekers for the sake of form or principle;
4. welcomes the convergence and standardisation of conditions for assistance granted to applicants, including with a view to discouraging secondary movements within the European Union; considers, however, that an approach based solely on ensuring equal material conditions and on penalties related to unauthorised secondary movements is insufficient;
5. considers that, in order to further integration and uproot the causes of secondary movements, it is important and necessary to take into account the effective connections, work-related skills and preferences of applicants regarding one or more Member States, as has already been emphasised in the opinion on the first package of Commission proposals, and, to this end, stresses the importance of collecting the relevant data, with applicants' help, to facilitate their social and professional integration;
6. while it is pleased to see that the procedures for examining applications for international protection have been speeded up, stresses that this must not result in reduced fundamental rights and that the summary procedures provided for in the package of proposals must be able to be used with extreme caution and be subject to careful verification that the conditions for their use have been met;
7. is extremely concerned at the legislative solution adopted for the Union Resettlement Framework — COM(2016) 468 final — (adoption of a reference framework with a Council act and implementation with a Commission decision), which excludes the European Parliament and is rare in this sector, unlike in the foreign policy and security sector;

8. welcomes the Commission proposals aiming to facilitate access to the labour market and occupational and other training for beneficiaries of international protection. Also urges the Commission and Member States to adopt effective and flexible mechanisms to allow for the recognition of degrees and diplomas and professional qualifications which would facilitate access to the labour market for those seeking international protection;
9. welcomes the greater role to be played by EASO in supporting the Member States;
10. welcomes the explicit provision of the general right to legal assistance, stressing the potential positive effect of this in terms of reducing timeframes and the number of judicial appeals;
11. recommends that implementation of the measures on reception conditions be supported with greater access to and provision of EU funds, facilitating access for the regions and local authorities, which must be given the right conditions for the proper reception of asylum-seekers and new arrivals;
12. welcomes the fact that the Commission's proposals take account of the interests and well-being of unaccompanied minors and, inter alia, make provision for the rapid appointment of a representative or sponsor. At times when large numbers of unaccompanied minors are being taken in, it might, however, be necessary to avoid setting rigid time scales for making this appointment which in many Member States involves a court procedure. A procedure of this kind entails appropriate procedural guarantees, such as the appointment of an interpreter, and certain investigative requirements, which cannot be carried out within the timeframe proposed by the Commission.
13. acknowledges that the proposals comply with the subsidiarity principle, exhaustively tackling cross-border issues such as solidarity between Member States, the development of a more integrated asylum system and better exchange of information between Member States — objectives which could not be pursued by the Member States individually; recognises that the proposed measures establish uniform rules applicable to the entire European Union, and also comply with the proportionality principle; would like to see continued monitoring throughout the decision making-process to verify compliance with these principles;

#### **COM(2016) 467 final**

14. recommends that the definition of 'guardian' (Article 4(2)(f)) highlight independence from the administration of the person or organisation as a third party appointed to assist and represent an unaccompanied minor in the procedures provided for by the regulation;
15. recommends that the minor always be assisted by a lawyer in interviews with the administrative authority dealing with their application (Article 22);
16. recommends, moreover (also with regard to Article 22) that the minor's representative be a person or body independent of the administration and appointed on a legal basis or by a legal authority to act solely in the interest of the minor;
17. recommends, with reference to subsequent applications (Article 42), stipulating that the preliminary examination assessing the admissibility of the application must ascertain whether the applicant effectively received information and legal assistance during the previous application, and that the lack of information or legal assistance is considered justification for lodging the subsequent application;
18. recommends that the provision in Article 22(4) of the draft Regulation that the person acting as guardian shall be changed only when the responsible authorities consider that he or she has not adequately performed his or her tasks as a guardian be revised. The appointment of a different local representative might, for example, be appropriate in the event of a change in the minor's place of residence.
19. recommends, with regard to the concept of first country of asylum, that the phrase 'has enjoyed protection' be interpreted in the sense that this protection was formally recognised and not merely provided in practice;
20. with reference to the first level of appeal (Article 55), stresses and recommends that the time limits provided for should not be seen as set in stone and that (as explicitly stated in the article) they do not preclude an adequate and complete examination of an appeal;

#### **COM(2016) 466 final**

21. is categorically opposed to the introduction of the regular review and the procedure for withdrawing international protection: these may not only potentially increase the burden for administrations (including local and regional administrations) in implementing practices and carrying out tasks related to the integration of refugees, but also cause insecurity for applicants. In this respect, condemns the political, xenophobic and populist speeches that lead to violence and the criminalisation of all asylum seekers, thereby creating unnecessary social tensions, and calls on political authorities and actors to behave responsibly;

22. is extremely concerned at the introduction of a maximum time limit for international protection and with regard to the legitimacy of this constraint, and calls on the co-legislators to reflect further on this point;

23. recommends considering the possibility, in the event of withdrawal of international protection, of allowing a longer period of time than that provided for in the Commission proposal (e.g. six months) to obtain a residence permit on other grounds (e.g. seeking work), given that the proposal specifies a relatively short time limit (three months);

**COM(2016) 465 final**

24. recommends reconsidering the provision laid down in Article 17a of the Commission proposal to the effect that applicants do not have the right to any of the material assistance conditions set out in the regulation in Member States other than the Member State responsible, and stipulating that, should an applicant justify their absence on grounds of necessity or *force majeure*, these conditions, possibly with the reductions provided for in Article 19, can be provided to them for a limited period;

25. recommends that the provision in Article 23(1) of the draft Directive that the person acting as guardian shall be changed 'only when necessary' be revised. The appointment of a different local representative might, for example, be appropriate in the event of a change in the minor's place of residence.

26. recommends reconsidering the provision laid down in Article 17a of the Commission proposal to the effect that Member States must ensure a dignified standard of living for all applicants and committing the European Union and the Member States to support — including financially — the local authorities that help to guarantee this;

**COM(2016) 468 final**

27. recommends reconsidering the decision to exclude from resettlement applicants who have entered the European Union irregularly during the last five years; in view of the pervasive illegal circumstances causing them to leave neighbouring countries, this decision seems to penalise applicants, who are often victims of this situation, excessively.

Brussels, 8 February 2017.

*The President  
of the European Committee of the Regions*

Markku MARKKULA

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## Opinion of the European Committee of the Regions — Copyright in the Digital Single Market

(2017/C 207/14)

<b>Rapporteur:</b>	Mauro D'Attis (IT/EPP), Member of Brindisi Municipal Council
<b>Reference documents:</b>	Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions — Promoting a fair, efficient and competitive European copyright-based economy in the Digital Single Market
	COM(2016) 592 final
	Proposal for a directive of the European Parliament and of the Council on copyright in the Digital Single Market
	COM(2016) 593 final

### I. RECOMMENDATIONS FOR AMENDMENTS

#### Amendment 1

Proposal for a directive

Recital 13

Text proposed by the Commission	CoR amendment
<i>There is no need to</i> provide for compensation for rightholders as regards uses under the text and data mining exception introduced by this Directive given that in view of the nature and scope of the exception <b><i>the harm should be minimal.</i></b>	<b><i>Member States may</i></b> provide for compensation for rightholders as regards uses under the text and data mining exception introduced by this Directive given that in view of the nature and scope of the exception <b><i>even minimal harm still implies a tangible advantage for the beneficiaries of the exception.</i></b>

#### Reason

Recital 10 of the Commission document includes research organisations engaged in ‘public-private partnerships’ among beneficiaries. It follows that the private sector can derive an indirect advantage from the exception. Therefore, the Commission should not rule out a more open approach to compensation.

#### Amendment 2

Proposal for a directive

Recital 24

Text proposed by the Commission	CoR amendment
For the purpose of those licensing mechanisms, a rigorous and well-functioning collective management system is <b><i>important.</i></b> That system <b><i>includes</i></b> in particular rules of good governance, transparency and reporting, as well as the regular, diligent and accurate distribution and payment of amounts due to individual rightholders, as provided for by Directive 2014/26/EU. Additional appropriate safeguards should be available for all rightholders, who should be given the opportunity to exclude the application of such mechanisms to their works or other subject-matter. Conditions attached to those mechanisms should not affect their practical relevance for cultural heritage institutions.	For the purpose of those licensing mechanisms, <b><i>and for the benefit of the rightholders involved,</i></b> a rigorous and well-functioning collective management system is <b><i>imperative.</i></b> That system <b><i>should be based</i></b> in particular <b><i>on</i></b> rules of good governance, transparency and reporting, as well as the regular, diligent and accurate distribution and payment of amounts due to individual rightholders <b><i>and make use of available technological developments,</i></b> as provided for by Directive 2014/26/EU. Additional appropriate safeguards should be available for all rightholders, who should be given the opportunity to exclude the application of such mechanisms to their works or other subject-matter. Conditions attached to those mechanisms should not affect their practical relevance for cultural heritage institutions.

**Reason**

The Commission flags up the key role played by collective management organisations, but should explicitly encourage more ambitious modernisation of these organisations. This point is made in light of technological developments which, if adopted and developed fully by management organisations, would improve current processes for obtaining licences and collecting and distributing rights, and thus boost members' income.

**Amendment 3**

## Proposal for a directive

## Recital 38

Text proposed by the Commission	CoR amendment
<p>Where information society service providers store and provide access to the public to copyright protected works or other subject-matter uploaded by their users, thereby going beyond the mere provision of physical facilities and performing an act of communication to the public, they are obliged to conclude licensing agreements with rightholders, unless they are eligible for the liability exemption provided in Article 14 of Directive 2000/31/EC of the European Parliament and of the Council <sup>(1)</sup>.</p> <p>In respect of Article 14, it is necessary to verify whether the service provider plays an active role, including by optimising the presentation of the uploaded works or subject-matter or promoting them, irrespective of the nature of the means used therefor.</p> <p>In order to ensure the functioning of any licensing agreement, information society service providers storing and providing access to the public to large amounts of copyright protected works or other subject-matter uploaded by their users should take appropriate and proportionate measures to ensure protection of works or other subject-matter, such as implementing effective technologies. This obligation should also apply when the information society service providers are eligible for the liability exemption provided in Article 14 of Directive 2000/31/EC.</p> <p><sup>(1)</sup> Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market (OJ L 178, 17.7.2000, p. 1).</p>	<p>Where information society service providers store and provide access to the public to copyright protected works or other subject-matter uploaded by their users, thereby going beyond the mere provision of physical facilities and performing an act of communication to the public, they are obliged to conclude licensing agreements with rightholders, unless they are eligible for the liability exemption provided in Article 14 of Directive 2000/31/EC of the European Parliament and of the Council <sup>(1)</sup>.</p> <p>In respect of Article 14, it is necessary to verify whether the service provider plays an active role, including by optimising the presentation of the uploaded works or subject-matter or promoting them, irrespective of the nature of the means used therefor.</p> <p>In order to ensure the functioning of any licensing agreement, information society service providers storing and providing access to the public to large amounts of copyright protected works or other subject-matter uploaded by their users should take appropriate and proportionate measures to ensure protection of works or other subject-matter, such as implementing effective technologies <b>for the fair redistribution of value towards rightholders</b>. This obligation should also apply when the information society service providers are eligible for the liability exemption provided in Article 14 of Directive 2000/31/EC.</p> <p><sup>(1)</sup> Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market (OJ L 178, 17.7.2000, p. 1).</p>

**Reason**

In Article 13(3), the Commission quite rightly highlights the importance of defining best practices for content recognition.

One closely linked issue is redistributing the value generated by the works once recognised towards rightholders. For the sake of consistency between recital 38 and Article 13(3), the text should state this detail clearly, as recognition of the works is only the first link in the value chain.

**Amendment 4**

## Proposal for a directive

## Article 3

Text proposed by the Commission	CoR amendment
<p>1. Member States shall provide for an exception to the rights provided for in Article 2 of Directive 2001/29/EC, Articles 5(a) and 7(1) of Directive 96/9/EC and Article 11(1) of this Directive for reproductions and extractions made by research organisations in order to carry out text and data mining of works or other subject-matter to which they have lawful access for the purposes of scientific research.</p> <p>2. Any contractual provision contrary to the exception provided for in paragraph 1 shall be unenforceable.</p> <p>3. Rightholders shall be allowed to apply measures to ensure the security <b>and</b> integrity of the networks and databases where the works or other subject-matter are hosted. Such measures shall not go beyond what is necessary to achieve that objective.</p> <p>4. Member States shall encourage rightholders and research organisations to define commonly-agreed best practices concerning the application of the measures referred to in paragraph 3.</p>	<p>1. Member States shall provide for an exception to the rights provided for in Article 2 of Directive 2001/29/EC, Articles 5(a) and 7(1) of Directive 96/9/EC and Article 11(1) of this Directive for reproductions and extractions made by research organisations in order to carry out text and data mining of works or other subject-matter to which they have lawful access for the purposes of scientific research.</p> <p>2. Any contractual provision contrary to the exception provided for in paragraph 1 shall be unenforceable.</p> <p>3. Rightholders shall be allowed to apply measures to ensure the security <b>in terms of</b> integrity, <b>availability and confidentiality</b> of the networks and databases where the works or other subject-matter are hosted. Such measures shall not go beyond what is necessary to achieve that objective.</p> <p>4. Member States shall encourage rightholders and research organisations to define commonly-agreed best practices concerning the application of the measures referred to in paragraph 3, <b>including measures for the fair redistribution of value towards rightholders.</b></p>

**Reason**

The traditional security model for data has three objectives: confidentiality, integrity and availability. Each objective deals with a different aspect of data protection. The Commission could stipulate a specific objective here: encouraging measures to close the gap in terms of value generated between service providers and the rightholders whose works are being exploited.

**Amendment 5**

## Proposal for a directive

## Article 10

Text proposed by the Commission	CoR amendment
<p>Negotiation mechanism</p> <p>Member States shall ensure that where parties wishing to conclude an agreement for the purpose of making available audiovisual works on video-on-demand platforms face difficulties relating to the licensing of rights, they may rely on the assistance of an impartial body with relevant experience. That body shall provide assistance with negotiation and help reach agreements.</p>	<p>Negotiation mechanism</p> <p>Member States shall ensure that where parties wishing to conclude an agreement for the purpose of making available audiovisual works on video-on-demand platforms face difficulties relating to the licensing of <b>audiovisual</b> rights, they may rely on the assistance of an impartial body with relevant experience. That body shall provide assistance with negotiation and help reach agreements.</p>

Text proposed by the Commission	CoR amendment
No later than [date mentioned in Article 21(1)] Member States shall notify to the Commission the body referred to in paragraph 1.	No later than [date mentioned in Article 21(1)] Member States shall notify to the Commission the body referred to in paragraph 1.

**Reason**

The original article may be interpreted ambiguously if it does not specify that it is referring to audiovisual rights, and not for example to the rights to musical works included in audiovisual productions. Our addition removes this ambiguity.

**Amendment 6**

Proposal for a directive

Article 13

Text proposed by the Commission	CoR amendment
1. Information society service providers that store and provide to the public access to large amounts of works or other subject-matter uploaded by their users shall, in cooperation with rightholders, take measures to ensure the functioning of agreements concluded with rightholders for the use of their works or other subject-matter or to prevent the availability on their services of works or other subject-matter identified by rightholders through the cooperation with the service providers. Those measures, such as the use of effective content recognition technologies, shall be appropriate and proportionate. The service providers shall provide rightholders with adequate information on the functioning and the deployment of the measures, as well as, when relevant, adequate reporting on the recognition and use of the works and other subject-matter.	1. Information society service providers that store and provide to the public access to large amounts of works or other subject-matter uploaded by their users shall, in cooperation with rightholders, take measures to ensure the functioning of agreements concluded with rightholders for the use of their works or other subject-matter or to prevent the availability on their services of works or other subject-matter identified by rightholders through the cooperation with the service providers. Those measures, such as the use of effective content recognition technologies, shall be appropriate and proportionate <b>and shall ensure the fair redistribution of value towards rightholders</b> . The service providers shall provide rightholders with adequate information on the functioning and the deployment of the measures, as well as, when relevant, adequate reporting on the recognition and use of the works and other subject-matter.

**Reason**

In Article 13(3), the Commission quite rightly highlights the importance of defining best practices for content recognition.

One closely linked issue is redistributing the value generated by the works once recognised towards rightholders. For the sake of consistency between Article 13(1) and Article 13(3), the text should state this detail clearly, as recognition of the works is only the first link in the value chain.

**Amendment 7**

Proposal for a directive

Article 14

Text proposed by the Commission	CoR amendment
1. Member States shall ensure that authors and performers receive on <b>a regular</b> basis and taking into account the specificities of each sector, timely, adequate and sufficient information on the exploitation of their works and performances from those to whom they have licensed or transferred their rights, notably as regards modes of exploitation, revenues generated and remuneration due.	1. Member States shall ensure that authors and performers receive <b>at least once a year</b> basis and taking into account the specificities of each sector, timely, adequate and sufficient information on the exploitation of their works and performances from those to whom they have licensed or transferred their rights, notably as regards modes of exploitation, revenues generated and remuneration due.

Text proposed by the Commission	CoR amendment
<p>2. The obligation in paragraph 1 shall be proportionate and effective and shall ensure an appropriate level of transparency in every sector. However, in those cases where the administrative burden resulting from the obligation would be disproportionate in view of the revenues generated by the exploitation of the work or performance, Member States may adjust the obligation in paragraph 1, provided that the obligation remains effective and ensures an appropriate level of transparency.</p> <p>3. Member States may decide that the obligation in paragraph 1 does not apply when the contribution of the author or performer is not significant having regard to the overall work or performance.</p>	<p>2. The obligation in paragraph 1 shall be proportionate and effective and shall ensure an appropriate level of transparency in every sector. However, in those cases where the administrative burden resulting from the obligation would be disproportionate in view of the revenues generated by the exploitation of the work or performance, Member States may adjust the obligation in paragraph 1, provided that the obligation remains effective and ensures an appropriate level of transparency.</p> <p>3. Member States may decide that the obligation in paragraph 1 does not apply when the contribution of the author or performer is not significant having regard to the overall work or performance.</p>

### Reason

'On a regular basis', as stated in paragraph 1, could be ambiguous. Based on practices in use in the sector, a 12-month period seems appropriate although shorter timeframes would obviously be better and often achievable.

### Amendment 8

Proposal for a directive

Article 15

Text proposed by the Commission	CoR amendment
<p>Contract adjustment mechanism</p> <p>Member States shall ensure that authors and performers are entitled to request additional, appropriate remuneration from the party with whom they entered into a contract for the exploitation of the rights when the remuneration originally agreed is disproportionately low compared to the subsequent relevant revenues and benefits derived from the exploitation of the works or performances.</p>	<p>Contract adjustment mechanism</p> <p>Member States shall ensure that authors and performers are entitled to request additional, appropriate remuneration from the party with whom they entered into a contract for the exploitation of the rights when the remuneration originally agreed is disproportionately low compared to the subsequent relevant revenues and benefits derived from the exploitation of the works or performances. <b><i>This mechanism must guarantee fair compensation, taking into account the specific features of different sectors.</i></b></p>

### Reason

This mechanism risks creating legal uncertainty if applied uniformly to all sectors of the creative industry, as the Commission itself notes in recital 42.

## II. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

### Preliminary comments

1. confirms local and regional authorities' pivotal role and potential in providing digital services for the general public and creating and managing digital infrastructure, often in the context of cross-border or interregional cooperation, with a view to removing barriers to online activity;

2. welcomes the proposed measures concerning the internal market for e-communications designed to speed up dynamic and sustainable growth in all economic sectors and to create jobs, as well as to ensure that copyright rules are modernised in light of the digital revolution and changes in consumer behaviour;

3. welcomes the development of measures to improve the position of rightholders to negotiate on the exploitation of their content, particularly as regards uses by online services which give access to user-uploaded content and which sometimes do not provide fair remuneration for this exploitation; stresses, however, that regional and local actors, start-ups and small businesses are often in a weaker position than large rightholders and must not be unduly restricted;

4. notes that the Commission's arguments regarding the added value of a European-level legislative measure in this sector are completely convincing, and that such a measure therefore complies with the subsidiarity principle. This also applies to the arguments relating to proportionality <sup>(1)</sup>;

### **Copyright in the digital market**

5. is pleased that the Commission has granted the Member States room for manoeuvre with regard to applying the exceptions for the use of protected works for educational purposes. National, regional and local identity will thus be upheld, along with the specific types of licence resulting from different political and social circumstances;

6. hopes that further consideration will be given to the role played by collective management organisations in ensuring the fair, modern and effective implementation of copyright;

7. points out that it is important for online teaching resources to be available for use also for distance learning and periods of temporary residence abroad, for example, and not just in the country where the educational establishment is physically located;

8. proposes in particular that the Commission should point out that without targeted investment in modernisation tools, management organisations will be depriving the market and their own members of a service which will improve both licensing systems and systems for collecting and distributing revenue;

9. endorses the call for transparency in a market which for a long time has suffered from the effects of a lack of transparency, promoting special interests and often leading to contractual arrangements detrimental to creators;

10. also regrets that the Commission wishes to introduce an exemption to the transparency obligation when the contribution of an author or performer is not significant. Current technologies for recognising and documenting the body of work can establish the overall value of a work and of the various interested parties with sufficient accuracy, regardless of the level of the individual contribution;

11. agrees that reinforcing the transparency clauses of contracts between creators and their counterparts is primarily intended to rebalance bargaining power in situations prejudicial to authors. Therefore notes that such action does not constitute a violation of contractual freedom, thus respecting the role played by the market in identifying offers suited to the parties' requirements;

12. proposes that the Commission encourage service providers and organisations in the value chain to jointly develop standard formats for exchanging information on the use of works, with the aim of ensuring greater efficiency and interoperability;

### **Preservation of cultural heritage**

13. is pleased that the European Commission has emphasised the preservation of works subject to technological obsolescence or the degradation of original supports. Is convinced that this exception will facilitate the procedure for preserving Member States' cultural and artistic wealth and hopes that it will encourage partnerships set up for preservation purposes in the public interest, involving cultural heritage institutions and research organisations <sup>(2)</sup>;

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<sup>(1)</sup> According to the CoR Subsidiarity Expert Group report, based on the consultation which took place from 4 to 14 October 2016.

<sup>(2)</sup> Back in 1996, Milan University's musical computer science laboratory (*Laboratorio di Informatica Musicale* — LIM) and Milan's Scala Theatre worked together to digitalise over 5 000 magnetic tapes from the sound archive, thereby making them permanently accessible to and ensuring better quality for future generations.

***Growth of the European audiovisual catalogue***

14. is pleased that the Commission intends to increase the presence of the European audiovisual catalogue on various digital platforms, particularly in light of the limited presence of works which, owing to their low economic value, have difficulty accessing traditional distribution channels;

15. supports the extension of collective licensing of out-of-commerce works for collective management organisations and cultural heritage institutions. Emphasises, in particular, the benefits of such measures in ensuring adequate remuneration for rights holders, as well as legal certainty for institutions;

16. regrets that the text makes no mention of the local and regional nature of these works. It should be pointed out that, without frequent collaboration between performers, business and local administrations providing cultural subsidies, many of these works would never be completed;

***The role of publishers***

17. supports the defence of the fundamental role played by publishers in ensuring the circulation of high-quality publications, which require substantial investment to maintain their independence and integrity;

18. endorses the Commission's support which aims to ensure that publishers are recognised as rightholders, enabling them to compete in the digital arena.

Brussels, 8 February 2017.

*The President  
of the European Committee of the Regions*  
Markku MARKKULA

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## Opinion of the European Committee of the Regions — The review of the telecom package

(2017/C 207/15)

<b>Rapporteur:</b>	Mart Vörklaev (EE/ALDE), Mayor of Rae Municipality
<b>Reference documents:</b>	Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions ‘Connectivity for a Competitive Digital Single Market — Towards a European Gigabit Society’
	COM(2016) 587 final
	Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions ‘5G for Europe: An Action Plan’
	COM(2016) 588 final
	Proposal for a Regulation of the European Parliament and of the Council amending Regulations (EU) No 1316/and (EU) No 283/2014 as regards the promotion of Internet connectivity in local communities
	COM(2016) 589 final

### I. RECOMMENDATIONS FOR AMENDMENTS

#### Amendment 1

New amendment proposal

Recital 11

Text proposed by the Commission	CoR amendment
Given Internet connectivity needs within the Union and the urgency of promoting access networks that can deliver, throughout the EU, an Internet experience of high quality based on very high-speed broadband services, financial assistance should seek to attain a geographically balanced distribution.	Given Internet connectivity needs within the Union and the urgency of promoting access networks that can deliver, throughout the EU, an Internet experience of high quality based on very high-speed broadband services, financial assistance should seek to attain a geographically balanced distribution <b>that contributes — within the limits of the actually received proposals, and in full compliance with the principles for specific financial forms of assistance as defined in the Financial Regulation — to the EU’s economic, social and territorial cohesion by taking particular account of the needs of local communities.</b>

#### Reason

A geographically balanced distribution is meaningless if it does not serve the cohesion objective.

#### Amendment 2

New amendment proposal

Recital 11

New point:

Text proposed by the Commission	CoR amendment
	<b>To ensure that local wireless access points are also installed in smaller towns and rural areas, a dedicated communication campaign about this financial assistance needs to be implemented in cooperation with Member States, regional authorities and relevant associations of local authorities.</b>

**Reason**

It is essential that information about the WiFi4EU initiative reaches also smaller towns and rural municipalities.

**Amendment 3**

New amendment proposal

Article 2(3)

Text proposed by the Commission	CoR amendment
<p>3. Article 5 is hereby amended as follows:</p> <p>a) paragraph 7 is replaced by the following:</p> <p>‘7. The total amount of the budget allocated to financial instruments for broadband networks shall not exceed the minimum necessary to establish cost-efficient interventions which shall be determined on the basis of ex-ante assessments as referred to in Article 14(1) of Regulation (EU) No 1316/2013.</p> <p>That amount shall be up to 15 % of the financial envelope for the telecommunications sector referred to in point (b) of Article 5(1) of Regulation (EU) No 1316/2013.’</p> <p>b) the following paragraph is added:</p> <p>‘5a. Action contributing to the projects of common interest in the field of providing free local wireless connectivity in local communities shall be supported by:</p> <p>(a) grants; and/or</p> <p>(b) forms of financial assistance other than financial instruments.’</p>	<p>3. Article 5 is hereby amended as follows:</p> <p>a) paragraph 7 is replaced by the following:</p> <p>‘7. The total amount of the budget allocated to financial instruments for broadband networks shall not exceed the minimum necessary to establish cost-efficient interventions which shall be determined on the basis of ex-ante assessments as referred to in Article 14(1) of Regulation (EU) No 1316/2013.</p> <p>That amount shall be up to 15 % of the financial envelope for the telecommunications sector referred to in point (b) of Article 5(1) of Regulation (EU) No 1316/2013.’</p> <p>b) the following paragraph is added:</p> <p>‘5a. Action contributing to the projects of common interest <b>and complying with defined minimum technical standards</b> in the field of providing free local wireless connectivity in local communities shall be supported by:</p> <p>(a) grants; and/or</p> <p>(b) forms of financial assistance other than financial instruments.</p> <p>(c) <b>The Commission sets the minimum technical standards referred to in paragraph 5a by means of a delegated act.</b>’</p>

**Reason**

Minimum technical requirements for the WiFi4EU network are essential. Developing uniform requirements avoids the situation whereby a network is created that is based on outdated technology or tainted by quality-related issues.

**Amendment 4**

## New amendment proposal

## Article 2(6)

Text proposed by the Commission	CoR amendment
<p>6. In the Annex, the following section shall be inserted:</p> <p>'SECTION 4. WIRELESS CONNECTIVITY IN LOCAL COMMUNITIES</p> <p>Actions aiming at the provision of free local wireless connectivity in the centres of local public life, including outdoor spaces accessible to the general public that play a major role in the public life of local communities, shall be eligible for financial assistance.</p> <p>Financial assistance shall be available to entities with a public mission such as local authorities and providers of public services undertaking to provide free local wireless connectivity through the installation of local wireless access points.</p> <p>Projects for the provision of wireless connectivity through freely accessible local wireless access points may receive funding if they:</p> <ol style="list-style-type: none"> <li>1) are implemented by an entity with a public mission capable of planning and supervising the installation of indoor or outdoor local wireless access points in public spaces;</li> <li>2) build on very high-speed broadband connectivity enabling delivery of high quality Internet experience to users that <ol style="list-style-type: none"> <li>a. is free, easy to access, and uses state-of-the-art equipment, and</li> <li>b. supports access to innovative digital services, such as those offered via digital service infrastructures;</li> </ol> </li> <li>3) use the common visual identity to be provided by the Commission and link to the associated online tools.</li> </ol> <p>Projects duplicating already existing private or public offers of similar characteristics, including quality, in the same area shall not be covered.</p>	<p>6. In the Annex, the following section shall be inserted:</p> <p>'SECTION 4. WIRELESS CONNECTIVITY IN LOCAL COMMUNITIES</p> <p>Actions aiming at the provision of free local wireless connectivity in the centres of local public life, including outdoor spaces accessible to the general public that play a major role in the public life of local communities, shall be eligible for financial assistance.</p> <p>Financial assistance shall be available to entities with a public mission such as local authorities and providers of public services undertaking to provide free local wireless connectivity through the installation of local wireless access points.</p> <p>Projects for the provision of wireless connectivity through freely accessible local wireless access points may receive funding if they:</p> <ol style="list-style-type: none"> <li>1) are implemented by an entity with a public mission capable of planning and supervising the installation of indoor or outdoor local wireless access points in public spaces;</li> <li>2) build on very high-speed broadband connectivity <b>and complying with the minimal technical specifications referred to in Article 5b</b>, enabling delivery of high quality Internet experience to users that <ol style="list-style-type: none"> <li>a. is free, easy to access, and uses state-of-the-art equipment, and</li> <li>b. supports access to innovative digital services, such as those offered via digital service infrastructures;</li> </ol> </li> <li>3) use the common visual identity to be provided by the Commission and link to the associated online tools.</li> </ol> <p>Projects duplicating already existing private or public offers of similar characteristics, including quality, in the same area shall not be covered.</p>

Text proposed by the Commission	CoR amendment
<p>The available budget shall be allocated <b>in a geographically balanced manner</b> to projects meeting the above conditions in view of the proposals received <b>and, in principle, on a “first come, first served” basis.</b></p>	<p>The available budget shall be allocated to projects meeting the above conditions in <b>a geographically balanced manner that contributes — within the limits of the actually received proposals, and in full compliance with the principles for specific financial forms of assistance as defined in the Financial Regulation — to the EU’s economic, social and territorial cohesion by taking particular account of the needs of local communities.</b></p>

### Reason

Minimum technical requirements for the WiFi4EU network are essential. Developing uniform requirements avoids the situation whereby a network is created that is based on outdated technology or tainted by quality-related issues.

## II. POLICY RECOMMENDATIONS

### THE EUROPEAN COMMITTEE OF THE REGIONS

1. Points out that, for the first time, basic access to broadband is considered a universal service. European citizens have the right to access functional internet at affordable prices, enabling full participation in the digital economy and society throughout the whole of the European Union. This is a very good step towards digital inclusion, including the need for special tariff options or the provision of vouchers to citizens with special needs and to villages and cities to provide public and free Wi-Fi access points;
2. considers that securing basic access to broadband is a general interest objective and its recognition as a universal service must go hand in hand with the full recognition of universal service obligations; this is of paramount importance in areas where the market does not deliver and where public investment is crucial;
3. understands that significant changes have taken place since the EU telecoms regulatory framework was revised in 2009. Though it contributed to ensuring EU-wide availability of basic broadband, new needs and ways of consumption are dramatically proliferating and will continue to do so in the coming years. The development of the Internet of Things, virtual and augmented reality, cloud computing, massive data management, sharing economy services and applications, 4.0 industries, all of it will accentuate the demands on high-capacity networks and connections;
4. stresses that we are designing now the infrastructure for tomorrow;
5. emphasises that the increase in data consumption<sup>(1)</sup> and simultaneous uses, the trends towards high upload/download speeds, the need for ubiquitous and instantaneous transmissions, at the same time responsive and reliable, will require the provision of very high-capacity networks ever closer to the end-user across Europe. The gigabit connectivity is already a reality in some countries — Japan, Korea — and Europe needs to achieve it for its growth and jobs, for its competitiveness and for its internal cohesion;
6. considers it important for economic and social stakeholders such as schools, universities, research centres and transport hubs, public service providers such as hospitals and educational establishments, and businesses to have a high-speed internet connection that enables users to upload and download data at a speed of at least 1 Gbit/s;
7. believes that all urban and rural households in the EU should have access to an internet connection with a download speed of at least 100 Mbit/s, which can be upgraded to a speed of 1 Gbit/s;

<sup>(1)</sup> Studies suggest that companies that adopt big data analytics can increase productivity by 5%-10% more than companies that do not, and that big data practices in Europe could add 1,9% to GDP between 2014 and 2020.

8. shares the Commission's view that all urban areas and the most important land transport routes should have full 5G coverage; supports the interim target whereby a 5G connection should be available as a commercial service in at least one major city in each Member State by 2020. In order to avoid piecemeal solutions, the European Commission must complete the standardisation that is still required for this new wireless technology as quickly as possible. There are other reasons why aiming to introduce this by 2020 is very ambitious: the current 4G networks, constructed only recently, have the potential to increase their speed to well over 1 000 Mbit/s, and telecommunication companies have invested significant sums in developing these networks, meaning that they may not be particularly receptive to another technology switchover if the right framework conditions are not in place;

9. endorses the new voucher scheme for free Wi-Fi connections, the launch of the Broadband fund with the EIB and the aim of increasing future financial support post-2020, and notes that this is a step in the right direction;

10. welcomes the Commission's proposal to set up — by the end of 2016 and in cooperation with the Committee of the Regions — a participatory broadband platform to ensure that public and private bodies cooperate and firmly commit to investing in the development of the broadband network and to taking further steps to implement national plans for developing the broadband network; is open to comprehensive and constructive cooperation in setting up the platform;

11. suggests that the topics to be discussed at the Platform meeting should focus on: **policy choices** by exploring the best policy options with regard to the different local and regional competences and the specific needs at local and regional level; **technology choices** by discussing the application of the best technologies adapted to those areas; **financial opportunities** by engaging the EIB in the discussion and by investigating synergies of funds (CEF, EFSI, ESIF) and the new voucher scheme proposed for WIFI4EU and **other matters** with regard to capacity building measures for the local and regional level, mapping of IT investments and broadband coverage and the promotion of e-skills and e-government services;

12. considers that the main **effect of the Broadband Platform** should be to contribute to a faster, better and more sustainable deployment of high-speed broadband in rural and sparsely populated areas in the EU, because of their serious structural, economic and social problems and thus, contribute to reducing the digital divide in those areas;

13. notes that the plans are in line with the principles of subsidiarity and proportionality in that these issues affect all Member States and can only be regulated uniformly, to a high standard and effectively on an EU-wide scale;

14. understands that the European Digital Single Market (DSM) is about breaking silos and also making the EU internal market digital. The review of the telecom package aims at boosting Europe's economy and competitiveness, encouraging communities to be active participants in the DSM and meeting Europeans' growing connectivity needs;

15. highlights that characteristics such as rurality, remoteness and being an outermost area, in addition to low population density contribute to making a territory unattractive for private investment in ICT infrastructure. Compared to urban agglomerates, these areas face common challenges to broadband deployment, such as structurally lower and fragmented demand as well as higher unit (i.e. per end-user) deployment and infrastructure maintenance costs;

16. notes that connectivity demand in particular is a crucial driver of investment for private actors. As a consequence, market players have no economic convenience in areas where population density cannot guarantee a service request that justifies deployment costs. In areas affected by market failure and/or market bias, the public authorities' roles are multiple. Indeed, evidence shows that local and regional authorities (LRAs) across Europe act as financing entities, risk takers, or initiators/facilitators of broadband deployment/upgrading initiatives;

### Gigabit Society

17. emphasises the importance of developing next generation high-speed broadband networks, particularly in sparsely populated areas. All regulatory and financial measures in this connection are to be welcomed;
18. warns of the over-congestion that might be created by a greater availability of high-capacity connectivity in areas of excellence and/or knowledge. Productive activity would increase in those areas and there would be a greater influx of people with adverse effects on the regions. By contrast, it would go down drastically in other areas, particularly in terms of digital innovative activities and professionals in the technology sectors. High capacity connectivity should therefore be taken forward as uniformly as possible;
19. points out that solving the 'last mile problem' is important for the development of the EU as a whole and requires flexible measures;
20. suggests, from the next financial period, setting aside funds for developing access networks in rural and outermost areas in addition to the funds earmarked for developing a basic network;
21. stresses that prices for connectivity provide useful insights into competition and efficiency levels in communication markets. Benchmarking these prices allows stakeholders, including telecommunication operators, policy makers and consumers to evaluate progress towards their objectives. Having indicators to compare the connectivity prices could be of interest, as the OECD does in its report 'Measuring the Digital Economy. A New Perspective' <sup>(2)</sup>;
22. stresses that when developing and planning the network it is important for public authorities to have direct access to a reliable internet connection. In order to guarantee the quality of these connections, state guidance and consultation at local level is important so that investment is optimised and the services can begin to be used quickly by as many users as possible;
23. notes that with a view to achieving the 2020 European Union (EU) broadband targets of coverage and penetration, some EUR 22 billion of EU public funds are already available over the 2014-2020 programming period for either upgrading existing broadband infrastructure or deploying new ones. EU funds are crucial not only for their direct contribution to the financing of broadband infrastructure, but also for the leverage effect they are expected to play in attracting investments from other sources, including private ones;

### 5G Action Plan

24. emphasises that the 'fifth generation' of telecommunications systems or 5G, will be the most critical building block of the digital society in the next decade. Europe has taken significant steps to lead global developments towards this strategic technology where wired and wireless communications will use the same infrastructure, driving the future networked society. It will provide virtually ubiquitous, ultra-high bandwidth, 'connectivity' not only to individual users but also to connected objects (Internet of Things). Therefore, it is expected that the future 5G infrastructure will serve a wide range of applications and sectors including professional uses (e.g. assisted driving, eHealth, energy management, possibly safety applications, etc.);
25. draws attention to the ICT Standardisation Priorities communication adopted last April by the Commission <sup>(3)</sup> which proposed concrete measures to speed up the development of common standards by focusing on five priority areas, being 5G one of it;
26. insists on the need to avoid 5G standards that are not compatible with each other being introduced in different regions;
27. points out that the local level can help develop the network and submit applications and can be useful in planning the network. In this way, the plans of local authorities involving the building of new roads or the location of other infrastructure can be taken into account when planning and developing the new 5G network;

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<sup>(2)</sup> Published on December 08, 2014, <http://www.oecd.org/sti/measuring-the-digital-economy-9789264221796-en.htm>

<sup>(3)</sup> COM(2016) 176 final, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on ICT Standardisation Priorities for the Digital Single Market.

28. considers it important to point out that the EU-wide introduction of products and services that are underpinned by 5G high-speed internet connections depends on the whole EU enjoying full high-speed internet coverage; also considers it important to avoid the mistakes made when introducing the 4G network and to ensure that the quality and speed of the network do not vary substantially between the individual Member States. The development of the 5G network should take place at the same time and at the same speed throughout the EU;

#### **WiFi4EU Initiative**

29. welcomes the initiative to give all interested local authorities the possibility of providing local people with a high-quality Wi-Fi connection free of charge in and around public buildings, as well as in parks, in public spaces, etc. Europe still has many places that do not have an adequate internet connection; there are also individuals who are unable to afford an internet connection. This programme serves to address this problem;

30. emphasises that care has to be taken to ensure that this scheme remains limited to new, complimentary WiFi access points. We do not want publicly funded initiatives to compete with existing private schemes;

31. welcomes the Commission's plans to quickly develop options for implementing the WiFi4EU programme, as a result of which local authorities will, according to the current schedule, be able to issue the relevant proposals as early as the beginning of summer 2017;

32. welcomes the quick financial measures based on public sector vouchers — never before used in connection with EU financial assistance — which can be implemented quickly and lead to rapid results and less red tape; points out, however, that potential weaknesses of the voucher system (lack of transparency, delays or problems related to payment, differences in Member States' procurement conditions, must be duly anticipated in order not to deter businesses from using the voucher system for projects;

33. stresses that ways of distributing financial assistance must be found that ensure that smaller towns and rural areas also benefit from WiFi4EU;

34. stresses that the funds to be distributed are limited and that the Commission is seeking to implement the WiFi4EU initiative as quickly and comprehensively as possible, which is why local authorities should be informed about the planned programme and the relevant conditions as early as possible;

35. point outs that early notification also enables local authorities to initiate preparations so that when calls for proposals are issued funds can be applied for quickly and the available resources can be efficiently deployed for the benefit of the local population, the country and the EU as a whole;

36. firmly believes that the Committee of the Regions should play a decisive role with a view to involving local and regional authorities and to fostering exchange of information and best practice;

37. considers it important to point out that local authorities must be made aware that they are obliged to provide broadband connections for the Wi-Fi network currently being developed and to ensure the day-to-day maintenance of the network. Points out that the WiFi4EU initiative must be sustainable and with low overhead costs for local authorities to implement it;

38. recommends drawing up minimum requirements for the WiFi4EU network. Developing uniform requirements avoids the situation whereby a network is created that is based on outdated technology or tainted by quality-related issues. Further recommends setting up an introductory WiFi4EU Initiative page which provides details about the initiative and its locations;

39. points out that the new networks must be safe for users and therefore recommends using network models based on eduroam<sup>(4)</sup>/govroam<sup>(5)</sup>. This kind of model facilitates Europe-wide roaming for users already authenticated on the network and eIDAS<sup>(6)</sup> solutions can be used to authenticate users;

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<sup>(4)</sup> eduroam — World Wide Education Roaming for Research & Education <https://www.eduroam.org/>

<sup>(5)</sup> Govroam refers to 'government roaming', and is a RADIUS-based infrastructure <http://govroam.be/>

<sup>(6)</sup> Trust Services and eID <https://ec.europa.eu/digital-single-market/en/trust-services-and-eid>

40. with a view to guaranteeing user-friendliness, considers it is desirable to avoid using a *captive portal* and to use a *landing page* after the user authentication step where appropriate. This makes using the internet easier and faster for end-users. The *landing page* that appears following authentication enables users to retrieve information concerning the services offered by the local authorities and includes a brief summary of the goals of the WiFi4EU initiative;

41. stresses that user data should not be requested as this is unpleasant for users and can lead to the unfounded fear that their details will be used for advertising and other undesirable purposes. Welcomes, therefore, the fact that the provision of personal data is cited among the types of consideration that would impede local wireless connectivity from qualifying as free;

42. welcomes the idea that the WiFi4EU network will be subject to continuous quality control and the results made publically available;

43. believes it is essential to create a common pan-European network through WiFi4EU (SSID); this would be good publicity for an EU initiative for creating free Wi-Fi networks and would also be a trademark for quick and secure pan-European Wi-Fi. Existing similar schemes complying with the minimum technical requirements and all other criteria of the WiFi4EU initiative, but that did not receive the financial assistance, should also be able to join the common branding upon their request, in order to enlarge the scope of the initiative.

Brussels, 8 February 2017.

*The President  
of the European Committee of the Regions*

Markku MARKKULA

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**Opinion of the European Committee of the Regions — Towards an EU strategy for international cultural relations**

(2017/C 207/16)

**Rapporteur:** Apostolos Tzitzikostas (EL/EPP), Governor of Central Macedonia

**Reference document:** Joint Communication to the European Parliament and the Council, Towards an EU strategy for international cultural relations,

JOIN(2016) 29 final

**POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS,

**General comments**

1. welcomes the Joint Communication ‘Towards an EU strategy for international cultural relations’<sup>(1)</sup> and the actions it contains, considering it a valuable basis for building a comprehensive and integrated strategic approach to international cultural relations aimed at promoting cooperation with partner countries and enhancing the role of the European Union as a strong global player;
2. takes the view that it would have made a significant difference if the proposal had presented the final strategy rather than the steps leading up to this, as the issue under discussion is of key importance. The CoR therefore calls on the Member States to speed up the process of adopting the strategy;
3. stresses that culture must lie at the heart of the EU’s international relations, not least because in today’s globalised environment, international diplomacy has been enriched with new responsibilities and alternative forms and approaches have emerged. These include cultural diplomacy, something to which limited reference is made in the communication;
4. agrees with the emphasis placed on Member States’ obligation to respect, protect and promote the right to freedom of opinion and expression, including artistic and cultural expression. The purpose of cultural policy is to ensure the potential of culture to be a free, independent and challenging force in society. This should form the basis of efforts to foster mutual respect and inter-cultural dialogue;
5. therefore calls on the European Commission to prioritise the further development of cultural diplomacy with a view to introducing it into the EU’s foreign policy;
6. is appreciative of the fact that throughout the communication, culture and cultural heritage are recognised as instruments for regional and local development. Putting in place a comprehensive framework and consistent approach to enhancing cultural activities will on the one hand create strong European added value and, on the other, can encourage the design and development of programmes at regional and city level in the EU Member States and with third country partners, which will be of mutual benefit for all those involved;
7. stresses that cultural diversity is an integral part of the EU’s values and that the EU is firmly committed to promoting an international order based on peace, the rule of law, freedom of expression, mutual understanding and respect for fundamental rights. Moreover, as a key partner of the United Nations (UN), the EU should continue to cooperate closely with Unesco<sup>(2)</sup> to protect the world’s cultural heritage. As a party to the 2005 Unesco Convention<sup>(3)</sup>, the EU should also live up to its commitment to promote the diversity of cultural expression in its international cultural relations;

<sup>(1)</sup> JOIN(2016) 29 final.

<sup>(2)</sup> The United Nations Educational, Scientific and Cultural Organization.

<sup>(3)</sup> [http://portal.unesco.org/en/ev.php-URL\\_ID=31038&URL\\_DO=DO\\_TOPIC&URL\\_SECTION=201.html](http://portal.unesco.org/en/ev.php-URL_ID=31038&URL_DO=DO_TOPIC&URL_SECTION=201.html)

8. welcomes the acknowledgement of the role of culture in the EU's geographic framework for cooperation, including: a) enlargement policy, b) the European Neighbourhood Policy (ENP), c) development cooperation and d) the Cotonou Partnership Agreement signed in June 2000 <sup>(4)</sup>;

9. European cultural diplomacy focuses on promoting Europe and its Member States, including educational and cultural exchanges. However, it also targets public opinion in third countries, with a clear interest in promoting a positive image of Europe and its Member States. The importance of cultural diplomacy also covers dialogue between countries, the promotion of peace and cultural diversity, and economic exchange;

10. The importance of cultural diplomacy has been demonstrated by its appearance in emerging and Eastern countries in recent years. It is important to develop cultural diplomacy in the European Union and thus to enable it to compete with the new emerging powers at all levels on the world stage, including at the cultural level;

11. recalls that one of the guiding principles for EU action in the field of international cultural relations is to 'ensure respect for complementarity and subsidiarity' <sup>(5)</sup>. In the area of culture, the Union has competence to carry out actions to support, coordinate or supplement the actions of the Member States <sup>(6)</sup>. The recent Council conclusions on culture in the EU's external relations highlighted the need for better coordination of efforts towards a strategic European approach <sup>(7)</sup>;

12. emphatically points to the need for stronger and deeper cooperation at local, regional and national level in initiating and developing strategies in support of international cultural relations and activities. The aim should be to consolidate their strategies as a means of creating a more distinctive, pluralist, European cultural identity that will be recognised both internationally and within the EU by the people of all the Member States;

13. believes that it is important for civil society, non-governmental organisations, clubs, groups, businesses, artists, associations and organisations to contribute in an even more active and coordinated manner to developing initiatives as part of the EU strategy for international cultural relations;

### Priorities

14. notes that the EU strategy for international cultural relations will have limited impact if it fails to produce consolidated actions and tangible benefits directly, or if these benefits are only felt in the distant future;

15. emphasises the intrinsic value of artistic and cultural production and stresses that culture should not be seen purely as a means to an end. Exchanges between culture professionals should therefore be a priority. Promoting the mobility of artists and of cultural content is an important task for the EU in the area of cultural policy, since it has a European added value;

16. is of the view that the proposed EU strategy on international cultural relations needs to be targeted in close coordination with the Member States, and thus to include provisions for: a) specific operating and enforcement policy mechanisms, based on a common coordination framework involving all parties and b) specific objectives and a clear implementation deadline for its various policies. It is also desirable to be able to measure the effectiveness and efficiency of the strategies that are implemented;

17. reiterates its previous positions on the cultural and creative sectors for growth and employment <sup>(8)</sup>, and its calls on the one hand for the cultural and creative sectors to be better incorporated into the Europe2020 strategy and, on the other, for the importance of the links between these sectors and other policy areas, such as industry, tourism, the environment, education and financing, to be recognised;

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<sup>(4)</sup> <http://ec.europa.eu/europeaid/node/1584>

<sup>(5)</sup> JOIN(2016) 29 final.

<sup>(6)</sup> Article 6 of the Treaty of the Functioning of the European Union (TFEU).

<sup>(7)</sup> Council Conclusions on culture in the EU's external relations with a focus on culture in development cooperation, 24 November 2015.

<sup>(8)</sup> CdR 181/2010 fin.

18. maintains that a priority for the EU Member States and EU partner countries must be to make cultural activities truly inclusive and accessible to all, irrespective of people's age, gender, disability, nationality, race, ethnic origin, religion, or socioeconomic background. Encouraging greater involvement and participation of young people in the design and roll-out of inclusive cultural activities is key to social integration;

19. cultural industries (cinema, art, literature, etc.) are one of the sectors with the greatest influence on cultural diplomacy and reach very diverse audiences due to the way in which they are disseminated. Cultural diplomacy should provide strong support for the dissemination of these industries abroad, with the aim of strengthening Europe's image in the world;

20. considers that one particular aspect of the EU strategy on international cultural relations is coordinating EU actions with those of its partner countries in the area of refugees and migrants. The recent crisis and increase in refugee flows into the EU pose new challenges which need to be properly addressed. The development of cultural activities could play a pivotal role by: a) alleviating anxiety, unrest and distrust, b) promoting a closer understanding of cultural identities and backgrounds, c) reinforcing the process of integrating refugees into society, d) consolidating and safeguarding the established EU model of a free, democratic and tolerant society, e) fostering mutual respect between refugee and host communities and f) demonstrating to European society the welcome enjoyed by our ancestors in the past when they were forced to emigrate outside the continent for economic, political or religious reasons or due to war;

21. draws particular attention to the recent increase in manifestations of extremism and populism with a xenophobic agenda that can also find expression in certain forms of Euroscepticism. The CoR considers, therefore, that there is an urgent need to step up cultural activities aimed at promoting better knowledge of artistic and cultural expression and of the cultural heritage that exists in Europe. It believes that important tools here are mobility programmes, such as Erasmus+, inter-university cooperation and Horizon 2020, the largest multilateral research and innovation programme in the world, as they serve to keep channels of communication open and facilitate the exchange of ideas, independently of people's cultural, ethnic or religious backgrounds;

### **Increased economic impact**

22. welcomes the emphasis placed on boosting the cultural and creative industries, as these are important entities that provide quality jobs and promote smart, sustainable and inclusive growth;

23. reiterates its previously expressed views on the cultural and creative sectors for growth and jobs<sup>(9)</sup>, according to which if economic benefits are to be maximised, it will be necessary to facilitate the production and consumption of cultural products and to stimulate creativity. The CoR underscores the importance of cultivating creative skills from an early age, both in education and as a recreational activity, so that the young generation can fully benefit from the new forms of access to culture;

24. recognises that, due to their geographical conditions, some regions such as islands or outermost regions cannot develop their cultural and creative industries in the same way as other European regions. The EU's border and outermost regions play an important role in that they provide unique added value to the European Union through the historical, cultural and linguistic ties they have developed with other continents over the centuries. It is therefore necessary to promote cultural exchanges and communication between these regions and the rest of the EU by introducing measures that make it easier for artists from these regions, and their works, to travel to the rest of the EU and its neighbouring countries, and vice-versa. Doing so will enable them to enjoy the same competitive advantages available to cultural and creative industries, particularly economic growth and employment, as highlighted by the CoR in opinion CDR2391-2012\_00\_00\_TRA\_AC;

25. draws attention to the consequences that policy choices, especially in terms of budgeting and resource allocation, have on cultural heritage and cultural policy, including in the longer term;

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<sup>(9)</sup> CDR181-2010\_FIN\_AC.

26. considers it essential to develop a tool that specifically targets young talent, promoting their mobility and opportunities for training and exchanges with other countries, not only in the EU but also further afield. It could take as a starting point the idea of an Erasmus programme for young creators, which would in turn pay special attention to young people in the most remote regions, such as the outermost regions, who, due to the special characteristics of the regions in which they reside, often have limited access to mobility programmes under the same conditions as young people on the continent;

27. notes that at times of economic and financial difficulty, in many EU Member States investments in the area of culture have been significantly affected and curtailed;

28. stresses that spending in the field of culture is not a luxury but an investment, and that strategic backing is needed for the growth potential of a sector that employs more than three million people and involves a million companies in Europe;

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

29. points out that in most Member States, local and regional authorities are responsible for the sectors mentioned in the joint communication, especially culture and cultural heritage, research, education, tourism, development cooperation and employment;

30. stresses the desirability of including the culture sphere in national and regional internationalisation plans and of supporting the internationalisation of cultural industries themselves;

31. would draw attention to the importance of preserving the traditional appearance of the countryside and built-up areas and to the leading role of this aspect in conserving cultural heritage. In order to make built-up areas attractive, support should be given to programmes which, in architectural terms, respect traditions, from the point of view of both planning and materials used, while meeting current spatial requirements;

32. draws attention to the fact that the future strategy could contribute to laying the foundations for sustainable tourism in the EU's neighbouring countries and promote recognition of the significant benefits generated by the cultural heritage at local and regional level;

33. calls on the Commission to include the Committee of the Regions in the planning phase and regional and local authorities in the development and implementation of the strands of action and measures proposed in the Joint Communication, in accordance with the principle of subsidiarity;

34. considers it important to simplify and accelerate procedures for funding for cultural activities, ensuring that regional and local authorities have more direct access to the existing framework of cooperation and to funding under the EU thematic programmes for promoting international cultural relations;

35. welcomes the proposal to establish European Culture Houses based on cooperation between the EU and the partner country in question; believes that further budgetary analysis of this is needed and requests that regional and local bodies be involved alongside cultural institutes and other players. The CoR notes that the actual centres could take a variety of forms. They could for example be run as libraries, digital or otherwise. In this respect, ongoing training of the stakeholders involved will only secure the success of the initiative if there is real cooperation, as opposed to competition, between EU players operating in partner countries;

36. suggests including regional and local stakeholders in the EU Cultural Diplomacy Platform set up in February 2016, focusing on strategic partners;

37. recalls previous CoR positions considering the European Capitals of Culture (ECoC) as a valuable initiative that highlights the wealth, diversity and common aspects of European cultures<sup>(10)</sup>. Together with the European Heritage Label initiative, they could be further used as laboratories for cooperation and citizen participation;

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<sup>(10)</sup> CDR191-2011\_FIN\_AC.

38. maintains its previous position in favour of opening the ECoC initiative to the participation not only of cities from candidate countries and potential candidate countries, but of also European Neighbourhood Policy countries and EFTA countries <sup>(11)</sup>. The ECoC initiative represents a potential contribution to the European Neighbourhood Policy (ENP) as well as to relations with other European countries, since not only does it help strengthen cultural cooperation within the EU, it also helps develop even closer ties between the EU and the eastern and southern neighbouring countries, with the aim of promoting prosperity, stability and security on the EU's external borders;

39. underlines that local and regional authorities have important remits in promoting intercultural dialogue, as many intercultural initiatives are coordinated at local and/or regional level. Local and regional authorities are, on account of their proximity to citizens, strategically well-placed to respond to the specific needs and demands of the different cultural groups within their territories, and to effectively mobilise them to promote greater intercultural dialogue <sup>(12)</sup>;

40. keenly awaits the Commission's legislative proposal with a view to combating trafficking of heritage; underlines that this proposal should cover not only illicit imports of cultural goods into the EU but also illicit exports of EU cultural goods with a view to combating trafficking and protecting national treasures with artistic, historic or archaeological value; insists, however, that this proposal must not foresee disproportionate restrictions on legitimate trade in cultural goods and must keep administrative burden for legitimate traders to an absolute minimum. Considers it essential that strict measures be also proposed in relation to unauthorised excavations in the EU;

41. highlights the fact that the Commission's proposal to designate 2018 as European Year of Cultural Heritage will, amongst other things, provide an opportunity to promote intercultural dialogue and the role of culture for peaceful inter-community relations.

Brussels, 8 February 2017.

*The President  
of the European Committee of the Regions*  
Markku MARKKULA

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<sup>(11)</sup> CDR2077-2012\_00\_00\_TRA\_AC.

<sup>(12)</sup> CDR11-2006\_FIN\_RES.

**Opinion of the European Committee of the Regions — Union policy for the Arctic**

(2017/C 207/17)

**Rapporteur:** Pauliina HAIJANEN (FI/EPP), City councillor of Laitila**Reference document:** Joint Communication to the European Parliament and the Council — An integrated European Union policy for the Arctic

JOIN(2016) 21 — final

**POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS,

1. welcomes the joint communication published by the European Commission and the High Representative for Foreign Affairs and Security Policy on 27 April 2016 and believes that the priority areas for a future integrated EU Arctic policy outlined in the communication are a step in the right direction;
2. stresses that the challenges facing the Arctic region require concerted efforts at local, regional and international level, and praises the Commission for ensuring that integrated policies to help meet regional needs and objectives are based on the region's specific geographical and demographic characteristics;
3. notes that this is the third communication on the Arctic region. In the first Commission communication, published in 2008, proposals were made for measures to protect and preserve the Arctic region, based among other things on various environmental agreements and international cooperation. In addition, measures were proposed to promote sustainable use of resources and a multilateral governance model in the Arctic region. The purpose of the communication was to promote a structured and consistent approach to Arctic matters and to open new cooperation perspectives with the Arctic states;
4. notes that in 2012 the Commission published a joint communication with the High Representative for Foreign Affairs and Security Policy in which the possibility of new transport lanes (including the North-East passage) opening up due to climate change and improved potential for sustainable resource use based on new technology and knowledge come to the fore to complement a strong environmental protection dimension. The communication also highlights the importance of international cooperation to underpin peace and security;
5. wishes to highlight the three priorities for a future integrated EU policy set out in the latest communication: climate change and safeguarding the Arctic environment, sustainable development in and around the Arctic and international cooperation on Arctic issues. One of the biggest challenges is to find a balance between ensuring environmental well-being and exploiting the fresh opportunities afforded by socioeconomic development;
6. notes that the communication continues with approaches previously set out in relation to climate and the environment, sustainable development and regional cooperation. The CoR's opinion seeks to draw particular attention to those issues which received less attention in the previous communications (such as socioeconomic matters) or which have been singled out as new priorities;
7. supports the communication's objectives on regional security, stability, sustainable development and prosperity. The communication gives a full picture of EU activity in the Arctic region. Sustainable development remains central to EU policy in relation to the Arctic dimension, but increasing mention is also made of the ability to adapt. The communication states that future activities should highlight the traditional living environments of those living in the region, as well as the impact of economic development on the Arctic's fragile environment. The Committee of the Regions welcomes the fact that the communication strongly underlines the need to enhance coordination in matters relating to the Arctic region;

8. points out that the communication considers the Arctic region from two different perspectives. Looked at from Europe's perspective, Europe's northernmost regions are located in the Arctic region and are characterised by their remoteness, challenging conditions, and sparse and ageing population. From an overall Arctic perspective, the communication highlights natural resources (minerals, forests, the maritime economy and fisheries), highly developed communities and solid know-how, for instance when it comes to developing environmentally sustainable technological solutions. The analysis set out in this opinion focuses on the European perspective;

9. notes that in the Commission's communication the term 'Arctic region' covers the area around the North Pole, north of the Arctic Circle (latitude 66 degrees, 32 minutes North). This includes the Arctic Ocean and territories of the eight Arctic states: the United States, Canada, Denmark (including Greenland and the Faroe Islands), Finland, Iceland, Norway, the Russian Federation and Sweden. Greenland and the Faroe Islands, which have a large degree of autonomy but are officially part of Denmark, are not part of the European Union but have signed fisheries and trade agreements with the EU. Greenland also has the special status of being an EU overseas territory. A total of 4 million people live in the Arctic region, of which around one third are members of indigenous groups;

10. points out that the definition of the Arctic region used in the communication refers very narrowly to the region north of the Arctic Circle. The impact of the EU's integrated policy will extend far beyond this region. The Committee of the Regions proposes that the geographical definition of the Arctic region given in the communication be broadened, in light of issues such as promoting sustainable development, adapting to climate change and fostering European competitiveness and taking account of the needs and potential of local communities and indigenous populations;

#### **Climate change and safeguarding the Arctic environment**

11. considers it significant that climate change mitigation and adaptation, together with protection of the fragile Arctic environment, are very prominent among the policy measures presented in the communication. On top of the consequences of the warming of the Arctic region that also have an impact on EU activity, it is important to note how European and global action has an effect on the progression of climate change in the region. The global climate agreement will have a significant impact on the future of the Arctic region as well. The communication also draws attention to other international agreements or the need to conclude such agreements, including in the sphere of environmental protection;

12. recognises the importance — both now and in the future — of the research activity and scientific collaboration relating to the Arctic region which are highlighted by the Commission. The EU-PolarNet initiative set out in the communication is a good example of wide-ranging, significant scientific cooperation involving universities and research institutes from across Europe. The initiative is aimed at strengthening interdisciplinary cooperation and determining scientific priorities over the short and long term with respect to research into the Arctic region. In this connection, the network's proposed objective is to broaden cooperation with Arctic stakeholders. The Committee of the Regions believes that, when deciding on the goals and means of carrying out research into the multidimensional reality of the Arctic region, it is particularly important for there to be cooperation with local and regional representatives too;

13. would like to place greater emphasis on the role played by Arctic towns and cities in development work. Towns and cities are key players in this work and in adaptation to the changing context. Investments in municipal infrastructure and energy-efficient solutions, for example, and the solutions needed for public services especially in sparsely populated regions are giving rise to new business activities. The Committee of the Regions points out, however, that the particular challenges posed by long distances, sparsely populated areas and an ageing population will continue to require special attention within the framework of development policy;

#### **Sustainable development in and around the Arctic**

14. views sustainable exploitation of natural resources as a key aspect of sustainable economic growth and efforts to increase prosperity in the Arctic region. A prerequisite for this is efficient transport and telecommunications links. It is important to develop more comprehensive north-south transport connections, such as the TEN-T connection from Finland to the Arctic Ocean via Norway, as well as east-west connections to link regions in northern Norway, Sweden and Finland to the EU's transport network. Investment in the Arctic region — including investment in roads, railways, broadband and electricity networks — generally ripple out into the broader region and so have a positive impact on business conditions throughout the country in question, including those in industry;

15. highlights in this regard the EU's Blue Growth strategy, which promotes long-term, sustainable maritime development. Measures included in the strategy that are associated with marine knowledge, maritime spatial planning and integrated maritime surveillance are being promoted in the Arctic Ocean too. Development measures linked to promoting aquaculture and exploiting maritime energy are of particular importance in the Arctic region;

16. stresses that harnessing Arctic know-how in relation to industry, energy, 'cleantech' and infrastructure development, as well as tourism, will boost the competitiveness of Europe as a whole. It is important to promote research cooperation between Arctic universities and research centres. Promoting innovation, and turning it into products and commercial services, is particularly in the spotlight as a means of furthering sustainable development. Enhancing the business environment in the Arctic region is an aspect of implementing the digital single market strategy;

17. points out that the priorities for the EU's 2014-2020 cohesion policy programming period in the Arctic region are research and innovation, the competitiveness of SMEs and transition to a low-carbon economy. Northern regions' smart specialisation strategies and, in terms of cross-border cooperation, the Interreg Northern Periphery and Arctic, Interreg Nord, Botnia-Atlantica and Sweden-Norway programmes — aimed at creating robust, competitive and sustainable communities — will provide a strong basis for projects in the EU's Arctic regions financed via the Structural Funds. The EU's external border programme Kolarctic CBC will also support cooperation with the northern regions of Finland, Sweden and Norway as well as the Barents region;

18. stresses that implementation of the future cohesion policy should also make a variety of financial instruments available for development efforts in the Arctic region, instruments that can be used to find ways of promoting local industry, and for improving the know-how, innovation, products and services that enhance the competitiveness of the EU as a whole. New issues that are of central importance include developing the circular economy in the Arctic, as well as the general concept of Arctic design. It is important for the EU to be closely involved in research and investment activity in the Arctic region, including in the future programming period;

19. highlights the communication's reference to the potential of new technology associated with electronic communications, for instance in maintaining and developing local business, know-how and culture. This is especially important for the representatives of indigenous people. The communication mentions the Commission's annual meetings with representatives of indigenous peoples of the Arctic region. Taking the views of Arctic indigenous people into account and involving them in decision-making is particularly important, including in national and regional affairs;

20. welcomes the strong emphasis on the importance of cooperation in implementing an integrated policy for the Arctic. Another issue highlighted is the need for more effective use of the various funding instruments to promote investment in the Arctic region, which is why the Commission proposes a temporary forum for European cooperation in the Arctic (European Arctic stakeholder forum). Representatives of the EU institutions, Member States and local and regional authorities are invited to take part in this cooperation forum, whose role is to determine key investment and research priorities for EU funding up to the end of 2017. The Committee of the Regions proposes that the precise configuration and remit of the forum be specified, as the forum is still in its initial stages;

21. proposes that, as part of the cooperation forum's work, the Commission put together a guide on the funding opportunities available in the Arctic region (as was the case for the EU's Baltic Sea Strategy) and that it provide information on the subject through various events and networking meetings. This should also include providing input, alongside the work carried out by the European Arctic Stakeholder Forum, to the annual Arctic forum, which the Commission proposes to set up as of 2018;

#### **International cooperation on Arctic issues**

22. views promoting international cooperation as one of the key issues in the communication. The growing strategic significance of the Arctic region may lead to conflicting interests, meaning that close international cooperation will become even more important. Arctic cooperation takes place in the framework of several existing structures. The Arctic Council is a

leading intergovernmental forum which promotes cooperation on Arctic issues between countries, indigenous communities and other people living in the Arctic region. The Barents Euro-Arctic Council and the Barents Regional Council work to promote stable and sustainable development in the Barents region. EU Baltic Sea cooperation is also linked to the overall framework of Arctic cooperation;

23. stresses the importance of ongoing cooperation with Russia in the framework of the Northern Dimension. The possibilities for bringing enterprises, researchers and citizens together afforded by cooperation have helped develop specific environmental, business and cultural projects;

24. believes it is important for existing cooperation structures to be used in working towards the goals of the communication. The EU is actively involved in the work of various international organisations and forums. It has applied for observer status on the Arctic Council, and it is important for the Member States to push for the completion of this process;

25. finally, notes that the Arctic region's strategic importance to the EU is increasing all the time, as is the need for the EU to take steps to overcome the challenges posed by the Arctic region's natural environment and specific socioeconomic conditions. The EU should promote cooperation between Member States and non-EU countries to ensure the stability of the Arctic region's overall environment. It is important to bolster the integrated approach not least by seeking out links and synergies between the various funding programmes and other funding tools. Local and regional authorities must be involved in key programmes and projects to promote regional cooperation, transport links and sustainable economic development in the Arctic region.

Brussels, 8 February 2017.

*The President  
of the European Committee of the Regions*

Markku MARKKULA

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**Opinion of the European Committee of the Regions — Mid-term evaluation of the LIFE programme**

(2017/C 207/18)

**Rapporteur:** Witold Stępień (PL/EPP), Marshal of Łódzkie region**Reference document:** Letter from the European Commission Vice-President of 26 September 2016**POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS,

1. welcomes the European Commission's request for an outlook opinion on the subject and seeks with the opinion to contribute to the mid-term evaluation of the LIFE programme 2014-2020 as foreseen under Article 27(2) of Regulation (EU) No 1293/2013 ('LIFE Regulation'), the implementing act adopting the second LIFE Multiannual Work Programme (MAWP) 2018-2020 (Article 24(4) of the LIFE Regulation), and the development of the next LIFE programme under the next Multiannual Financial Framework 2020-2027;

2. believes that the protection of the natural environment and preserving biodiversity will continue to be one of the European Union's main objectives. The LIFE environment programme strengthens Europe's natural capital and the ecosystem services associated with it, and helps generate green jobs, local entrepreneurship and smart and sustainable economic growth that promotes social inclusion, i.e. the goals of the Europe 2020 strategy and political priorities of the CoR. Establishing new instruments such as a sub-programme on climate action is recognised as of fundamental importance in light of the emerging European climatic challenges, also as a frontrunner in paving the way for the local and regional agenda of the EU strategy on adaptation to climate change<sup>(1)</sup>, EU 2020-2030 energy and climate objectives<sup>(2)</sup>, and contributing to the Paris Agreement<sup>(3)</sup>;

3. notes that local and regional authorities are amongst the main beneficiaries of the LIFE programme and make direct use of it by implementing LIFE projects and developing regional and local partnerships. What makes the programme attractive to regional and local authorities is the broad range of thematic priorities funded, the possibility of cooperating with a large number of stakeholders and the diversity of funding models;

4. reiterates its strong support for LIFE, as an independent, directly managed funding programme, entirely dedicated to the environment and making a significant impact in terms of creating jobs and growth, to be continued after 2020, and for a serious increase in its budget<sup>(4)</sup>. Considering the emerging challenges in the area of the environment and climate and the need for innovation, specific approaches are required to deal with the uneven integration of environmental and climate objectives into Member States' practices, and implementation of the legislation:

**Section 1. Changes to expenditure eligibility***Linking with EU priorities*

5. considers the thematic priorities of LIFE as set out in Annex III LIFE Regulation<sup>(5)</sup> to be still valid, thus sees no need for their mid-term revision by delegated act, as provided for by Article 9(2) LIFE Regulation:

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

<sup>(2)</sup> COM(2014) 015 final.

<sup>(3)</sup> See also COR-2016-01412-00-01-AC-TRA.

<sup>(4)</sup> CDR86-2012\_FIN\_AC.

<sup>(5)</sup> Regulation (EU) No 1293/2013 of the European Parliament and of the Council of 11 December 2013.

6. remains very concerned that the total budget allocated to LIFE Nature and Biodiversity 2014-2020 is around EUR 1,155 billion, while the EC has estimated that EUR 5,8 billion<sup>(6)</sup> of annual investments are needed for the entire Natura 2000 network to adequately protect nature in the EU, in line with the requirements of Article 8 of the Habitats Directive. The CoR expects one of the significant results of the on-going fitness-check of the Habitats and Bird Directives to be the lack of funding for their adequate implementation, as also highlighted by the CoR<sup>(7)</sup>. Consequently, the CoR calls on the EC to adopt a delegated act, in accordance with Article 9(4) LIFE Regulation, to increase the allocation of funds to action grants under the LIFE programme for Nature and Biodiversity and to maintain a substantially higher budget after 2020, to increase LIFE's contribution to Natura 2000 funding substantially;

7. strongly recommends maintaining and strengthening the sub-programme on climate in the 2nd LIFE Multiannual Work Programme (MAWP) and after 2020, as the frontrunner in paving the way for local and regional action in the EU and international climate political agenda. This could be done by a substantial increase in the budget allocated for climate change mitigation and adaptation actions, and taking into account the upcoming review of the EU climate change adaptation strategy<sup>(8)</sup>. In addition, the thematic priorities and project topics under the Climate Action sub-programme should be defined and linked with the action grants. In particular, with respect to the priority area 'Climate Change Mitigation', they should refer to the EU policy priorities and the contribution of the major sectors of economy, such as energy and transport, to the GHG emission trends;

8. believes that the LIFE programme plays an important role in developing new solutions in the area of environmental protection and climate, promoting eco-innovation and building capacity for new instruments such as green infrastructure<sup>(9)</sup> and nature-based solutions<sup>(10)</sup>. The CoR encourages the Commission to continue this approach both under the current multiannual programme and after 2020;

9. stresses that the development of the circular economy, as outlined in the EC Circular Economy Action Plan, and supported by the CoR<sup>(11)</sup>, will require public and private sources of financing to scale up improved technologies and processes, develop infrastructure and increase cooperation between actors in the value chain. The CoR believes that the thematic priorities on waste and resource efficiency are largely in line with this concept and call for the 2nd MAWP to continue in this regard, whilst adding explicit reference to the circular economy, and giving preference to issues to be addressed in the upcoming strategy on plastics in a circular economy and to construction and building waste under a future LIFE programme;

10. welcomes the role of LIFE in tackling the uneven and inadequate implementation and enforcement of environment legislation in the Member States, which is one of the key priorities for the CoR<sup>(12)</sup>. This direction should be continued and strongly reinforced in the next programme, by further implementing integrated projects and the LIFE priority area of Environmental Governance and Information;

11. also stresses in this context the LIFE programme's contribution to the EU's goal of better regulation, to creating sustainable growth and jobs and to implementing the Union's environment and climate-protection policy by setting and adapting the corresponding objectives and through improved feedback mechanisms and experience from the projects supported; also stresses, however, that the overriding goal of the LIFE programme must remain the protection of the environment and biodiversity for their own sake, because it is the biological heritage of Europe and of humanity that is at stake;

<sup>(6)</sup> [http://ec.europa.eu/environment/nature/natura2000/financing/docs/financing\\_natura2000.pdf](http://ec.europa.eu/environment/nature/natura2000/financing/docs/financing_natura2000.pdf). Note that this excludes Croatia.

<sup>(7)</sup> COR-2015-02624-00-01-AC-TRA, CDR86-2012\_FIN\_AC.

<sup>(8)</sup> See also CoR opinion, ENVE-VI/015, in preparation.

<sup>(9)</sup> COM(2013) 249 final.

<sup>(10)</sup> Towards an EU Research and Innovation policy agenda for Nature-Based Solutions & Re-Naturing Cities, EC 2015.

<sup>(11)</sup> COR-2016-01415-00-01-AC-TRA, COM(2015) 614 final.

<sup>(12)</sup> COR-2015-05660-00-00-AC-TRA.

*The budget and eligibility of expenditure*

12. remains concerned about the limited budget of the LIFE programme, which during the MAWP 2014-2020 represents only about 0,3 % of the total amount of commitment appropriations as referred to in Regulation (EU) No 1311/2013. The CoR reiterates its 2012 call for a substantial increase in the programme's budget, to be applied after 2020 <sup>(13)</sup>;

13. states, that achieving the LIFE goals might be hampered by the sub-optimal co-funding rate <sup>(14)</sup>, making the beneficiaries selective in applying for funding, especially in the case of the non-profit partners. The CoR calls on the EC to increase the co-financing rate in the next LIFE programme, and to better align the co-financing rates of LIFE with the rates and their differentiation for less-developed regions of other both directly and jointly managed EU funding programmes. Specific co-financing rates for nature and biodiversity action grants could be defined by a factor derived from both protected areas coverage and economic wealth of a region (e.g. NUTS 3 level), without, however, creating an imbalance detrimental to the more developed regions;

14. expresses doubts about the 102 % rule for public institutions according to which the sum of the own contribution to the project budget must be at least 2 % higher than the planned cost of public employees' remuneration. This rule often makes it difficult or impossible for public authorities (in particular scientific and research centres and non-governmental organisations) to participate in projects, yet their involvement is often essential in order to meet the goals of LIFE projects;

15. calls into question the limited infrastructure funding available under the LIFE programme, particularly for large infrastructure projects. Calls on the Commission to ensure that the evaluation takes account of the potential risk that LIFE projects might focus more on capacity-building than having an actual impact on the environment or climate;

16. calls for more use to be made of flat rates and lump sums to reduce the reporting on VAT, without compromising its eligibility <sup>(15)</sup>, as already stipulated in recital 38 of the current LIFE regulation. The CoR reiterates its belief that the removal of VAT as eligible expenditure would deter many potential applicants from developing a proposal. VAT should still be accepted as an eligible cost if the beneficiaries can prove that it cannot be recovered <sup>(16)</sup>;

17. stresses that the purchase of land (Article 20(3) of the LIFE Regulation) must continue to be eligible for support under the LIFE programme, but also that the condition that the land purchased must be reserved in the long term for nature conservation must be retained. The purchase of land is often a prerequisite for conserving Natura 2000 sites and ensuring long-term nature conservation;

*Management simplification*

18. stresses that the administrative burden related to the preparation and submission of the projects often discourages the regions in applying for LIFE support. This is especially the case for large (e.g. integrated) projects, when significant time, energy and human resources are required to complete and submit a successful application, especially for less experienced partners. Therefore, as the CoR has already suggested in earlier opinion <sup>(17)</sup>, simplification of application and administration procedures is needed, as well as shortening the waiting time for a decision about the project financing;

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<sup>(13)</sup> COM(2015) 614 final, supported by CoR Opinion COR-2016-01415-00-01-AC-TRA.

<sup>(14)</sup> Traditional Nature and Biodiversity Projects: 60 % co-financing but 75 % for projects targeting priority habitats & species. Integrated projects, preparatory projects and technical assistance projects: 60 % co-financing. Capacity building projects: 100 % co-financing. All other projects, i.e., traditional projects under the sub-programme of Climate Action and traditional projects under priorities Environment and Resources Efficiency and Environment Governance and information Projects in the sub-programme for Environment: 60 % co-financing during the first multiannual work programme (2014-2017), 55 % co-financing during the second multiannual work programme (2018-2020).

<sup>(15)</sup> CDR86-2012\_FIN\_AC, CDR6-2011\_FIN\_AC.

<sup>(16)</sup> CDR86-2012\_FIN\_AC.

<sup>(17)</sup> CDR112-2010\_FIN\_AC

19. encourages the European Commission to consider the possibility of applications for traditional projects under the LIFE programme being submitted in two stages, as has hitherto been the case with integrated projects. The first stage should consist of a brief general overview of the proposed project (concept notes) and, if it receives a positive evaluation, the beneficiary should then submit a full proposal. It would also urge the Commission to look into ways of simplifying procedures for the final approval of a project's financial and technical elements and of staggering them throughout its duration. This will give operators greater flexibility and reduce the risk of focusing on financial and administrative aspects at the expense of the technical content of the project;

20. welcomes the emphasis given in Article 3 of the LIFE Regulation and the 1st MAWP 2014-2017 for measuring the success of LIFE, with new qualitative and quantitative environmental, social and economic indicators; calls, however, for their further simplification, as several indicators cannot be credibly assessed within the timeframe of the projects. They should also be made more flexible and adapted to local or regional specifics, and the time spent on reporting minimised;

## **Section 2. Complementarity of funding and implementation systems among EU-financed programmes**

### *Complementarity with other EU funds*

21. acknowledges, that the complementarity and coherence of LIFE with other EU funds such as Cohesion Policy Funds (ESF, ERDF, CF), the Rural Development Fund (EAFRD) or the European Maritime and Fisheries Fund (EMFF) have been reinforced under the current MAWP. It urges that synergies and a structured cooperation with other EU funds for the further development of LIFE after 2020 <sup>(18)</sup> be established;

22. believes that LIFE is a small but flexible programme, which supports ambitious environmental and climate targets which are not supported directly by other EU programmes or are implemented in another area by such programmes. With its support for specific projects at regional level, the programme is an excellent catalyst for carrying out other projects and for mobilising national and private funds <sup>(19)</sup>. The CoR urges the Commission to develop a model for wide-scale coordination between the LIFE programme and other EU programmes directly or indirectly linked to environmental protection and climate;

### *National Uptake*

23. is concerned about uneven uptake of LIFE by the EU Member States and regions. A Strong Action Plan, to increase the visibility of LIFE in the less successful countries and to raise interest in participating in it <sup>(20)</sup>, in both the 2nd MAWP and in a future LIFE programme, is needed, and could be introduced at the yearly revision of the efficiency of the funds uptake in each Member State;

24. following on from the above, suggests that the ongoing phasing out of the national allocations for the traditional LIFE projects should be re-considered. Withdrawing the national allocation may result in a further increase of geographical disparities in the LIFE funds uptake, lowering chances of the countries who are less experienced, while still facing environmental and climatic challenges. The CoR suggest considering a system of allocation for a 1-year, instead of a 4-year period, to make it more flexible to the available budgetary resources and geographical distribution of the funds uptake, but stresses that the projects granted funding must meet the requirements in terms of innovation and reproducibility, in order to generate European added value. Alternatively, it proposes maintaining a portion of the budget to be allocated to each separate country and making the remaining portion jointly available to the Member States on a fully competitive basis;

25. acknowledges that some of the National Contact Points have made extra efforts to attract new applicants. Calls on the Member States with lower uptake to engage their National Contact Points in actively promoting the programme to their local and regional authorities;

<sup>(18)</sup> COM(2013) 840 final

<sup>(19)</sup> CDR86-2012\_FIN\_AC, CDR6-2011\_FIN\_AC.

<sup>(20)</sup> See also GHK et al. (2011), Combined Impact Assessment and Ex Ante Evaluation of the Review of the LIFE+ Regulation.

26. calls on the European Commission to continue support for training measures in those Member States which have less experience and have made more limited use of the funds. Its objective should be to increase the capacity of national and regional contact points and to provide active support to applicants, resulting in more high-quality applications, particularly in countries facing major environmental and climate challenges and with less experience of applying for LIFE funding;

### **Section 3. Building public consensus and strengthening regional and cross-regional partnerships**

#### *Stakeholder relations and social issues*

27. notes that the LIFE programme offers many tools and mechanisms that promote replication and transfer of solutions, and that it is an excellent tool for demonstrating to local and regional authorities the benefits of investing in the environmental and climate sectors. The durability of the relationship between stakeholders depends on their experience, local and interregional contacts, the desire to cooperate and awareness. The development of such awareness is a long-term process. The CoR urges further investment in building up this capacity <sup>(21)</sup> by funding capacity-building projects, including after 2020;

28. believes that protection of the environment and nature and combating climate change must always strike a balance between different goals securing human safety, life and property. Action and support for projects are needed to achieve acceptable compromises in this area between all stakeholders and LIFE projects can contribute to this. The CoR encourages the EC, when assessing project applications, to take account of the potential of a project to promote the drawing-up of new rules that harmonise the protection of human life threatened by certain species with the protection of endangered species.. It also suggests that one of the conditions for a project to receive a positive assessment should be a plan for an open public debate for the stakeholders in the territory in question and have their proposals be examined;

#### *Eco-innovation and market uptake*

29. recognises the importance of the LIFE programme in developing innovation in the EU and calls for consideration to be given to how an appropriate financial model might be used to strengthen marketing of prototypes and solutions developed in LIFE projects. Establishing a fast-track procedure once LIFE projects have been completed should enable innovation developed through LIFE projects to be marketed more effectively. This will improve the EU's competitiveness on world markets and make it possible to create new green jobs;

30. draws attention to the fundamental importance of involving scientific and research institutes and the private sector in developing and marketing eco-innovations; encourages the Commission to continue mechanisms that facilitate such cooperation. Among other things, the Committee calls for a review of the clause allowing prototypes developed through LIFE projects to be marketed only after their completion. Such a provision discourages businesses and scientific and research institutes from becoming involved in innovative projects;

31. believes, that in order to upscale LIFE'S impact to transforming the EU economy into a circular, decarbonised production and consumption system, a key challenge for the 2nd MAWP and a future LIFE programme is to up-scale from eco-innovation, demonstration and pilot projects to an industrial scale. New ways need to be explored to support widespread and market replication of results of innovative LIFE projects. The CoR calls on the EC to assess for a future LIFE programme the option of providing additional support to successful projects, e.g. for supporting upscaling best eco-innovations through other financial instruments as well;

#### *Long-term sustainability, replicability and transferability of the project results (SRT)*

32. recognises that LIFE projects to a great extent provide long-term positive effects and replicable, transferable results <sup>(22)</sup>, however still see room for improvement. Continuous attention should be paid under the 2nd MAWP and after 2020 to assure the results of projects to be sustained, transferred and replicated, which is fundamental for reaching LIFE

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<sup>(21)</sup> CDR86-2012\_FIN\_AC.

<sup>(22)</sup> European Commission, DG Environment (2014): LIFE Focus 'Long-term impact and sustainability of LIFE Nature'; European Parliament, DG IPOL (2016).

objectives, efficient use of the funds, enhancing eco-innovation, and supporting sustainable and responsible growth. The CoR calls on the EC to set clear selection criteria for assessing SRT potential at the project application, and indicators for assessing its SRT efficiency during and after the implementation;

33. attaches particular importance to support for projects that aim to draw up statistical surveys on the population of species classified as protected and on the size of their habitat, and projects that aim to survey how endangered natural habitats classified as protected are, the reasons for this and the risk factors;

34. is concerned that wild animals are being increasingly squeezed out of their natural habitat, and therefore calls for the development and integrated implementation of innovative crisis management measures to preserve animals' natural habitat;

35. suggests, that the European Commission should develop a SRT plan for the LIFE programme to further enhance the programme's performance in this respect. This could include among others<sup>(23)</sup>: further developing an 'innovation platform' — based on the online database of LIFE projects to help with searching for replicable eco-ideas; efficient, targeted dissemination of the information about innovation; creation of thematic platforms, networks and clusters of projects around priority areas; making better use of communication toolkits available on the LIFE website; further development of the selection and dissemination of results of the 'best of the best' LIFE projects<sup>(24)</sup>;

36. in order to further increase the long-term sustainability of LIFE projects, wants to maintain the obligation to provide an 'after-LIFE' plan for the projects, demonstrating continued funding for sustaining the project results, identifying the responsible body with continuity of staff, formal support of authorities, communication with local stakeholders;

#### *Types of interventions and new financial instruments*

37. considers the types of funding of LIFE as set by Article 17 of LIFE Regulation to be valid and supporting large diversity of the funding options for the regions, but would call for a review of the results achieved during the 2014-2017 period with a view to their improvement in the next LIFE programme;

38. recognises the important catalytic function of integrated projects for public authorities in closing gaps in the implementation of the EU environmental policy. Believing that there is not yet enough experience available with this type of funding, suggests maintaining its budget in the 2nd MAWP at the level specified in Article 17(5) of the LIFE Regulation. The CoR suggests assessing the results of the integrated project at the end of 2020, and believes that it could be an even more important instrument in the future LIFE programme; this applies in particular to the support of Prioritised Action Frameworks by integrated projects for the establishment of Natura 2000 management plans;

39. calls for a future LIFE programme to maintain the 'technical assistance projects' to help the beneficiaries who have not yet carried out an integrated project, in view of the complexity, time and resources needed for the preparation of the application<sup>(25)</sup>;

40. welcomes two new financial instruments: the Private Finance for Energy Efficiency (PF4EE) and the Natural Capital Financing Facility (NFFF), which offer a new opportunity to bring private investors to fund energy-efficiency and natural capital related projects, and help to trigger a general shift towards green finance. Recognises that both instruments, have not yet reached their full potential, in particular due to the project novelty and certain degree of administrative complexity in the first months of implementation. The CoR calls on the EC to further observe the programmes and develop methodology

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<sup>(23)</sup> European Court of Auditors (2014), Special report (SR 15/2013); European Commission, DG Environment (2014): LIFE Focus 'Long-term impact and sustainability of LIFE Nature'; European Parliament, DG IPOL (2016), Parliament, Committee on Budgetary Control, Working Document on European Court of Auditors' Special Report (PE535.987), LIFE+ Final Evaluation.

<sup>(24)</sup> LIFE programme, DG Environment website, Communication tools available at: <http://ec.europa.eu/environment/life/toolkit/comtools/index.htm>

<sup>(25)</sup> CDR86-2012\_FIN\_AC.

for the assessment of their efficiency. It also asks the EC to consider extending the existing instruments or introducing a new financial instrument, appropriately funded, with the aim of also attracting investors to the Environment and Resource Efficiency priority area. It supports the European Parliament's call that the PF4EE must guarantee that projects deliver appropriate, positive and scientifically tangible results for biodiversity;

41. recognises the important role of the PF4EE, which supports implementation of national priorities in the area of Energy efficiency both by providing funding, as well as technical and know-how support to the beneficiaries. The Committee suggests that, in order to make better use of the potential of PF4EE, the possibility should be considered of treating this mechanism as complementary financing of LIFE projects in the area of energy efficiency. The EC should refer to the possibility of complementary financing of this kind in the annual guidelines issued for applicants. This model should be continued to the end of the 2nd MAWP, and in the event of a positive evaluation of the instrument, after 2020;

42. welcomes the fact that the NCFE has taken on the difficult and ground-breaking challenge of funding projects relating to ecosystem services and incentives for the private sector to invest in this area; takes the view that investing in ecosystem services represents Europe's future and welcomes the fact that LIFE has taken up this challenge. The Committee recommends analysing and evaluating the operation of the NCFE mechanism on the basis of both its actual and projected results, in order to ensure that it is used effectively until the end of the second multiannual work programme and, in the event of a positive assessment, after 2020;

43. acknowledges the LIFE programme's innovative role and takes the view that environment and climate measures do not always require development of innovative solutions, but often depend on continuing measures already under way or putting into practice innovation developed through other projects. The CoR calls on the Commission to consider funding two types of project: innovative projects and those that take account of current environmental and climate needs. Granting subsidies would not be conditional upon new innovation, but rather on the continuation of activities already under way while at the same time making use of innovation and good practices from other LIFE projects;

Brussels, 9 February 2017.

*The President  
of the European Committee of the Regions*

Markku MARKKULA

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