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## Information and Notices

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## I

*(Resolutions, recommendations and opinions)*

## RESOLUTIONS

## COMMITTEE OF THE REGIONS

122ND PLENARY SESSION, 22-23 MARCH 2017

**Resolution of the European Committee of the Regions — the priorities of the European Committee of the Regions for the 2018 Work Programme of the European Commission**

(2017/C 272/01)

THE EUROPEAN COMMITTEE OF THE REGIONS (CoR)

Having regard to:

- its resolutions of 4 June 2015 on its priorities for 2015-2020 and of 8 December 2016 on the European Commission Work Programme 2017;
- the Protocol of cooperation with the European Commission of February 2012;

1. stresses the need for a European Union able to restore citizens' confidence in the European project; a Union that is more bottom-up and focused on providing proportionate, effective and prompt solutions to the major common challenges that cities, regions and states cannot tackle by themselves;
2. commits to contribute to the Reflecting Europe Process on the Future of Europe, inter alia, through a CoR opinion building on the White Paper on the Future of Europe and by organising citizens' dialogues in local communities, aiming at debating matters of European interest of these communities;
3. will accompany the process of the UK decision to leave the European Union by highlighting the specific issues affecting local and regional governments across the 27 remaining Member States and by examining, from a local and regional perspective, questions relevant to the EU's future relationship with the local and regional governance level in the UK, including with the devolved nations;

**Jobs, growth, investment and cohesion policy**

4. emphasises the urgent need for an EU long-term strategy which would succeed the Europe 2020 Strategy, aim at ensuring smart, sustainable, inclusive, resilient and competitive growth and provide direction for the European Semester, the EU's Multiannual Financial Framework and the EU's policies;
5. also points out the need to take into account the Sustainable Development Goals (SDGs) of the 2030 Agenda, adopted by the United Nations and welcomed by the Commission, and to this end calls for a revision of the Multiannual Financial Framework (MFF) to superimpose the 2030 Agenda strategy on that of Europe 2020 and revise the key strands in the light of the new SDGs;

6. reminds the European Commission of the need for a European strategy on demography, offering a broad, coordinated and inclusive response to demographic changes, and for the strategy to have sufficient financial resources to enable it to address the challenges for which it is intended;
7. expects the proposal on the Multiannual Financial Framework (MFF) post-2020, which the Commission is due to present before the end of 2017, to ensure that EU long-term spending is predictable, to propose a reform of the EU's own resources, to guarantee the unity of the EU budget, to present further simplification measures as well as to set a duration of 5+5 years with a compulsory substantial mid-term revision after the first five years;
8. strongly opposes any scenario for the EU27 by 2025, as contained in the White Paper on the Future of Europe, which would scale down the EU's efforts in relation to cohesion policy. On the contrary, invites the Commission to present a comprehensive legislative proposal for a strong and effective Cohesion Policy post-2020 and recalls, as requested on previous occasions, the need for a new chapter within the 7th Cohesion Report assessing territorial cohesion implementation. The legislative proposal should be based on the principles of subsidiarity, partnership and multilevel governance, reflecting the needs and potential of local and regional authorities and the results of the simplification exercise, be based on a single set of rules and take into consideration the extensive consultations with all relevant stakeholders involved; invites the Commission to perform a thorough territorial impact analysis of the draft legislation and expresses its preparedness to cooperate with the Commission on this matter; calls for the proposals on cohesion policy post-2020 to include the harmonisation of the ESIF management procedures so that the regions can act as managing authorities vis-à-vis the European Commission;
9. invites the Commission to constantly review and monitor the added value of the European Fund for Strategic Investments (EFSI) and its impact in terms of cohesion and to break the reporting on Key Performance Indicators and Key Monitoring Indicators down by beneficiaries and by regions at NUTS II level, and to publish these indicators. Further clarity and guidance is urgently needed for local and regional authorities on how to combine EFSI with other EU schemes such as the European Structural and Investment Funds (ESIF) and above all to encourage greater involvement of regions and local authorities in the management of this fund, in particular in the establishment of financing platforms at regional or multiregional level, in synergy with cohesion policy measures; is opposed, however, in principle to shifting of resources from cohesion policy to centrally managed programmes;
10. calls on the Commission to present a refined Connecting Europe Facility (CEF) post-2020 proposal which would encourage initiatives to implement the comprehensive network and link up the TEN-T network in border regions, improve connections with peripheral areas, and focus on the so-called missing cross-border links; calls for the Motorways of the Seas to also ensure connections with remote areas, in particular between islands and regional centres; underlines the need for synergy among the financial resources of the EFSI, the CEF and the ESI Funds in order to ensure the best use of all available EU funding;
11. reiterates its requests to include the elaboration of the 2050 territorial vision in the Commission's 2018 annual work programme; underlines the need for a new territorial vision since the European Spatial Development Perspective Agreement of 1999 needs to be brought up to date;
12. stresses the need to follow-up on the implementation of the Urban Agenda for the EU in order to systematise the results of the thematic partnerships, to outline the elements of better governance and to make them transferable into the upcoming legislative proposals for post-2020 MFF. This approach should feed into the preparation of the future Cohesion Policy post-2020 and the post-Europe 2020 strategy;
13. expects in this context a specific follow-up to the Urban Thematic Partnership on housing. This follow-up could take the shape of a European agenda on housing, which would coordinate housing issues which are up until now addressed only through sectoral policies such as the Urban Agenda, sustainable development, cohesion policy, competition policy or social initiatives such as the European Pillar on Social Rights in a horizontal manner;
14. expects the Commission to present before the end of 2017 its proposals for the following Framework Programme for Research and Innovation which should build upon Horizon 2020 and maintain a strategic view on issues that affect Europe's future, not subject to short-term budgetary solutions, as well as strike a balance between excellence and cohesion with a view to bridging the innovation divide against the backdrop of current social challenges;

15. draws attention to the model set by the Knowledge Exchange Platform for increasing outreach and impact of publicly funded research results;
16. reiterates the need to create a common framework for recognition of informal and non-formal education in order to facilitate the creation of relevant national procedures;
17. looks forward to contributing to the successful implementation of 2018 as the European Year of Cultural Heritage by linking it up with local and regional cultural as well as tourism strategies;
18. calls on the Commission to put forward concrete measures to address obstacles to investment and bridge the investment gap; underlines in particular that the level of public investment — over half of which is made by cities and regions — remains too low, in part because of constraints introduced by budget regulation mechanisms at EU and national level; urges the Commission to introduce measures making the Stability and Growth Pact more growth-friendly and more conducive to long-term and strategic investments, starting with the separation of regional/national co-financing from the Stability and Growth Pact calculation in order to ensure that Structural Fund resources are consistently in line with these rules, in view of their common objective; also reiterates its call on the Commission to assess the impact of the ESA 2010 rules on the ability of local and regional authorities to invest and to provide clarification over the treatment of public-private partnerships under Eurostat rules;
19. in line with the Cork 2.0 declaration, reiterates its request for a White Paper on a Rural Agenda for the EU to serve as a starting point for a post-2020 rural development policy, and calls for practical measures for the 'rural proofing' of EU policies; the recognition of rural territories as development and innovation hubs which contribute to achieving the goal of territorial cohesion;
20. calls for a renewed Common Agricultural Policy (CAP) post-2020 to contribute to relaunching growth and job creation in rural areas and to preserving high quality, security and safety of food in Europe; be more consistent with the Sustainable Development Goals and address the urban-rural divide; stresses in this regard the importance of CAP simplification, introducing greater flexibility in its management, reducing burdens on producers, moving towards a policy focusing more on innovation and competitiveness, providing targeted support to young farmers; advocates maintaining a differentiated approach for the outermost regions in the CAP, allowing for the application of specific measures necessary for the development of the farming sectors in these regions;
21. expects the Commission to support the Member States and their local and regional authorities in their efforts to modernise health systems' organisation and provision and to stimulate European cooperation in this field, e.g. by establishing a programme similar to the Erasmus programme for healthcare professionals;
22. calls on the Commission to streamline the principle of disaster resilience to its Funds and policies so that the resilient and sustainable development of our economies is not compromised;
23. calls for a sustainable EU food policy which will address food quality, food production, agriculture, fisheries, rural development, environment, health, nutrition, employment and consumer policy in a comprehensive manner, promoting more sustainable mode of production and consumption patterns;
24. calls on the Commission to revise the 2010 tourism strategy and launch an integrated EU tourism policy with a multiannual work programme and secure a dedicated budget line for funding European tourism projects post 2020; reiterates in this context its intention to set up an interinstitutional Tourism Contact Group, inter alia, to support the launch of regional tourism investment platforms assisting tourism destinations and their SMEs in getting access to funds for their projects and activities;
25. urges the Commission to pursue an ambitious agenda in the field of blue economy and sustainable ocean management and to translate the Declaration to be adopted under the Maltese Presidency into policy guidelines; reiterates the importance of access to funding for emerging marine industries which have the potential to deliver jobs and economic growth across Europe; in this context reminds the Commission about the CoR's call to create a knowledge and innovation community, which would encourage the transfer of ideas from marine research to the private sector;

26. endorses the call for a new EU Alcohol strategy which should cover areas such as consumer information, marketing and road safety; notes also that it is essential to extend Joint Action Plans and/or put in place a new one for children and young people;

### **Reconnecting with young Europeans**

27. supports the continuing implementation and boosting of the Youth Guarantee and the launch of the European Solidarity Corps; stresses the importance of the territorial dimension of both initiatives; underlines the importance of involving the private sector in such schemes both in their design and their funding so as to help better match youth skills with labour market needs;

28. urges the Commission to enhance its communication tools with young citizens and streamline them with those of the rest of the institutions; highlights the importance of the involvement of local and regional authorities in the planned revision of the European Youth Strategy for the period beyond 2018;

### **Economic and Monetary Union**

29. highlights the need to strengthen efficiency, ownership and legitimacy of economic governance and coordination in the EU; calls on the Commission to work with the EP and the Council on a Code of Conduct for the involvement of local and regional authorities in the European Semester based on the CoR proposal;

30. urges the Commission to involve the CoR in a structured manner in the follow up of the parts of the White Paper on the future of the EU related to the further integration of the Economic and Monetary Union;

31. reiterates its call for strengthening the social dimension of the EU and of the Economic and Monetary Union; expects that a legislative proposal for a European Pillar of Social Rights would allow labour rights and labour mobility in a changing labour market to be addressed while respecting the principle of subsidiarity; this proposal should not be restricted to soft law alone, complementing the existing *acquis*, but should contain measures with the same force as those taken in connection with the Economic and Monetary Union, as this would help increase citizens' perception of a more social EU that is capable of resolving their problems;

### **Single Market Strategy, SMEs, competition, industry and the Digital Single Market**

32. advocates further simplification of state aid rules, specifically as concerns Services of General Economic Interest (SGEI) through a substantial review of the relevant Decision and Framework ('Almunia package'); also calls for a broader scope for the General Block Exemption Regulation specifically as regards SME access to finance and to support to both micro-enterprises and start-ups;

33. calls for a thorough evaluation of the implementation of public procurement legislation, including the remedies directive, which could lead to adjustments and simplification so as to accommodate the needs of smaller local and regional entities, without endangering legal certainty;

34. reiterates its call for a revised and strengthened Small Business Act (SBA) for Europe; restates its own commitment to promote SBA implementation through its European Entrepreneurial Region (EER) scheme as well as the Start-up and Scale-up initiative; in this context, calls for reduction of administrative burden and creation of smart regulation;

35. commits to working with the Commission within the newly established Broadband Platform to monitor the deployment of faster and better high-speed broadband in all European regions, and in particular in rural and sparsely populated areas, and to identify early additional measures to eliminate the digital divide, as well as neutralising additional costs for accessing broadband networks in the outermost regions;

36. requests the Commission to clarify the scope of application of the services directive in the sharing/collaborative economy; also looks forward to Commission proposals to safeguard the rights of the workforce in new forms of employment specific to the sharing/collaborative economy; expects the Commission to support the establishment of a 'Forum of collaborative economy cities' with the CoR as a key interested party;

## EU Trade Policy

37. urges the Commission to ensure that the local and regional dimension of EU trade policy-making is considered when negotiating new trade agreements and requests continued access to relevant negotiation documents via the reading room procedure as established for the TTIP negotiations;

## Energy Union, climate policy and environment

38. invites the Commission to support the CoR's request for a progressive institutionalisation of the role of local and regional levels of government in the global climate governance through the establishment of formal agreements with the UNFCCC Secretariat;

39. calls on the Commission to take account of the territorial impacts and implications that the implementation of EU trade policy may have in regions and local authorities, in terms of both jobs and the environment, and therefore asks to be more closely involved in the drafting of future trade policy;

40. calls on the Commission to ensure consistency between the most recent and upcoming climate and energy policy proposals, the Paris Agreement and the promotion of energy efficiency and renewable resources; suggests that more emphasis should be placed on initiatives or campaigns that are based on the involvement of local and regional authorities and which contribute significantly to achieving the targets set for cutting greenhouse gas emissions;

41. reiterates that adaptation to climate change should be mainstreamed into existing policies and financing tools and calls on the Commission to offer appropriate empowerment options to regions and cities in the light of the revision of the EU Strategy on adaptation to climate change; reiterates its commitment to work with the Commission to further develop the concept of locally and regionally determined contributions to encourage action to fight climate change at the local and regional level;

42. with a view to the proposal for a Regulation on the Governance of the Energy Union, invites the EC to encourage the Member States to institutionalise a dialogue between national, local and regional authorities when drafting their national climate and energy plans;

43. looks forward to close cooperation on the Environmental Implementation Review (EIR), also through the joint Technical Platform for Cooperation on the Environment and calls for greater involvement of LRAs in the upcoming dialogues between the Commission and the Member States; wishes to contribute to fitness-checks and reviews of key environmental Directives to be launched by the Commission in 2018, also by means of an Outlook Opinion;

44. is committed to contributing actively to the Action Plan for improved implementation of the EU Nature Directives; calls on the Commission to implement the Action Plan and the awaited actions foreseen in the EU Biodiversity Strategy to 2020 in a timely manner, and to come forward in 2018 with a proposal for a legal and financial framework for a Trans-European network for Green Infrastructure (TEN-G);

45. calls within the context of the implementation of the circular economy package for the setting of prevention and recycling targets for commercial and industrial waste, beyond municipal solid waste;

46. calls on the European Commission to adopt a flexible and differentiated approach based on the precautionary and the polluter-pays principles in the reviews of the Drinking Water Directive and the Urban Waste Water Directive and the legislative proposal on water-reuse;

47. warns the Commission that the globalisation of the Covenant of Mayors must not remove focus from the essential involvement of the local and regional levels and the need to develop the aims and methodology of the Covenant both within the EU and beyond; therefore urges the Commission to take the necessary measures to safeguard the representation of different subnational structures of different sizes in the Covenant's structures as well as to preserve the partnership and multilevel governance principles; looks forward to playing an active part in the Global Covenant of Mayors for Climate and Energy (GCoM)'s Founder's Council;

48. highlights the need for close partnership and cooperation between the CoR's group of Covenant of Mayors Ambassadors and the Political Advisory Board of the European Covenant of Mayors;

**Justice, security, fundamental rights and migration**

49. endorses the European Parliament's report of 25 October 2016 with recommendations to the Commission on the establishment of a single EU mechanism on democracy, the rule of law and fundamental rights, incorporating the existing instruments, and calls for it to be applicable to all levels of government;
50. strongly supports the efforts at EU level to implement a comprehensive and efficient reform of the Common European Asylum System, and stresses the need for a holistic approach to asylum and the integration of asylum seekers which fosters sustainable policies, involves the EU institutions, the Member States and their local and regional authorities and is based on the principle of solidarity and reciprocity;
51. calls on the Commission to put forward legislative measures in order to put in place additional legal pathways for people to come to the EU — whether to seek international protection, humanitarian shelter or work, education, research or investment opportunities; legal migration is one of the four pillars of migration management according to the EU Agenda for Migration of 2015 and such measures would help to tackle not only long-term economic, social and demographic challenges and labour shortages in the EU, but are also an important element in fighting human trafficking;
52. invites the Commission to further simplify and speed up the funding procedures and give regions and cities direct access to the financial resources designed to address humanitarian crises and integration of third country nationals;
53. urges the Commission to help share the best practices that the CoR has highlighted in the area of deradicalisation of returning fighters and the prevention of new radicalisation;
54. highlights that programmes under the Asylum, Migration and Integration Fund should be implemented mainly by local and regional authorities and that better cooperation with the national managing authorities should be established to this end;
55. encourages the Commission to continue stepping up funding from the EU Trust Fund for Africa and enhance operational cooperation with partners in North Africa on migration management;

**Stability and cooperation outside the European Union**

56. stresses the CoR's concrete contribution, through its joint consultative committees (JCCs) and working groups (WGs) with candidate and potential candidate countries, to the Commission's enlargement policy goal of fostering stability and prosperity; invites the Commission to continue to co-organise the annual Enlargement Day together with the CoR;
57. calls on the European Commission to continue to make progress on the issue of unaccompanied minors in the migration process, the management of which is primarily a matter for the regions, and to encourage Member States to share the burdens and responsibilities between the European, national and regional levels in a spirit of solidarity; therefore eagerly awaits the new comprehensive strategy, which is to be implemented as a follow-up to the Action Plan on Unaccompanied Minors (2010-2014), so that the situation of missing and unaccompanied children is taken into account;
58. reaffirms the role of local and regional authorities in fighting corruption and entrenching democracy and the rule of law in society, urging that more support be provided for decentralisation, capacity building and local administration reforms in the neighbouring countries;
59. calls on the Commission to further support bottom-up cooperation with adequate administrative and financial resources, reiterating the need to roll out new tools for capacity building in the accession and ENP countries in view of the urgent need to replace the former Local Administration Facility;
60. urges the Commission to step up cooperation with the Euro-Mediterranean Regional and Local Assembly (ARLEM), the Conference of Regional and Local Authorities for the Eastern Partnership (CORLEAP) and the CoR's Ukraine Task Force, especially when implementing regional programmes and new initiatives;
61. welcomes the Commission's support for the Nicosia Initiative, its capacity-building project aimed at strengthening the Libyan municipalities' socio-economic situation through bilateral cooperation with European local and regional authorities;

62. calls on the Commission to further develop the increasing role of local and regional authorities as active players and partners in development cooperation, notably in the context of the proposal for a new European Consensus for Development and of the future of the Africa, Caribbean Pacific-EU Partnership Agreement;

63. welcomes the proposed External Investment Plan package for Africa and EU Neighbourhood countries aimed at mobilising investments and boosting job creation in partner countries and calls on the Commission to involve the CoR in the design of the plan as the voice of local and regional authorities in the EU;

64. reiterates its call for a fully-fledged EU strategy on international cultural relations; in this context, stresses the added value of prioritising the further development of cultural diplomacy with a view to introducing it into the EU's foreign policy;

#### **Citizenship, governance and better law-making**

65. looks forward to being fully involved in the future debates on how to improve the democratic governance and effectiveness of the European Union which should be launched with the White Paper on the Future of Europe; recalls the need to involve local and regional authorities via the CoR in any formal steps which may be envisaged to reform the EU Treaties;

66. once again underlines the importance of continuing to promote gender mainstreaming in all European Commission policy areas;

67. welcomes the Commission's engagement to organise an EU-wide information and awareness raising campaign on EU citizenship rights, and to propose initiatives aimed at helping citizens to vote and stand as candidates for the European Parliament elections in 2019;

68. reiterates its call to revise the existing legal framework of the European Citizens' Initiative (ECI) to make it more accessible and user-friendly and in particular to improve the provisions on the follow-up of successful ECIs in order to mobilise the full potential of this instrument to mobilise citizens;

69. recalls that the Better Regulation Agenda must be carried out in the spirit of multilevel governance and stresses the specific role played by local and regional authorities in a range of areas affected by EU regulation, as well as their role as the ones that implement this legislation and manage EU funds; underlines that their specific responsibilities provide them with good opportunities to evaluate existing regulatory frameworks and identify possible changes;

70. calls on the Commission to implement Territorial Impact Assessments (TIA) as a standard practice in the impact assessment of legislation that could potentially have asymmetrical territorial effects and in the wider better regulation agenda;

71. expects ever closer cooperation with the Commission and the European Parliament in monitoring subsidiarity;

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

Brussels, 22 March 2017.

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

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**Resolution of the European Committee of the Regions — on the Rule of Law in the EU from a local and regional perspective**

(2017/C 272/02)

THE EUROPEAN COMMITTEE OF THE REGIONS (CoR)

- having regard to the Commission communication of 11 March 2014 entitled ‘A new EU Framework to strengthen the Rule of Law’ (COM(2014) 158) and the conclusions of the Council of the EU and the Member States meeting within the Council of 16 December 2014 on ensuring respect for the rule of law;
  - having regard to its opinion of 12 February 2015 on ‘local and regional authorities and the multilevel protection of the rule of law and fundamental rights in the EU’;
  - having regard to the European Parliament’s resolution of 25 October 2016 with recommendations to the Commission on the establishment of an EU mechanism on democracy, the rule of law and fundamental rights;
  - having regard to Article 4(3) and Article 5 TEU on the application of the principles of subsidiarity;
1. is concerned that a number of developments in recent years within the European Union and globally are challenging the rule of law, a fundamental pillar of democracy;
  2. points out that the European Union is founded on a common set of fundamental values, which include respect for democracy and the rule of law, as stipulated in Article 2 of the Treaty on European Union (TEU), the Charter of Fundamental Rights of the EU, and the European Convention on Human Rights (ECHR);
  3. expects Member States to abide by their obligation to respect these values, as they form the basis for mutual trust between the Member States, between the Member States and the EU institutions, and in particular between citizens and all levels of government;
  4. likewise notes that the European Commission, European Council, European Court of Justice, and European Court of Human Rights, as well as the Council of Europe, have at various stages confirmed that the rule of law requires compliance with at least the following principles: legality, transparency, accountability, separation of powers, a democratic and pluralistic process for the enactment of laws, legal certainty, prohibition of arbitrary acts by the executive powers, independent and impartial courts, effective judicial review, respect for fundamental rights, equality before the law, freedom of expression, and freedom of assembly;
  5. points out, however, that existing instruments have fallen short in ensuring full application and enforcement of these principles;
  6. underlines therefore that how citizens experience the rule of law at local and regional level is just as important as their experience of it at national and European level;
  7. points out that there are nearly one hundred thousand subnational authorities in the EU, which bear much of the responsibility for implementing fundamental rights and freedoms in their dealings with people in all their diversity;
  8. considers that the stakes are higher than ever when it comes to the EU to equipping itself with an effective rule of law mechanism: against the backdrop of a changing security environment for Europe and the withdrawal of one of its Member States, the EU needs to become more cohesive, based on the understanding that European solidarity is not a one-way street. All EU Member States and all levels of government should live up to their mutual obligations and defend the European project as a value-based entity against a rising pan-European movement which puts Europe’s fundamental values into question;
  9. emphasises that, in order to uphold the rule of law and fundamental rights, the participation of active, independent and pluralistic civil society organisations and NGOs in the democratic processes and in overseeing the proper functioning of checks and balances on state institutions and powers is essential;

10. highlights that, while rule of law recommendations based on the 2014 Framework are still in effect, the Framework has not led to tangible outcomes so far. It is particularly regrettable that the Rule of Law Framework provides guidance for 'constructive dialogue' between the Commission and the Member State concerned, but does not involve at the earliest possible stage the different levels of governance, including the local and regional levels, as well as civil society. This is all the more regrettable since the EU institutions and Member States should always make it clear that, while proceedings are ongoing with the government of a given Member State, they do not intend to isolate a country and are still willing to engage with the society of that state;

11. therefore endorses the European Parliament's resolution of 25 October 2016 with recommendations to the Commission on the establishment of a single EU mechanism on democracy, the rule of law and fundamental rights which would incorporate the existing instruments, and calls for that mechanism to be applicable to all levels of government;

12. stresses that such a mechanism should be objective, based on evidence and facts, fair assessment, and the principle of equal treatment of all Member States, and consistent with the principles of subsidiarity and proportionality;

13. expects the mechanism, on the one hand, to fully involve local government in the dialogue between the Commission and the Member States, and on the other, to give them the opportunity to refer matters directly to the Commission if they identify threats to the rule of law;

14. points out that the obligations incumbent on candidate countries under the Copenhagen criteria continue to apply to the Member States after joining the EU by virtue of Article 2 TEU and that, in light of this, all levels of government in all Member States should be assessed in accordance with the mechanism in order to ascertain their continued compliance with the EU's basic values of respect for fundamental rights, democratic institutions and the rule of law;

15. points out that organised crime and corruption undermine democracy and the rule of law and lead to significant economic, social and political distortions. The new mechanism should provide for better implementation and enforcement of international and EU standards, tackling the gaps and barriers that hinder the fight against organised crime and corruption at all levels of government. A strong commitment on the part of local, regional and national authorities is key to encouraging concrete steps to combat corruption and to making anti-corruption efforts sustainable and irreversible. Corruption laws must apply equally to all and be enforced at every level in order to guarantee the trust that citizens, civil society and public authorities have in the legal systems of the EU Member States;

16. expresses concern that the Rule of Law recommendations might encourage calls to introduce political conditionality. The Committee of the Regions strongly opposes the idea of local and regional authorities being held hostage to policies pursued by national governments, which might lead to a suspension of EU funding for cities and regions; it nevertheless supports the provisions contained in the Partnership Agreements to suspend funding in case of a breach of the rule of law by local and regional authorities;

17. notes that the curtailment of freedom of the press and pluralism, and the manipulation of information which has been facilitated by the development of modern technologies and social media, impact negatively on the exercise of democracy at all levels of government. The ongoing review of the Audio-visual Media Services Directive (AVMSD) is therefore very important. As emphasised by the CoR, this should ensure that:

— the independence of national regulatory authorities, both from public authorities, audiovisual actors and political parties, is a cornerstone of the European Audiovisual Media Regulation, which Member States are responsible for ensuring at all costs, and which is the primary guarantee of the diversity of information and a pluralistic media market at European, national, local and regional level;

— transparency of media ownership is established;

— the role of platform providers in both the AVMSD and the Directive on Electronic Commerce is defined;

— general guidelines and recommendations for social media network providers and other public platforms to limit the spread of unreliable and false information from unverified sources, or ‘fake news’ and ‘alternative facts’, as these pose a threat to the democratic process, in particular in the run-up to elections, are set out;

18. instructs its President to forward this resolution to the Commission, the European Parliament, the Council, the President of the European Council and the Maltese Presidency of the Council of the EU, as well as the Congress of Local and Regional Authorities of the Council of Europe.

Brussels, 24 March 2017.

*The President  
of the European Committee of the Regions*

Markku MARKKULA

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**Resolution of the European Committee of the Regions on the implications for local and regional government of the United Kingdom's intention to withdraw from the European Union**

(2017/C 272/03)

THE EUROPEAN COMMITTEE OF THE REGIONS (CoR)

— Having regard to the result of the referendum which took place in the United Kingdom (UK) on 23 June 2016;

1. Recalls that the European Union (EU) is the greatest political achievement in history guaranteeing peace, democracy and prosperity for its citizens, that it remains the best instrument for its Member States to address new challenges, and that strengthening its unity and promoting its interests should be our priority.
2. Recalls that the UK's withdrawal agreement must be fully compatible with the EU Treaties and the EU Charter of Fundamental Rights and calls on the remaining Member States and the EU's institutions to consider that the UK's withdrawal from the Union should be used as an opportunity to build a fairer, better and more inclusive EU based on the promotion of multi-level governance between the European, national, regional and local levels.
3. Notes that the EU will need to work together with the UK government, its devolved administrations and local government in order to identify mutually beneficial forms of cooperation, taking into account existing success stories.
4. Emphasises the fact that regional and local authorities can contribute positively to the pursuit of productive and sustainable future cooperation between the UK and the EU.
5. As the EU's assembly of regional and local representatives, intends to play a role in accompanying the negotiation process, and to address the anticipated consequences of the UK's withdrawal throughout all of its political work. In this regard, will actively step up its dialogue with the local and regional governments that are most concerned by this process, in order to provide the EU's negotiator with a complete picture of the evolving situation at local and regional level.
6. Calls for an agreement on the principles of an orderly withdrawal to be reached as soon as possible, as it would provide citizens, local and regional government and companies with the certainty they deserve and would be, in this respect, a prerequisite to the future EU-UK relationship; points out, however, that Article 50 TEU does not prevent a Member State from withdrawing the notification of its intention to leave, provided that its intentions are genuine and not a procedural device to restart the two year period, nor used as a bargaining chip to secure concessions.
7. Notes that the formal announcement triggering Article 50 and the related two year period is to be made on 29 March 2017. Underlines in this context that the result of the complex negotiations on both the withdrawal from the EU and the arrangements for the UK's future relationship with the Union should be subject to the appropriate forms of democratic endorsement before taking effect.
8. Considers that the future relationship between the EU and the UK should be based on a balance of rights and obligations, a level playing field as well as efficient enforcement mechanisms and should not pave the way for dismantling the single market and the four freedoms of movement.
9. Stresses that there can be no agreement between a non-EU country and the EU that is better than EU membership.
10. Calls on the parties who will negotiate the withdrawal agreement to prioritise concrete measures that protect the acquired rights of EU citizens living in the UK, as well as UK citizens who live and work in other EU Members States, on the basis of reciprocity and non-discrimination.
11. Underlines that an acceptable solution must be found as regards the future relationship between the UK and the EU in order to prevent border arrangements from hampering social, economic, cultural and political ties.

12. Stresses that territorial cooperation programmes should remain open to all UK devolved administrations and local government beyond 2020. Highlights that the European Grouping of Territorial Cooperation (EGCT) could be a useful instrument in this regard.

13. Considers that cooperation between local and regional government in the Irish Sea, Channel and North Sea areas, deserves particular attention.

14. Wishes to see a practical solution that recognises the unique context of the land border between Ireland and Northern Ireland. Highlights that the EU has played a major role in cross-border cooperation, not least between local governments in Ireland and Northern Ireland for more than 25 years, through the INTERREG and PEACE programmes in particular. Calls on the Northern Ireland assembly and local government on both sides of the border to continue working to ensure peace and prosperity.

15. Hopes that the region of Andalusia and, in particular, the workers of the Campo de Gibraltar district, do not lose out as a result of the UK leaving the EU, given the close-knit social and economic interdependence in this area.

16. Expects that all legal commitments taken by the UK as a Member State will be part of the single financial settlement to be calculated on the basis of EU official accounts and to be concluded in the withdrawal agreement. Against this background calls for the budgetary impact of the UK's withdrawal upon the regions and local authorities of the remaining Member States to be assessed in each EU policy area.

17. Notes that the UK's exit, in the framework of the next MFF, will have an impact on the EU budget and therefore suggests that this change in the budget should be used as an opportunity to pursue in-depth reform of the EU budget, taking into account the needs of local and regional government.

18. Emphasises that the consequences for cohesion policy of the UK leaving the EU will depend on when the UK's withdrawal will enter into force and what kind of future relationship will exist with the UK, notably as regards potential shifts in categories of regions; it should be avoided that the decline in the EU average GDP per capita could harm certain regions, just because their GDP per capita has been artificially increased in comparison to the European average.

19. Stresses that the EU-27 should closely follow the drafting process of the Great Repeal Bill, as the disentanglement of EU legislation in the UK is both an issue of multi-level governance and of the preservation of fair rules on standards and competition.

20. Highlights that the European maritime and fisheries policies are going to be among the EU policies most affected by the UK's withdrawal, and that special attention should be paid to possible arrangements to mitigate the consequences for all regions and local authorities concerned. Requests that any measures should take into consideration the historic fishing rights of adjacent ports, regions and countries, and provide security for local fisheries, which are at the heart of coastal communities.

21. Is concerned that a reduction of funding for CAP would adversely impact farmers and rural areas across the EU, potentially including the protection of biodiversity. Highlights that UK withdrawal could have a significant impact on agriculture and food production, and therefore on local communities, in particular on the island of Ireland, and wishes to see these issues adequately addressed in the negotiations.

22. Invites the parties to the withdrawal agreement to consider temporary arrangements so as to minimise disruption to the current long-standing R&D projects, and by extension to local economies.

23. Notes that it should be clarified as to whether current UK energy projects, especially those launched by or geared towards local and regional authorities and aiming at CO<sub>2</sub> reduction and sustainable energy provision, would continue to be eligible for CEF, EFSI and EIB funding, and what sort of transitional arrangements would be necessary as a result of the UK's exit from the EU.

24. Calls on the parties to the withdrawal agreement to consider the potential effect of the UK's exit on the EU's Youth and Education and R&D programmes and invites them to consider appropriate solutions via the so-called 'partner countries' approach, which allows for the inclusion of non-EU countries on the basis of bilateral agreements with the EU. In that respect calls on the Parties to facilitate the participation of UK local and devolved authorities in the future EU programmes including those for research, competitiveness and innovation, culture, lifelong learning, youth, e-government, public sector reform, in a similar fashion that countries, such as, for instance, Norway or Iceland currently do. Recalls that student exchange (with and without ERASMUS) has been one of the great success stories of European integration and both EU and UK universities have been able to benefit from this to a spectacular extent. Any future agreement should therefore try to preserve the active role of UK universities in this regard, which also hugely benefits local and regional economies.

25. Points out that it is in the interests of the EU's local and regional government to foresee permanent and structured cooperation with the UK's sub-national governments following the UK's withdrawal. Notes, in this regard, that the CoR is best placed to devise and implement institutional mechanisms to promote regular consultation and interaction with local government and devolved parliaments and assemblies in the UK. Also stresses the need to further develop partnerships with the Congress of the Council of Europe and relevant networks of local and regional authorities where UK local governments would continue to be represented.

26. Recalls that, even if the CoR does not have a formal role in the negotiations, it is clear that some of its members — according to their national legal framework — will have the possibility of adopting formal positions at least as regards the arrangements concerning the future relationship between the UK and the EU, including on trade.

27. Instructs its President to forward this resolution to the chief negotiator of the European Commission, the Brexit coordinators for the European Parliament and the European Council; the Government of the UK, the assemblies and governments of the UK's devolved administrations and local governments, and the Maltese Presidency of the Council of the EU.

Brussels, 24 March 2017.

*The President  
of the European Committee of the Regions*

Markku MARKKULA

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## OPINIONS

## COMMITTEE OF THE REGIONS

122ND PLENARY SESSION, 22-23 MARCH 2017

**Opinion of the European Committee of the Regions — Towards a sustainable EU food policy that creates jobs and growth in Europe's Regions and Cities**

(2017/C 272/04)

**Rapporteur:** Arno Kompatscher (IT/EPP), President of the Autonomous Province of Bolzano and Regional Councillor

**POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS (CoR)

**A common and long term vision in all relevant policy areas**

1. calls for a comprehensive, sustainable EU food policy which is democratically shaped, designed with a common and long-term vision, based on the latest scientific insights and in line with a multilevel governance approach that addresses food production and nutrition in a more comprehensive manner, promoting more sustainable production and consumption patterns, establishing a link across different policy areas, including, among others, food production, agriculture, environment, health, consumer policy, employment and rural development, and creating jobs and growth in Europe's Regions and Cities; calls on the European Parliament and the Commission to launch together with the CoR a joint pilot project to facilitate the development of a sustainable EU food policy;
2. highlights the need to find a balance between keeping the necessary flexibilities to avoid a 'one-size fits all approach' to food policy and to avoid its nationalisation. Greater regulatory coherence will help to ensure safety of consumers, an effective functioning of the internal market and the principle of subsidiarity being respected;
3. stresses the importance of the vertical integration of food policies based on sustainability criteria to ensure consistency at local, national, regional and international level. It is well-known that food systems and related issues (environmental, social, and economic) have a specific and local dimension. So there is a key role that cities and regions can play in addressing the challenges of food systems, and this should be taken into account when designing a sustainable EU food policy;
4. underlines the importance of establishing an overarching European vision and strategy for a secure, safe and sustainable food supply in terms of quality, affordability and quantity and based on sustainability criteria. Such an EU food policy should be based on a comprehensive approach, recognising the global nature of food supply chains, including farming, food processing, environment and health. The Commission should ensure that all relevant EU legislation and financial incentives are consistent with this vision and strategy;

5. reiterates the call for an EU food policy that promotes sustainable modes of production for European agriculture, working towards the development of cross-sectoral synergies for food and the environment, including agricultural and fisheries policy, climate and energy policy, regional policy and research policy <sup>(1)</sup>;

6. draws attention to the fact that ecosystem values are not properly accounted for in decisions concerning natural resources. Environmental costs are currently externalised in food production, leading to a situation where food produced in a more sustainable manner seems to be more expensive, mainly due to higher manufacturing costs; instead, the concept of ecosystem services offers an important opportunity for developing a policy framework to underpin the sensible use of biodiversity and other natural resources. Currently, costs associated with diet-related illness, and damage to water, soil, wildlife and climate, are regarded as *externalities*. As such, these costs are not accounted for in the final price of foods, regardless of the fact that they are paid for indirectly (and often unconsciously) by the whole of society. Within this context, the European Commission should promote the implementation of measures that allow the real price of food to be reflected, in order to stimulate a sustainable economy;

7. reiterates the need to reinforce the links between different sectors related to food, such as energy, forestry, marine resources, water, waste, agriculture, climate change, science and research and land use aspects, as all of them play a crucial part in the development of sustainable growth <sup>(2)</sup>. This approach should take into account the EU Circular Economy and other international frameworks alike where opportunities for innovation can be maximised;

8. underlines the importance of specific territories within the EU for the preservation and further development of sustainable food systems, such as mountain regions with their long tradition of food production in a challenging natural environment;

9. stresses the importance of further revising the EU Common Agricultural Policy (CAP) in order to incentivise not only farmers, but also food manufacturers to produce sustainably, i.e. by guaranteeing consistent implementation of the EU's cross compliance mechanism that sets income support for producers that follow environmental and animal welfare standards;

10. believes that, as part of the development of a more comprehensive food policy based on sustainability criteria, it is important to include the current renewable energy policy. In this respect, it is important to develop measures that encourage the production of those bio-fuels that do not compete with food crops, and, at the same time, discourage in the long term and in a predictable way for companies and workers the production of unsustainable first generation bio-fuels that are made from food-grade feed-stocks, such as vegetable oils;

11. in order to sustain the EU's growth, recommends developing free-trade agreements with third countries and other regions in the world that are consistent with domestic agro-ecological production in the EU and, thus, highly focused on environmental and sustainability aspects. This measure would ensure that the application of strict requirements to the EU food chain would not lead to a mere relocation of food production;

12. reiterates the call of the UN's Food and Agriculture Organization for enhanced mainstreaming of disaster risk reduction and resilience building within agricultural sectors, especially in regions facing recurrent disasters and where agriculture plays an important role;

### **A healthy ecosystem supporting agricultural productivity and resilience**

13. underlines the importance of healthy, living soil, which is key to ensuring food security and the preservation of biodiversity. In particular, steps to promote the diversification of cultivated species, extensive, integrated and organic agriculture and higher animal welfare standards should be considered as the flagships of a sustainable EU food policy. Through the achievement of such key targets, it will also be possible to help restore public confidence in the European project;

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<sup>(1)</sup> Legislative proposals on the Reform of the Common agricultural policy and rural development policy post-2013 CDR 65/2012.

<sup>(2)</sup> Resolution on Sustainable food CDR 3306/2015.

14. underlines the need to stimulate and sustain, also financially, the development of small-scale farming systems, especially those located in vulnerable areas and on the periphery of cities. Small-scale farming system constitutes a simple and accessible tool for local authorities to use when dealing with many practical issues, including social inequality, environmental challenges and health problems. Moreover, such systems can provide peripheral areas of towns and cities with sustainable production of local, fresh and seasonally produced healthy foodstuffs, accessible also to low-income families. Small-scale farming systems have been recognized as a socially aware model that respects the environment, reduces packaging and food waste, limits CO<sub>2</sub> emissions and supports sustainable production practices<sup>(3)</sup>. In this respect, small farming systems, especially short food supply chains for agricultural products, have a positive effect on local economies and employment;

15. points out that short supply chains are important for boosting the environmental sustainability of transport between places of consumption. As the distance grows, so does the negative impact in terms of pollution produced by modes of transport;

16. reiterates the call for more sparing use of water, energy, fossil fuels, fertilisers and phytosanitary products in agricultural production systems<sup>(4)</sup>;

17. reiterates that the shortage of young people pursuing careers in farming is jeopardising the economic sustainability of rural areas. Supporting young farmers is a prerequisite for preserving agriculture across the EU and for keeping rural areas alive<sup>(5)</sup>;

18. points out that regional and local chains support a sustainable food policy that rewards specific quality, tradition and economic and cultural heritage. In particular, craft businesses in these chains are crucial for many local and regional communities and are drivers of development and success in foreign markets;

19. reiterates the call to implement a 'protein plan' at European level to support the production in Europe of protein and legume crops in order to reduce dependency on imported soy feedstock, in order to ensure protein autonomy for European livestock farmers, reduce the use of nitrogen fertilizers and improve soil fertility<sup>(6)</sup>;

20. underlines the importance of pollinators and calls for measures to ensure the preservation of pollinating insects, such as reduced use of harmful pesticides and maintenance of crop diversity;

21. calls on the European Commission to strengthen its support for animal welfare and environmentally-friendly farming and production methods, through the development of measures aimed at discouraging unnecessary manure production and transport emissions; at the same time, it is also important to encourage animal welfare-friendly systems through favourable public procurement and other relevant measures. Overall, there is a need to support better livestock management practices with reduced use of farm antibiotics, while taking animal welfare into account;

22. considers organic farming as a tool to lock up more soil carbon, reduce water needs for irrigation and limit pollution by chemicals such as pesticides in the soil, air and water;

23. promotes the development of alternative food networks, including farmers' markets, local foods, organic products and Fair Trade goods. In particular, farmers' markets are community-run markets that constitute an important social meeting point, where local producers offer healthy, high-quality food directly to consumers at fair prices and guarantee environmentally sustainable methods. In addition, they preserve the food culture of the local community and help protect biodiversity;

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<sup>(3)</sup> Resolution on Sustainable food CDR 3306/2015.

<sup>(4)</sup> Own-initiative opinion on The future of the CAP after 2013, CDR 127/2010.

<sup>(5)</sup> Own-initiative opinion on Supporting Young European Farmers, COR-2016-05034-00-00-AC-TRA.

<sup>(6)</sup> Legislative proposals on the Reform of the Common agricultural policy and rural development policy post-2013 CDR 65/2012.

**Access to healthy diets, especially for low-income families**

24. stresses the need to establish long term health programmes targeting obesity and food related diseases, by promoting the availability of, and accessibility to local, fresh and seasonal food. Such programmes can be especially effective if addressed to public institutions (such as schools and hospitals) and in those urban areas where obesity, the lack of rural markets and limited access to fresh food is a major concern. It is worth noting that such programmes offer a dual opportunity to encourage not only consumers to shift their behaviour towards nutritious and healthy diets, but also to steer consumers' choices towards local, fresh and seasonal foods;

25. recommends reducing the increase in obesity by promoting sustained information campaigns on a multilevel approach aimed at steering consumer behaviour towards more plant-based diets with a high intake of fruit and vegetables, reducing global meat, fat and sugar consumption, as well as towards the purchase of local/regional, fresh and seasonal foods produced using sustainable production methods. This action is of striking importance, especially in cities of Europe that are facing food insecurity. Food insecurity and obesity coexist in cities (double burden of malnutrition), as shown for example by the increasing number of people accessing food banks and social restaurants;

26. welcomes those initiatives and environments that reduce unnecessary bureaucracy which hinders the recovery and redistribution of healthy foods to people in need;

**Standardised definitions, methodologies and practical measures**

27. urges a definition of comprehensive terminology on sustainable food systems that includes agriculture food production, food processing and diets. This is the key to defining the 'way forward' for a common and holistic EU food policy; suitable instruments should be made available to ensure the effective implementation of policy measures;

28. highlights the need for standardised methodology for collecting and reporting data on the environmental impact of food products, including food waste, to ensure data comparability across Member States and encourage environmental and social costs associated with food products or diets to be measured in economic terms;

29. stresses the importance of promoting the exchange of good practice, of sharing data on the environmental impact of food, and providing information in a more transparent and accessible way for the whole food chain, including for consumers. The use of good practice and guidelines is key to promoting the adoption of appropriate sustainable measures by providing local administrations with sufficient information for implementing such programmes;

30. stresses the need to improve the transparency of food labels, including comparable information about the impact of food on the environment. It should be recognised that current information on nutrient and calorie content on labels is not enough to address the complex relationship between food and health and that current labels are totally lacking in information about the impact of food products on the environment. Although most consumers know that their choices have a certain impact on the environment, no information is available on the product label to guide the customers' preferences on sustainable choices. Believes that labelling needs to be clear and relevant, but it should not be overcomplicated or burdensome for food producers;

31. calls on the Commission to step up vigilance and checks in the food sector in order to promote high quality food and combat unfair competition, thereby increasing product credibility and consumer confidence;

**'Green' public procurement guidelines**

32. stresses that public procurement, accounting for around 14 % of GDP in the EU, offers a potentially strong lever for ensuring a more sustainable food supply (local and organic) through public sector catering contracts in school and hospital canteens. These examples can strengthen the rural-urban nexus expressed in the Habitat III New Urban Agenda (NUA);

33. calls on the European Commission to clarify existing constraints within its public procurement rules in order to apply sustainability criteria. EU competition legislation prohibits territorial preferences (such as local foods) being specified in public purchasing contracts;

**Multilevel governance approach linked to the sustainable EU food policy concept**

34. supports the creation of local food councils at local level for planning processes, comprising activities such as measures to connect producers and consumers, identify food deserts and zones for the location of new markets at regional level and above all ensure the public has a voice in policy making;

35. draws the attention to the fact that strategic planning at regional and local level is crucial for reducing the overall environmental impact of the food system. From a production perspective, it is often the case that services (technical, credit, inputs, resources) are not available in the same way for producers in urban and peri-urban areas compared to those rural areas;

36. stresses the need to confer on local and regional authorities the power to initiate and manage targeted environmental measures and allow them to introduce territorial contracts, signed jointly with farmers or their representatives<sup>(7)</sup>;

37. believes that a bottom-up policy on food sustainability should first and foremost be addressed through strong local development partnerships and local (regions' and cities') authorities<sup>(8)</sup>, also in keeping with the New Urban Agenda<sup>(9)</sup>;

38. recommends supporting more cities' initiatives like the *Milan Urban Food Policy Pact*, adopted at the 2015 Expo in Milan on 'Feeding the planet. Energy for Life', for promoting fair, sustainable and resilient food systems.

Brussels, 22 March 2017.

*The President  
of the European Committee of the Regions*

Markku MARKKULA

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<sup>(7)</sup> Legislative proposals on the Reform of the common agricultural policy and rural development policy post-2013 CDR 65/2012.

<sup>(8)</sup> Outlook opinion on Local food systems, CDR 341/2010 REV.

<sup>(9)</sup> NUA: Habitat III outcome document.

## Opinion of the European Committee of the Regions — Integration, cooperation and performance of health systems

(2017/C 272/05)

**Rapporteur:** Birgitta Sacrédeus (SE/EPP), Member of Dalarna County Council

### POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS (CoR)

#### Health in Europe

1. observes that good health among the general population is important for prosperity and well-being in society. Good health is valuable in itself, while a healthy population contributes to economic development, and vice versa;
2. notes that EU citizens are living longer, healthier lives than before. There are however significant health disparities in the EU, both between and within Member States. Life expectancy in the EU has increased over time, but there are still major variations between and within different countries, regions and municipalities. For example, there is a difference of nearly 9 years between the EU countries with the highest and lowest average life expectancies (83,3 and 74,5 years in 2014<sup>(1)</sup>). The increase in average life expectancy is linked, amongst other things, to changes in lifestyle, better education and better access to good quality healthcare;
3. observes that healthcare and social care represent a large and important sector of society that employs large numbers of people and helps to give many people better, healthier and longer lives. However, the EU's 28 Member States have a variety of different health systems, and access to resources varies between them;
4. notes that health and health promotion play an important role in the UN's global sustainable development goals for 2030, adopted in 2015. Most of the 17 goals have a clear health dimension, but one of them (goal 3) seeks specifically to ensure healthy lives and promote well-being for all at all ages. Likewise, health promotion is seen as the cornerstone for achieving the sustainable development goals. This goal is also in line with the objectives of the Health 2020 cross-sector health policy framework adopted by the WHO European Region in 2012;

#### EU competences in the field of health

5. observes that the goal for the EU's work in the health sphere is according to Article 168 of the Treaty on the Functioning of the EU to improve public health, prevent disease and eliminate health risks. This is achieved for example via the EU health programme, the structural and investment funds and the research and innovation framework programme and the protection of fundamental rights. Indeed, Article 35 of the EU Charter of Fundamental Rights stipulates that 'everyone has the right of access to preventive health care and the right to benefit from medical treatment under the conditions established by national laws and practices. A high level of human health protection shall be ensured in the definition and implementation of all Union policies and activities';
6. recalls that the EU has some legislative powers in fields that impact public health or relate for example to cross-border healthcare, and also makes recommendations in areas in which its competence is limited. In the context of the European Semester, the European Commission issues country-specific recommendations which in some cases involve the health sector;

<sup>(1)</sup> Health at a Glance: Europe 2016.

7. stresses, however, that it is fundamentally for Member States themselves to decide how healthcare and social services should be organised, funded and designed. Many Member States have opted to give local and regional authorities primary responsibility for health, care and public health. Even in countries with national health systems, responsibility for social services and social care often lies at local level;

### **The State of Health in the EU**

8. welcomes the Commission's *The State of Health in the EU* initiative of June 2016. Its aim is to bring together international expertise to improve country-specific and EU-wide knowledge on health and to support Member States in their decision-making <sup>(2)</sup>;

9. notes that in November 2016 the OECD and Commission published the *Health at a Glance: Europe 2016* report. In addition to statistics showing significant differences in health, health determinants, health spending, access to care and its effectiveness and quality, the report contains analysis of the impact of ill health on the labour market and the need to improve primary care systems;

10. highlights how important it is for the Commission to involve regional and local authorities in its ongoing work and gather their opinions on the future development of health systems, not least because best practice can often be found at local or regional level;

### **Several major challenges**

11. notes that the health systems of the EU are facing several major challenges — some of which are more pronounced in some Member States than others:

- a. inequalities in health and access to healthcare — differences which often have socio-economic and geographical causes;
- b. a new disease profile in which chronic diseases represent a very large proportion of healthcare costs. According to the WHO, 86 % of deaths in the European Region are caused by the five most common types of chronic non-communicable disease (diabetes, cardiovascular disease, cancer, chronic respiratory disease, mental illness) which are often the result of an unhealthy lifestyle — smoking, excessive alcohol consumption, poor eating habits and a lack of physical activity. These factors are also behind the growing problem of overweight and obesity, especially amongst children and young people;
- c. an ageing population, with many older people suffering from one or more chronic diseases (multimorbidity);
- d. communicable diseases and ongoing fears of global pandemics. Our increasingly globalised world means there is a higher risk that various types of health threat may spread;
- e. a significant number of patients are harmed as a consequence of inadequate patient safety, including through healthcare-associated infections;
- f. antibiotic resistance is a growing public health issue — one which causes increased morbidity and mortality, but also entails significant healthcare costs;
- g. a lack of health and care workers — in many parts of Europe there are problems training/recruiting/retaining sufficient numbers of qualified staff;

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<sup>(2)</sup> This 2-year initiative will be undertaken in cooperation with the OECD, the European Observatory on Health Systems and Policies and the Member States, and comprises four elements:  
— publication of the *Health at a Glance: Europe 2016* report (November 2016);  
— country-specific 'health profiles' highlighting the particular characteristics and challenges of each Member State (November 2017);  
— analysis building on the two previous elements, providing a succinct overview and linking the results to the broader EU agenda, with an emphasis on cross-cutting policy implications and opportunities to learn from each other (November 2017);  
— opportunity for voluntary exchanges of best practice, which the Member States can request in order to discuss specific aspects of the situation in their own countries (from November 2017).

- h. increased public expectations and requirements in terms of patient-centred care;
- i. pressure on health systems to reduce costs and become more cost effective, since health spending is high and is expected to rise;
- j. new welfare technology can contribute to improving the health of many people — innovations reduce the cost of certain health problems, but these increased possibilities for treating certain illnesses and conditions can also lead to increased costs;
- k. an increase in migration, especially of in many cases traumatised refugees, which requires an increase in the availability of appropriate psychiatric, psychotherapeutic and psychosomatic treatments, amongst other things;
- l. changes to our environment and climate that have a negative impact on our health and well-being;
- m. mental and physical ill-health as a result of the demands of professional life and a poor work-life balance.

#### **Measures to respond to these challenges**

12. considers that in order to achieve health equality it is essential that everyone has access to healthcare. Adequate and sustainable funding of care is of vital importance in guaranteeing good coverage, access and quality. Informal payments and other forms of corruption within healthcare must be combated, since they harm the accessibility and efficiency of care;

13. observes that chronic diseases dominate the burden of disease and generate the majority of costs for healthcare and other welfare systems. In order to remain sustainable over the long term, healthcare systems therefore need to be adapted to be better able to deal with chronic disease, and any unsustainable spiralling of costs must be prevented. Many chronic diseases can be prevented through lifestyle changes, and with the right approach the deterioration typical of these conditions can be held in check;

14. wishes to draw particular attention to mental health problems. Mental health must be given the same priority as physical health. Mental illness is often best treated with outpatient care. Good mental health is generally based on good relationships with family, friends and others, a good home and work environment and a sense of belonging and purpose in life;

15. considers that greater emphasis should be placed on preventive action and health promotion, and that care should become more knowledge and evidence based. Cooperation between healthcare and social care needs to be improved, especially to improve the lives of elderly people and those with disabilities. Health and social care service integration with a focus on individual assessment and continuity of care is proving beneficial in this regard. Since habits are formed at an early age, family life and school have an important role to play in prevention;

16. shares the view expressed in *Health at a Glance: Europe 2016* that EU Member States need to strengthen their primary care systems to meet the needs of ageing populations, create better chains of care and reduce the unnecessary use of hospital care. Investment should be made in primary care, outpatient care and home care, and highly specialised hospital treatment should be centralised in order to ensure quality. To relieve the pressure on hospitals, primary care must be available even outside normal working hours. A multidisciplinary approach must be developed urgently. Primary care staff should be specialists in preventive action and health promotion, and in caring for those with chronic diseases;

17. notes that social care systems vary greatly between Member States. There are major differences in the extent to which public funding is provided and social care is offered in ordinary or special accommodation. In order to achieve health equality, it is essential that everyone has access to high-quality social care if they need it. It is important that informal carers are given support. Voluntary organisations can play an important supporting role;

18. calls on the national authorities to pay attention to the important role of local and regional authorities in the transition away from hospital-centred to community care, providing an opportunity to develop creative, preventative activities, early intervention services and long term care options rather than focusing on reactive care;

19. shares the view expressed in Health at a Glance: Europe 2016 that greater efforts are needed to prevent chronic diseases among the working-age population. Chronic diseases lead to lower employment, lower productivity, earlier retirement, lower income and premature death. A physically and psychologically healthy work environment is crucial in managing occupational diseases and injuries and reducing sick leave and health-related unemployment. Greater synergy is therefore needed between health and labour market policies, and the social partners need to be involved in the process. It is important to view health-related initiatives as investments rather than costs;

20. stresses that efforts must be made to enable people with disabilities to work in a way which suits their own personal attributes. Effective rehabilitation plays an important role in enabling sick and injured people to make a swift return to work;

21. considers that greater emphasis should be placed on issues relating to patient empowerment and person-centred care <sup>(3)</sup>. Patients today are generally better informed and many people would like to choose their healthcare providers and request information about accessibility and quality. Health systems should therefore support people looking after their own health — by living healthily, making informed choices regarding treatment and healthcare providers, practising self-care and avoiding medical complications;

22. also points out that it is crucial for jointly funded care to be provided in accordance with needs, and not on the basis of individual patients' own requests, which would risk leading to overuse of care and treatment;

23. considers that there should also be a greater focus on quality of care and clinical results. The collection of big data, transparency and open comparisons based on common indicators can be used to stimulate improvements and map the effects of health investments;

24. finds that, in order to guarantee access to well-trained healthcare and social care professionals, planning and coordination between health sectors are needed, as well as an education system offering good opportunities to develop skills. There are currently shortages in several occupational groups, uneven geographic distribution and imbalances between different occupations. One of the issues is the need to train more primary care doctors <sup>(4)</sup> and the need to retain skills. In order to recruit and retain staff, employers should offer a good work environment and good conditions. To improve their operations, employers should develop multi-professional teams and use task shifting in order to strengthen the roles of nurses and other occupational groups. The Committee of the Regions hopes that the Commission's efforts to establish a European Solidarity Corps can help get more young people interested in working in the health sector;

25. welcomes developments in medical technology and the production of new medicines. Research and innovation are key to the evolution of healthcare. Use of assistive devices and development of new technology can also allow those receiving care to become more independent;

26. considers that the most important tool for making healthcare more effective is new digital technology, which offers new opportunities for prevention, detection, diagnosis, treatment, provision of information and communication. Innovation is moving quickly in this field. Although there are often justified reasons to consider data protection and privacy, the healthcare sector has nevertheless been all too slow in taking advantage of the latest advances in information technology. Data protection law must be drafted such that it does not hinder effective health care, monitoring and research, while at the same time respecting people's privacy;

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<sup>(3)</sup> An approach in which the patient and their family members take an active role and participate in planning and implementing care, and the patient is seen as more than just their condition.

<sup>(4)</sup> Health at a Glance: Europe 2016.

27. believes that digitalisation also means that the approach to and organisation of care will undergo profound change. The power relationship between different groups of staff will be affected, as will the balance of power between patients and staff. eHealth and mHealth systems can give people more influence over — and opportunities to take greater responsibility for — their own health and care. Greater recourse to self-care will enable patients to cut back on the number of visits to healthcare providers, often increasing patient satisfaction whilst also reducing costs for the health authorities. Greater digitalisation can also help to improve services in peripheral and sparsely populated areas;

28. points out that new medicinal products play a major role in the development of healthcare. New and improved diagnostic methods make it possible to use personalised treatments and medicines with fewer adverse effects and better clinical results. In order to make healthcare more cost-effective, it is however important to address high pharmaceutical prices and over-prescribing of medicinal products. The Committee of the Regions therefore supports the initiatives taken for voluntary cooperation between Member States on procurement, pricing and access to medicines;

29. encourages more efforts to capture possible economic and qualitative advantages of cooperating in the field of cost-intensive and/or highly specialised medical equipment;

30. considers that the determined efforts being made in many quarters to improve patient safety must continue. Action must also be taken to address antibiotic resistance, for example by limiting the use of antibiotics, developing new antibiotics and taking a holistic approach covering both animal and human health, as well as specific measures aimed at fighting healthcare-associated infections. To maintain effective protection against infection it is essential to ensure that everyone living in Europe has equivalent, optimal protection against vaccine-preventable diseases;

31. believes it is important that healthcare and social services in Member States are mindful of the vulnerability of many newly arrived migrants and take steps to provide for their care needs, for example support for mental health issues;

32. stresses that local and regional authorities play a decisive role in protection from environmental risk factors and related health promotion. Local authorities often have primary responsibility for environmental protection, air quality, refuse collection, town planning, public transport, water and sanitation, green spaces for recreation, food safety and so on. Healthcare and social care can also contribute, for example by using safe, environmentally friendly products, ensuring efficient waste management and reducing energy and water consumption;

### EU level responses

33. welcomes European cooperation on healthcare in the context of the Member States' right to decide for themselves how healthcare should be designed, organised and funded. The challenges may be the same, but the solutions often vary. The EU should support the Member States and their local and regional authorities in their efforts to improve public health and develop healthcare. The EU must act in accordance with the subsidiarity principle and respect the diversity of Member States' health systems;

34. finds that, at the same time, it is in the EU's interest to improve health and reduce health disparities, as this is a necessary condition for reducing economic and social disparities in Europe. The EU needs to be more consistent in applying the principle of 'health in all policies';

35. highlights the need to continue EU cohesion policy funding after 2020 in areas such as healthcare infrastructure, e-health, and health promotion programmes in order to foster regional development and to reduce social and economic disparities. The effectiveness of projects financed with EU funds should be examined from the perspective of public health and economic development of regions concerned <sup>(5)</sup>;

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<sup>(5)</sup> CDR 260/2010.

36. considers that cross-border cooperation can help to develop European health systems. It is appropriate for the EU to have some legislative powers in areas pertaining to cross-border health threats and healthcare, but in other respects the EU's action should focus mainly on supporting the Member States' actions and promoting quality development. The EU can achieve this for example by making recommendations, initiating and funding development projects, fostering cooperation in border regions, promoting exchange of knowledge and experience, sharing success stories and best practice, taking an even more active role in the work on open comparisons, and assessing the effectiveness of health systems, including in cooperation with the WHO and OECD. As part of these activities, it is important to highlight the effects of various healthcare services on individual patients and public health;
37. in this context, proposes that the European Commission establish an Erasmus like programme for healthcare professionals;
38. regards the priority areas chosen by the Expert Group on Health Systems Performance Assessment (HSPA) (integrated care; access to health care and equity; primary care; health outcomes/effectiveness; chronic diseases and quality of care) as equally valid for subnational level and expresses its readiness to collaborate with the group in view of bringing local and regional expertise to the fore;
39. in that context, requests an observer seat within the Expert Group on HSPA, established in September 2014 by the Commission and the Member States, upon the invitation from the Council;
40. believes that the EU should notably support efforts to prevent chronic diseases, support innovation in and use of the latest information and communication technology, foster enhanced European cooperation on the assessment of medical techniques and continue to engage in the global effort to tackle antibiotic resistance. The Committee of the Regions therefore welcomes, for example, the new antibiotic resistance action plan which the Commission intends to publish in 2017;
41. in that context, reminds the Member States of their commitment to have in place before mid-2017 national action plans against antimicrobial resistance 'based on the One Health approach and in line with the objectives of the WHO Global Action Plan' and calls on the health ministries to involve local and regional authorities in the development and implementation of these plans;
42. observes that, through judgments of the EU Court of Justice and the 2011 Patient Mobility Directive, EU citizens have been given greater opportunities to seek care in another Member State. This is advantageous, for instance for patients who have a rare diagnosis or need specialist treatment which is not available in their home country. The Committee of the Regions therefore welcomes the Commission's work on introducing European reference networks (ERNs) for care providers and centres of expertise in the Member States in the aim of supporting highly specialised medical care.
43. calls on the EU, in its work on the State of Health in the EU, to showcase good examples of effective, high-quality healthcare, identify forms of health service organisation that make a particular contribution to effective, high-quality healthcare, and demonstrate how high-quality healthcare can reduce the need for social services. In this context, the Committee of the Regions would underline the importance of identifying local and regional organisational models that have proved to work effectively.

Brussels, 22 March 2017.

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

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**Opinion of the European Committee of the Regions – Smart Specialisation Strategies (RIS3): impact for regions and inter-regional cooperation**

(2017/C 272/06)

**Rapporteur:** Mikel Irujo Amezaga (ES/EA), Head of Navarra Delegation in Brussels

**POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS (CoR)

1. points out that both the Council and the European Parliament have recognised that the strategies for smart specialisation (RIS3) can serve as powerful instrument to help tackle social challenges and promote innovation, investment and competitiveness based on socio-economic and territorial specificities;
2. signals the importance of the fact that Regulation (EU) No 1303/2013 has established RIS3 as an ex-ante conditionality and welcomes the fact that the framework for drawing up S3 leaves scope for a regional approach and so opens up the possibility of taking into account regional circumstances;
3. the regions joined S3 because it was a useful method for conducting regional development more effectively and productively. The regions intend to retain this method, based on subsidiarity and a bottom-up approach. Their aim is to safeguard the freedom to choose regional specialisations. The way the S3s are framed must continue to reflect primarily the determination to give impetus to regional development and create local jobs;
4. stresses that the specifications and guidelines for drawing up a strategy for smart specialisation must respect the subsidiarity principle and give the regions enough leeway to be able to respond to specific challenges;

**Implementing the Smart Specialisation Strategies (RIS3)**

5. indicates that the participation of all levels of governance — state, regional, subregional and/or local — that have competences and develop initiatives in the strategy's areas of work must be ensured, and must include the 'quadruple helix'<sup>(1)</sup>, stressing the roles of industry, education and research institutions, as well as citizens, although the exact combination of organisations involved will depend on the regional context;
6. considers that RIS3 offer added value to regional and local governments, generating cross-sectoral and interregional joint projects and investments which are particularly beneficial in terms of industrial renewal;
7. points out that implementing the RIS3 must draw in all stakeholders, encouraging them to working together within a shared vision. The process must foster multi-level governance and help to generate creative and social capital within a given territory;
8. considers that the on-going process of shaping and revising the RIS3 must remain an interactive governance process underpinning the '*entrepreneurial discovery process*', backed by a combination of top-down and bottom-up approaches, in which citizenship, represented via those channels that are deemed appropriate, should also be properly involved;
9. indicates that the requirement to engage in a participatory process stems from point 4.3 of Annex I to Regulation (EU) No 1303/2013. In spite of this, the participatory process often remains inadequate. Calls therefore on the Commission to encourage relevant stakeholders at national, regional and local level to ensure effective compliance with this legal provision;

<sup>(1)</sup> This refers to national or regional management authorities and stakeholders, such as universities and other higher education institutions, industry and the social partners as well as citizens engaged in identifying business opportunities.

10. recalls that in order to implement RIS3 it is also advisable to have political leadership and consensus, and for this reason the active participation of all or most representative political forces, and of social actors or civil society, is recommended;

11. considers that RIS3 should not be restricted to matters of research, innovation and business development. In keeping with the New Skills Agenda for Europe, it must also address the development of new skills, education and training for all citizens, especially young people, workers and the unemployed. Likewise, considers it important to promote training and development programmes, especially in regions with a lack of experience in this area, highlighting success stories in different sectors which could be used as points of reference for other regions, and calling for the adoption of measures to facilitate cooperation between innovative regions and those that are less developed;

12. considers that the regions' smart specialisation choices can also serve to foster certain EU policies. Many regions, for example, have chosen to build smart specialisations around maritime aspects, using cross-cutting, inter-sectoral approaches where European policies are not yet sufficiently structured, restricting their support capacity and their effectiveness;

13. underlines that the prioritisation of sectors where regions have comparative advantages should be aligned with the objectives inherent to the Lisbon strategy (training for young people and access to employment, equality between women and men, investment in higher education and research, support for SME innovation in all sectors of the regional economy, support for social and ecological innovation, etc.) being dropped. It is crucial that European policies be able to continue supporting these objectives underpinning the Lisbon strategy, while strengthening the position of S3s. Although significant advances have been achieved in this area, progress still needs to be made in order to achieve these objectives across all regions of Europe;

14. highlights the role of specialisation and innovation strategies in the sustainable development of rural areas, and stresses the importance of training to allow the potential or capacity of local communities and values to be identified and harnessed;

15. indicates that, according to the above-mentioned regulations, RIS3 must contain a 'monitoring mechanism' which should be capable of identifying and monitoring planned changes in each RIS3 priority by means of proper selection of result indicators and should encourage the exchange of best practices; emphasises the importance of focusing on monitoring and evaluation. An indicative, flexible common framework should therefore be put in place that is capable of identifying and monitoring planned changes in each RIS3 priority, and which helps regions to develop their own monitoring mechanisms and customised indicators, taking into account their situation and needs. The monitoring mechanism will enable the regions to continuously develop their strategy based on evidence. It will depend essentially on the nature of the particular RIS3, so it should be defined as part of the process of framing the strategy. Bearing this last point in mind, suggests, in this regard, that a specific multi-fund financial allocation could be envisaged to support a flexible, integrated implementation process that would apply to all players and would also cover the analysis, monitoring, assessment and follow-up phases;

16. also believes that RIS3 should not be limited to innovation and research, but rather that its scope should be widened so that in the future it can be converted into a more integrated regional development strategy, which includes other aspects such as education and training;

17. notes the current situation and proposes the creation of a common indicative monitoring framework that will act as a reference for each of the regions so they can develop their own monitoring frameworks, taking account of regions' characteristics, as well as enabling regions to use their own evaluation and monitoring arrangements;

18. acknowledges the efforts made by the S3 Platform in terms of technical assistance and provision of instruments, although a common indicative framework would encourage greater coherence in the implementation and monitoring of RIS3;

19. calls for a gradual and cautious approach to evaluating S3s, which still represent a recent policy which is complex in design and implementation, and which can only deliver its full effects over a period of years. The first indicator of success must remain effective prioritisation and local mobilisation, and the regions must be closely involved in defining and steering evaluation mechanisms;

20. calls on the Commission to publish the conditions for drawing up the strategies in good time before the next programming period. Presenting 'guidance' after the beginning of the programming period, as in the case of the current ex-ante conditionalities, is unworkable for implementing bodies;

21. recommends close coordination with the monitoring of regional ERDF OPs, wherever such OPs play a significant part in implementing the R&I strategy, and with the use of harmonised regional criteria developed in this regard — while taking full account of specific regional features — which according to the European Commission <sup>(2)</sup> can be divided into 'resource indicators', 'output indicators' and 'result indicators' (qualitative and quantitative);

22. places particular emphasis on the potential of higher education institutions (HEI), other educational institutions, Research and Technology Organisations (RTOs) and Industries, in particular small start-ups and SMEs, in framing and implementing RIS3. HEIs link up the parts of the 'knowledge triangle' (research, education and innovation), and are particularly suited to supporting the build-up of regional innovation capacity. Regional governments should therefore encourage higher education institutions to actively take up their role in the RIS3 process. A balance must be sought here between, on the one hand, opening up higher education institutions to market requirements and, on the other, education in its own right and (basic) research for the innovations of tomorrow. We consider that to this end, it is essential for HEIs to be accessible to all, help to raise the level of education and training which are crucial to a knowledge society geared towards creativity, and meet the needs of the labour market, as regards both business and other employers;

23. recommends that, whenever possible, RIS3 strategies should provide for setting up flexible, external organisations or structures to support governments, especially those with limited resources, in building the capacities of local and regional authorities. Views the support and external evaluations (in support of peer reviews and visits by experts) carried out by the S3 Platform to be extremely useful, but insufficient, believing that each local and regional authority must be enabled to build its internal regional capacities, including RIS3 implementation, monitoring and follow-up mechanisms;

24. stresses that in the development and implementation of the RIS3, as elsewhere, there must be a proper balance between the effort invested and the benefits reaped. On the whole, all options must be used to avoid RIS3 giving rise to new administrative burdens;

25. points out that RIS3 must be designed to be sufficiently flexible throughout the relevant Structural Fund period. They must not prejudice any new developments, smart diversification or disruptive innovations in the regions. In particular, RIS3 must not restrict private-sector economic activities — of start-ups, for example — in the regions concerned;

### **Synergies between the European Structural and Investment Funds and other programmes**

26. points out that the foundation on which the RIS3 are based goes further than efficient use of the Structural Funds, the aim being to generate synergies between regional innovation and development policies and financial instruments, in order to prevent duplication;

27. points out that promoting synergies between the European Structural and Investment Funds (ESIFs) and Horizon 2020 is of the priorities for the 2014-2020 period. This process is however being hampered by its regulatory complexity. The search for synergies must also extend to other EU policies and the relevant intervention mechanisms;

28. draws attention to the value of such an approach, which should also seek to step up support for SMEs, their individual projects and collective initiatives, as well as for start-ups;

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<sup>(2)</sup> For example, *Guidance document on monitoring and evaluation — European Regional Development Fund and Cohesion Fund*, European Commission, 2014.

29. indicates that it is becoming essential to simplify the regulatory framework and to create functioning interfaces to facilitate interaction between different support schemes. These, in turn, should be accompanied by a clear and understandable explanation of how they intend to achieve and facilitate synergies;

30. considers it important to encourage training programmes, especially in regions with limited experience in this area, highlighting sectoral success stories that can be used as benchmarks for other regions;

31. points out that an important factor in ensuring the successful creation of synergies is promoting communication and cooperation between stakeholders who are familiar with the different funding instruments (Structural Funds and Horizon 2020) but still have little knowledge of each other's respective sectors; this applies to both regional and European level; calls on the Commission and regions to support and promote an exchange among these groups;

32. recalls that much of any success will depend on smooth links between the different levels of governance — EU, state, regional and, where appropriate, local — and on coordination between the management authorities and the national contact points, amongst others;

33. regrets that incomplete harmonisation between the regulatory framework of aid that is directly managed by the Commission (Horizon 2020) and indirectly managed aid (ESIFs), which is subject to constraints on state aid, remains a significant obstacle when it comes to exploiting the synergies between them. Calls for the recommendations of the recent study commissioned by the European Parliament in this respect <sup>(3)</sup> to be applied;

#### **Rationalising European Commission initiatives**

34. again recognises the major task performed by the S3 Platform, while detecting a multiplicity of initiatives from the European Commission that gives rise to confusion, unawareness and lack of coordination between regions;

35. considers it necessary to analyse the synergies between the various instruments, initiatives, tools and support bodies, such as the Smart Specialisation Platform, the European Cluster Observatory, European innovation associations, the European strategy forum, key enabling technologies (KET) initiatives, research infrastructures and many others;

36. urges the Commission to guarantee greater consistency in how initiatives are understood and implemented, especially with regard to smaller regions or those with less administrative capacity;

37. calls for clarification in order to clearly identify the thematic areas where the Commission might intend to adopt significant measures aimed at developing a comprehensive approach to the value chain in a given sector at European level, drawing inspiration from successful examples, in key areas relevant to the maximum possible number of Member States/regions, where it should focus on a networking, support and management approach that builds on the S3s;

38. recommends that the EU clarify the impact of smart specialisation strategies on other EU guidance mechanisms and on the parties involved, that its communication be improved, and that an 'atlas of EU initiatives, tools and projects' on RIS3-related questions be drawn up, modelled on the European Commission's e-justice portal, which aims to 'make your life easier' by providing multilingual information;

39. also recommends building up a knowledge community also taking into account the work of the OECD, the S3 Platform and a wide range of academics to provide professional training for RIS3 experts;

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<sup>(3)</sup> *Maximisation of synergies between European Structural and Investment Funds and other EU instruments to attain Europe 2020 Goals*, European Parliament, Directorate General for Internal Policies, June 2016, IP/B/REGI/IC/2015-131.

### Facilitating interregional cooperation and creation of value chains

40. emphasises that creating critical mass at territorial level is essential if the EU and its industries are to be competitive on a global scale. Considers that the local and regional authorities are the appropriate location for addressing innovative ecosystems, forging the necessary links between EU policies, industry, research centres, higher education institutions and citizens;

41. points out that, based on the priorities identified in the RIS3, interregional cooperation should be developed as this will enable value chains to be created throughout the EU;

42. is convinced that interregional cooperation will generate synergies between economic activities and resources that have already been defined in the regions in such a way as to better harness potential and prevent duplication in investment, by using structural funds;

43. considers that it is crucial to have sufficient information and coordination capacity, the ideal outcome of which would be a fully-fledged, coherent system of complementarities, removing inefficiencies arising from duplication and simple imitation;

44. welcomes the various initiatives by the European Commission in this regard, such as the thematic platforms, although it believes that these initiatives should be accompanied from the outset by well-defined financial instruments and objectives, eliminating the risk of uncertainty among participants and preventing duplication with other initiatives or programmes such as KIC, ERA-NET, COSME cluster programmes, Interreg Europe projects, etc.;

45. is critical of the fact that the major financial instruments leave aside smaller-scale projects and remain — despite the significant amounts made available particularly under the EFSIs — insufficient to enable SMEs to overcome market failures and to facilitate access to credit and risk financing; Very often it is the degree of complexity, time-consuming procedures in preparing, executing and closing a mega project and the low technology readiness levels (far from any visible return on investment) that inhibit smaller actors from being engaged;

46. stresses the importance of developing the European Commission's thematic platforms and especially the opportunity they provide to foster collaboration between regional stakeholders. Likewise notes that the above interregional cooperation platforms have proved crucial for implementation, maximising economic growth and market potential especially in terms of industry led innovation. Therefore, considers that it should be possible for those regions that so wish to plan how certain specialisations are to be organised at interregional level:

— within single countries

— within cross-border groupings

— in the outermost regions

— along a coastline or mountain range

— within a European network of which are not geographically contiguous (e.g. the cultural and creative industries, services linked to demographic challenges, or the Vanguard initiative);

47. considers that RIS3 should encourage the regions to work together to develop international cooperation between clusters at sector level or in shared market segments that would help strengthen the international value chains mentioned above. The role that clusters can play as bridges between actors both within and outside the regions and as channels for business support to SMEs must be reflected in EU policies;

48. regrets that the current regulatory framework for the interregional and transnational deployment of EU Structural and Investment Funds is not used in satisfactory measure by national and regional authorities. This also applies to the implementation of operations outside the zone covered by the programme, which are hardly ever put into practice;

49. points out that according to numerous studies, there are substantial barriers that hinder the use of EU Structural and Investment Funds for interregional and transnational cooperation, such as lack of resources or administrative capacity, absence of examples of best practice, uncertainty about how to carry it out, lack of a reference and methodological framework, vagueness about objectives, asymmetric levels of political competence, regulatory barriers and the absence of a financial framework to facilitate such work;

50. considers therefore that the current regulatory framework constrains interregional cooperation rather than fostering it. Calls to this effect on the European Commission to support the work of the networks of ERDF and ESF managing authorities with tangible assistance, for example in the exchange of information and removing uncertainties about the admissibility of planned measures in specific individual cases, and to refrain from any restrictive interpretation of the existing regulatory framework. Recognises, however, that some substantial barriers are not due to the insufficiency of current regulation but to a lack of administrative capacity and asymmetric levels of political/administrative/scientific competences;

### **New regulatory and financial framework**

51. believes that regional S3s should be taken into account effectively in all European policies, including when implementing cohesion policy and not only when implementing the ERDF;

52. considers that seeking to launch new policies, using the same regulatory and financial framework, may prove problematic, and therefore considers that programmes should be allowed some flexibility so that they are able to launch new policies with greater versatility;

53. is of the view that in order to build up cooperation focusing on RIS3, the regions need a simple tool enabling them to take real account of the costs of networking and not only of jointly-financed operational projects;

54. rejects any attempts to re-nationalise cohesion policy beyond 2020 since it remains a cornerstone for promoting smart specialisation strategies in all regions in the EU and it would endanger the positive developments already set in place in many at local and regional level in the current funding period;

55. consequently recommends:

- reform of the current regulatory framework, before the end of the 2014-2020 period, giving new impetus both to synergies between the European Structural and Investment Funds and programmes and to interregional cooperation. This reform must require simplification and greater flexibility in the management of the European Structural and Investment Funds, by applying simplified justification methods based for example on achievement of objectives, use of unit costs and other measures better suited to the efficient application of funds to smart specialisation;
- strengthening the S3 objectives on inclusive and sustainable growth and job creation;
- an indicative, flexible common framework in the form of a recommendation, on the RIS3, filling the current gap and the lack of coordination in the design, drafting, implementation, monitoring and follow-up of RIS3. Based on the principle of subsidiarity, the document must be flexible, living and open-ended, leaving room for the arrival of new specialisation niches that did not previously exist;
- making urgent provision for appropriate ad hoc financing instruments to foster interregional cooperation. These instruments may take the form of combinations of financing (including blends of grants and loans, and public and private funding at different levels) with the innovative use of funds to support pilot pilots for interregional cooperation networks forging direct contact with industry and having a market impact;
- in the future, Horizon 2020 should propose a territorial approach linking European research and innovation policy to RIS3, although it is also worth noting that Horizon 2020 should continue to be guided by the principle of excellence;
- this territorial approach must take account of the difficulties facing some regions, such as the outermost regions, in acting as project partners due to their distance from economic and technological centres;

- learning lessons from the pilot projects carried out by DG Regio with lagging regions, in order to effectively support these regions in reducing the innovation gap in the EU;
- carrying out a thorough ex-ante territorial impact assessment on the integration of the smart specialisation strategy into a range of EU policies, such as research (FP9), industrial policy and future cohesion policy;
- urgent allocation of resources to Interreg Europe, with which the regions are already familiar, will for the coming years be the best-suited tool for supporting RIS3-related networking;
- implementation of the Juncker plan should facilitate the introduction of regional platforms to support project design and financing so that the EFSIs can provide practical assistance to the RIS3. In order to ensure responsible project selection, the stakeholders involved in project assessment must receive comprehensive information about the necessary support for, and the concerns of, local and regional authorities. Stepping up regional-level technical assistance under EFSI is an absolute priority;
- the participation of the European Committee of the Regions in the work of the high level group on maximizing the impact of EU research and innovation programmes;

56. recommends that the European Commission set up a working group with the active involvement of the European Committee of the Regions, addressing all aspects that can provide the above-mentioned RIS3 ex-ante conditionality with greater precision and with objectives and instruments.

Brussels, 22 March 2017.

*The President  
of the European Committee of the Regions*

Markku MARKKULA

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**Opinion of the European Committee of the Regions — Action Plan on the Sendai Framework for Disaster Risk Reduction 2015-2030 — A disaster risk-informed approach for all EU policies**

(2017/C 272/07)

**Rapporteur:** Adam Banaszak (PL/ECR), Vice-President of the Kujawsko-Pomorskie Regional Assembly

**Reference document:** Commission Staff Working Document: Action Plan on the Sendai Framework for Disaster Risk Reduction 2015-2030 — A disaster risk-informed approach for all EU policies;

SWD(2016) 205 final

**POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS (CoR)

1. welcomes the Commission staff working document concerning the Action Plan on the Sendai Framework for Disaster Risk Reduction 2015-2030, as it specifically underlines the role of local and regional authorities in supporting countries' efforts to reduce disaster risks;
2. underlines the fact that disaster resilience is one of the key aspects of sustainable development; in this connection, calls on the institutions of the European Union to ensure that this principle is one of the central pillars of future sustainable development measures in Europe and to take it into account in future EU funds and projects;
3. notes that the intensity and frequency of disasters has increased significantly over the past decade. Each year tens of thousands of people around the world lose their lives as a result of natural disasters and the direct costs borne by EU countries run to tens of billions of euros, with the number of fatalities tending to be higher in developing countries and economic losses greater in developed economies;
4. endorses the support for national, regional and local risk management strategies and plans aimed, inter alia, at establishing objectives, benchmarks and time frames, and stresses the need to evaluate existing strategies and plans in order to include the provisions of the Sendai Framework. For border regions effective coordination between such strategies or development of joint cross-border strategies is essential and should be encouraged;
5. underlines that it is *more* cost efficient to build disaster resilient infrastructure than to retro-fit unsafe structures. UNISDR estimates that the cost/benefit ratio is 1:4;
6. recognises the urgency of meeting 2020 priority targets set out by the SDGs<sup>(1)</sup> (11b) and Sendai Framework, to substantially increase the number of cities and human settlements adopting and implementing *integrated* policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework, holistic disaster risk management at all levels;
7. stresses that all EU projects relating to construction of new infrastructure (whether they be *implemented* through regional policy funds or through the European Fund for Strategic Investments) should be resilient to disasters; calls for this principle to be mentioned explicitly in rules on how funds are used;

<sup>(1)</sup> Sustainable Development Goals.

8. draws attention to the need to allocate adequate financial resources to disaster risk reduction at local, regional and national level. Civil protection is often devolved to local and regional government *without* sufficient funds to meet the needs. Local and regional authorities require appropriate resources and decision-making powers. Sufficient resources need to be allocated also to the programmes supporting cross-border cooperation in the field of disaster risk reduction and crisis management;

9. strongly supports the European Commission's proposal of 30 November 2016 (COM(2016) 778), which would enable a stronger show of EU solidarity in response to major or regional natural disasters; calls for a review of the definition of major or regional natural disasters under Council Regulation (EC) No 2012/2002 establishing the European Union Solidarity Fund, cited in the Commission proposal; points out that the thresholds for major disasters set out in the definition — damage over EUR 3 billion or more than 0,6 % of the GDP of the state concerned — are too high and constitute an obstacle, especially for the smaller and less developed regions that most often need to get financial support;

10. stresses that local and regional authorities play a key role in disaster risk management and disaster management, and takes note of the role and importance of local and regional platforms in mitigating the risk of disasters and the legitimate part they play in this process;

11. notes that optimisation of risk management depends on cooperation between local government and national stakeholders, on the one hand, and private stakeholders, on the other, including insurance companies;

12. at the same time, points out that the geostrategic position of some regions, such as the outermost regions (ORs), makes them leading European actors for urgent intervention beyond the EU's borders, but also for risk prevention measures;

13. disasters do not respect regional or national borders, and so a protocol is needed for coordinated action in the event of disasters affecting two or more countries. Coordination is vital, especially in situations where those affected include third countries;

14. recognises that the issue of natural disasters forms an integral part of activities aimed at dealing with the impact of climate change, and both areas should be examined together; suggests that the new Covenant of Mayors for Climate and Energy increases its activity in this area and provides further support for climate adaptation that also builds resilience at local level; reiterates its support to the Covenant and also to the United Nations Office for Disaster Risk Reduction's 'Making Cities Resilient' campaign. In order to help attract the attention of cities and regions to the 'Making Cities Resilient' campaign, suggests appointing Resilient Cities Ambassadors, who would benefit from the support of the CoR;

15. welcomes the reference made in Commission Communication COM(2016) 739, published in November 2016, to the need to take account of reducing the risk of natural disasters, but finds it regrettable that this document fails to emphasise that disaster resilience is one of the cornerstones of sustainable development in the European Union <sup>(2)</sup>;

### Understanding disasters risk

16. underlines the moral duty to ensure that EU projects do not put human life at risk by funding infrastructure projects which might not be resilient to disasters; in addition, stresses that it is more effective financially to build disaster-resilient infrastructure than to upgrade infrastructure which does not comply with safety standards;

17. welcomes the recent reform of the EU Solidarity Fund (EUSF), the EU's financial mechanism to provide support in the event of a major disaster and the EU's main tool for responding to natural disasters; highlights the importance of the EUSF as a tool for responding to major natural disasters and expressing European solidarity with disaster-stricken regions within Europe; welcomes that in line with the CoR recommendations, the Fund can be used to build disaster resilience into effected infrastructure. While welcoming the extension of the deadlines for its use, underlines that a 2-year deadline would better enable the effective use of the Fund <sup>(3)</sup>; believes, furthermore, that the financial support mechanism should establish lower thresholds enabling both local and regional bodies to access it;

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<sup>(2)</sup> Commission communication, Next steps for a sustainable European future, European action for sustainability (COM(2016) 739 final).

<sup>(3)</sup> CDR6402-2013\_00\_00\_TRA\_AC.

18. in the case of development cooperation, information should be disseminated to raise awareness of the fact that emergency preparedness and response is the responsibility of the authorities and the population;
19. supports the EC action plan's cross-cutting approach, enabling the Sendai Framework's objectives to be mainstreamed in other EU policies, thus bridging the gap between the global Sendai Framework and the EU Civil Protection Mechanism;
20. notes that the EC action plan takes into account the contribution of all EU policies and practices, not just civil protection policy, to meeting the priorities agreed at the Third UN World Conference on Disaster Risk Reduction;
21. acknowledges that the basis of a proactive, rather than reactive, approach to policy-making informed by the risk of disasters is the creation of 5-year action plans, which should be aimed at involving the whole of society and promoting and improving knowledge of risks, risk-related investments and disaster preparedness and resilience, and reinforcing the EU priorities in the areas of competitiveness, research and innovation and supporting resilient sustainable development; promoting the use of IT communication technologies, ICT and automatic early warning networks, based on early detection, instant communication and proactive intervention protocols;
22. notes that projects supported and implemented as part of the plan can help create synergies between disaster risk reduction and climate change strategies, and help strengthen the capacities of cities to deal with disaster risks;
23. recommends drawing up action plans in accordance with other international agreements and processes concluded or implemented in 2015 and 2016, including the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda financing for development, and the Paris Agreement on climate change, the World Humanitarian Summit and the New Urban Agenda;
24. highlights the significant role played by cooperation with the private sector as regards collecting and sharing loss and damage data, and by the strengthening of links between strategies for disaster risk management, climate change adaptation and biodiversity;
25. emphasises the importance of ensuring that all EU financial instruments promote investments based on risk resilience, and underlines support for early warning systems, measures to improve redundant technologies used for communicating between civil protection systems and public warnings as well as a 'build back better' approach following disasters;

#### **Local and regional authorities as key partners in disasters risk reduction**

26. stresses that local and regional authorities have an institutional and political responsibility to protect the public and are a first line of response in crisis situations, ensuring basic services and oversight and managing disasters as they happen. They are responsible for prevention, organising an immediate response and rescue operations and, most importantly, they have at their disposal detailed knowledge of the local area and community; local and regional authorities are also responsible for the subsequent reconstruction work.
27. points out that local and regional authorities have often demonstrated a tremendous commitment to reducing disaster risks, for instance by helping to draw up risk assessments and risk management plans, as pointed out in the CoR opinion on the EU Civil Protection Mechanism<sup>(4)</sup>;
28. highlights the importance of developing interregional cooperation in order to prevent disaster risks, particularly under civil protection policy; considers it appropriate that the Commission contribute, by improving coordination between regions, to making this cooperation even more efficient and effective, setting standards for the models and technologies used by these cities and regions to improve their response to emergencies that cut across borders or exceed the capacities of administrative units;

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<sup>(4)</sup> CDR740-2012\_FIN\_AC.

29. notes that another desirable basis for cooperation in this area is the development of a public-private partnership for disaster risk reduction and the adoption of measures to encourage the private sector to understand local risks and to become a stakeholder in future disaster risk reduction policies, for example by expanding the provision of insurance; reiterates its concern that as a result of increasing risks, insurance might become unavailable or unaffordable in certain areas leaving public authorities with potentially huge financial exposure. Underlines that pooling of risk is an option that should be explored and calls for the feasibility of a compulsory natural disaster insurance scheme to be explored <sup>(5)</sup>;

30. regards as legitimate efforts to make full use of the growing role of mobile technology, the internet and social media in communicating disaster-related information, especially efforts to strengthen AML (Advanced Mobile Location) technology, which enables calls to the European emergency number 112 to be traced immediately; the use of these technologies is equally important for the development of disaster-prevention and training campaigns;

31. calls for an effective disaster information policy, which may help prevent damage if similar events are likely to happen or disasters are likely to reoccur; moreover, considers it essential to offer protection and material and psychological support to victims, family members, those providing assistance and others affected by disasters;

32. emphasises that local and regional authorities require knowledge, tools, capacity and resources to meet their obligations as specified in the CoR opinion on the Post 2015 Hyogo Framework for Action; at the same time, points out that, while local authorities are responsible for a wide range of critical infrastructure, investments to make it more resilient to the risk of disasters are not very visible, such investments are often neglected or obstacles are placed in the way of their implementation <sup>(6)</sup>;

33. calls for steps to be taken to raise public awareness, inter alia, by carrying out research into disaster risk management. It is recommended to make the residents of the endangered areas aware of the necessity to show solidarity with the residents of the areas prone to disasters. There is currently little understanding of how risks can escalate;

34. underlines the importance of local and regional authorities developing networks of meteorological measuring stations, in connection with the know-how, tools, capacities and resources needed to meet their obligations, as spelt out in the CoR opinion on the post-2015 Hyogo Framework for Action. These networks must be able to monitor variables used to provide an accurate assessment of climate change, as well all those variables which enable disasters to be monitored and early warnings to be provided;

#### **The new priority axis as a sound eu response to the increase in the frequency of disasters**

35. strongly supports the European Commission's proposal (COM(2016) 778 final) to create a new priority axis with a funding rate of up to 100 % to support, within the framework of ERDF investment priorities, measures for predicting, preventing and planning for major or regional natural disasters and for responding to and recovering from such disasters;

36. supports the proposals to make expenditure for this purpose eligible for funding from the moment a disaster occurs, even if this is before the regulation enters into force;

#### **Subsidiarity and proportionality**

37. the Commission staff working document is in line with the principles of subsidiarity and proportionality; underlines that disasters know no borders and in turn, disaster resilience is an area where coordinated action is needed. Civil protection is an area where the EU acts to support, coordinate or supplement the action of its Member States (Article 6 TFEU). In line with Article 196 TFEU, the Union may act without resorting to harmonisation of the laws and regulations of the Member States.

Brussels, 23 March 2017.

*The President  
of the European Committee of the Regions*

Markku MARKKULA

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<sup>(5)</sup> For more on the role of insurance in disaster recovery, please see CoR opinion COR-2014-02646.

<sup>(6)</sup> COR-2014-02646-00-01-AC-TRA.

## III

(Preparatory acts)

## COMMITTEE OF THE REGIONS

122ND PLENARY SESSION, 22-23 MARCH 2017

**Opinion of the European Committee of the Regions — Legislative proposals for an Effort Sharing Regulation and a LULUCF Regulation**

(2017/C 272/08)

**Rapporteur:** Juri Gotmans (EE/PES), Mayor of Haanja Municipality

**Reference documents:** Proposal for a regulation of the European Parliament and of the Council on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 for a resilient Energy Union and to meet commitments under the Paris Agreement and amending Regulation No 525/2013 of the European Parliament and the Council on a mechanism for monitoring and reporting greenhouse gas emissions and other information relevant to climate change,

COM(2016) 482 final

and

Proposal for a regulation of the European Parliament and of the Council on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry into the 2030 climate and energy framework and amending Regulation No 525/2013 of the European Parliament and the Council on a mechanism for monitoring and reporting greenhouse gas emissions and other information relevant to climate change,

COM(2016) 479 final

THE EUROPEAN COMMITTEE OF THE REGIONS (CoR)

1. **welcomes** the European Commission's legislative proposals to establish binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 in sectors that do not come under the emissions trading system (ETS) [COM(2016) 482 final] and on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry (LULUCF) in the 2030 climate and energy framework [COM(2016) 479 final];
2. **stresses the importance of reducing greenhouse gas emissions in non-ETS sectors** to such a degree by 2030 that the long term objective of cutting emissions by 95 % by 2050 can be achieved;
3. **considers** that, with a view to complying with the undertakings made in the Paris Agreement, it would be highly innovative and cost-effective if the full potential for the removal of CO<sub>2</sub> emissions from land use, land use change and forestry (LULUCF) could be organically incorporated into EU climate policy;

4. **considers it crucial** that local and regional authorities be recognised as key players in the implementation of the new climate policy measures and more actively and comprehensively involved, in line with the principles of multilevel governance, in implementing the EU's energy and climate policies;
5. **highlights** the role and competences of cities and regions in the gathering and compilation of the data needed to establish the greenhouse gas emissions inventory in sectors covered by the LULUCF and Effort Sharing Regulations; **recommends** that the Member States and the Commission systematically support local and regional authorities by boosting the capacities they have in this area to meet their core tasks in conceiving and planning local development in the energy sector, transport, waste management, land use and in other areas;
6. **is of the opinion** that the flexibility instruments reflect market principles and land use practices, as well as being a means to meet the emission reduction targets enshrined in climate protection measures (although changes to these are needed) so that a downgrading of EU climate policy's ambitious goals and inflation in the trade in quotas are avoided. This can be done by deducting the actual emissions or their linear reduction trajectory in 2020, reducing transfers of quota surpluses in the EU ETS sectors to non-ETS sectors and by setting more ambitious targets, including for countries with low GDP;
7. **calls for** the introduction of interim compliance checks every five years as an effective way to ensure — by means of more regular monitoring — that emission reduction targets are being met;
8. **considers** that, given the lack of specific emission reduction targets for the individual sectors covered by the Effort Sharing Regulation, planning provisions should be put in place in order to enable strategies and measures to be developed at EU, Member State and regional and local level to guarantee the transition of these sectors to measures for low CO<sub>2</sub> emissions. Sector-specific targets should therefore be drawn up in order to ensure that all the sectors covered by the Effort Sharing Regulation are compliant with the global emission reduction goal it sets out, and compliance checks must be stepped up, with annual reviews and balance sheets;
9. **stresses the need** to exploit comprehensively and even more ambitiously the opportunities afforded by the legal requirements for sectoral initiatives in sectors that have a risk of increased emissions (e.g. efficiency of passenger cars and light commercial vehicles in the transport sector);
10. **calls** on the European Commission to consider the contribution from LULUCF in a holistic manner, acknowledging that this sector, especially forests, has the potential to contribute positively to climate change mitigation through sequestration, storage and substitution of CO<sub>2</sub> emissions.

#### I. RECOMMENDATIONS FOR AMENDMENTS

**Proposal for a regulation of the European Parliament and of the Council on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 for a resilient Energy Union and to meet commitments under the Paris Agreement and amending Regulation No 525/2013 of the European Parliament and the Council on a mechanism for monitoring and reporting greenhouse gas emissions and other information relevant to climate change**

COM(2016) 482 final

#### Amendment 1

Recital 5

Text proposed by the Commission	CoR amendment
<i>The transition to clean energy requires changes in investment behaviour and incentives across the entire policy spectrum.</i>	<i>When it comes to co-financing to complement EU funds, regional and local investment programmes must be launched to support non-ETS sectors.</i>

**Reason**

This new recital states the need for investment programmes to be launched in regions and cities. Local and regional levels cannot operate optimally without recognition in the form of a mandate and long-term funding. To a large extent, the main sources of funding local and regional authorities have available for implementing sustainable measures in their areas of competences are in the hands of national governments and are only complemented to a limited extent by EU instruments. This funding must be devolved. In addition to the provision of national and European funding in the form of grants and co-financing, consideration could be given — with a view to the implementation of environmental initiatives — to improving the ability of local and regional authorities to grant or contract loans.

This is about creating a European finance platform, co-financed by EU resources, in which lenders and investors, on the one hand, and cities and regions, on the other hand, get together to agree on relevant projects. Ideally, this would serve as the forum for the sectors covered by the Effort Sharing and LULUCF Regulations, because these are the areas above all in which local and regional authorities can fully exploit their territorial competence.

**Amendment 2**

## Recital 18

Text proposed by the Commission	CoR amendment
This Regulation should be without prejudice to more stringent national objectives.	This Regulation should be without prejudice to more stringent national objectives, <b>a condition that is needed to achieve the long-term objectives by 2050.</b>

**Reason**

This is a drafting amendment intended to encourage countries to lay down additional objectives, since those for 2030 imply that far greater efforts must be undertaken to reduce greenhouse gas emissions in the years 2031-2050.

**Amendment 3**

## Article 4(3)

Commission proposal	CoR amendment
[...] For the purposes of this implementing act, the Commission shall carry out <b>a comprehensive review</b> of the most recent national inventory data for the years 2005 and <b>2016 to 2018</b> [...]	[...] For the purposes of this implementing act, the Commission shall carry out <b>an assessment</b> of the most recent national inventory data for the years 2005 and <b>2018 to 2020</b> [...]

**Reason**

The choice of reference year is vitally important and should ideally be based on the most up-to-date emission levels (i.e. from 2020) or on a linear reduction trajectory over the period 2018 to 2020, with random variations compensated. Taking the years 2016 to 2018 as the basis results in an inflationary effect on the carbon inventory if a reduction is expected in the following years. This runs counter to the purpose of the instrument and encourages non-compliance with commitments, rather than supporting countries that comply with higher standards.

**Amendment 4**

Article 5(5)

Commission proposal	CoR amendment
[...] A receiving Member State may use this quantity for compliance under Article 9 for <b>that</b> year or subsequently until 2030.	[...] A receiving Member State may use this quantity for compliance under Article 9 for <b>the current</b> year or subsequently until 2030.

**Reason**

The wording needs to be clarified to avoid confusion and to distinguish between the accounting year and the reporting year.

**Amendment 5**

Article 6(1)

Commission proposal	CoR amendment
Member States that may have a limited cancellation of up to a maximum of <b>100</b> million EU ETS allowances as defined in Article 3(a) of Directive 2003/87/EC collectively taken into account for their compliance under this Regulation are listed in Annex II to this Regulation.	Member States that may have a limited cancellation of up to a maximum of <b>50</b> million EU ETS allowances as defined in Article 3(a) of Directive 2003/87/EC collectively taken into account for their compliance under this Regulation are listed in Annex II to this Regulation.

**Reason**

There is currently an oversupply of certificates and the price of CO<sub>2</sub> is low (EUR 5/t in December 2016). Against this backdrop, the maximum limit of 100 million units proposed for emissions does nothing to help achieve a substantial reduction in ETS emissions, but could mean that emissions in sectors not covered by ETS actually rise as a result of the equalisation process. A penalty of 1:2 should be used in the conversion when applying flexibility between sectors. This proposal would cancel **50 million** units, thus reducing the value of a tonne of CO<sub>2</sub>. It should be borne in mind here that a high level of climate protection is to be maintained in both sectors and in the measures that apply to them.

**Amendment 6**

Article 8(1) and (2)

Text proposed by the Commission	CoR amendment
A Member State which is evaluated [...] as not <b>making sufficient progress</b> [...]	A Member State which is evaluated [...] as not <b>being in a position to meet its obligations</b> [...]
The European Environment Agency shall <b>assist</b> the Commission in its work to evaluate the action plans [...]	The European Environment Agency shall <b>work with</b> the Commission, <b>which shall make use of independent sources</b> , in its work to evaluate the action plans [...]

**Reason**

Clearer wording. 'Progress' is too vague, while 'support' denotes a cautious approach. If an excess has occurred, it is essential to carry out an independent assessment of the Member State's action plan.

**Amendment 7**

## Article 9(2)

Commission proposal	CoR amendment
[...] there shall be a deduction from that Member State's annual emission allocations equal to the amount in tonnes of CO <sub>2</sub> equivalent of those excess greenhouse gas emissions for the <b>relevant</b> years.	[...] there shall be a deduction from that Member State's annual emission allocations equal to the amount in tonnes of CO <sub>2</sub> equivalent of those excess greenhouse gas emissions for the <b>years in which the excess occurred</b> .

**Reason**

Rewording to specify the years to which the deduction clause applies and the relevant conditions.

**Proposal for a regulation of the European Parliament and of the Council on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry into the 2030 climate and energy framework and amending Regulation No 525/2013 of the European Parliament and the Council on a mechanism for monitoring and reporting greenhouse gas emissions and other information relevant to climate change**

COM(2016) 479 final

**Amendment 8**

## Recital 9

Text proposed by the Commission	CoR amendment
Emissions and removals from forest land depend on <b>a number of</b> natural circumstances, age-class structure, as well as <b>past and present</b> management practices. The <b>use</b> of a base year would not make it possible to reflect those factors and resulting cyclical impacts on emissions and removals or their interannual variation. The relevant accounting rules should instead provide for the use of reference levels to exclude the effects of natural <b>and</b> country-specific characteristics.	Emissions and removals from forest land depend on <b>numerous</b> natural circumstances, age-class structure, as well as management practices. The <b>choice</b> of a base year would not make it possible to reflect those factors and resulting cyclical impacts on emissions and removals or their <b>random</b> interannual variation. The relevant accounting rules should instead provide for the use of reference levels to exclude the effects of natural, country-specific <b>and regional</b> characteristics.

**Reason**

There is no need for a nuanced consideration of agricultural practices — they have to be taken into account in any case. Keywords should be used to stress natural variations in addition to cyclical phenomena. There are many natural events that happen randomly. Even in smaller countries there can be regional differences, so that a country-by-country approach is not sufficient to address the natural diversity in both large and smaller countries.

**Amendment 9**

## Recital 10

Text proposed by the Commission	CoR amendment
[...] and select a sufficient number of experts from the Member States.	[...] and select a sufficient number of experts from the Member States, <b>including from the regional and local levels.</b>

**Reason**

The methodology needs to be clarified to the effect that local and regional experts should be involved, especially given that what the central authorities and the capital know can differ substantially from local knowledge. Europe has respected universities outside capitals that are involved in the relevant sciences and this potential should be used more insistently and as a matter of priority. Central environmental authorities in the capitals may also be inclined to take a routine, national and indiscriminate approach or to see things through the prism of the political climate and standard responses, leaving local developments and unexpected turns of event unaddressed.

**Amendment 10**

## Recital 16

Text proposed by the Commission	Amendment
The European Environment Agency should assist the Commission, as appropriate in accordance with its annual work programme, with the system of annual reporting of greenhouse gas emissions and removals, the assessment of information on policies and measures and national projections, the evaluation of planned additional policies and measures, and the compliance checks carried out by the Commission under this Regulation.	The European Environment Agency should assist the Commission, as appropriate in accordance with its annual work programme, with the system of annual reporting of greenhouse gas emissions and removals, the assessment of information on policies and measures and national projections, the evaluation of planned additional policies and measures, and the compliance checks carried out by the Commission under this Regulation, <b>with proper account being taken of independent information provided by studies and expertise of the national, regional and local levels.</b>

**Reason**

The positions taken by the Commission and its compliance assessments should recognise and take on board national and regional experiences and views so that sight is not lost of the real point of establishing a pan-European system.

**Amendment 11**

## Recital 17

Text proposed by the Commission	CoR amendment
<p><i>[...] The best use shall be made of existing Union and Member State programmes and surveys [...] for data collection.</i></p>	<p><i>[...] The administrative role of local and regional authorities in data collection and management and improving data quality should be strengthened. Reporting should include a mechanism for compliance checking by local experts. The methodological principles and standards should also be defined on the basis of local conditions.</i></p>

**Reason**

The administrative capacity of local and regional authorities should be highlighted and their role in land use policy and in monitoring the setting of accounting units for land use strengthened. At the same time, the capacities of cities and regions for monitoring LULUCF-related data and for reporting this data should be expanded and the methodological standards in their procedures and measures (e.g. in the planning process) improved. This will ensure compliance with the key principles of the IPCC procedure, such as consistency, comparability, completeness, accuracy and transparency.

**Amendment 12**

## New recital 21

Text proposed by the Commission	CoR amendment
	<p><i>In order to improve data collection and analysis of the LULUCF sector, the Commission shall make sure that consistent methodologies and sets of indicators are in place for the relevant funds.</i></p>

**Reason**

Insertion of a new recital stating the need for EU support for land use analysis to ensure compliance with the regulation and to provide background analysis. It should be made clear which kind of measures relating to the LULUCF sector could receive additional funding under the EU structural funds.

**Amendment 13**

## Article 5(2)

Commission proposal	CoR amendment
<p>Member States shall prevent any double counting of emissions or removals, <i>in particular by accounting for emissions or removals resulting from more than one land accounting category under one category only.</i></p>	<p>Member States shall prevent any double counting of emissions or removals <i>in different land accounting categories.</i></p>

**Reason**

Simplification and clarification of text by insertion of a generally clear reference to double counting. It is important that the principle is clearly worded: double counting must be prevented.

**Amendment 14**

Article 5(5)

Commission proposal	CoR amendment
Member States shall maintain a complete and accurate record of all data used in preparing their accounts.	Member States shall maintain a complete, <b>continuous</b> and accurate record of all data used in preparing their accounts.

**Reason**

Addition of continuity as important aspect of quality. Errors and problems can occur in time series, particularly if continuity is interrupted or the method is changed.

**Amendment 15**

Article 8(3)

Commission proposal	CoR amendment
The national forestry accounting plan shall be <b>made public</b> and shall be subject to public consultation.	The national forestry accounting plan shall be <b>published annually</b> and shall be subject to public consultation <b>with regional and local authorities and stakeholders</b> .

**Reason**

Further specifying the conditions of publication and consultation.

**Amendment 16**

Article 10(1)

Commission proposal	CoR amendment
[...] resulting from natural disturbances exceeding the average emissions caused by natural disturbances in the period 2001- <b>2020</b> , [...]	[...] resulting from natural disturbances exceeding the average emissions caused by natural disturbances in the period 2001- <b>2019</b> , [...]

**Reason**

A longer accounting period should be considered. A situation should be avoided where large natural disturbances or cumulative forest damage are not taken into account or are given too much weight at the end of an accounting period. There should be a certain delay in reporting average emissions.

**Amendment 17**

Article 12(2)

Commission proposal	CoR amendment
The Commission shall <b>carry out a comprehensive review of the compliance reports for the purpose of assessing</b> compliance with Article 4.	The Commission shall <b>assess</b> compliance with Article 4 ( <b>net removals of greenhouse gases and flexibility conditions</b> ) <b>in the compliance reports and confirm it</b> .

**Reason**

The review conditions must be further specified: not just assessment but also confirmation is needed. A brief reference to the content of Article 4 could be inserted here.

**Amendment 18**

Article 16(1)(a), and Annex IIIa, final paragraph

Commission proposal	CoR amendment
<p>[...] From <b>2023</b> [...]</p> <p>Annex IIIa, final paragraph: Member States <b>are encouraged to</b> apply Tier 3 methodology using non-parametric modelling calibrated to national circumstances, describing the physical interaction of the biophysical system, in accordance with the 2006 IPCC guidelines for National Greenhouse Gas Inventories.</p>	<p>[...] From <b>2021</b> [...]</p> <p>Annex IIIa, final paragraph: Member States <b>shall</b> apply Tier 3 methodology using non-parametric modelling calibrated to national circumstances, describing the physical interaction of the biophysical system, in accordance with the 2006 IPCC guidelines for National Greenhouse Gas Inventories.</p>

**Reason**

Accounting should begin immediately in 2021. The aim should be to use more precise methods — more binding wording should therefore be used: they shall apply the methodology, rather than they are encouraged to apply the methodology.

**II. POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS (CoR)

**General comments**

1. takes the view that the local and regional authorities undoubtedly have a decisive role in the sectors covered by the Effort Sharing Regulation on reducing greenhouse gas emissions and the LULUCF Regulation, as these regulations require the inclusion of the territorial dimension. At the same time, these are areas where local and regional authorities could be active, in view of their legal responsibilities and powers. A broad range of appropriate instruments also exist for policy implementation, for example in the areas of spatial planning, promotion of SMEs, policy measures to attract and promote green investments, buildings, urban transport and mobility and urban development plans;
2. stresses that the proposed measures help to reduce emissions in those sectors not covered by the EU Emissions Trading System (ETS) and thus offer social, economic and environmental added value. This means that cities and regions have an even more crucial role to play, since they are leaders in their territories and driving forces for the decarbonisation initiatives, and because they take account of the economic and social aspects of each local measure;
3. stresses that modern sustainable forestry contributes to increased use of renewable resources and bioenergy, which replaces the use of fossil fuels as well as functioning as an effective carbon sink. Furthermore the Committee stresses the importance of also promoting emissions reduction within the LULUCF sector through the EU's common agricultural policy;
4. sees an important role for local and regional authorities in providing direct information to the public and in running campaigns on energy issues. The Commission's proposals support the implementation of regional climate and energy strategies and promote the decarbonisation of sectors and the planned use of land in the context of regional and urban development and spatial planning. Regional and local processes are placed in a framework of specific examples and reduction targets from the Covenant of Mayors;
5. considers that the proposed regulations do not raise any issue regarding their compliance with the principle of subsidiarity, because tackling climate change and its effects is clearly a trans-boundary issue and therefore the objectives of these Regulations can only be achieved by action at the EU level. The proposed Regulations also do not go beyond what is necessary in form or content in order to achieve the objective of implementing the EU's greenhouse gas emission reduction target for 2030 in a cost-effective manner and thus comply with the principle of proportionality;

### **Importance and interconnectedness of sectoral policy**

6. considers that it is essential for the transition to a low-carbon economy and clean energy sources that broadly based climate measures continue to be adopted, even in sectors not covered by the ETS. A general set of rules for the non-ETS sectors is proposed in the context of the proposed effort-sharing;

7. points out that the Commission has not set out any precise and legally binding targets for these sectors, but rather deals with their contribution in a general way, leaving Member States comparatively broad latitude to decide what specific measures they wish to apply in order to meet their greenhouse gas emission reduction targets. The prospects for greenhouse gas reductions vary from sector to sector and at national level they may even result in increases, as, for example, in the case of forecast emissions from rural transport, independently of the implementation of fuel efficiency measures;

8. calls for flexible implementation of the general targets in aggregate across all sectors, with regional and local capacity being estimated and taken into account; breaking down the target by individual sector is, however, not practicable;

### **How flexible or rigid are the flexibility mechanisms?**

9. stresses that all Member States and sectors of the economy contribute to achieving the CO<sub>2</sub> emission reductions, and that all of them should strive to meet the aforementioned target, balancing considerations of fairness and solidarity, and adapting national targets within the group of Member States with a GDP per capita above the Union average proportionately in order to reflect cost-effectiveness in a fair and balanced manner;

10. notes that meeting these greenhouse gas emission targets should boost efficiency and innovation in the European economy and in particular should catalyse improvements, notably in buildings, agriculture, waste management and transport, in so far as they fall under the scope of this Regulation;

11. points out that the Effort Sharing Regulation provides for many opportunities for flexibility and trade, aimed at helping the Member States to meet their 2030 emission reduction targets. Measures of this kind reduce the costs of cutting emissions, although caution and realism are needed and care must be taken to ensure that flexibility does not lead to more emissions in some Member States or to the setting of lower targets through manipulation, either before the provisions enter into force or when the flexibility mechanism is applied, as different flexibility mechanisms could ultimately result in failure to achieve the emission reduction targets. The challenge is not only to keep track of the temporary economic and structural problems of Member States and their standard of living but also to do justice to regional differences within States, so that the ambitious targets can be met;

12. calls urgently on the Commission to propose concrete solutions to the problem of those regions which may experience particular difficulties or decline in the context of the necessary transition to a low-carbon economy; stresses the need to develop realistic solutions for regions which are highly dependent on fossil-fuel use or energy intensive industries, or may be otherwise disproportionately affected by the application of the proposed Regulations; underlines the importance of involving local and regional authorities in developing sustainable development trajectories which could stimulate the economy of these regions;

13. notes that, taking into account the oversupply of ETS certificates and the low price of CO<sub>2</sub>, the maximum limit of 100 million units set for emissions will not enable a sharp reduction in emissions, but could run counter to the climate protection objectives and mean that emissions in sectors not covered by the ETS actually rise as a result of the reduction of imbalances;

14. calls on the Commission to show a degree of flexibility in the settlement of penalties by applying lower exchange and assessment rates when reallocating emission quotas between sectors;

### **LULUCF accounting rules and flexibility arrangements**

15. welcomes the proposal to allow Member States to use a total of 280 million LULUCF units for acknowledging that this sector, especially forests, has the potential to contribute positively to the EU's climate framework. Notes that there are problems with the accuracy of monitoring greenhouse gas emissions in the framework of LULUCF, and with support for local authorities with data collection;

16. points out that CO<sub>2</sub> sequestration in the framework of LULUCF should be limited to those areas of the Effort Sharing Regulation in which the accounting rules are academically sound and valid and have been tested in pilot projects. In this way speculation and a reduction of the general principles to pure cost considerations are to be prevented. When monitoring LULUCF measures and drawing up the relevant reports, every effort should be made, using the best available methods, to avoid double counting; this applies in particular to changes in land-use categories, as well as to accounting for wood products and natural disturbances;

17. suggests that deductions should be possible at five-year intervals, so that the potential contribution from deforested land, afforested land, managed cropland and managed grassland can be considered. In this way allowance can be made for the variability of nature and the impact of chance events and cyclical processes;

18. calls on the Commission to work with Member States in laying down clearer rules for the role of local and regional authorities in data management and monitoring LULUCF accounting;

### **Accounting and checks**

19. considers it important that the robust reporting and compliance cycle as defined under the Effort Sharing Decision has been maintained under the proposal. The requirement that Member States comply with annual emission limits and a linear trajectory in the period 2021-2030 remains in place, although the actual compliance check will only be carried out every 5 years;

20. stresses that, in order to ensure that the compliance checks are carried out on the basis of accurate data, the Commission must continually and systematically check and assess, where appropriate with the help of independent experts, the greenhouse gas inventories submitted by the Member States;

21. considers that the European Environment Agency will have to continue to coordinate checks on the transparency, accuracy, consistency, comparability and completeness of the information submitted. The important thing is to strengthen the local and regional authorities in their accounting and reporting activities, in order to ensure that specific local and territorial features are taken into account more effectively than hitherto;

22. considers it important that national, regional and local administrations as well as businesses, SMEs and micro-enterprises are not saddled with direct reporting obligations or administrative burdens as a result of this proposal;

### **The quality of LULUCF data**

23. points out that the variety and variability of land use in Europe inherently lead to different and inconsistent treatment, requiring determined and coordinated harmonisation and standardisation of the Member States' data quality; in this context account should be taken not only of national, but also regional and local conditions and trends; suggests, in this context, to make use of the experience gathered through tools such as the methodology for emissions inventories under the Covenant of Mayors initiative, and to link it to the ongoing efforts to establish flexible, easy-to-use and reliable indicators for local and regional emissions' measurement in the context of the Global Covenant of Mayors;

24. is concerned that the Kyoto Protocol will expire at the end of 2020. Consequently, governance for the LULUCF sector needs to be further developed within the EU. At present this is provided by the LULUCF Decision (529/2013/EU). The implementation of this decision is under way and will deliver improved accounting systems by 2020. Without a legal framework consolidating this implementation and defining the applicable rules for the period post-2020, the way in which LULUCF would be included in the overall framework could be heterogeneous across the EU. Differences in reporting and accounting rules from one Member State to the other would negatively affect the optimal functioning of the single market;

### **The importance of local and regional authorities for the LULUCF inventories**

25. acknowledges that the accounting rules for the LULUCF inventory, which are based on the 2006 IPCC procedure, do not reflect the most up-to-date methods. The EU should substantially develop the inventory procedure, in order to enhance its accuracy and speed, while maintaining the simplicity and transparency of the system. In this respect an important if not decisive role falls to the cities and regions in providing the information needed for the LULUCF inventories both for ex-post evaluation and the preparation of forecasts;

26. stresses that, in the context of this procedure, the use of support structures with the aim of promoting gradual improvement appears to be a promising development. The CoR could contribute to the creation of a favourable environment for the further development of the capacity of cities and regions to collect, analyse and collate LULUCF data, in line with the IPCC procedure core principles of consistency, comparability, completeness, accuracy and transparency;

27. is of the opinion that the European Commission, together with the CoR, should develop guidelines in order to provide local and regional authorities with procedural assistance in collecting data, as well with common methodological standards for the inclusion and consideration of local information, taking into account the need for trade-offs between accuracy and cost-effectiveness, as well as for limitation of the administrative burden. A higher degree of accuracy can undoubtedly only be achieved through the involvement of local and regional experts;

#### **Involvement of a broad range of stakeholders**

28. notes that a multi-stakeholder approach is not only appropriate with a view to reaching agreement on the issues of climate change and the design of LULUCF, but also helps to increase transparency and reporting obligations, to improve the assessment of the economic and social impact at local and regional level, to facilitate the identification of optimum solutions and to get to grips with the growing complexity of these issues using a cross-cutting approach;

29. takes the view that, with regard to the inclusion of LULUCF in the climate policy framework, account needs to be taken primarily of agriculture and forestry, but also of the contribution of housing, waste management and small-scale industry, both when introducing best practices with a view to the transparency requirements and in ensuring the effectiveness of the control mechanisms. Rapid and specific feedback from the various areas, both during the discussion of the Regulation and during the course of implementation, is critical and essential;

#### **Financing**

30. stresses that the funding opportunities must be extended steadily, more decisively than hitherto and in a more decentralised way to the local and regional level, acting as an attractive complement to private finance and for credit institutions. In addition to the provision of national and European funding in the form of grants and co-financing, consideration could be given — with a view to the implementation of environmental initiatives — to improving the creditworthiness of local and regional authorities and their capacity to grant loans. This could be achieved by means of changes to the legislation or by forming associations of cities, which on their own would not be big enough to buy bonds, for example.

Brussels, 23 March 2017.

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

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