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I

(Resolutions, recommendations and opinions)

RESOLUTIONS

COMMITTEE OF THE REGIONS

126TH COR PLENARY SESSION, 30.11.2017-1.12.2017

Resolution of the European Committee of the Regions on the European Commission Work Programme for 2018 ahead of the Joint Declaration on the EU's legislative priorities for 2018

(2018/C 164/01)

THE EUROPEAN COMMITTEE OF THE REGIONS (CoR)

Having regard to:

- the European Commission Work Programme (CWP) for 2018 (COM(2017) 650 final);
- its resolution of 22 March 2017 on the contribution to the CWP for 2018;
- the Protocol of Cooperation with the European Commission of February 2012;

Jobs, growth, investment and cohesion policy

1. emphasises the urgent need for an EU long-term strategy which would succeed the Europe 2020 Strategy, aimed at ensuring sustainable, resilient and inclusive growth, and provide direction for the EU's Multiannual Financial Framework (MFF), the European Semester, and the EU's policies as part of a systemic approach. Considering that the Agenda 2030 for Sustainable Development and the Sustainable Development Goals (SDGs) provide the framework for such a strategy, suggests that the presentation of the overall EU strategy on implementing the SDGs take place in close conjunction with that of the MFF proposals. Underlines in this respect the critical role of the EU Urban Agenda for the implementation of the SDGs and invites the Commission to take on board the relevant CoR recommendations;
2. stresses that the future EU budget should be capable of responding to emerging challenges and maintaining traditional EU policies with proven European Added Value. Rejects scenarios such as those presented in the Reflection Paper on the Future of EU Finances whereby, in relative terms and taking into account the impact of Brexit, the volume of the EU Budget is expected to decrease or remain stable while needing to cope with new challenges; expects therefore that a more concrete proposal on EU own resources will be made by the Commission in its proposal for the next MFF;
3. underlines, together with the partners of the #CohesionAlliance, the importance of a strong and effective cohesion policy for the future of the European Union as a whole, considering that the three dimensions of cohesion (economic, social and territorial) form an integral part of the EU's policy objectives. An improved cohesion policy should therefore be maintained as the key EU investment policy for all regions with sufficient resources after 2020, and in the same proportion as today. Reiterates in this regard the need for cohesion policy to become more flexible and simpler in the next funding period without jeopardising the strategic focus and planning certainty for regional and local authorities, in order to guarantee the functioning of multi-level governance, the partnership principle and the bottom-up approach through shared management and to comprehensively review the requirements for the management and control systems of the European Structural and Investment Funds (ESIF);

4. reiterates, with regard to the ESIF-related legislative proposals for the post-2020 programming period, its call for the GDP indicator to be complemented with regional indicators (relating to, inter alia, demography, social inclusion, accessibility and climate change) and to radically simplify the ESIF delivery system; supports a common set of rules for the ESIF in order to reduce the complexity of the legislation and supports maintaining the European Social Fund within the ESIF architecture;

5. emphasises the need for rapid delivery of EFSI 2.0 and of the revised Omnibus regulation, notably with a view to easing the combination of ESIF with EFSI; also argues for better coordination of the Connecting Europe Facility (CEF) and Horizon 2020 with other funds, and deplores the procedural complexity of these instruments;

6. calls for an upgrade of the European Globalisation Adjustment Fund (EGAF) by reviewing its budget, lowering significantly the thresholds for triggering the EGAF and improving synergies with the ESIF;

Economic policy and the EU's social dimension

7. underlines the important role of local and regional authorities in the European Semester, with over 60 % of country-specific recommendations being directly addressed to them; therefore reiterates its call for the Commission to work with the European Parliament 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;

8. underlines that all levels of public authorities, social partners and civil society share a responsibility and an interest in working for a more prosperous and future-proof Europe, where economic and social developments go hand in hand;

9. calls for the January 2015 agreement on the flexibility margins within the Stability and Growth Pact (SGP) to be transposed into primary law. Also reiterates its call for further measures to boost public investment, notably by excluding national, regional or local co-financing under the ESIF from SGP accounting, as already foreseen for co-financing under the EFSI, and by proposing to include an indicator relating to the investment rate in the macroeconomic scoreboard;

10. encourages the Commission to step up the fight against tax avoidance beyond the establishment of a black list of tax havens or the VAT reform by proposing qualified majority voting (QMV) on tax issues in order to accelerate a decision-making process in the Council;

11. welcomes the Commission's efforts to establish rules allowing taxation of profits generated by multinationals through the digital economy;

12. stresses the need to improve the EU's social dimension by complementing the European Pillar of Social Rights with a strong European social agenda, which would include, inter alia, an increased role for social indicators in the European Semester and real wage convergence in line with productivity;

13. intends to pay particular attention to the new legislative proposals aimed at creating convergence between Member States towards better working and living conditions, such as the proposal to set up a common labour market authority, as well as the planned proposals to modernise the rules on labour contracts, and to guarantee access to social protection for all;

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

14. advocates further simplification of State aid rules, specifically concerning Services of General Economic Interest (SGEI), through a substantial review of the relevant Decision and Framework (the 'Almunia package'); also asks the Commission to investigate whether the economic disruption caused by the United Kingdom's intention to withdraw from the EU should result in an expansion of General Block Exemption Regulations and a temporary relaxation or suspension of State aid rules for certain undertakings and sectors likely to be most affected;

15. stresses the importance of an industrial strategy that will boost competitiveness, and affirms its commitment to emphasise the role of local and regional authorities in this strategy;

16. calls on the Commission to update the Small Business Act and to maintain its coherence following the EC proposal on the Start-up and Scale-up Initiative;

17. regrets that the CoR's call to formally and systematically include regional and local SME envoys in the SME Envoys network has not been taken up in the Commission Work Programme;

18. welcomes the launching of the participatory Broadband Platform between the Commission and the CoR and the ongoing dialogue on the needs for a better roll-out of broadband infrastructure in the EU particularly with a view to the next programming period and for proper follow-up to the Smart Villages initiative. To this end, urges that digital development investments in rural and sparsely populated areas, aimed at ensuring affordable broadband access in areas where the market fails, be recognised as Services of General Economic Interest and State aid rules be applied accordingly;

Agriculture, blue economy, public health, demography

19. calls for the EU's Common Agricultural Policy (CAP) to be developed into an agricultural policy that is fair, sustainable and based on solidarity for the benefit of farmers, regions, consumers and members of the public, and advocates capping and adjusting direct payments per agricultural worker as well as harmonising them between EU Member States under the first pillar; stresses the importance of further revising the CAP in order to incentivise both farmers and food manufacturers to produce sustainably;

20. expresses its disappointment at the lack in the Commission Work Programme of a proposal for an EU rural strategy, exacerbating the decrease of the EU's overall financial support for rural development in comparison with the previous programming period;

21. reiterates its request to the Commission to clarify the scope of application of the Services Directive in the sharing/collaborative economy and to come forward with proposals to safeguard the rights of the workforce in new forms of employment specific to the sharing/collaborative economy;

22. calls on the Commission to clarify existing constraints within its public procurement rules in order to more easily apply sustainability criteria; is concerned that EU legislation currently prohibits territorial preferences (such as local foods) being specified in public purchasing contracts;

23. calls on the Commission to give new impetus to the European blue economy by presenting a White Paper on 'The sea at the heart of Europe', establishing a blue economy investment mechanism and setting up a policy platform on ocean governance. Also reiterates its call for the creation of a Knowledge and Innovation Community dedicated specifically to the blue economy in order to better transfer ideas from marine research to the private sector;

24. requests, in line with the existing Inter-Institutional Agreement, that a Structured Dialogue on Ocean Governance be regularly co-organised by the Commission, Council, Parliament and CoR to jointly develop new marine-related policy initiatives;

25. requests that it be involved in the voluntary exchanges planned as part of the State of Health in the EU process in 2018;

26. considers that health should be one of the priority themes under the Urban Agenda for the EU process and calls on the Commission and the Member States to step up their efforts in 2018 to launch a partnership on health;

27. expects the Commission and the 2018-2019 Presidencies of the Council to provide thorough follow-up to the December 2017 EPSCO Council conclusions on deinstitutionalisation and declares its support for transition away from institutional care towards community-based care, respectful of national and regional socio-medical systems and societal preferences;

28. reminds the Commission of the need for a European strategy on demography;

Tourism and culture

29. reiterates its call to the Commission for a thorough revision of its 2010 tourism strategy with a clear multi-annual work programme, securing a dedicated budget line to fund European tourism projects post-2020; in this context supports the establishment in 2018 of an inter-institutional Tourism Contact Group, taking advantage of the European Year of Cultural Heritage;

30. regrets the Commission's failure to propose a fully-fledged EU strategy on international cultural relations and development of cultural diplomacy and to mention the 2018 European Year of Cultural Heritage in its Work Programme, and reiterates its commitment to actively contribute to the celebration of the Year, at European, national, regional and local level in order to valorise the cultural and linguistic diversity of our continent;

Energy Union, climate policy and environment

31. requests that the Commission involve the CoR in the preparation of the future EU climate and energy policy in view of meeting the objectives of the Paris agreement, which will require more ambition at EU level; recalls in this context the crucial role local and regional authorities have in both climate change mitigation and adaptation and draws attention to its support for the idea of a system of locally-determined contributions to supplement nationally-determined contributions on CO₂ reduction to be developed;

32. asks the Commission, concerning Energy Union governance, to work with the CoR on the preparation of recommendations to the Member States regarding the appropriate inclusion of local and regional components in their national planning, monitoring and reporting of progress, and recalls that the CoR should be represented in the future Energy Union Committee to be set up under the new Governance Regulation;

33. expects the Commission, in cooperation with the EIB and the private sector, to step up efforts in the development of the Smart Finance for Smart Buildings initiative and to increase the transparency of this process, ensuring that its recommendations in this regard are taken on board, providing for synergies between the different sources of funding available to the local and regional level, including continued technical assistance for small scale local sustainable energy projects to facilitate the aggregation of projects to make them bankable;

34. considering that access to funding is important for the success of the energy transition, calls on the European Commission to develop a classification of sustainable assets that includes clear and binding definitions of the different types of 'climate finance' in order to facilitate the deployment of new instruments such as green bonds and collective guarantees; underlines the need to make environmental and climate investments more operational under the EU rules on State aid and/or European accounting rules for public bodies;

35. calls on the Commission to safeguard the representation of the various sub-national structures of different sizes in the Global Covenant's structures and to preserve therein the principles of partnership and multilevel governance;

36. demands the formal inclusion of local and regional authorities in the governance mechanisms of the UNFCCC and calls on the Commission to give priority to the local and regional dimension in the upcoming revision of the EU Strategy on adaptation to climate change;

37. stands ready to ensure greater involvement of local and regional authorities throughout the EIR cycle in the implementation of environmental legislation and to contribute to reviews of key environmental directives, notably on minimum quality standards for re-used water and the REFIT of the drinking water directive; expects in particular to be closely involved in the future monitoring framework for the circular economy and other initiatives to facilitate the speedy implementation of the circular economy package. Also plans to contribute to the Environment Action Programme post 2020, while evaluating the current 7th EAP;

38. supports the implementation of the Action Plan for Nature, People and the Economy, plans continued cooperation on the Natura 2000 Award and on the European Green Capitals (EGC)/European Green Leaf Cities (EGL) award, and expects continued cooperation on the preparation of the Green Week;

39. stresses that all EU projects relating to construction of new infrastructure (whether they be implemented through ESIF or the EFSI) should be compatible with the EU's sustainability commitments under the SDGs and thereby, inter alia, resilient to disasters; calls for this principle to be mentioned explicitly in the funds' implementation rules; also calls on the Commission to issue an action plan on the seismic requalification of existing buildings as a priority in the Member States' regional development operational programmes;

Justice, security, fundamental rights and migration

40. takes note of the proposals for the completion of the European Security Union and recalls the need to balance security concerns and individual fundamental rights including data protection; in particular, reiterates its call for the Commission to support local and regional authorities in addressing the issue of radicalisation leading to violent extremism by issuing guidelines for local and regional governments on the setting up of prevention strategies to counter radicalisation. Also calls on the Commission to adopt a multi-agency approach to the various aspects of radicalisation and extremism, increasing transparency regarding the available funding opportunities in this area and involving the private sector and public enterprises;

41. asks the Commission to speedily propose a revised single and effective EU mechanism on the rule of law, which should incorporate existing instruments for the protection of democracy and fundamental rights and be applicable to all levels of government;

42. urges the Member States to agree with the European Parliament on the reform of the Common European Asylum System by June 2018, taking into consideration the major impact on cities and regions in terms of the reception of migrants and integration of refugees, as well as the recommendations already made by the CoR; urges the Member States and Parliament to base any new rules on the principles of respect of human rights and international obligations, solidarity and reciprocity; in the context of the review of the European Agenda for Migration, also expects the implementation of the Commission proposals for enhancing legal pathways for persons in need of international protection and thereby regaining full control over migration routes;

43. invites the Commission to further simplify and speed up the funding procedures and to facilitate access for regions and cities to the financial resources designed to address humanitarian crises and integration of refugees;

External policies

44. urges the Commission to ensure that the local and regional dimension of EU trade policy is considered when negotiating new trade agreements and requests continued access to relevant negotiation documents via the reading room procedure;

45. stresses the CoR's commitment to the Commission's goal of fostering stability and prosperity outside the EU, through its Joint Consultative Committees and Working Groups with candidate and potential candidate countries, as well as through the Euro-Mediterranean Regional and Local Assembly (ARLEM), the Conference of Regional and Local Authorities for the Eastern Partnership (CORLEAP), the CoR's Ukraine Task Force, Ukraine-Local Empowerment, Accountability and Development Programme (U-LEAD) and the Nicosia initiative for Libyan municipalities;

46. emphasises the territorial dimension of the accession strategies and the importance of involving local and regional authorities in the development of the relevant strategies;

47. notes that continuous public discussion of EU enlargement is needed at all levels of governance, to ensure that the prospect of EU accession can continue to foster subsidiarity, democracy, protection of the rights of national minorities and security; in this regard, reiterates its invitation to the European Commission to co-organise the annual Enlargement Day together with the CoR in order to provide information and political support for local and regional authorities in the enlargement countries;

48. expects the Commission's Strategy on the Western Balkans announced for early 2018 to contain a strong focus on its local and regional dimension;

49. urges the Commission to recognise the role of Libyan local authorities in stabilising the country and containing the exploitation of migration routes to Europe, and calls for Libya, given the efforts it must make in terms of respect for human rights and the rule of law, to be included in EU programmes operating in the Mediterranean, such as CBC-Med. Suggests the use of innovative legal tools such as the EGTC to enable Libyan cities to participate in cross-border cooperation actions and in direct partnerships with cities and regions in the EU; urges the European Commission to involve the CoR and the regional and local authorities it represents in the planning, implementation and monitoring of European Union programmes in Latin America, with a special focus on those intended to promote sustainable development cooperation and social cohesion;

50. calls on the European Commission to involve local and regional authorities via the CoR in the implementation of the Agenda 2030 and the New Consensus on Development and to support coordination among all actors in decentralised development cooperation;

51. reiterates its call for existing EU funding schemes, in particular TAIEX and Twinning, to be further adapted so as to target the needs of local and regional stakeholders;

52. stresses the need for effective inclusion of regional and local authorities in the implementation of the European Fund for Sustainable Development and supports the Commission's intention to move swiftly to support local projects through it;

Citizenship, governance and better law-making

53. underlines its readiness to contribute through its three representatives to the Subsidiarity and Proportionality Task Force its expertise, based on its Subsidiarity Monitoring Network and its long-standing work on these issues; welcomes in this regard the fact that the mandate of the Task Force makes explicit reference to the question how better to involve regional and local authorities in the preparation and the follow-up of union policies and stresses that this requires a debate not just about the possible re-delegation of certain competencies to the Member State level, but about a comprehensive approach to multi-level governance in the EU;

54. draws attention to the contribution it is making to the democratic and inclusive debate about the Future of Europe to which the CoR will also contribute in the form of an opinion by October 2018, notably via a broad reflection using a bottom-up approach that it has launched involving citizens and local and regional stakeholders with the purpose of identifying the key challenges for EU citizens as well as concrete proposals on the course the EU should take in the future to increase its legitimacy; in this regard, would draw attention to the proposals to achieve this set out in the opinion on the EU Citizenship Report 2017 that was adopted in the CoR's November plenary session;

55. looks forward to the Communication on how to make the Union more united, stronger and more democratic in communication terms and reiterates its readiness to contribute to the development of decentralised communication strategies and activities in close cooperation with the other EU institutions and local and regional authorities across the Union;

56. instructs its President to forward this resolution to the European Commission, the European Parliament, the Estonian and Bulgarian Presidencies of the Council of the EU and the President of the European Council.

Brussels, 1 December 2017.

*The President
of the European Committee of the Regions*
Karl-Heinz LAMBERTZ

OPINIONS

COMMITTEE OF THE REGIONS

126TH COR PLENARY SESSION, 30.11.2017-1.12.2017

Opinion of the European Committee of the Regions — Reflection paper on the deepening of the Economic and Monetary Union (EMU) by 2025

(2018/C 164/02)

Rapporteur: Christophe Rouillon (FR/PES), Mayor of Coulaines**Reference document:** Reflection Paper on the Deepening of the Economic and Monetary Union

COM(2017) 291 final

THE EUROPEAN COMMITTEE OF THE REGIONS

1. considers that the lack of convergence and cohesion within the European Union and economic and banking vulnerabilities — which have a particular impact on local authorities owing to the rise in social expenditure caused by the crisis and their shrinking capacity to invest in and maintain public services of satisfactory quality — call for the structural deficiencies of the Economic and Monetary Union (EMU) to be very swiftly remedied before any further crisis;
2. calls, therefore, for real progress to be made in improving the EMU, through a focus on strengthening resilience to economic and social shocks and on support for convergence between economies that takes account of the role of local and regional authorities. The future steps for the EMU should be planned in several stages between now and 2025, identifying steps which can be taken immediately without changes to the Treaties and those which, beginning with the transposition of the Fiscal Compact into primary law, require Treaty amendment;
3. moreover, welcomes the fact that the reflection paper identifies the EMU as one of the priority issues that will drive the public debate on the future of Europe ⁽¹⁾. Although 73 % of citizens in the euro area and 60 % of those in the EU are in favour of EMU ⁽²⁾, this support for the shared asset that the euro has become goes hand in hand with a strong demand for reform within the area ⁽³⁾, with the aim of making it a strong and stable currency and in order to lay the foundations for genuine democratic governance of economic and monetary policy. The CoR therefore believes that EMU reform should be one of the priority areas for the decentralised democratic fora that could meet in the regions and cities of Europe from 2018 to involve the public in the EU reform process;
4. regrets, however, that the financial and economic urgency of remedying the euro area's original shortcomings has not been granted sufficient recognition in the reflection paper. The current upturn in growth in the EU is underpinned by the short-term support provided by the European Central Bank's (ECB) monetary policy, which, since 2008, has made it possible to reduce interest payments by public authorities by EUR 1 trillion and to keep interest rates particularly low in many Member States. However, the public authorities and financial actors in the euro area must prepare for a gradual reduction in the ECB's monetary support policy and a rise in long-term rates. At the same time, the EU finds itself at a point where the strategic relevance of the euro area needs to be reaffirmed through demonstrable economic added value;

⁽¹⁾ Following a CoR resolution on The European Commission White Paper on the future of Europe — Reflections and scenarios for the EU27 by 2025 adopted on 12 May 2017, the CoR launched a consultation on the reflection process and will draw conclusions from this consultation in an opinion to be adopted in mid-2018.

⁽²⁾ See pages 34 and 35 of the Standard Eurobarometer 87, spring 2017.

⁽³⁾ See eupinions #2016/4: 'A European Finance Minister with Budget Autonomy?' Need for reforms of the Eurozone and their potential, given public opinion in Europe, Bertelsmann Stiftung.

5. notes, furthermore, that the majority of the specific proposals put forward in the reflection paper concern measures relating to the capital markets and the banking union already launched, such as the establishment of a European Deposit Insurance Scheme (EDIS). It is hoped that an agreement will be reached on this before the end of 2019 with a view to implementation in 2025. The CoR regrets that, in contrast, issues relating to the EMU have been relegated to the end of the reflection paper and that only options have been put forward, not specific proposals that the Commission has committed itself to. As a result, the reflection paper contains few new elements, in comparison with the Four Presidents' Report (December 2012) ⁽⁴⁾ and the Five Presidents' Report (June 2015) ⁽⁵⁾, as well as numerous European Parliament resolutions, including that of 16 February 2017 on a budgetary capacity for the euro area;

6. considers it a priority to boost structural growth in each Member State and to support the creation of conditions for convergence within the euro area, to make it more resilient to shocks caused by any future financial crises; Indeed, it should be noted that the growth rates in different Member States have converged overall, but that their per capita income levels still differ greatly. The EU is also suffering from a lack of competitiveness in many economic sectors, a lack of domestic demand, and low levels of both private and public investment. At the same time, it is worrying to note that, ultimately, the real economy seems to benefit very little from monetary policy, insofar as the productive capital stock is stagnating, while financial and property values are increasing at a disproportionate rate;

7. therefore supports a convergence strategy that would complement existing European policies to strengthen economic, social and territorial cohesion and build on the following proposals:

7.1. creating euro area fiscal capacity, including preparations for accession to the euro area, to establish incentives to promote social and macroeconomic convergence and resilience in the face of globalisation; In this context, the CoR stresses that more attention needs to be paid to the role of local and regional authorities in fiscal matters and, in this regard, highlights that many local and regional authorities already have fiscal powers. Proposals at EU level should therefore respect those powers;

7.2. turning part of the European Stability Mechanism (ESM) into an integrated non-monetary European instrument under the responsibility of the European institutions with a clearly defined mandate which would have borrowing and lending capacity of EUR 100 to EUR 200 billion, to allow for short- and medium-term interventions in the event of a sudden financial crisis and asymmetric shocks;

7.3. establishing a convergence code supplemented by a system of incentives for structural reforms, the scope of which would be defined according to their European added value and could include for example fiscal convergence and measures to make the labour market more dynamic in the area of training, digitisation and consolidated social cohesion, taking into account in particular the challenges linked to demographic change. In this context, the CoR draws the attention to the fact that technical assistance can already be supported through the Structural Reform Support Programme (SRSP);

8. in view of the above, reiterates its call:

- for any national, regional or local co-financing in relation to the European Structural and Investment Funds to be excluded from the accounting mechanism of the SGP, as is already the case for contributions to the European Fund for Strategic Investments,
- for an EU-level typology to be introduced for the quality of public investment in the accounts of public expenditure according to its long-term effects,
- for a review of the methodology for calculating the 'structural deficit' in order to take account of the intrinsic characteristics of national economies and of the structural differences of public expenditure,
- for an indicator relating to the investment rate to be included in the macroeconomic scoreboard;

9. calls for genuine democratic involvement of the European Parliament and consultation of the CoR and the social partners prior to adopting country-specific recommendations under the European Semester, particularly to ensure that they are in line with the principle of subsidiarity and have not been put forward on the basis of potential macroeconomic imbalances derived from national figures alone without considering if they are appropriate at regional and/or local level;

⁽⁴⁾ <http://www2.consilium.europa.eu/media/26310/132525.pdf>.

⁽⁵⁾ <http://www.consilium.europa.eu/en/policies/emu-report-2015/>.

10. calls for the euro area itself to operate more democratically, with the European Parliament and national parliaments playing a greater role, particularly in terms of supervising the ESM and its future extension to a European fund. The CoR rejects, however, the idea of creating new parliamentary bodies, bearing in mind that the European Parliament is already the parliament of the euro area, as according to the Treaties the euro is the common currency of the European Union. On the other hand, in time and, if appropriate, as part of a revision of the Treaty on the Functioning of the European Union (TFEU), voting procedures similar to that provided for in Article 138 TFEU concerning the Council could be adapted in the European Parliament in order to cater for the fact that MEPs can be elected in countries that are not members of the euro area;
11. supports the merging of the functions of the President of the Eurogroup and the Commissioner for Economic and Monetary Affairs, in order to represent the general interest of the euro area within the Eurogroup;
12. emphasises the need for the Eurogroup to have formal operating rules that boost its transparency;
13. stresses the fact that, in line with the roadmap set out by the European Council in December 2012, EMU must be accompanied by a genuine social pillar in order to raise employment and upwardly harmonised social standards to the status of macroeconomic priorities ⁽⁶⁾;
14. suggests adding a fifth principle addressing contribution to sustainable development and to the implementation of the objectives of the Paris Climate Conference to the four guiding principles proposed by the Commission on deepening the EMU;
15. also reiterates its belief that the size of the current EU budget — only 1 % of GDP — is insufficient to produce a countercyclical macroeconomic effect at EU level. The CoR stresses, however, that the European Structural and Investment Funds (ESIF) — despite their relatively modest size (0,37 % of EU gross national income (GNI)) — are an important tool for boosting local investment and helping to bring about convergence between the economies of the future 27 EU Member States; therefore calls for cohesion policy post-2020 to have sufficient resources, equivalent to at least one third of the future EU budget;
16. highlights the need to support the post-2020 EU Multiannual Financial Framework with new types of own resources ⁽⁷⁾. The aim of this proposal should be to improve democratic governance and make the EU budget easier to understand as well as to increase the effectiveness of budgetary management. The new own resources could in particular build on an EU corporate income tax by means of a common consolidated corporate tax base (CCCTB) and EU taxation of profits and/or turnover in the digital economy sector, a tax on financial transactions and a carbon tax to act as an incentive to reduce CO₂ emissions. In line with its Communication of 21 September 2017, the Commission should be making proposals on these by spring 2018;
17. is opposed to euro area fiscal capacity being made a euro area budget heading in the EU budget while the own resources ceiling remains fixed at 1,23 % of EU GNI. In fact, incorporating euro area fiscal capacity into the European Union's budget would take it to at most under EUR 30 billion a year, which seems completely inadequate for the role the Commission envisages for it, namely: (1) providing aid for structural reforms; (2) playing a stabilising role; (3) acting as a backstop for the Banking Union; and (4) serving as an instrument for pre-accession assistance for Member States not using the euro. In addition, integrating fiscal capacity into the EU budget could carry the risk of a crowding out effect on EU policy financing such as the ESIF;
18. considers that, before putting in place convergence instruments with a view to Member States joining the euro area, clarification is needed on their scope vis-à-vis the ESIF and, in particular, the Cohesion Fund ⁽⁸⁾;

⁽⁶⁾ See the CoR opinion on the Communication from the Commission — Strengthening the social dimension of the EMU, COM(2013) 690, drafted by Jean-Louis Destans (FR/PES), adopted on 31 January 2014, ECOS-V-050. The CoR will also adopt an opinion drafted by Mauro D'Attis (IT/EPP) on the Proposal for an Interinstitutional Proclamation on the European Pillar of Social Rights and Reflection paper on the social dimension of Europe, SEDEC-VI/027, on 11 or 12 October 2017.

⁽⁷⁾ See point 35 of the opinion of 7 February 2017 by Carl Fredrik Graf (SE/EPP) on the Fiscal capacity and automatic stabilisers in the EMU.

⁽⁸⁾ See point 35 of the opinion of 7 February 2017 by Carl Fredrik Graf (SE/EPP) on the Fiscal capacity and automatic stabilisers in the EMU.

19. notes that the reflection paper raises the possibility of strengthening the link between structural reforms and the EU budget in two ways, firstly through a specific fund that aims to encourage Member States to carry out reforms and secondly by linking the disbursement of structural and investment funds (totally or partially) to progress made in implementing practical reforms to promote convergence. Reform implementation would be monitored as part of the European Semester. The CoR, therefore, stresses its opposition to any form of macroeconomic conditionality that uses the ESIF as a deterrent or form of punishment. The CoR is also concerned by the fact that during the European Semester process, much greater importance is attached to the reduction of national public deficits, with a view to containing or reducing the high debt/GDP ratio, than to measures to boost growth. Finally, the CoR regrets that the involvement of local and regional authorities in the governance of the European Semester is still very unsatisfactory, although more than three-quarters of the 2017 country-specific recommendations relate to the regions while their implementation relies on subnational levels of government;

20. considers that the February 2016 Council agreement on flexible application of the SGP should also be confirmed in EU primary law. The CoR reiterates, in this context, its calls for public investment by local and regional authorities not to be counted in the structural deficit for the medium term objective (MTO) as defined in the SGP and the Fiscal Compact, and for ESIF co-financing by the Member States and local and regional authorities not to be included in structural expenditure. This co-financing is by definition investment of general European interest and has a proven leverage effect when it comes to fostering economic growth⁽⁹⁾;

21. stresses the importance when it comes to completing the Banking Union of taking a coordinated European approach on non-performing loans⁽¹⁰⁾, which accounted for around EUR 1 000 billion at the end of 2016, equivalent to around 6,7 % of EU GDP and 5,1 % of total bank loans, and regarding which very substantial differences can be found within the EU, with percentages between 1 % and 46 % across a wide range of economic sectors. The CoR thus expresses its support for the action plan adopted by the Council on 11 July 2017, which aims to resolve the issue of NPLs in the banking sector through a number of initiatives in the field of banking supervision, reform of the insolvency and debt recovery frameworks, development of secondary markets for non-performing loans and restructuring of the banking sector;

22. remains sceptical about the proposal to create securitised financial products to potentially be issued by a commercial entity or institution that would buy a portfolio of euro area sovereign bonds and then issue its own bonds backed by that portfolio (sovereign bond-backed securities or SBBS), akin to US Treasury bonds. Admittedly, such bonds would make it possible to break the link between banks and sovereign borrowers and to de-privilege sovereign bonds, while avoiding debt mutualisation and moral hazard. At the same time, securitisation allows banks to spread financial risk to unregulated financial actors. In addition, SBBS will risk increasing the interest rate differential between government bonds (the 'spread') during periods of economic stress.

Brussels, 30 November 2017.

*The President
of the European Committee of the Regions*
Karl-Heinz LAMBERTZ

⁽⁹⁾ See points 52 and 54 of the opinion of 8 February 2017 by Markku Markkula (FI-EPP) on Bridging the Investment Gap: How to Tackle the Challenges?

⁽¹⁰⁾ NPLs are bank loans that are subject to late repayment or unlikely to be repaid without requiring the sale of collateral. The persistently high levels of non-performing loans are problematic as they are an obstacle to the profitability of banks because of the higher administrative and financing costs for banks. Provisioning needs deplete banks' capital base and the viability of banks with high levels of non-performing loans can be jeopardised.

Opinion of the European Committee of the Regions — The implementation of macro-regional strategies

(2018/C 164/03)

Rapporteur: Raffaele Cattaneo (IT/EPP), Regional Councillor and President of Lombardia Regional Council

Reference document: Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the implementation of EU macro-regional strategies

COM(2016) 805 final

I. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

1. stresses that macro-regional strategies (MRS) represent a functional and deeply European vision, and welcomes the European Commission's first ever single report on the implementation of EU MRS. Notes that the EU needs a territorial vision ⁽¹⁾ which goes beyond borders to develop a 'global approach';
2. observes that despite their short existence ⁽²⁾, MRS have become an established bottom-up and place-based instrument for a more effective use of common potentials of macroregions by better implementing and coordinating policy responses to various challenges, such as economic growth, innovation, transport, energy, environment and climate change;
3. points out that MRS are a crucial element in the achievement of the EU's strategic objectives and are a critical part of the EU's multi-level governance architecture. MRS play an important role in dynamising development processes also in less developed regions. They also play a key role in transition, accession and non-EU such as neighbourhood countries;
4. emphasises the important role of macro-regional strategies in terms of supporting measures to combat climate change in vulnerable regions. Tackling floods or fires in border areas are ways in which these strategies can be used efficiently;
5. believes that MRS and other EU instruments for cross-border and transnational cooperation, such as EGTCs, other mechanisms for territorial cooperation such as the working communities, and the Interreg programmes, are essential building blocks of the future EU;
6. very much supports the concept of a single report on the implementation of four MRS and looks forward to the implementation reports to be prepared by the European Commission at the end of 2018;
7. underlines the potential role of MRS for integrated development beyond the borders of the EU and particularly in view of the UK leaving the EU; therefore suggests to explore how MRS could contribute to build the future relationship between the United Kingdom and the EU and demands a strong involvement of local and regional authorities in the future discussion on this matter on both sides;

⁽¹⁾ CoR opinion on Territorial Vision 2050: What future? (COR-2015-04285)

⁽²⁾ The first MRS (EU Strategy for the Baltic Sea Region (EUSBSR)) was launched in 2009.

8. refers to previous CoR opinions relevant to the subject for specific comments on each macro-regional strategy ⁽³⁾ and builds on those observations to make general comments in the present opinion that are applicable to all macro-regional strategies. Attention is drawn to the importance of greater efficiency and prioritisation of outcomes, as well as a more practical focus on the implementation of MRS;

9. underlines that the advantage of MRS is that national, regional and local actors come together under a common framework to work out an overarching strategy and joint programming processes that contribute to the achievement of the EU Treaty objective of economic, social and territorial cohesion and that address local needs effectively. Moreover, macro-regional strategies help to engage citizens in the European project and bridge the gap between EU and local policy-making;

10. remarks, however, that MRS are in a critical phase, in which their potential is increasingly recognised but their practical implementation needs further improvement to reap their full benefits. Providing the local and regional perspective on MRS, this opinion has a wider strategic aim in the context of the ongoing preparations for the next programming period and the future of Europe more broadly;

11. supports emerging initiatives to establish new MRS. However, a more systematic approach should be adopted in which functional needs are identified in a bottom-up process. Existing and established territorial cooperation structures should reflect whether MRS could add value and offer new opportunities to improve existing territorial cooperation structures;

12. moreover, it should be noted that existing MRS allow for partnerships between many EU countries. It should also be made possible, however, to establish MRS that involve fewer countries but several regions and that, in this territorial approach, find a suitable and effective instrument for solving common problems, with a particular focus on regions affected by natural disadvantages, island regions and the outermost regions;

13. believes that civil society and empowered local stakeholders, regions and cities can be very helpful in consolidating the European idea and achieving adequate leverage; therefore it is essential to include macro-regional key implementers and civil society in framing strategic programmes. This involvement will enable us to improve Europe's subsidiarity performance, not only in relations between policymakers and institutions, but also in relations with economic and social stakeholders at local and regional level;

II. CONTEXT AND FUNDING

14. notes that MRS are in essence a policy instrument for coordinating the implementation of a wide range of policies. Their scope is much wider than the European territorial cooperation goal: on the one hand various different policy areas contribute to the implementation of MRS and on the other hand all EU policies would benefit from better coordination through MRS;

15. notes that the objectives of MRS must be included into the overall EU's strategy after 2020 in a concerted way and thus create a consistent framework for all programmes, which would lead to the strategic planning of all policies with an impact on regional development to take MRS into account. This applies to policies in all forms and at all levels, including policies under shared management, and also to policies directly managed by the European Commission and to national regional policies;

16. regrets that the added value of MRS is currently not sufficiently reflected in sectoral policies and their financing programmes. This leads to a practical difficulty when projects need to comply with the strategic requirements of the MRS and sectoral policies, which provide the funding and might be significantly different. As a result, projects falling under MRS need longer to prepare and thus are less competitive than 'standard' sectoral policy projects;

⁽³⁾ Opinion on the Danube Region Strategy, CdR 86/2011 fin; Opinion on the Revised EU Strategy for the Baltic Sea Region CdR 1272/2012 fin; Opinion on The added value of macro-regional strategies, CdR 5074/2013 fin; Opinion on the EU Strategy for the Adriatic and Ionian Region, CdR 23/2014 fin; Opinion on the Alpine macro-regional strategy for the European Union, CdR 2994/2014 fin.

17. considers that in order to ensure access to financial resources in the post-2020 programming period all EU policies (including cohesion policy) should provide specific implementation rules for projects contributing to an MRS that would facilitate access to financing and reduce administrative requirements. The implementation of EU programmes must be simplified as a matter of urgency;

18. calls for strengthening of links between the MRS and EU funding sources, during both the design and implementation phases of sectoral policies. Duplication of procedures and reporting must be avoided. On principle, funds need to follow policies and not the other way round. Unfortunately, at the moment the contrary seems to be the case as MRS are obliged to ask for support from funding programmes;

19. encourages Member States to initiate future discussions on how macro-regional strategies should be integrated in the EU multiannual financial framework post 2020, in compliance with the founding principles of the MRS. With regards to the next generation of funding programmes, the Commission should foresee adequate funding for those TNPs (transnational programmes) which correspond to MRSs and develop a mechanism which gives priority to eligible projects which are designated strategic by a MRS, complementing funding for projects covered by other EU instruments for cross-border and transnational cooperation;

20. urges the coordinators of MRS to waste no time in drawing up strategy documents on how different policies should contribute to the implementation of MRS. With a view to the preparation of legislative acts for the programming period post-2020, such strategy documents would encourage EU policymakers to adapt legislation to the needs of MRS. Moreover, strategy documents would directly feed into the programming phase and be the basis for framing Operational Programmes;

21. calls on the European Commission in cooperation with the Interact programme, the thematic and national coordinators of the MRS as well as stakeholders of the existing and future MRS to support this process by organising and funding specific workshops tasked with drafting such strategy documents. Calls on the European Commission in cooperation with the Interact programme to foster the exchange of experience between the four MRS, both with regards to the thematic priorities of the strategies and general aspects of their implementation. Preparation of new MRS should be equally methodologically supported;

22. notes that the European Commission should assume an increased/more pro-active role in the coordination and stimulating cooperation of the Macroregional Strategies (MRS). Besides DG Regio, other COM DGs should be involved more actively in the support of the implementation of the Macroregional Strategies' strategic objectives. MRS should be better connected with all EU policies and instruments in order to ensure an increased contribution to the overall EU objectives;

23. calls on the possibility to include incentives, i.a. economic, for regions and Member States with the support of the European Commission to facilitate new implementation methods for European policies and legislation in the context of macro-regional strategies. Such new methods could consist, for example, of trialling possible future European standards or policies or facilitating implementation of European laws and policies already adopted (possible faster achievement of certain objectives — e.g. climate-climate, energy, transport, etc. — or going beyond objectives set by European legislation in qualitative and quantitative terms, setting more ambitious targets). This incentive mechanism could be achieved by voluntarily associating macro-regional partners and the European Commission in a 'programme agreement' setting out the aims, modalities and objectives to be achieved and providing incentives for committing to swifter implementation;

MRS and cohesion policy

24. stresses that cohesion policy is not only the EU's regional development policy which aims to reduce disparities, but also its most important investment tool. There is a need for a closer and direct relationship between the MRS and cohesion policy measures so that the MRS can benefit from an integrated and specific approach within the Operational Programmes;

25. points out that cohesion policy offers crucial support to MRS. On the one hand cohesion policy provides essential financial support to projects contributing to the implementation of MRS. On the other hand cohesion policy can ensure the everyday functioning of MRS by providing technical assistance to its governance mechanisms;

26. notes that cohesion policy works through national allocations, thus focusing primarily on national priorities. In practice, this means that even if one country/region decides to support projects under an MRS, there is no guarantee that the other country/region will do the necessary to also support its implementation. Unfortunately, in such cases the effectiveness of the project is reduced and the added value of the MRS is weakened. Member States should reflect MRS in the programming process of cohesion policy;

27. therefore favours further strengthening European Territorial Cooperation within cohesion policy in the future, while also increasing the transnational dimension of mainstream Operational Programmes — which represent about 95 % of cohesion policy — and aligning them, where applicable, with MRS. Synergies should also be improved between ESIF-based programmes and directly operated sectoral programmes such as Horizon 2020, Erasmus+ and Connecting Europe Facility (CEF). Relevant Operational Programmes should clearly take into account MRS of the respective territory; hopes that all the EU's internal and external land borders, together with its maritime borders (regions separated by a maximum of 150 km or, in the case of the outermost and island regions, by more than 150 km), can receive support and take part in cross-border and macroregional cooperation programmes;

28. reiterates the request in its recent opinion on *People-to-people and small-scale projects in cross-border cooperation programmes* that access to cohesion policy funding be made easier for small projects. Experience shows that some small-scale, transnational projects are compatible with the objectives of MRS. However, most EU funding programmes are not designed to support small projects: many local communities and civil society organisations cannot participate as they do not have the necessary financial and administrative capacity. In view of this, it is recommended that easily accessible and manageable funding instruments be developed, including pre-financing models and project preparation for smaller projects;

29. underlines that European Territorial Cooperation (ETC) programmes have a crucial role to play when it comes to supporting MRS. However, ETC represents only a small part of overall funding and is therefore important in terms of quality rather than quantity. The main purpose of ETC programmes should be to support cross-border, transnational and interregional cooperation together with piloting and innovative programmes as well as to provide technical assistance for financing the implementation of MRS. Competition between ETC and MRS projects for same funds is counterproductive and should be avoided;

30. highlights the role played by EGTCs in implementation of MRS and other transnational and cross-border initiatives, such as the working communities. However, EGTCs have not yet reached their full potential due to insufficient implementation of the relevant legislation in some Member States, a lack of knowledge of the opportunities provided by this tool, and other persisting administrative hurdles;

Reinterpretation of the Three No's principle

31. notes that a fundamental principle governing MRS is the Three No's: no new EU funding, no additional EU formal structures and no new EU legislation. However, in practice this principle has led to some confusion. For example, new structures, such as cooperation platforms and networks, have been set up in all MRS, but these do not qualify as formal EU structures. Implementation of MRS relies heavily on EU funding, yet technically the funding is not new but put to a different use. Moreover, despite MRS should not trigger new legislation, it should be allowed to propose or amend legislation at all levels if this would improve the implementation of MRS;

32. argues that the Three No's should be replaced by Three Yes's, to improve the use of existing legislation, institutions and funding. A practical approach should be adopted whereby the necessary measures are taken to improve the functioning of MRS rather than focusing on confusing principles such as the Three No's. The CoR says **yes** to better synergies with funding instruments, **yes** to better embedding of existing structures in MRS and **yes** to better implementation of existing rules;

Governance

33. observes that the governance of MRS now needs to be strengthened, and to strengthen governance, the local and regional levels must also be strengthened. Governance cannot be entrusted only to the national governments because this contradicts the idea of the MRS;

34. believes that implementing the MRS requires a specific governance approach based on cooperation and coordination, and underlines that improved administrative capacity based on increased ownership and better cooperation are necessary to that end. This specific governance approach should be integrated into existing governance structures in a concerted way with the aim of avoiding any duplication and of achieving a streamlined approach. Under no circumstances should coordination efforts result in covert centralisation;

35. stresses that ownership by European, national and regional politicians and administrations is a requirement for improving administrative capacity, and regrets that in many cases MRS still suffer from a lack of ownership. Ownership can be improved by strengthening awareness of the decisive role played by regional and local authorities;

36. realises that processes for designing and implementing MRS and related projects may initially seem difficult and complex, as different administrative cultures and traditions meet and try to establish a common development strategy. MRS demand significant human resources and time in the initial stages for setting up new procedures and administrative structures. A new administrative ethos (more open and strategic) is needed, as well as learning of new approaches, legal contexts and languages;

37. notes that constant dialogue, effective cooperation structures and strong partnerships are essential to build ownership in the implementation of MRS. Shared management is the most suitable implementation method in multilevel governance contexts. It is important in this respect to clarify the responsibilities and competences of all individual players;

38. believes that the EU institutions should agree on an overall European vision and development strategy driven by national, regional and local needs. MRS are based on 'functional' regions and are therefore best suited for implementing an EU development strategy and achieving its objectives by addressing the specific needs and requirements of a given territory (geographic area) and by effectively applying the partnership principle;

39. reiterates that effective partnership means participation of all stakeholders in the strategic planning and decision-making processes. Obviously this can only happen if local and regional needs are known, analysed in light of the EU context, and fed into the overall MRS. Similarly, the implementation of MRS can only be successful if regional and local players, as well as civil society, are given the flexibility, trust and financial incentives they need to implement goals of common European interest adapted to local and regional needs;

40. suggests that national coordination with all other policy-making, institutional and administrative levels should be based on a strong mandate and a dedicated budget for coordination activities. Coordination could also involve setting up a network of interconnected national coordination platforms for each MRS in order to provide for inclusive implementation in each participating country and to ensure coherence between different implementation strategies of participating countries and regions;

41. underlines that in order to improve governance, MRS require the support of the European Commission, which should actively support national and thematic coordination and should work to strengthen the link between EU policies and the implementation of MRS, paying particular attention to the regional and local perspective. The EC should organise frequent and regular meetings and seminars, which will give implementers and key stakeholders a better overview of EU objectives and enable exchange of best practice between existing MRS;

42. considers that the EC should significantly improve its internal coordination across different directorates-general and address existing overlaps at the level of EU policies. The next Commission report on the implementation of EU MRS should put even more focus on good practices that could be transferred between strategies;

43. believes that future EC reports should also provide hard data on the financial contributions to MRS, including the number of projects supported. Finally, the EC should also do more as regards proposals to harmonise the terminology used to describe roles and processes in MRS;

Monitoring, evaluation and communication

44. underlines the need for monitoring and evaluation of the way MRS are implemented in order to assess their effectiveness and to facilitate policy-learning. However, the purpose of reporting needs to be clear, as well as the destination and expectations of the reports. Reporting without a clear objective and purpose is pointless red tape;

45. believes that reports on the implementation of MRS should serve to assess whether EU and national policies are still coherent and adequate for the implementation of MRS, and should alert the EU and national policymakers to aspects that need to be modified. Whenever new legislation is proposed, a territorial impact assessment should be performed in order to identify potential impacts on MRS. Reports should also help those implementing MRS to understand progress made, improve internal processes and adapt to new developments;

46. underlines that territorial cooperation is somewhat risky and not easy to predict in detail. Monitoring and evaluation should therefore focus on outcomes and cooperation processes rather than figures. Failures and errors can and will happen and should not immediately lead to financial corrections or the end of measures, as this would prevent innovative but risky projects;

47. agrees with the EC's view that a strong communication strategy should be part of the MRS, and believes that given the current situation in the EU there is a need to communicate the added value of EU action. MRS are making European policy goals more visible and understandable to citizens on the ground. They thus offer a response to current political developments in Europe and could provide substantial input for the future debate about the EU-27 recently launched by the EC with its White Paper on the future of Europe;

Comments on individual strategies

EU Strategy for the Baltic Sea Region (EUSBSR)

48. agrees with the EC's assessment regarding the implementation and challenges of the EUSBSR and would point out that in 2016 a European Regional Development Fund (ERDF) Managing Authorities (MA) Network was set up for the EU Strategy for the Baltic Sea Region. The purpose of the network is to find ways of providing more efficient financial support for EUSBSR implementation. Similar networks have also been set up for other funds. This is an example of best practice that can be applied in other MRS. Another best practice example is the participation of regional and urban networks in the EUSBSR;

49. notes that the EUSBSR Seed Money Facility has been an efficient tool in gathering partnerships and preparing cooperation projects which seek financing either from the BSR Interreg programme or other financing programmes. As EUSBSR being a first MRS, there are a lot of best practices for other MRS to benchmark, too;

EU Strategy for the Danube Region (EUSDR)

50. agrees with the EC's assessment regarding the implementation and challenges of the EUSDR. One of the most visible results of the EUSDR has been the setting up of an Interreg Danube Transnational Programme corresponding exactly to the geographical area of the Danube Strategy. A number of projects have been developed via the EUSDR, and many of them were approved by the Danube Transnational Programme or other sources of funding. Moreover, in 2014 the fourteen countries jointly set up a new body, the Danube Strategy Point (DSP), to facilitate implementation of the EUSDR and the involvement of all current and potential players. Both initiatives represent very good progress and should continue to receive support;

51. welcomes the fact that the EUSDR provides an innovative platform for regional policy and enlargement and neighbourhood policy and that it fosters the participation of sub-national authorities and civil society, including social partners;

EU Strategy for the Adriatic and Ionian Region (EUSAIR)

52. notes that the refugee and migration situation has a huge impact on the Adriatic-Ionian countries. The 2nd Forum of EUSAIR, which took place in Ioannina (Greece) on 11 and 12 May 2017, focused on how EUSAIR can help strengthen the resilience of Adriatic-Ionian countries in coping with the crisis. The resolution adopted at the 2nd Forum invited the participating countries to set up a collaborative platform through which countries in the region could improve the coordination of their response to the crisis and learn from each other;

53. welcomes the efforts made to promote cooperation between the ESIF and the Instrument for Pre-accession Assistance (IPA). This means that the ESIF, the IPA and other relevant national and regional funding streams should contribute to the achievement of EUSAIR objectives. Further synergies in this respect could be explored with the EUSDR as well as regional international organisations. Unfortunately, different terminology to describe the implementation processes of different funding programmes still creates confusion and hinders the exploitation of synergies;

54. recognises the added value provided by the Strategy to the existing intergovernmental and multilateral cooperation which operate in the EUSAIR area;

55. believes that the gap between political statements and the means available for implementation should be bridged. The strategy's objectives can only be achieved if it receives the financial means and necessary governance tools;

EU Strategy for the Alpine Region (EUSALP)

56. notes that EUSALP implementation began in the first half of 2016. It is too early to draw conclusions, but EUSALP has certainly made a flying start. It is positive that most of the seven EUSALP countries are involved primarily via their regional level. The national/federal level is involved in the Executive Board, but implementation of the strategy takes place mainly at regional level. Ownership at national/federal level, once achieved, could be a key factor in giving more impetus to the strategy in the near future. This engagement of the local and regional level will certainly help to build ownership and lead to inclusive and fruitful implementation of the strategy in the near future;

57. believes that the Alpine strategy can contribute to implementing a sustainable model of development, supported by the European macro-regions. In Europe the population and wealth are concentrated mainly in urban and metropolitan areas, but to ensure that the development of cities remains sustainable the rural and alpine areas around them must be preserved. Protecting natural assets enables citizens to benefit from oases of well-being, to obtain healthy, good-quality food and to preserve biodiversity. Interconnection between metropolitan areas, which are drivers and catalysts for creativity and innovation, and rural and mountainous areas, should be a key factor in developing strategic synergies and joint communication campaigns for citizens;

58. notes, however, that given the long history of cooperation in the region and a prosperous economy, the EUSALP players could be even more ambitious and go beyond the established Interreg cooperation and thereby serve as an example for other macro-regions. One option that might be considered is to establish a permanent coordination structure for implementing the strategy which would effectively underpin the governance system;

59. takes note of and welcomes the common position paper of the Bavarian presidency and of other participating regions to embed the strategies in the regulatory framework of the upcoming multi-annual financial framework;

United Kingdom withdrawal from the EU

60. believes that the MRS' key premises provide a realistic foundation upon which the UK's devolved administrations, regional and local authorities and their communities can cooperate with their counterparts from the EU in the future, and calls upon the UK and EU negotiators to include this issue in their list of negotiation items for the UK-EU withdrawal agreement.

Brussels, 30 November 2017.

*The President
of the European Committee of the Regions*

Karl-Heinz LAMBERTZ

Opinion of the European Committee of the Regions — EU Citizenship Report 2017

(2018/C 164/04)

Rapporteur: Guillermo Martínez Suárez (PES/ES) Minister of the Presidency of the Principality of Asturias

Reference document: Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions Strengthening Citizens' Rights in a Union of Democratic Change EU Citizenship Report 2017

COM(2017) 30 final/2

POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

Introduction and background

1. recognises that, in these uncertain times into which the Union has been plunged, it is vital to strengthen citizens' sense of belonging and participation in, as well as to bring them closer to, the integration project which has been developed over the course of the last sixty years. The European model maintains its appeal. However, if we are to inject new life into the process, we must seek to empower citizens across all spheres (political, social, economic and cultural) as part of the measures taken. With this in mind, EU citizenship — introduced 25 years ago as part of the Maastricht Treaty and conceived as a common status for all Europeans — could form an ideal tool in this regard;
2. argues that it would be beneficial to reinforce citizens' rights in the face of a globalisation process that creates both opportunities as well as challenges for our citizens. In light of this, the Committee welcomes the discussion launched recently by the Commission with the aim of harnessing the globalisation process, ensuring the protection and empowerment of European citizens through the development of strong social policies, helping achieve an upward convergence of living-standards, as well as much-needed support for lifelong education and training, with strong involvement from the private sector, and draws particular attention to the role that the European Structural and Investment Funds might play in addressing these measures in the context of vulnerable regions;
3. stresses the need to ensure respect for the principle of the rule of law at local and regional levels too, as it is at these levels that citizens perceive it. This is due to the fact that — as the CoR has pointed out ⁽¹⁾ — the nearly 100 000 local and regional authorities in the European Union bear much of the responsibility for implementing fundamental rights and freedoms through their interaction with the general public in all its diversity;
4. reiterates, in line with its existing opinions on the previous citizenship reports, that the social dimension inherent in citizenship, and regional and local authorities' specific responsibilities for it, cannot be disregarded. With this in mind, the Committee welcomes the institutions' commitment to helping achieve an upward convergence of living-standards and underlines that the principle of subsidiarity must be respected in a European Pillar of Social Rights in the autumn of this year, and draws attention to the impact that Chapter III of this pillar (social protection and inclusion) will have on the competences of local and regional authorities as regards, among other issues, measures relating to child protection, setting minimum wages, inclusion of people with disabilities, access to housing and essential services, etc. ⁽²⁾. Underlines that any strengthening of these rights as proposed in the document must be accompanied with a territorial impact assessment and a subsidiarity and proportionality analysis to ensure that local and regional authorities' competences are respected;

⁽¹⁾ Committee of the Regions, RESOL-VI/020, 'The rule of law in the EU from a local and regional perspective', 122nd plenary session, 22-23 March 2017.

⁽²⁾ European Commission, Proposal for a Interinstitutional Proclamation on the European Pillar of Social Rights, Brussels, 26.4.2017 COM(2017) 251 final. Cf. also https://ec.europa.eu/commission/priorities/deeper-and-fairer-economic-and-monetary-union/european-pillar-social-rights_en (accessed on 15.5.2017).

5. is deeply concerned at the implications for citizenship that may ensue from the UK's decision to leave the EU; considers it absolutely necessary — with due clarity and full respect for legal certainty — to guarantee the rights of European citizens and their families residing in the United Kingdom and UK citizens living in other European Union Member States based on the principle of reciprocity. Particular attention should be paid to this issue over the coming years. It is therefore essential that the future agreement should provide, in particular, for the necessary effective, non-discriminatory and broadest possible guarantees that the rights of citizens, including the right to permanent residence of EU citizens in the UK and UK citizens in the EU, will be maintained. Clearly, in the interests of a fair solution, these rights should also be guaranteed on a reciprocal basis;

6. encouraged by the attitude demonstrated by the parties on these issues in the negotiation process, and wishing to obtain as much continuous and up-to-date information as possible on their development, feels that the following must be ensured: the accurate identification of the beneficiaries; basic rights, including access to and enjoyment of education, and health and social services; the preservation of the status quo in certain situations (Northern Ireland and Cyprus) in which European citizenship rights could be particularly affected. The Committee considers that throughout this process, with the cooperation of local and regional authorities, the persons concerned should be provided with as much information as possible and efforts should be made to ensure that they do not fall victim to any form of discrimination or xenophobia;

7. bearing in mind the above, warmly welcomes the proposals put forward by the European Commission in its EU Citizenship Report 2017, which it considers to be appropriate to the task of embarking upon a new stage in strengthening European citizenship rights; argues, however, that the content of the report could be enhanced further;

Promoting EU citizenship rights and EU common values

8. notes that European citizens trust local and regional authorities the most and that local and regional politicians should play a much greater role in the EU decision-making process promoting the view of citizens;

9. considers that the work of local and regional authorities will be key in taking forward the Commission's proposals to raise awareness of citizens' rights. We should seek to involve these authorities so as to facilitate immediate access to this information, given that by their very nature they are the administrations that are closest and most accessible to citizens. In this regard, the role of Europe Direct information centres ought to be maximised so as to raise awareness and provide information to citizens about their EU rights and funding opportunities, European themed events and seminars, and contact details of relevant organisations;

10. feels that awareness-raising among the general public should be aimed primarily at young people. Up to now they have been the demographic most severely affected by the economic crisis, and their loss of confidence in an integration process and a citizenship status which do not guarantee their full personal and professional development should be taken into particular consideration. The measures that need to be adopted — and in which local and regional authorities play an essential role — must include not only the launch of the European Solidarity Corps, but measures of all kinds (access to employment, mobility, education, skills development, etc.), as requested by the European Council last December;

11. considers that, as regards the strengthening of the democratic principle, the contribution of local authorities is crucial as a primary and immediate sphere for European citizens to participate in representative democracy. Moreover, the involvement of local and regional authorities in dialogues with citizens and in public debates helps to promote participatory democracy, and should therefore be further developed in the future;

12. believes that local and regional authorities must also play an important role in guaranteeing the right of EU citizens to reside in another Member State, if they are providers of funding or social benefits. In any event, their activity in the area of 'social citizenship' should be guided by the criteria laid down by European law — and specified by case-law — the knowledge and dissemination of which are particularly necessary;

13. recognises that the implementation of the freedom of movement of persons built up through tourist, cultural, educational and economic exchanges has contributed to forging a sense of European citizenship and promoting mutual understanding; recommends strengthening European citizens' sense of unity by stepping up this contact. Valuing our cultural diversity and heritage can contribute to this in particular. The European institutions have recognised this by making 2018 the European Year of Cultural Heritage, in which local and regional authorities are key strategic players in the activities and initiatives to be promoted as part of the European Year of Cultural Heritage;

Promoting and enhancing citizens' participation in the democratic life of the EU

14. agrees that one of the core dimensions of citizenship — as well as the most immediate — concerns citizens' participation in local and regional elections; emphasises, furthermore, that participation in European Parliament elections in the country of residence is also an important expression of European citizens' rights, but the fact that these elections are governed by different national rules runs counter to a pan-European approach; therefore suggests adopting the proposals of the European Parliament to make election campaigns more European, and taking up the idea of transnational lists for the election of MEPs;

15. warns, however, that participation in regional elections is not included in the rights of European citizens. This is an issue requiring a special legislative procedure subject to unanimous voting (2nd paragraph of Article 25 TFEU) and therefore merits a further reflection. In the meantime, Member States could be invited to develop various forms of participation available to EU citizens;

16. feels that increasing the participation of EU citizens in local elections will — in close cooperation with local authorities — render the adoption of various measures (dissemination of information, awareness-raising campaigns, simplifying the formalities for the electoral register, etc.) unavoidable. At the same time, with the increasing participation of European citizens in local elections, the rights of disabled people to full political participation should be addressed urgently, including where necessary by eliminating all existing obstacles to their participation in the Member States. This issue — which is beyond the remit of local and regional authorities — should be taken into account by the Commission as part of its proposals;

17. points out that third-country nationals legally residing in the EU should also have the opportunity for political participation at local and regional level, in accordance with the law of the country of residence;

18. recalls that, since the Lisbon Treaty, the involvement of citizens has not been limited to the exercise of voting rights, but also implies their involvement in the democratic process through various forms of participatory democracy. Accordingly, local and regional authorities must help to raise awareness of these new ways of participating and make them more widespread among European citizens, integrating them into their own practices;

19. points out that these tools include the European Citizens' Initiative (ECI) which has been the most visible dimension of participatory democracy in the EU as well as potentially consolidating the close relationship between citizens and the authorities of which local and regional institutions also form a part. In its report, the Commission paints a satisfactory picture of the five years during which this initiative has been running, but there is clearly a need to develop this instrument further and make it more user-friendly if its full democratic potential is to be harnessed. The CoR will continue to scrutinise the development of the ECI and is currently working on its recommendations for the proposed revision of the Regulation (EU) No 211/2011;

20. welcomes the recent case-law of the General Court in relation to the ECI, which on the whole restricts the wide discretion of the Commission in favour of increasing the ECI's capacity to influence all kinds of procedures⁽³⁾; calls therefore for the mechanism to be reformed so as to ensure the genuine empowerment of citizens in the EU 's political and legal procedures;

Simplifying daily life for EU citizens

21. warns that local and regional administrations are called upon to deal with many of the formalities required by the general public on a daily basis. They also tend to be the first administrative point of contact;

⁽³⁾ General Court Judgement of 3 February 2017, *Bürgerausschuss für die Bürgerinitiative Minority SafePack — one million signatures for diversity in Europe v. European Commission*, T-646/13, ECLI:EU:T:2017:59; General Court Judgement of 10 May 2017, *Michael Efler and others v. European Commission*, T-754/14.

22. notes however that European citizens complain about the lack of information, the length and the complexity of many of the administrative procedures required in order to exercise their right to free movement and residence in other Member States. These criticisms may be symptomatic of the lack of attention paid by public authorities — including regional and local authorities — to the suggestions, expectations and needs of citizens in their dealings with administrations. Underlines the importance of simple and transparent rules in order to enable EU citizens to live in other EU Member States and fully participate in the social life of the country. Acknowledges the need for a multilevel governance approach, where all level of governments should work together to facilitate this process;

23. considers that the measures envisaged by the Commission in relation to the creation of a 'Single Digital Gateway' should involve not only the national administrations but also the regional and local authorities, adopting a general approach to this first step towards a necessary process of administrative simplification and streamlining in this regard, therefore, considers that since the strengthening of European citizenship, based on the democratic values as enshrined in Article 2 of the Treaty on European Union is directly linked to the various public administrations ensuring compliance with the principle of transparency, it would be very helpful if the EU institutions were to cooperate with them and provide them with the technical tools and adequate financial resources to ensure the effective implementation of the principles of transparency and good governance at the various levels of European public management, as well as spaces for exchanging and evaluating experiences;

24. notes that, as a result of living close to a border, people in border regions, in particular, are confronted on a daily basis with obstacles to exercising their right to freedom of movement. Cross-border workers in particular are faced with many obstacles to mobility due to the lack of coordination between Member-State legislation in the areas of social security, direct taxation and tax benefits along with employment legislation, which prevent them from exercising the right to equal opportunities as regards access to work. The question of what their EU citizenship entails or can entail should also be important for the EU itself, because it is primarily in these European border regions that the European idea and common values are already visible. The European Commission should facilitate cross-border dialogue, processes and participation in the border regions and in cross-border cooperation; it should also encourage Member States to coordinate their legislation more effectively with a view to protecting the rights of people in border regions;

25. feels that it may also be worthwhile noting the good practices ensuing from the involvement of local authorities in the Smart Cities programme. Taking these practices into consideration may help to improve the new tools that the Commission is planning to introduce;

Strengthening security and promoting equality

26. underlines that the work of local and regional authorities has a particular role to play in promoting equality of opportunities; in this regard, given that financial inclusion is an indispensable facet of citizenship within the EU, as it plays an important role in reducing poverty, mitigating income disparity and increasing economic growth, local and regional authorities should develop partnerships to establish measures to prevent and combat financial exclusion and over-indebtedness, paying particular attention to the most vulnerable citizens;

27. believes that in the case of the proposed measures for combating gender violence, it is essential to encourage Member States to implement Directive 2011/99/EU, facilitate their participation in the Istanbul Convention, and take into account the role of local and regional authorities, given the existence of programmes at regional or local level related to this issue (guidance, maintaining shelters for victims, allowances and financial assistance, etc.), as well as the natural proximity with the victims;

28. points out that the role of these administrations is also key when it comes to measures aimed at balancing work and family life, as they are responsible for support measures, school timetables, etc. With this in mind, the Committee notes with satisfaction the proposals contained in the legislative initiative submitted by the Commission on the subject. With regard to improving work-life balance, the Committee also points out that best practices and policies developed by individual regions and local authorities on supporting families in difficult situations, particularly large families, should be promoted at European level;

29. stresses that initiatives at regional and local level aimed at fighting the discrimination and addressing the lack of social acceptance faced by LGBTI groups are also particularly relevant to the promotion of equality;

30. notes the important role that local and regional authorities play in promoting measures aimed at facilitating the integration and equal participation of disabled people. In this regard, the Committee supports the European Disability Card project, which entitles people with disabilities to a number of specific benefits (particularly in the areas of culture, transport, leisure activities and sport) in each of the participating countries;

31. stresses that as regards the measures aimed at the Roma/Sinti minorities as well as other minorities, the role of local and regional authorities is a key element in areas such as social aid, schooling and housing;

32. notes that the proposed actions for equality do not take into consideration the particular needs of young people. Insecure jobs and difficulty in accessing employment are factors that hinder their enjoyment of the equal rights as humans and citizens conferred upon them by the founding Treaties and the Charter of Fundamental Rights. In these circumstances, disaffection among young people may turn into open hostility to the European project — nurtured by populist and xenophobic movements — or radicalisation;

33. considers that the undeniable improvement to the education of young Europeans as a result of greater access to European education, training, youth and sports programmes — now gathered together under the umbrella of the Erasmus+ programme — makes it all the more necessary to develop measures aimed at easing their transition from education to the workplace, by allowing young people to gain new qualifications and improve their employability, either by making use of the initiatives already rolled out by local authorities in this area (for instance through the ESF) or through closer cooperation between the sectors involved, and thereby overcoming the contradictory situation wherein the most educated European generation in history is encountering the greatest difficulties in accessing good-quality jobs. Lastly, the Committee points out that it is crucial to improve the employability of young people, in order to bring them closer to the European Union and its values.

Brussels, 30 November 2017.

*The President
of the European Committee of the Regions*
Karl-Heinz LAMBERTZ

Opinion of the European Committee of the Regions — Modernising school and higher education

(2018/C 164/05)

Rapporteur: Csaba Borboly (RO/EPP), President of Harghita County Council

Reference documents: Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on a renewed EU agenda for higher education

COM(2017) 247 final

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions — school development and excellent teaching for a great start in life

COM(2017) 248 final

Proposal for a Council Recommendation on tracking graduates

COM(2017) 249 final

I. RECOMMENDATIONS FOR AMENDMENTS

Amendment 1

Proposal for a Council Recommendation on tracking graduates

Recital (1)

Text proposed by the Commission	CoR amendment
The employability of graduates leaving education and training is a matter of concern in many Member States, in particular because the employment rate of recent higher education graduates in the Union has not fully recovered after the 2008 financial crisis and the employment situation of graduates of vocational education and training programmes varies across Member States.	The employability of graduates leaving education and training is a matter of concern in many Member States, in particular because the employment rate of recent higher education graduates in the Union has not fully recovered after the 2008 financial crisis and the employment situation of graduates of vocational education and training programmes varies across Member States and regions and often depends on the geographical location. The specific context of the outermost regions should also be taken into account, given that they have some of the highest unemployment rates in Europe.

Reason

In addition to the discrepancies between Member States, it is important also to take account of regional disparities.

Amendment 2

Proposal for a Council Recommendation on tracking graduates

Recital (6)

Text proposed by the Commission	CoR amendment
Although many Member States are developing systems for tracking, the exchange of knowledge, good practice and mutual learning is limited.	Although many Member States and local and regional authorities are developing systems for tracking, the exchange of knowledge, good practice and mutual learning is limited.

Reason

It is not only the Member States that are developing systems for tracking; these are also being developed by local and regional authorities to promote employment in certain zones and/or regions.

Amendment 3

Proposal for a Council Recommendation on tracking graduates

Recital (9)

Text proposed by the Commission	CoR amendment
Member States have called for action at Union level, aimed at improving the flow of information about employability, skills mismatches and labour market needs. In particular, the 2015 Joint Report of the Council and the Commission on the implementation of the strategic framework for European cooperation in education and training (ET 2020) proposes the promotion of the relevance of higher education to the labour market and society, including through better intelligence and anticipation about labour market needs and outcomes, for example tracking the career of graduates.	Member States have called for action at Union level, aimed at improving the flow of information about employability, skills mismatches and labour market needs at the highest disaggregation level possible . In particular, the 2015 Joint Report of the Council and the Commission on the implementation of the strategic framework for European cooperation in education and training (ET 2020) proposes the promotion of the relevance of higher education to the labour market and society, including through better intelligence and anticipation about labour market needs and outcomes, for example tracking the career of graduates.

Reason

The maximum possible disaggregation level will enable the development of more refined policies that are in line with the needs identified.

Amendment 4

Proposal for a Council Recommendation on tracking graduates

Recital (10)

Text proposed by the Commission	CoR amendment
Member States also committed themselves to ensuring continuous information and feedback loops in the Riga Conclusions of 2015 on a new set of medium-term deliverables in the field of VET for the period 2015 — 2020, through actions such as the use of data on VET graduate employability and a combination of data on learning, labour market entry and career, developing capacities of actors at national level to use graduate data for adapting curricula, occupational profiles and the content of VET qualifications to new economic and technical requirements.	Member States also committed themselves to ensuring continuous information and feedback loops in the Riga Conclusions of 2015 on a new set of medium-term deliverables in the field of VET for the period 2015 — 2020, through actions such as the use of data on VET graduate employability and a combination of data on learning, labour market entry and career, developing capacities of actors at national, regional and local level to use graduate data for adapting curricula, occupational profiles and the content of VET qualifications to new economic and technical requirements.

Reason

Regional and local actors currently also play an important role in education and the employment market.

Amendment 5

Proposal for a Council Recommendation on tracking graduates

Paragraph 1

Text proposed by the Commission	CoR amendment
(a) the collection of relevant administrative data from education, tax and social security databases;	(a) the collection of relevant administrative data from education, tax and social security databases, while ensuring that this does not entail an additional financial burden on local and regional authorities;

Reason

The new administrative tasks entailed by this measure must not mean an increase in budgetary needs going beyond what is necessary to achieve the intended results.

Amendment 6

Proposal for a Council Recommendation on tracking graduates

Paragraph 1

Text proposed by the Commission	CoR amendment
(c) the possibility for public authorities to link, on an anonymised basis, data from different sources, in order to build a composite picture of graduate outcomes.	(c) the possibility for public authorities to link, within and across borders and on an anonymised basis, data from different sources, in order to build a composite picture of graduate outcomes.

Reason

Given the increasing learner mobility, building a composite picture of graduate outcomes requires having access to data beyond that of a single Member State.

Amendment 7

Proposal for a Council Recommendation on tracking graduates

Paragraph 2

Text proposed by the Commission	CoR amendment
<p>Collect data that includes:</p> <p>a) the following quantitative data</p> <ul style="list-style-type: none"> i) socio-biographical and socioeconomic information, ii) study intensity, iii) study method, iv) qualification(s), v) credits received, vi) field of study, vii) transition to employment or further education and training, viii) earnings, ix) type of contract, x) employment status, xi) occupation, professional status and/or activity, xii) geographical and/or sectoral mobility; <p>b) the following qualitative data:</p> <ul style="list-style-type: none"> i) relevance of study to employment, ii) participation in volunteering or civic engagement activities, iii) career progression and satisfaction, iv) perceptions of the quality and relevance of their education and training experience. 	<p>Collect data at the highest disaggregation level that includes:</p> <p>a) the following quantitative data</p> <ul style="list-style-type: none"> i) socio-biographical and socioeconomic information, ii) study intensity, iii) study method, iv) qualification(s), v) credits received, vi) field of study, vii) transition to employment or further education and training, viii) earnings, ix) type of contract, x) employment status, xi) occupation, professional status and/or activity, xii) geographical and/or sectoral mobility; <p>b) the following qualitative data:</p> <ul style="list-style-type: none"> i) relevance of study to employment, ii) participation in volunteering or civic engagement activities, iii) career progression and satisfaction, iv) perceptions of the quality and relevance of their education and training experience.

Reason

Using the maximum possible disaggregation level will provide a much clearer picture of the issues faced.

Amendment 8

Proposal for a Council Recommendation on tracking graduates

Paragraph 3

Text proposed by the Commission	CoR amendment
Longitudinal graduate surveys 3. Encourage a high, representative and continued response rate to longitudinal graduate surveys, including the tracking of graduates who have migrated, whether for the purposes of education and training or on completion of their education and training.	Longitudinal graduate surveys 3. Encourage a high, representative and continued response rate to longitudinal graduate surveys, including the tracking of graduates who have migrated, whether for the purposes of education and training or on completion of their education and training, <i>and of graduates who have returned after having completed any level of higher education or vocational education and training in another Member State or any other third country, especially those bordering the EU.</i>

Reason

In an increasingly interconnected EU labour market and against a backdrop of high learner mobility, improving skills acquisition and employability is a goal pursued by the educational systems of all Member States. In this sense, the tracking of graduates must go beyond national borders.

Amendment 9

Proposal for a Council Recommendation on tracking graduates

Paragraph 5

Text proposed by the Commission	CoR amendment
e) contributing to policy development at both national and Union level.	e) contributing to policy development at national, regional and local as well as Union level.

Reason

Local and regional authorities are important players in the field of education and in the context of intervention on the labour market.

Amendment 10

Proposal for a Council Recommendation on tracking graduates

Paragraph 9

Text proposed by the Commission	CoR amendment
Provides capacity building support in vocational education and training, as needed, for the establishment of graduate tracking systems, based on good practices identified through a comprehensive mapping across Member States, and facilitates cooperation among authorities, providers of vocational education and training and guidance services with regards to the use of graduate tracking data.	Provides capacity building support in vocational education and training, as needed, for the establishment of graduate tracking systems, based on good practices identified through a comprehensive mapping across Member States at their different national, regional and/or local levels , and facilitates cooperation among the various authorities, providers of vocational education and training and guidance services with regards to the use of graduate tracking data.

Reason

The key role played by the various authorities of each Member State deserves to be recognised.

Amendment 11

Proposal for a Council Recommendation on tracking graduates

Paragraph 11

Text proposed by the Commission	CoR amendment
Ensures that data collected and related analyses are made available for use by Member States and stakeholders, including through existing online EU tools.	Ensures that data collected and related analyses are made available for use by Member States and local and regional authorities, but also by stakeholders, where the protection of personal data is guaranteed and where the provision of such access is justified by the general interest or research or strategic planning needs , including through existing online EU tools.

Reason

While it goes without saying that such access must be guaranteed for local and regional authorities, it should be limited for stakeholders, depending on the purpose for which the data is to be used.

II. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

1. deems the Commission proposal for a Council Recommendation a welcome but timid first step when it comes to European cooperation, considering that the availability of comparable information on graduate (un)employment across the EU is crucial in order to be able to address, inter alia, the brain drain within and across European regions. Such availability would also enable the Commission to formulate its policy recommendations in a uniform way, as part of a global approach;

2. welcomes the fact that the Commission is continuing to pay particular attention to questions related to developments in the field of education. Education is part of Europe's historical heritage and is one of the main vectors of competitiveness for the Member States and regions, as well as of equal opportunities, social mobility and European citizenship;

3. offers its support to the European Commission in the framework of this process, which, while fully acknowledging the responsibility of the Member States for the content of teaching and the organisation of education systems, could reinforce the compatibility and interoperability of the various European systems of school and higher education and training; in this sense, considers that the proposed action as it stands does not appear to raise any subsidiarity concerns and underlines the importance of respecting the proportionality principle to ensure that no new financial or administrative burdens are generated;

4. welcomes the fact that, in its Communication, the European Commission indicates that giving all young people the opportunity to acquire the whole range of key competences would be a significant step towards equal opportunities for EU citizens, thus taking up a proposal put forward for the first time in the European Committee of the Regions' opinion on European cooperation in the youth field (2010-2018);

5. emphasises the need for access to educational opportunities not to be determined by family income, the student's origin or mother tongue, and for equality to be at the centre of European school and higher education systems allowing all EU citizens to reach their potential. The Committee welcomes the Commission's approach, which recognises the need to step up investment in the education and training sector, inter alia, in order to address school and university drop-out, so that local and regional authorities can guarantee everyone the right to an education, sweeping aside barriers which are a limiting factor in the choice of and primarily the ability to take up education paths;

6. points out that the idea of the Citizens' University can become a reality only if the Union and the Member States genuinely and appropriately consult the local and regional authorities when drawing up their higher education policies; calls on the European Commission to give a new impetus to the Bologna process and to take the necessary measures in certain areas, e.g. on rapid and even automatic recognition and equivalence of degrees and vocational qualifications, including doctorates and other academic titles;

7. sees digitalisation as an opportunity to address many educational challenges, as well as a fundamental element in the modernisation of the education system. It can facilitate, inter alia:

- more personalised and inclusive teaching, especially for mixed-abilities classes

- distance learning, e.g. to reach the most remote or isolated areas, or those groups that are harder to reach

- the documentation of students' progress, facilitating the assessment work of teachers and reducing red tape;

8. draws attention to the fact that, with regard to the modernisation of school and higher education, it is not enough to discuss the objectives, particularly given that the planning of EU funds for the next programming period is already in progress and that, in this respect, emphasis should be placed on the need to provide for specific support after 2020 for projects and measures for the development of training programmes and school and higher educational infrastructure in the less developed regions;

9. stresses that equal opportunities with regard to access to higher education, including for students from less favoured, outlying or outermost regions or minority communities, can be better safeguarded once the publicly funded education system to which they have access is efficient, effective and inclusive;

10. points out that opportunity to travel and cultural exchange in the EU (via the Erasmus programme for example) can enrich students educational experience and help foster a sense of EU citizenship; in this regard, notes that equal opportunities in terms of mobility must be guaranteed, in order for it to be accessible on equal terms to all young people regardless of where they live;

11. considers that it would be worthwhile promoting the development of complementary training systems and other catch-up programmes to facilitate the transition from one level of education to the next, while appropriately promoting the exchange of best practice in this area;

12. suggests that the proposal for more results-orientated financing of higher educational institutions be reconsidered in order to take due account of the special challenges facing universities of regional and local importance, and particularly higher educational institutions attended by small numbers of students from minority communities and whose disappearance would cause considerable cultural, community and economic damage;

13. draws attention to the fact that new measures are needed for the internationalisation of higher education, particular as regards joint European and international exchange and mobility programmes, degrees and the extension of Erasmus to candidate countries and neighbouring third countries, while respecting quality requirements;

14. points out that at present the funds available for the internationalisation of education and vocational training systems preceding higher education are insufficient, and therefore considers that there is a need to systematically mobilise new European and national, as well as regional and local resources;

15. given that, in the current higher education and training system, there is often a mismatch between the preparedness, qualifications and skills of graduates, on the one hand, and the needs of the labour market and conditions of employability on the other, recommends that efforts be made to introduce into higher education needs-based training courses which, for example, make it possible for a student to choose freely between courses offered at different universities with the involvement and consultation of all relevant stakeholders, including local employers. Once students have completed these training courses, they can be awarded the credits equivalent to those obtained through regular higher education courses;

16. endorses a dual learning system linking the education and vocational training available with the local environment and taking into account the specific needs of the local labour market, not least through organisational models guaranteeing that public and private stakeholders share responsibility for achieving their mutual goals. The Committee is in favour of strengthening work-based learning, such as apprenticeships and vocational traineeships, as they provide the opportunity to develop skills needed in the labour market;

17. considers that there is a real need to develop short training courses in the interests of the flexibility of the higher education system, and with a view to the possible equivalence to higher education of in-house and further training courses provided by vocational organisations and chambers, where appropriate ensuring that successful completion of training of this kind can be recognised, in compliance with the appropriate quality criteria, as at least partially equivalent to one or more courses completed at university level;

18. underlines the need to strengthen higher education vocational training, by promoting vocational courses within technical institutes as well as universities;

19. believes that, in addition to respecting the autonomy of universities, there is also a need to ensure the public availability of face-to-face and online university courses, in accordance with the idea of the 'universitas' as a community;

20. notes with concern that, although significant research, funded under the Horizon 2020 framework programme or from national public funds, is being carried out in European universities, its results are very often not available free of charge, at least not for professionals, non-higher-education teachers or other potentially interested persons, which significantly reduces the impact of the European R & D system, while limiting the access of teachers and persons undergoing training who do not have sufficient resources to access the latest research results;

21. agrees that the pedagogical, psychological and methodological preparation of school and higher-education teachers and trainers is a key condition for successful education in the future and therefore considers it particularly necessary in this rapidly developing area to share best practice, which teachers and trainers could become familiar with and adopt via the mobility available to them under the Erasmus programme, and support joint innovation projects, including initiatives concerning training and study programmes for staff providing initial and continuing training for teachers and trainers; technological refresher courses for teachers and trainers, particularly in some regions, can also help improve teaching standards and so close the persistent performance gap between regions and Member States alike;

22. expresses its concern that Brexit may be detrimental to the rights of graduates, schoolchildren and higher-education students being educated in the United Kingdom; stresses that the risk relates not only to probable changes in education policy in the United Kingdom but also to uncertainty as to the recognition and equivalence of their training, qualifications and degrees in the Member States, a risk which concerns all EU countries and could therefore justify joint action at Union level;

23. calls on the European Commission to ensure, in the context of the UK's withdrawal from the EU, that the collateral damage arising from the departure of the United Kingdom, such as any reduction in the excellent ongoing cooperation that currently exists with higher education institutions and R & D centres in the UK, is limited as far as possible provided that the principle of reciprocity is upheld, even if that entails a reasonable burden on the budget;

24. draws attention to the fact that certain less-developed regions may be drawn into a downward demographic and educational spiral to the extent that these two processes are mutually reinforcing, leading to further deterioration in their competitiveness and educational systems; calls therefore for strategic solutions to be drawn up to promote the improved mobility of schoolchildren and students and to assist, where necessary, their return to their region of origin;

25. considers that it is high time for the necessary investment to be made in educational infrastructure, both in more developed and less developed regions, always taking care to adapt coordinated investment to the specific features of the region concerned. In this connection, it is particularly important to allow for greater support from the European Investment Bank and the European funds for regional initiatives aimed at developing education;

26. points out that making higher education, training and publicly funded education systems subordinate to the requirements of effectiveness, direct competitiveness and rapid or even immediate employability could endanger the existence of disciplines and skills whose disappearance would do incalculable medium and long-term damage to European culture, the arts, high-level science and local knowledge, even though they offer very few openings for graduates;

27. stresses that, with regard to school, training and possibly higher education provided in the languages of national or ethnic minorities, everything possible should be done to prevent any restriction on access to education for pupils from minorities and to set up systems that will enable any graduate from a minority background or intra-EU immigrant to enjoy the same opportunities for accessing continuing training and employment as other graduates;

28. acknowledges that, in several Member States, religious educational institutions and schools, as well as higher education and training institutions run by churches and religious organisations make a major contribution to schooling and higher education in Europe, therefore there can be no discrimination against them, like against any education institutions, as long as the national education curriculum is implemented. At the same time, underlines that secular education and the respect for different religions and beliefs are cornerstones of European integration;

29. considers that one of the fundamental challenges in managing the migration crisis and the situation of refugees, asylum-seekers and people in equivalent circumstances lies in identifying the skills, aptitudes and qualifications of the people concerned and, where necessary, establishing equivalences, without which there can be no true educational integration or involvement in the labour market; therefore reiterates its call for support to the Member States in ensuring access to skills identification, language introduction, upskilling efforts and other measures to promote integration at work and in society. It should also be possible for people with training/qualifications acquired in their country of origin to have those skills assessed without delay ⁽¹⁾. Considers that the local and regional authorities concerned should be consulted with a view to joint, effective management of the situation, with due respect for objectives in the areas of integration, equal opportunities and human rights;

30. calls for consideration to be given to ways of boosting sports and health education in the education system, with particular emphasis on primary education and support for extra-curricular programmes. The approach to health education should be holistic, including physical and mental well-being, in order to prevent cases of harassment and violence at school;

⁽¹⁾ CoR opinion on A New Skills Agenda for Europe (COR-2016-04094).

31. stresses that education and training should promote tolerance and the values on which the EU is founded, that is, of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities, so as to combat radicalisation, exclusion, xenophobia and the risk of the propagation of extremism in its different forms;

32. expressly requests that, within the framework of concerted efforts to effectively reduce the gap between different regions, due assistance should be provided to certain less-developed regions to empower them to modernise school and higher education, while continuing the development of vocational education and training; it should be noted in this connection that employment opportunities in certain regions are mainly available to applicants who have completed vocational education and training and that, if the development of this type of education were no longer included among the priorities, this would do even more damage to the economic and social situation of the region;

33. shares the Commission's view that, in the area of school and higher education and training, the dissemination of multilevel governance instruments and, where justified, recourse to decentralisation could be a suitable way of encouraging cooperation and partnerships between certain regions — including border regions and those with similar characteristics — with a view to effective planning and implementation of the process of modernising school and higher education;

34. calls on the European Commission to consider the European Committee of the Regions as a partner in the process of drawing up policy for the development and modernisation of school and higher education and, during the consultative process, to make as much use as possible of the expertise of local and regional authorities, on the one hand as stakeholders and on the other as the authorities responsible for supporting or organising the educational system.

Brussels, 30 November 2017.

*The President
of the European Committee of the Regions*
Karl-Heinz LAMBERTZ

Opinion of the European Committee of the Regions — Local and regional perspective on promoting public sector innovation via digital solutions

(2018/C 164/06)

Rapporteur: Frank CECCONI (FR/ADLE), Regional Councillor for Île de France

POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

General comments

1. notes that the public sector has a crucial economic role to play as regulator, service provider and employer and that, in a changing world, this sector also needs to develop in order to meet society's expectations;
2. points out that local and regional authorities, as administrations operating at a level close to the public and responsible for the direct provision of services in everyday life, have a decisive role to play in modernising public services;
3. underlines the key role that digital solutions could have in building a new model of government which is more transparent, simpler, more efficient, more inclusive and thus more in tune with users' aspirations;
4. points out that at its meeting in October 2013, the European Council concluded that the modernisation of public administrations should continue through the swift implementation of e-services (e.g. e-health, e-invoicing, e-procurement) and that open data constituted an untapped resource with huge potential;
5. notes that neither the public nor business uses the potential of online public services to the full yet, and that e-government has developed patchily in the different Member States and regions of the Union;
6. considers that the modernisation of the public sector by means of digital solutions opens up new economic prospects for businesses and thus helps strengthen the Union's competitiveness and that of its Member States;
7. points out that, at a time when most public administrations are facing the need to cut back on overall expenditure, the digitisation of administration provides a way to provide a better quality of service whilst making substantial savings;
8. consequently welcomes the priority that the Estonian presidency of the Council attaches to building up a digital Europe and the free movement of data, as well as the goal of gradually putting cross-border digital public services in place, designed to make everyday life easier;
9. underlines its support for the priority the Commission is attaching to both the digitisation of the public sector as part of moves to complete a digital single market and the 2016-2020 eGovernment Action Plan;
10. fully subscribes to the Commission's vision — as part of the 2016-2020 eGovernment Action Plan — according to which, by 2020 at the latest, public administrations and institutions ought to be open, efficient and inclusive, providing the European public and businesses with user-friendly, personalised and border-free digital services;
11. welcomes the observer status allocated to it on the eGovernment Action Plan Steering Board and would suggest, in view of the role played by local and regional authorities in modernising the public sector, that its status be changed to one of full member;

12. points out its wish to see local and regional authorities involved in the design of measures and tools for achieving this goal and not just in the implementation and use thereof;

13. underlines the considerable capacity for innovation and experimentation demonstrated by local and regional authorities across the Union, especially in matters pertaining to access to information, energy efficiency, sustainable mobility, waste processing, administrative simplification, health and security;

14. points out that public sector innovation is one of this year's themes for the joint Knowledge Exchange Platform of the CoR and DG RTD. The activities of the platform are intended to result in interested cities and regions being declared pioneers of innovative renewal of public administration and innovative procurement in order to disseminate best practice effectively. With the help of the pioneering cities and regions, and in cooperation with the Commission, more effective provision of services and economies of scale should be achieved across the EU;

Vision and underlying principles

15. considers it to be the responsibility of public administrations to construct ecosystems favourable to innovation, be it within or outside the public sector;

16. emphasises the importance of open administration giving access to its data and services in a secure manner so as to improve transparency and efficiency; approves the principle according to which public administrations should exchange information amongst themselves and with the public as well as with businesses, in a transparent, inclusive fashion;

17. reiterates its support for the 'digital by default' principle, also for cross-border application, for services provided by public administrations, as long as it is backed up by measures for ensuring digital inclusion ⁽¹⁾;

18. endorses the 'once only' principle, which entails public administrations only asking for a piece of information once from people and businesses. Such an approach would mean contacts between the general public, businesses and public administration could be simplified;

19. supports the principle of interoperability by default, which is a key factor for harnessing the potential of the digital society;

20. endorses the 'co-production' principle ⁽²⁾ and the growing involvement of users in all the processes for changing public services. This is also in line with the CoR's proposal that the principle of co-production be used to ensure that the EU's next Framework Programme for Research and Innovation is developed with the full involvement of the regions ⁽³⁾;

21. welcomes, therefore, the harmonisation of the legal framework thanks to the General Data Protection Regulation, which — in keeping with the proportionality principle — allows the fundamental right to the protection of individuals with regard to the processing of personal data to be reconciled with all the other relevant fundamental rights; points out that the fragmented implementation of the protection of personal data in the Union does give rise to legal uncertainty, jeopardising the free movement of data throughout the Union. The development of the MyData initiative during the Estonian Council presidency offers new opportunities for improving the management of personal data in a people-orientated way;

22. emphasises the pivotal role that local and regional authorities can play, particularly cross-border, in identifying, trying out and developing relevant, effective and sustained cross-border services;

23. underlines that the private sector has a role to play in putting a comprehensive approach in place. Innovation allows consumers to access a plethora of services — both public and private — by means of simplified procedures. Consequently the private sector should be deemed to be a full player and partner with public administrations in matters pertaining to innovation;

⁽¹⁾ CoR opinion on the eGovernment Action Plan 2016-2020 (COR-2016-02882).

⁽²⁾ <https://www.oecd.org/governance/observatory-public-sector-innovation/blog/page/citizenpoweredcitiesco-producingbetterpublic-serviceswithcitizens.htm>

⁽³⁾ CoR opinion on the Local and Regional Dimension of Horizon 2020 and the New Framework Programme for Research and Innovation (COR-2017-00854).

24. points out that, inasmuch as it entails new patterns of consumption, work and connecting, the digitisation of the economy also creates new expectations on the part of the public with regard to public services. In this context, public sector innovation and better use of eGovernment also present an opportunity to respond more effectively to those changes, particularly with respect to the development of the collaborative economy and to related issues such as registration procedures, tax and employment;

A. *Structural dimension*

25. considers it a priority to consolidate digital inclusion and disseminate digital services: the issue is the same as that for the digital single market, entailing steps to reduce the number of areas not yet covered by reliable, high performance, affordable networks at the same time as continuing to develop support measures for deploying these digital cooperative networks and developing their content;

26. believes that public administrations, in the same way as all organisations processing sensitive data, must systematically give thought to classifying data and ensuring the security thereof. Given that computer hacking, cyber attacks and cyber terrorism can do great damage, in some situations solutions need to be devised which ensure that data — and even an entire system — are physically separate from the internet;

27. highlights the European Commission's role in creating the conditions required for interoperability and harmonisation, enabling the exchange of information on which these principles are founded;

28. affirms the goal of building up transnational public services by using digital solutions; in this connection welcomes, with great interest, initiatives allowing for better interoperability between different administrations and the development of solutions such as eID and e-signatures;

29. calls for a comprehensive approach to the development of digital infrastructures, where different administrations find interoperable solutions and share a common technical base as much as possible while devising applications specific to their needs. Such an approach would do away with the need to develop infrastructures individual to each service, thus reducing costs while enabling gains to be made in efficiency. Moreover, this would help prevent the single market being fragmented along regional lines;

30. reiterates, however, in this context its call for projects for the development of broadband to be recognised as services of general economic interest ⁽⁴⁾;

31. supports initiatives for improving the public's and businesses' access to public services. Simplification and steps to refocus on users' needs should be the guiding principles behind each initiative;

B. *Human dimension*

32. thinks that, for the public sector to be genuinely innovative, far-reaching changes in organisational culture are needed; emphasises the role that operators of the various public services can play as catalysts of innovation;

33. recommends that the continuous training of public operators in new digital solutions become a priority for both local and national administrations and urges these administrations to take on board this culture of transparency, communication and the exchange of experience;

34. calls for high-level multidisciplinary teams to be set up in the various administrations, able to involve users tasked with proposing innovative solutions to public decision-makers;

35. considers that fully harnessing the potential of e-government presupposes that efforts be made beforehand to boost public and business confidence in the use that is going to be made of the data they will be passing on, and feels that for such confidence to be warranted, some data needs to be covered by a high level of harmonised protection. In this connection, is interested to note that confidence increases when the public and businesses have the right to see the use that administrations make of their data;

⁽⁴⁾ CoR Opinion on the European Cloud Initiative and ICT standardisation priorities of the Digital Single Market (COR-2016-02880).

36. believes that steps to modernise administrations by means of digital solutions must also allow the public to participate more in public decision-making and that there should be initiatives specifically dealing with this challenge, which is particularly important for local democracy;

37. therefore emphasises the value of the principle of 'co-producing' public procedures, involving users in the design and development of public services. This new way of cooperating between public authorities, the public and businesses makes it possible to meet users' needs and also to identify the public's skills and abilities, and to match these in such a way that those concerned can work together and thus develop the quality of the service delivered. It suggests that existing instruments be used, such as the OECD Toolkit and that they be promoted at local and regional level;

38. proposes that networking of European innovation centres be effectively promoted in order to give an impetus to innovation by cities and regions;

39. considers that the digitisation of administration requires that everyone be guaranteed digital access, whatever their level of education and age, whatever disability they might have and wherever they are in Europe;

40. stresses that raising awareness and educating the public and businesses, especially SMEs, about the use of digital public services will be key to acceptance of the digital transformation of the public sector, particularly by those sections of the public which are furthest removed from these technologies;

41. furthermore considers that such a change in mentality is based on education and training, and therefore advocates the promotion of IT courses in schools so as to allow the new generations to benefit from a genuine digital culture, allowing them to become active members of the knowledge society of tomorrow. Suitable lifelong learning structures should also help adults of all ages to acquire or improve digital skills;

The benefits of greater cooperation

42. underlines that innovation in the public sector can be facilitated by cooperation and the exchange of good practice between administrations and across borders;

43. welcomes and is interested in experiments in exchanging data between local authorities, along the lines of the pilot project developed between Estonia and Finland⁽⁵⁾, and suggests supporting this type of collaboration as part of interregional cooperation;

44. suggests that initiatives be developed for identifying innovation by local and regional authorities, the exchange of experience and the dissemination of good practice;

45. emphasises the value of closely involving local and regional authorities in all policies aimed at stimulating innovation in the public sector by means of digital solutions;

Recommendations

46. affirms the key role that local and regional authorities must play in modernising the public sector;

47. welcomes the involvement of the European Committee of the Regions in existing platforms such as the 2016/2020 eGovernment Action Plan Steering Board. Nevertheless feels that full membership of this board, as well as partnership with the OECD Observatory of Public Sector Innovation, would allow the European Committee of the Regions to make a stronger contribution to promoting innovation in the public sector;

48. also suggests the establishment of a partnership between the Committee of the Regions and the Open Government Partnership (OGP);

49. suggests that concrete indicators be developed to allow reliable comparisons to be drawn between public administrations as regards their openness to digital solutions;

⁽⁵⁾ Estonia and Finland are currently intensifying their cooperation on the development of X-Road, a system which ensures the direct and secure exchange of data between its members. The Nordic Institute for Interoperability Solutions, newly set up and implemented jointly by the two countries, will play a key role in the further development of the X-Road interoperability platform. (http://vm.fi/en/article/-/asset_publisher/suomi-ja-viro-perustavat-yhteisen-instituutin-kehittamaan-x-road-teknologiaa)

50. urges the public sector to commit to innovation focused on users' needs and incorporating the principles of: indiscriminate access to digital services for everyone and every business; strong protection for sensitive data; 'digital by default'; 'once only'; 'co-production'; and interoperability;
51. proposes that interested cities and regions be declared pioneers of the innovative renewal of public administration and innovative procurement in order to achieve more effective provision of services and economies of scale for the whole of Europe;
52. supports the European Parliament's call for the European Commission to lead by example in this domain;
53. suggests that an event be developed that would make it possible, at regular intervals, to promote best practices developed by local and regional authorities in the field of innovation via digital solutions.

Brussels, 30 November 2017.

*The President
of the European Committee of the Regions*
Karl-Heinz LAMBERTZ

Opinion of the European Committee of the Regions — Deinstitutionalisation in care systems at local and regional level

(2018/C 164/07)

Rapporteur: Xamuel Gonzalez Westling (SE/PES), Member of Hofors Municipal Council

POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

Rights of persons with disabilities

1. welcomes the invitation from the Estonian Government to deliver an opinion on deinstitutionalisation in care systems at local and regional level. It is estimated that one in six people in the EU — around 80 million — have some form of disability ranging from mild to severe. More than one third of people aged over the age of 75 have a disability that prevents them from leading a normal day-to-day life. These numbers are set to rise as the proportion of older people in the EU increases in the coming years⁽¹⁾. Although the quality of life and living conditions for people with disabilities have improved significantly over the past 20 years, there are still — to a greater or lesser degree — shortcomings in treatment and care, and in how people with disabilities are perceived in the majority of EU Member States. It is still unfortunately the case that there are people with, for example, developmental disabilities and/or mental illness whose right to make decisions that concern their own lives is limited;

2. Strongly believes that people with disabilities should have every possible opportunity to become self-sufficient members of society and that their freedom of choice should be upheld; reminds in this context that care systems are different in each country meaning that the transition towards community-based care must be adapted to the local specificity and involve both the concerned communities as well as users and their families; wishes to emphasise that the aim of this opinion is not to rule out or condemn all institutional care under all circumstances; institutions are not the solution, but they could also be considered to be one of the solutions available. In some countries, institutions are more open to new support arrangements so that they can adapt to the range of situations which arise and give everyone every possible opportunity to reach their potential, however severe their disability may be. Particular attention must be drawn to the role of families in the functioning of these institutions;

3. notes that, according to Article 168 of the Treaty on the Functioning of the European Union, the role of the EU in public health policies is primarily to complement health policies conducted in the Member States at the national, the regional or the local level. In full respect of the principle of subsidiarity, the EU's role is to:

— promote coordination directed towards improving public health, preventing physical and mental illness and diseases, and obviating sources of danger to physical and mental health. Such action shall cover the fight against the major health scourges, by promoting research into their causes, their transmission and their prevention, as well as health information and education, and monitoring, early warning of and combating serious cross-border threats to health;

— set certain standards of quality and safety of organs and substances of human origin as well as in the veterinary and phytosanitary fields and for medicinal products;

4. notes that the 2006 UN Convention on the Rights of Persons with Disabilities (CRPD) represents a radical turning point when it comes to disability, by focusing on how society and the surrounding environment can be adjusted to compensate for the obstacles facing persons with a disability so as to allow them to be included in society and to live their lives as independently as possible. As of November 2017, 27 of the 28 EU Member States had ratified the Convention, and of these 22 had also ratified its Optional Protocol⁽²⁾. The CoR would recommend that all Member States ratify both the Convention and the Optional Protocol;

⁽¹⁾ http://europa.eu/rapid/press-release_IP-10-1505_en.htm?locale=EN

⁽²⁾ <http://indicators.ohchr.org/>

5. will be using the UN definition of disability, which is taken to result from the interaction between persons with long-term physical, psychological, developmental and sensory impairments and attitudinal and environmental barriers that hinders their full and effective participation in society on an equal basis with others. Disability can arise as a result of an illness, some other condition, a congenital defect or injuries acquired in the course of the lifetime. These illnesses, conditions or injuries may be of a temporary or permanent nature;

Transition from institutional to community-based care

6. welcomes the initiative of former Commissioner Vladimir Špidla who, with the assistance of an expert group, developed the Common European Guidelines on the Transition from Institutional to Community-based Care ⁽³⁾. The CoR would recommend using the definition of 'institution' provided in these guidelines, namely: 'any residential care where residents are isolated from the broader community and/or compelled to live together; residents do not have sufficient control over their lives and over decisions which affect them; and the requirements of the organisation itself tend to take precedence over the residents' individualised needs'. The guidelines have been developed in order to support Member States in making the transition from institutional to community-based care. On the basis of the experience and lessons learned from those countries that have already introduced deinstitutionalisation, progress should mean gradually working towards: a common strategy and vision; involving users and their families; joint responsibility on the part of all actors at all levels, leadership and governance; and process support. The CoR notes that the guidelines can offer valuable support in the transition from institutional care to a more community-based system of care, and would recommend that they be used by all Member States;

7. observes that the concept of institutional care is being increasingly questioned and that a number of scientific studies have demonstrated that long-term institutional care has far-reaching negative consequences on affected individuals, such as loss of liberty, stigmatisation, loss of autonomy and depersonalisation. There are also negative effects on the staff working in institutional settings. This has led to the shared view that more open forms of community-based care are preferable and should form the direction of future care practice. It is also something that is highlighted in the European Mental Health Action Plan ⁽⁴⁾, developed by the WHO Regional Office for Europe in close cooperation and dialogue with the Member States, which also endorsed it. The CoR also reiterates that the UN Convention on the Rights of Persons with Disabilities (CRPD) sets out the right of people with disabilities to 'live in the community with choices equal to others' ⁽⁵⁾;

8. points out that developments over the past 20 years, with the phasing out of large institutions and specialised hospitals in favour of more open, community-based care, have been very similar in many EU Member States. Nevertheless, there are still more than one million people with disabilities who currently live in institutions in European countries ⁽⁶⁾. A shift from institutional care to more open, community-based care cannot come about overnight. This is a change that will take several years and will call for action and measures at all levels of society, alongside changes in attitudes and laws. The CoR considers that developing a more community-based system of care should be a high priority for all EU Member States, and that deinstitutionalisation should be carried out in a way that upholds the rights of the target group and guarantees the best possible outcome for those affected;

9. considers it important to point to the risk that in the transition towards more community-based, open forms of care, states may build new institutions to replace the ones being closed down. For target groups with particularly severe and complex needs that are difficult to meet from a societal point of view, and where there are no individually tailored solutions, this could lead to new, institution-like nursing and residential care homes being set up. This could also occur in the event of an acute crisis, such as the influx of refugees in many EU Member States in the autumn of 2015, when the urgent need to provide shelter meant that people were housed in refugee reception centres and institutions. Solutions that are conceived and planned as temporary measures risk becoming long-term, with negative consequences for the people concerned;

⁽³⁾ <http://www.deinstitutionalisationguide.eu/>

⁽⁴⁾ <http://www.euro.who.int/en/publications/abstracts/european-mental-health-action-plan-2013-2020-the>

⁽⁵⁾ Article 19 CRPD.

⁽⁶⁾ <http://www.deinstitutionalisationguide.eu/>

Combating stigma

10. notes that, to varying degrees across the EU Member States, there are a range of laws and policy documents stating that people with disabilities should be enabled to participate in society and be able to live their lives like other people. Notwithstanding this, there is hidden and sometimes overt opposition to people with disabilities in society. Stigmatised groups are often treated with hostility, fear and as if they were of less worth and a burden. A large number of studies have shown that people with mental health problems suffer from stigmatisation⁽⁷⁾. Stigmatisation means in turn that the people in question may be discriminated against. This may take the shape, for example, of shortcomings in healthcare or in social exclusion, causing people's mental health to deteriorate still further. It can become a vicious circle that risks being perpetuated and exacerbated. Deinstitutionalisation is more than closing down large institutions and creating alternative forms of care. It also means combating prejudice, questioning stereotypes and changing mindsets, so that instead of being viewed primarily as objects and the passive recipients of care and treatment, people with disabilities gain recognition as equal members of society entitled to the full range of human rights. The CoR considers that at the same time as introducing deinstitutionalisation, the Member States must combat stigmatisation and prevent discrimination. This means, in line with the UN Convention (Articles 4-6 CRPD), that states need to take positive and preventive action to combat all forms of discrimination and safeguard the human rights of all. It observes that there are numerous good examples of national campaigns to combat stigmatisation serve as a source of inspiration, both from other EU Member States and from further afield;

11. draws attention to the fact that patients discharged to more open, community-based care must have their needs properly assessed. Local and regional authorities should make sure that these needs are satisfied to enable users to have control over their own lives, make real choices and decisions regarding where to live, with whom to live and how to live. Services (including personal assistance) must be made available and accessible to all to guarantee that users are included in the community and can live as independent a life as possible;

Skills and knowledge

12. emphasises that moving from institutional care to community-based care will also involve a paradigm shift for staff and their skills. Whereas the focus has hitherto been on medical knowledge and the medical profession, the transition to a more community-based system of care will highlight the need for social and pedagogical skills. The CoR considers it important for staff supporting persons with disabilities to have the relevant knowledge in order to perform their tasks (Article 4 CRPD). Having staff with the right skills will not only speed up the transition, but will also prevent new institutions from being opened. In many countries there is a shortage of staff with adequate academic qualifications. International cooperation and exchanges in this field should provide a way of increasing the supply of staff with the necessary skills. The CoR recommends a combination of work exchanges and new training courses at university and high school level to facilitate the transition. Having a pool of highly qualified staff will require planning and coordination. The CoR underscores the importance of training for new and re-qualifying staff to include knowledge of: human rights, what it means to live with a disability, what it is like to live in an institution and how to involve people in the type of support they would like. It is no easy matter to switch from living in an institution to then getting used to living in your own home and making your own decisions. There is the risk that people adapting to life in society may experience isolation and/or exclusion. It is vital to be there such people and give them support from staff who can deal with each individual and their needs holistically. Research and knowledge exchange in this area have been positive, particularly for psychiatric and neuro-psychiatric disabilities. There has been improved access to and use of knowledge- and evidence-based methods regarding both medical and psychological treatment methods, but also to psycho-social support and cognitive devices. In Sweden, for example, national guidelines were issued several years ago by the National Board of Health and Welfare (Socialstyrelsen) in a number of areas, such as schizophrenia and related conditions⁽⁸⁾. The guidelines contain key recommendations for evidence-based approaches to healthcare and social services. The Swedish National Board of Health and Welfare has also published guidance on working methods and general advice on the knowledge and skills needed by staff and employers working with people with different disabilities⁽⁹⁾ ⁽¹⁰⁾;

⁽⁷⁾ <http://www.nsph.se/projekt/projektet-din-ratt/>
<http://bringchange2mind.org/>

⁽⁸⁾ <http://www.socialstyrelsen.se/publikationer2017/2017-10-34/>

⁽⁹⁾ <http://www.socialstyrelsen.se/publikationer2014/2014-3-19>

⁽¹⁰⁾ <http://www.socialstyrelsen.se/Lists/Artikelkatalog/Attachments/18607/2012-2-17.pdf>

Children and young people

13. welcomes the fact that the EU foreign ministers have endorsed the revised Guidelines for the Promotion and Protection of the Rights of the Child. In keeping with the current UN conventions, the CoR is of the view that all EU Member States should subscribe to the principle that children should grow up in a family. Research has shown that children who grow up in an institution do not develop in the same way as those who grow up in a family, and do not have the same rights and educational opportunities as other children. It also shows that these children may develop behavioural problems and social difficulties later in life on account of having grown up in an institution. Children in institutions are often under-stimulated and, as a way of compensating for this, may develop problem behaviour or be prone to self-harming. All children need continuity and close contacts if they are to thrive. The CoR suggests that in all EU countries, children with disabilities and their parents should preferably receive the help and support they need in their own home or within easy reach of it. Parents should be provided with assistance and training regarding their child's disability, together with support from the community/municipality to help them cope with parenting. Financial support should be available for parents who have to work less in order to support children with disabilities;

14. reiterates that children and young people with disabilities have the same rights and obligations as other children with respect to education and study. This means that schools must be able to meet their needs, otherwise these children run the risk of being isolated outside the institutions as well. Local and regional authorities should invest more in school budgets to address the lack of appropriate facilities and to prioritise accessibility and universal design. Programmes should be rolled out to raise awareness of disability among school staff and other children, as well as to provide teachers with adequate training in inclusive methodologies and incentivise them to work with children with disabilities.. Attitudes and prejudice need to be addressed if full inclusion is to be made possible;

Guardianship

15. draws attention to the fact that a large number of EU citizens with developmental disabilities and/or mental illnesses are placed under plenary or partial guardianship. The CoR recognises that partial guardianship can protect the interests of the concerned individual and protect them from abuse they could otherwise experience. Expresses its concern however with the plenary guardianship meaning that a person loses virtually all their legal rights and that the decisions that affect them most in their lives are taken by legal representatives. Many adults are placed in an institution against their will at the behest of a representative appointed by a court. The CoR calls on the Member States to work towards reducing the need for plenary guardianships and to involve users, their families, user rights advocate organisations and specialists in the decision-making. A review of the legislation on legal capacity should include making it mandatory for target groups to participate in decision-making and for their rights to be strengthened in law;

User influence and participation

16. believes that people with disabilities should have statutory opportunities and support in making decisions that concern them, their daily lives and the design of local services. It is essential for information to be tailored to the needs of the target group. Listening to and cooperating with user and family associations will promote both user influence and participation. It is important to make the most of user knowledge and experience. The CoR calls on the Member States to help set up, and work with, user organisations;

Legislation and guidelines

17. considers it important for current laws and policies to support implementation within the meaning of Article 4.1 CRPD. Special consideration needs to be paid to children's rights. The CoR notes, moreover, that legislation should enable people to live independently and assistance should be based on their individual needs and wishes;

18. underscores the importance of measures to assist and protect persons with severe disabilities in the period following the death of their parents and family members. In particular, the CoR considers it fundamental to guarantee assistance, wellbeing, inclusion and as much autonomy as possible for people with a disability who are not in a position to assume full responsibility for themselves, so as to avoid them being automatically admitted to an institution;

Data and statistics for monitoring

19. observes that the lack of data makes it difficult to track the progress of the deinstitutionalisation process and conduct comparative analyses between the Member States. The CoR would therefore recommend that work to draw up and develop indicators be prioritised and form part of the strategy and planning for the transition to a more community-based system of care and services. The paradigm shift to a more individual, person-centred approach to care should also be reflected in the standards and indicators developed. They should focus on users' quality of life and rights, rather than on follow-up in the form of data of a more technical nature. The CoR calls on Member States to cooperate in developing and defining standards and indicators;

Work and employment

20. refers to Article 27 CRPD, which states that the right to work is a fundamental one. It should not be hampered by prejudice or lack of accessibility, for example. The CoR stresses that efforts must be made to enable people with disabilities to work in a way which suits their own personal attributes. Proper rehabilitation and adaptation of the workplace and of job content is of great importance. Different forms of activity for those who are unable to take up a paid job on a regular labour market are also an important way of promoting health and minimising stigma and isolation, which is why work rehabilitation establishments and assistance services and businesses and workshops employing primarily people with disabilities, are so important. There is a need for synergy between the social services and the labour market here, in the form of labour market integration services, so as to introduce personally tailored programmes covering guidance, training, job placement, job retention and social integration in the workplace. Health and employment-related initiatives should be seen as investments rather than as costs. Access to paid work or any form of remuneration will reduce poverty as well as increasing inclusion. It is vital for everyone to feel a sense of belonging, of being able to contribute and do something worthwhile. At the same time, it will raise other people's awareness of persons with disabilities and their opportunities and difficulties;

The economic impact

21. long-term sustainability in community care will require a radical shift in public spending and for resources to be focussed on prevention and early intervention. Therefore notes, in terms of assessing and analysing the economic impact of the shift to community-based care, that it is important to look at the costs not in isolation, but in relation to more quality-based outcomes and long-term effects, at the level both of the individual person and of society. Research in the field of health economics demonstrates that community-based mental health services generally cost the same as hospital-based services. However, as they often deliver better outcomes for the individual, in such cases they are more effective from a societal perspective. The positive health impact means that more people can enter the labour market, thus raising the level of production, increasing social inclusion and reducing the risk of criminality, which reduces the burden on the judicial system⁽¹¹⁾. Investment in the form of preventive and early intervention combined with support for children and young people, as well as their parents, can enable them to go to school. This in turn means that they can continue their studies and enter the labour market. It will only be possible to move people out of large institutions and special hospitals if alternative, more community-based forms of care have been drawn up and put in place. This may entail an increase in costs in the initial transition to a more community-based care system;

Cooperation and coordination

22. stresses that as deinstitutionalisation calls for efforts on the part of a number of different stakeholders in society, as opposed to just one acting alone, cooperation between the different parties needs to be strengthened. It is important to establish a clear division of labour and to have equally clear ideas on how and where to work together. Depending on the respective Member States' constitutions, there are variations in the degree of state management and control over how healthcare and social services are organised and delivered at local and regional level. In countries such as Sweden, where municipalities and counties have strong self-government, responsibility for choosing how to make the transition to a more community-based system of care is decentralised. Differences in individual Member State constitutions will also determine the level to which CoR recommendations will be addressed. Regardless of how responsibility is shared between the national and local levels, however, the CoR considers it paramount for there to be support from the national level and coordination of activities and initiatives among the different levels⁽¹²⁾;

⁽¹¹⁾ <http://www.deinstitutionalisationguide.eu/>

⁽¹²⁾ <http://www.deinstitutionalisationguide.eu/>

Equitable treatment and care

23. refers to Article 25 of the CRPD, which states that healthcare professionals shall provide the same quality of care to people with disabilities as to all other people. In a situation where people are moving out of institutions, where all medical expertise was integrated, to their own homes, skills in the area of disability need to be increased in primary care settings in order to accommodate this target group. Social inclusion at multiple levels and encouraging the perception that people with different types of disability are a natural part of human diversity will prevent exclusion and promote equal treatment and care;

24. notes that, as a result of advances in health sciences, people's life expectancy is increasing. This means that people with disabilities are also growing older, whereas previously, the lack of appropriate care meant that they often did not reach old age. The social services responsible for social and labour market inclusion now find that they are working with older people with a disability. The professionals working in these services are unprepared when it comes to meeting needs related to both the age and the disability of older users. The CoR therefore considers it necessary to adapt the training requirements of health and social workers who have to continue to provide socially inclusive services for this target group in accordance with EU standards.

Brussels, 30 November 2017.

*The President
of the European Committee of the Regions*

Karl-Heinz LAMBERTZ

Opinion of the European Committee of the Regions — Revitalisation of rural areas through Smart Villages

(2018/C 164/08)

Rapporteur: Enda Stenson (IE/EA), Leitrim County Council

POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

1. Welcomes the European Commission's initiative on EU Action for Smart Villages as providing a recognition of the need for targeted actions to support the revival of rural areas as sustainable places in which to live and work; notes that enhancing rural prosperity and the viability of rural areas are among the most urgent tasks, since a more balanced territorial development can be the basis for achieving greater socioeconomic and environmental sustainability;
2. Notes that the European Commission's paper and the involvement of the Commissioners for Agriculture and Rural Development, Regional Policy and Mobility and Transport provide a firm basis to ensure that a coordinated and cross sectoral approach is adopted in developing this initiative;
3. However, regrets the lack of ambition outlined in the paper, which represents a compilation of pre-existing initiatives. Calls for greater ambition and the development of a targeted and forward-looking policy on Smart Villages with a view to the post 2020 period, which builds on the need to consolidate the full range of place based EU 'smart instruments';
4. Emphasises that the preparatory work must be undertaken now if a sustainable and effective programme for Smart Villages is to be in place for the next funding period, including a consideration of better coordination and synergies between the relevant EU policy and funding streams by way of developing an integrated policy and support instrument for Smart Villages;
5. Draws attention to the importance of close coordination at all levels of governance, with due respect for the principle of subsidiarity in order to define 'bottom up' and 'place based' solutions. Highlights the pivotal role of local and regional governments in implementing the policy framework;
6. Proposes expanding the notion of Smart Villages to that of Smart Rural Areas and incorporating the initiative into the European Rural Agenda, so as to also encourage and develop synergies between neighbouring small villages within Smart Rural Areas;
7. In this context supports the importance of the Cork 2.0 declaration in providing a framework for the strengthening of Rural and Agricultural policy and strongly supports the ten policy orientations identified, including the recognition of the need for particular attention to be given to overcoming the digital divide ⁽¹⁾;
8. Emphasises that the revival of rural areas must serve to address the long-term challenge of depopulation via actions to encourage and support sustainability, generation renewal, and the ability of rural areas to attract newcomers;
9. Calls on the Commission to consider simple measures, which are easy to replicate and accessible even to very small villages; such villages often lack the structure required to enable smart measures to be rolled out easily;

⁽¹⁾ Cork 2.0 Declaration 2016, Point 3.

10. Suggests that particular attention be given to the challenges faced by peripheral rural regions that, in addition to broadband infrastructure, face critical challenges relating to transport and energy connectivity, therefore the lack of access to the most important public services. Considers that the concept of 'Rural Proofing' ⁽²⁾ should be incorporated as part of the Smart Rural Areas initiative with a view to applying this approach to the development of broader policy initiatives with implications for rural areas;

11. Underlines that peripheral border regions face increasing difficulties and the need for strengthening cross-border cooperation opportunities and programmes to tackle these challenges;

Reducing the Digital Divide

12. Stresses that offering digital services and the ability to function properly in a globalised economy requires rapid and reliable broadband connections. ICT infrastructure is therefore proving to be a determining factor in the development potential of regions in the Union;

13. Therefore reiterates the view that efforts should be made to guarantee the same high speed telecommunications network capacity across the whole EU, as an indispensable pre-condition for the competitiveness and economic growth of rural areas and in accordance with the objectives set out in the 2020 Digital Agenda for Europe ⁽³⁾;

14. Regrets that progress remains unsatisfactory and uneven, with disparities continuing, particularly between urban and rural regions. The scale of the challenge is seen in the fact that in 2012 9,1 million EU households were not yet covered by fixed broadband networks, 90 % of them in rural areas ⁽⁴⁾;

15. Notes that, at EU level, the aim is to have a connection faster than 30MB/s working throughout Europe by 2020, including in more rural and isolated areas. However this is just an EU average with huge variation across countries and local areas, particularly in rural and the most remote areas where it is not infrequent, even in economically prosperous Member States to have speeds of 10MB/s. This is the usual standard for a typical household to be able to benefit from the most popular online services. Lack of sufficient broadband is in this day and age a serious challenge to Territorial Cohesion. Calls on the European Commission to step up efforts to develop high-speed internet in rural areas via accessible funding models which do not restrict the access of certain Member States to funding for investment in broadband networks and supporting access to funding for investment in broadband networks for small scale projects; also requests that loans be used specifically to develop broadband in rural areas and not for other measures;

16. In seeking to deliver on the promise of the Smart Villages initiative, strongly recommends recognising internet access as a service of public interest at EU and, if appropriate national level, setting minimum tolerable standards for broadband that in addition to ensuring reliable access to internet can also prevent future changes in service provision (including the switching off the copper phone lines and introduction of the 4G successor), and there is provision of emergency service, particularly for digitally remote communities as is already the case in Switzerland and Finland, where access is guaranteed down to the last mile. At very least this should be an *ex ante* conditionality linked to any funding provided for Smart Villages;

17. Points out the importance of developing the technology associated with Smart Villages initiatives, making use of open standards. This will encourage cooperation between administrations and businesses, as well as the reuse of the solutions developed, and will promote interoperability between them;

18. Supports the provision of training for different population age brackets on how to use digital technologies and adapting the teaching to the target audience, in view of the digitalisation of certain public services at local level or other levels (document orders, tax declarations, electronic bills, traceability, CAP, etc.); also insists upon the right to digital literacy, which makes it possible to guarantee all citizens access to training on performing basic tasks in the new digital environment, and for this training to receive funding from the European Structural and Investment Funds;

⁽²⁾ Rural proofing: making sure that the needs and interests of rural people, communities and businesses are properly considered when developing and implementing all policies and programmes. For central government, rural proofing means assessing policy options to be sure get the fairest solutions for rural areas are realised.

⁽³⁾ Opinion of the European Committee of the Regions on Innovation and modernisation of the rural economy, C 120, 5.4.2016, p. 10.

⁽⁴⁾ 6th Report on Economic, Social and Territorial Cohesion. July 2014.

19. Considers that rural broadband extension and the challenge of last mile delivery are directly linked to market dominance and legacy providers. This issue will not be resolved until the regulatory framework incentivises the entry of alternative operators to deploy Next Generation Access (NGA) and encourages the development of community-led innovation;

20. Considers that farmers and the farming sector in general should be a priority group for digital training, with a view to facilitating the uptake and development of e-farming tools and methods;

21. Recommends increasing funding for training and for raising awareness of the different possibilities that the digital economy currently offers rural businesses, such as access to new markets, the development of new products and customer loyalty, among other things;

22. Recognises the various 'digital hub' initiatives currently active in various Member States where, although high speed broadband is not present in each rural dwelling, it is nevertheless made available in dedicated centres ⁽⁵⁾;

23. Recognises these hubs' additional benefits beyond simply addressing the digital divide, in terms of place making, revitalising village centres, providing jobs, and training opportunities to rural dwellers;

24. Recognises that these hubs can act as potential anchors for other e-services, such as e-health (e.g. online consultations), e-lawyering (i.e. legal advice), e-governance (e.g. online voting, tax returns, benefit claims), e-commerce (e.g. online banking, sales etc.);

Smart Cities and Smart Rural Areas

25. Believes that in common with the Smart City model, a Smart Rural Areas initiative should take a broad approach to development and innovation to include the following six dimensions:

- (a) a smart, innovative, entrepreneurial and productive economy;
- (b) improved mobility, with accessible, modern and sustainable transport networks;
- (c) an environmental and sustainable energy vision;
- (d) qualified and engaged citizens;
- (e) quality of life in terms of culture, health, safety and education;
- (f) an efficient, transparent and ambitious administration;

26. Welcomes the new Wifi4EU scheme to improve internet connectivity in local communities, but notes that projects will be selected on a first-come, first-served but geographically balanced basis. In the selection of projects, attention should be given to the additional barriers faced by smaller rural authorities with less resources than cities;

27. Stresses that the concepts of Smart City and Smart Villages/Smart Rural Areas should not be set against each other, but rather should be seen as mutually complementary with both supporting and reinforcing the success of each other. In terms of strategy, an area does not end at its administrative borders, but interacts with neighbouring entities, rural or urban, and plans its development in harmony with its environment. Thought must be given to setting up positive interrelations between rural and urban populations and not only to making rural areas service providers for urban areas. Stresses in this regard that the whole settlement system will only be viable if all of its elements are viable, from big cities to small villages;

⁽⁵⁾ For example the Ludgate Hub (IE), The Hive in Leitrim (IE).

28. Acknowledges, however, that it is important to recognise the different characteristics of each model. Notably that the Smart City model can draw on many actors to promote and drive initiatives, while this is not the case in rural areas where resources, both in terms of people and administrative capacity, are generally more limited. These differences should be reflected in the design of a future policy framework and funding opportunities;

29. Notes that the Commission's Directorate-General for Energy launched a European Innovation Partnership (EIP) on Smart Cities and Communities which is designed to promote and bolster the experiences of smart areas in the EU. Regrets that rural areas have not been included as a priority under this work to date;

Mobility and Energy

30. Considers that, in developing the Smart Villages/Areas initiative, sustainable transport connectivity and networks are as critical as improved digital connectivity, given the particular challenges which rural areas face in terms of dispersed population and higher costs. Notes that the European Commission's own paper on Smart Villages makes reference to the Connecting Europe Facility (CEF) programme as an area of EU support for Smart Villages and calls for greater detail on how this funding might be utilised to support rural connectivity, particularly for the most peripheral rural regions;

31. Is reminded of the economic, social and environmental opportunities of localising energy (both electricity and heat) production, and the synergies this could have with rural/regional development and CAP (through pillar 2). Examples include the role of wind, solar, biomass and biogas for electricity production, the role of biomass (e.g. wood) and/or biogas for local heating. Stresses the importance of giving local and regional authorities the power to initiate and manage targeted environmental measures and allow them to introduce territorial contracts, signed jointly with rural providers of sources of locally generated fuel/electricity⁽⁶⁾;

Support for bottom up approaches

32. Acknowledges the successes produced by bottom-up approaches to local development such as LEADER, and more recently Community Led Local Development (CLLD);

33. Believes, however, that there can be an over reliance on such approaches, and that there is a role for other actors (e.g. innovation brokers) to catalyse the potential of rural areas. The innovation broker acts to identify strengths and opportunities within the village/rural area and bring the relevant institutions (third level, local authorities, funding sources etc.) together to coordinate existing and future activities and potential funding sources. They must engage and inform the community and get 'buy in' from the community to develop the vision, take ownership and share the benefits;

34. Considers that such brokers can stimulate small businesses' product development and tackle market barriers and also encourage local consumption and short distribution chains for agrifood and local renewable energy products;

35. Considers local and regional authorities are ideally placed to perform this function, and in some cases already do in the form of development boards, enterprise offices, competitive tenders, etc.;

36. States that it is key that access to funding is made available for small-scale projects that are accessible at local authority level. This should also include support for innovative projects and initiatives which can be tailored to the particular needs of rural communities across the EU, including peripheral regions;

37. Calls for simplification in the application for access to funding streams — in the current rural development programme there is a significant lack of progression from EOI (expressions of Interest) to full applications due to difficulty in meeting application requirements. Stresses that there should be no time gap between the finish of this rural development programmes and the start of post 2020 RDP — in order to preserve momentum and trust;

⁽⁶⁾ Opinion of the European Committee of the Regions on Towards a sustainable EU food policy that creates jobs and growth in Europe's Regions and Cities (OJ C 272, 17.8.2017, p 14).

38. Suggests that successful funding applications must encourage the creation and participation in networks, clusters and cooperation — which are usually required in smart rural areas to develop scale and learning;
39. Suggest smart areas should build upon their sociocultural heritage to develop and display a distinct sense of place with all infrastructures, particularly general services, necessary to operate a business, and attract relocation of urban businesses;
40. Acknowledges that a further challenge for the local and regional authorities is to stay informed of the funding possibilities and to have access to them. This will require an active role to be played by the relevant DGs within the European Commission and managing authorities for relevant EU funding streams at the national and regional level. The CoR can also play an important role in sharing information, supporting networks and providing examples of best practice, including via the work of the CoR-European Commission Broadband Platform;
41. Suggests that more effective communication of the opportunities available at EU level could be aided by the establishment by the European Commission of an annual award to recognise the achievements of the most successful Smart Village/Area in the EU. Existing networks such as the Enterprise Europe Network (EEN) and their local delivery partners in Member States could also be utilised to provide updated information on a range of subjects relevant for entrepreneurs in villages and rural areas;
42. Emphasises the facilitative role that local and regional authorities can have by integrating a 'Smart Approach' in planning and regional spatial strategies. Such strategies include assessment of regional resources and capacities, identification of sites for colocation of services and facilitative economic policies.

Brussels, 1 December 2017.

*The President
of the European Committee of the Regions*

Karl-Heinz LAMBERTZ

**Opinion of the European Committee of the Regions — The European Commission Report on
Competition Policy 2016**

(2018/C 164/09)

Rapporteur: Mr Michael Murphy (IE/EPP), Councillor, Tipperary County Council

Reference document: European Commission Report on Competition Policy 2016

COM(2017) 285 final

POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

1. welcomes the annual report by the Commission on competition policy for 2016, especially its recognition of the fact that competition policy has a direct impact on people's lives; highlights, in this context, that effective competition policy is an essential element in the efficient working of the Single Market and it brings important benefits to the consumer by encouraging enterprise, innovation, efficiency and a widening of choice for the citizens of the European Union;
2. is of the view that the globalised economy requires an open and fair competition environment and therefore the regulation of competition and not just a competition 'culture'. Supports at the same time that the European Commission is committed to engage with other EU institutions, international organisations and competition enforcers all over the world;
3. applauds the Commission's work in enforcing competition rules but calls for the resourcing of Competition policy enforcement to have due consideration for national and regional Member State industrial policies for investment, particularly for those industrial policies which rely on national competences outside the scope of EU treaties;
4. emphasises that there should be greater transparency surrounding how the decisions are taken by the Commission to resource major competition investigations at an EU level, and to ensure that those decisions are always associated with identifiable outcomes that enhance the Single Market;
5. argues that it is up to the Commission to ensure a comprehensive response to the challenges emanating from international competition and global markets, through enhanced coordination of EU policies and instruments and through a better recognition of the regional dimension;
6. stresses that the United Kingdom will remain subject to the EU's competition rules until at least 31 March 2019 and that investigations opened before that date, such as the one opened on 26 October 2017 on UK exemptions granted to multinationals to protect them from tax avoidance rules, may be concluded only after that date but would still have to be applied;
7. agrees that Brexit must not be misused as a vehicle for the complete abandonment of all state aid controls but believes that the economic disruption caused to other EU Member States as a result of BREXIT should result in an expansion of General Block Exemption Regulations and a temporary relaxation or suspension of state aid rules for certain industries likely to be most affected insofar as it does not constitute selective aid which would be contrary to the objective of applying EU rules fairly to all companies;

State aid and tax rulings

8. welcomes the Commission's work in tackling illegal State aid granted in the form of selective tax advantages, such work being seen as an effective means of ensuring that EU rules apply in a fair manner to any company that does business in the EU's Single Market regardless of size, sector or nationality and that companies are subject to taxation proportionate to their size and wealth so to contribute to the financing of public services and the fight against inequalities, which are most relevant at local level;

9. insists that, in relation to tax evasion, the question of tax rulings is part of the EU's overall effort to fight tax avoidance by big corporates, i.a. through the Anti-Tax Avoidance Package, the Country-by-country reporting, the Corporate Tax Reform Package and the new transparency rules for tax planning intermediaries. Stresses also that the EU needs to consider whether new regulation rather than enforcement could provide greater certainty on tax rulings within Member States, and consider whether a sanction procedure in favour of EU budget own resources should be adopted as part of any new regulatory regime;

10. takes the view that the EU's exclusive competence enshrined in article 3 TFEU for establishing the competition rules necessary for the functioning of the internal market does not affect the sovereign right of Member States to determine their own corporate tax systems, or to set their own tax rates. Recognises, however, that Member States must respect a fair level playing field for businesses and consumers throughout the EU's internal market ⁽¹⁾;

11. notes that the most high profile enforcement decision by DG Competition was made on 30 August of 2016 which found that specific tax rulings issued in Ireland in 1991 and in May 2007 in favour of two Apple companies which were incorporated in Ireland, constituted aid within the meaning of Article 107(1) of the Treaty on the Functioning of the European Union. Acknowledges that the European Commission claim in their decision that Ireland, by issuing the contested tax rulings that enabled Apple Companies to determine their yearly corporation tax liability in Ireland in the years that those rulings were in force, has unlawfully granted State aid to those Apple companies and the Apple group, in breach of Article 108(3) of the Treaty, which Ireland is required to recover by virtue of Article 16 of Regulation (EU) 2015/1589. Stresses that according to the Commission, this decision does not call into question Ireland's general tax system or its corporate tax rate;

12. notes that the implementation at national level of Council Directive (EU) 2016/1164 laying down rules against tax avoidance practices that directly affect the functioning of the internal market is currently causing problems. Article 4(4) of that directive contains a derogation from the interest limitation rule in respect of loans used to fund a long-term public infrastructure project. Even though the directive offers broad scope for a derogation on activities considered to be in the public interest, Member States are not making full use of this possibility;

13. recalls that the Commission calculated that the aid in this form provided by Ireland to these Apple companies amounted to EUR 13 billion and that these monies were to be returned to the Irish exchequer but that the Irish government appealed this decision by the European Commission to the Court of Justice of the European Union. However, since at the time the Commission's decision was made Ireland had four months to recover the illegal State aid, i.e. until January 2017, despite efforts having been made by the Irish government to collect the record amounts of monies to place in escrow pending determination of the court decision, failure to have actually collected the EUR 13 billion within the allotted time caused the European Commission on 4 October 2017 to refer Ireland to the Court of Justice of the EU but both parties hope to avoid court sanction;

14. urges a swift completion of the Apple court cases to provide certainty for the impact Competition law can have on other existing tax rulings;

State aid modernisation initiative

15. supports the Commission's view that enhanced transparency in public spending plays a key role in promoting the optimum use of taxpayers' money, and is of the opinion that transparency is also a way to enhance citizens' trust in the credibility and legitimacy of public authorities;

⁽¹⁾ Ireland, Netherlands, Luxembourg and Belgium have each faced decisions by the DG Competition that concern tax rulings. Each of those decisions has been challenged by those Member States before the General Court of the European Union.

16. recalls⁽²⁾ that EU state aid rules for services of general economic interest (SGEIs) should not be limited in their application to competition principles, but must be fully consistent with the broad discretion granted by the Treaties to the Member States in determining what represents an SGEI, as well as the principles of local and regional self-government, economic, social and territorial cohesion, and neutrality as regards ownership in the Member States (Article 3 TEU, and Articles 14, 106 and 345, and Protocol 26, TFEU). SGEIs must reflect the differences in needs, user preferences and public procurement systems that can result from variations in geographical location, social and cultural situations, and democratic processes in the Member States. State aid scrutiny may only be carried out if national, regional or local regulation or financing of an SGEI has cross-border effects or implications for the internal market;

17. regrets that the Annual Competition Report 2016 gives very little prominence to the issues relating to state aid for SGEI and does in particular not provide clarity on the review of the so-called 'Almunia package' and the revision of the regulation on *de minimis* aid for SGEIs. Recalls in this regard that the CoR had called for:

- detailed guidelines, with a view to meeting the fourth 'Altmark' criterion, as to what a typical, well-run and adequately resourced undertaking is;
- a revision of the definition of reasonable profit of an SGEI, in particular so as to reflect the fact that, through incentives or an increase in the percentage of recognisable reasonable profit, such profit is often reinvested in SGEIs;
- the increase of *de minimis* thresholds in the case of state aid for SGEIs;
- the increase of the threshold for exemption from the notification obligation under Article 108(3) TFEU of state aid in the form of a public service compensation for companies entrusted with delivering SGEIs to the threshold in effect before 2011, which was EUR 30 million per year;

18. reiterates⁽³⁾ its call for a widening of the definition of social housing contained in the Commission Decision of 20 December 2011: to give the Member States more discretion in planning, delivering, financing and organising the construction of social housing and guarantee the democratic right to choose, the restriction of social housing to 'disadvantaged citizens or socially less advantaged groups' should be removed. The right to adequate and affordable accommodation should be given more priority, because the inability of the housing market to meet everybody's accommodation needs affects not just people who have no access to housing at all, but also the occupants of housing that is hazardous to health, inadequate or overcrowded, as well as people who are paying most of their income on rent or their monthly mortgage payments;

19. draws attention to the study published by the CoR on 9 June 2017 on the 'Implementation of the Decision and the Framework on SGEIs: involvement of LRAs in the reporting exercise and state of play as regards the assessment of social services as economic activities' and its conclusions whereby:

- in 22 of the national reports on the implementation of the Almunia package local and regional authorities were directly or indirectly involved in the drafting;

and its recommendations whereby:

- clarifications are needed in relation to the qualification of a social service as economic activity, in particular in the social and health sector, the calculation of the compensation including reasonable profit, and possible inconsistencies between different documents to be taken into account;
- the reporting obligations should be simplified;

⁽²⁾ See point 2 of CoR opinion on 'State Aid and Services of General Economic Interest' (ECON-VI/013), adopted on 11 October 2016

⁽³⁾ See point 41 of CoR opinion on 'State Aid and Services of General Economic Interest' (ECON-VI/013), adopted on 11 October 2016

— the exchange of best practices should be further promoted;

20. argues, therefore, that the role of local and regional authorities as SGEI providers in ensuring and reinforcing the social dimension of the Single Market is even more important in a context of high levels of unemployment, ageing populations, social unrest and fragile economic conditions; that benefits generated by services of this kind are directly felt by citizens and contribute, in that respect, to improving and enhancing citizens' trust in public institutions;

21. emphasises the collective responsibility of all levels of government to ensure sustainable public services for every EU citizen and is of the opinion that the Commission must base its State aid control in the field of SGEIs on the principle of trustworthiness so as to help relevant authorities and stakeholders instead of taking, from the outset, the view that local and regional authorities are breaching the rules when providing SGEIs;

22. welcomes the Commission's efforts to simplify the application of State aid rules, namely the Notice on the notion of aid, and the fact that the Competition Report acknowledges that *it is particularly important to facilitate public investment and maximise the effect of investments on economic growth and jobs*, which echoes, in a way, the CoR demand for further simplification and exemptions in the field of SGEIs;

23. challenges, however, the degree of legal certainty achieved through the Notice as in the field of SGEIs in particular relevant stakeholders point at the complexity and possible inconsistencies between different documents to be taken into account, making it difficult for them to assess which rule is to be applied in a specific case ⁽⁴⁾;

24. also expresses concerns in respect of the administrative burden triggered by the reporting requirements pursuant to the Decision and the Framework on SGEIs as stated in some of those country reports;

Digital Single Market

25. has been consistently supportive of efforts to use the Digital Single Market strategy as a vehicle for inclusive growth in all regions within the EU since improving access to broadband and ICT services, especially in peripheral and remote regions, or in regions with geographically dispersed populations, can facilitate access to services (e.g. eHealth and eGovernment), leading to efficiency gains for the public administration, help ensure low prices and wider choices for consumers irrespective of their location, and can open up new economic possibilities for local businesses, ultimately improving the quality of life of citizens and enhancing cohesion;

26. refers in this context to its opinion COTER-VI/012 on Simplification of ESIF from the perspective of Local and Regional Authorities, in which it discusses the impact of the application of state aid rules on the implementation of ESIF and draws attention, inter alia, to the existence of a significant inconsistency in the application of state aid rules. The Committee of the Regions notes that while programmes managed centrally by the European Commission (such as Horizon 2020, CEF and the European Fund for Strategic Investment) are exempt from state aid procedures, funding under the EU's cohesion policy is not exempt. In terms of state aid, then, projects are not in practice judged on their merits but according to whether it is the Commission or the Member State that grants the funds and the source of their funding;

27. is particularly concerned about barriers to cross-border online trade that businesses may themselves establish, about geo-blocking and about potential competitors being artificially excluded from certain business opportunities by dominant players;

⁽⁴⁾ See Member States Reports on the application of the SGEI decision during 2012-2016

28. stresses, moreover, again in the light of opinion COTER-VI/012 on Simplification of ESIF from the perspective of Local and Regional Authorities, that particular attention should be paid to the use of state aid under European Territorial Cooperation programmes. Generally speaking, in the case of these programmes, the effort needed to comply with state aid rules is disproportionate to the risk of distortion of competition. Moreover, state aid is often subject to different interpretations in different Member States and it is therefore not possible to apply these rules with adequate legal certainty, which often makes it quite impossible to carry out high-quality projects. One measure that could be implemented quickly in order to simplify ESIF would be to remove European Territorial Cooperation from the field of application of state aid rules, as is the case for the Horizon 2020 programme, for example;

29. welcomes, in this context, the initiatives of the Commission to better enforce competition law in the digital world, namely the e-commerce sector inquiry and the recently opened investigations aimed at tackling the specific issues of retail price restrictions, discrimination on the basis of location and unjustified geo-blocking⁽⁵⁾;

30. encourages the Commission to implement competition enforcement in the Single Digital Economy on a level global playing field with similar competition authority counterparts around the world, to ensure that innovation is not hampered and calls on the Commission to help bring about closer cooperation between NCAs, the European Commission and international organisations such as the OECD;

31. also supports the European Commission's efforts to rebalance the effective taxation rate paid by traditional companies and those in the digital sector, as a Commission communication on the taxation of the digital sector presented on 21 September 2017 states that the effective rate paid by the international internet companies is 10,1 %, compared to 23,2 % for traditional international businesses. Expects therefore the Commission to examine the possibility of introducing specific taxes on turnover and/or on digital transactions and consider proposing within the common consolidated corporate tax base (CCCTB) the concept of 'virtual permanent establishment';

Single Market

32. notes the important role played by National Competition Authorities (NCAs) in key competition areas⁽⁶⁾ and recommends better resourcing of different Member States National Competition Authorities and improved European coordination of NCAs through the European Competition Network (ECN). Would also be supportive of a legislative proposal by the Commission on strengthening the enforcement and sanctioning tools available to the national competition authorities, the so-called ECN+, which would ensure that the full potential of the decentralised system of EU competition enforcement can be realised;

33. welcomes in this respect the Commission's initiative to make national competition authorities even more effective enforcers since for some levels of the market, the national authorities are better placed to deal with the enforcement of EU competition rules while respecting national specificities;

34. insists that where dominant businesses are exploiting their customers, by charging excessive prices or imposing unfair terms, competition authorities need to intervene in order to deal with those excessive prices, in particular when it comes to pharmaceuticals with a view to guaranteeing patients access to effective and affordable essential medicines and promoting the best possible outcome for patients and society;

35. expresses its concerns in relation to the unprecedented wave of corporate consolidation which is taking place in the already highly concentrated market of the world's seeds, chemicals and pesticides and GM crop genetic traits as this is likely to reduce competition and lead to oligopolistic structures;

⁽⁵⁾ European Commission, *Antitrust: Commission opens three investigations into suspected anticompetitive practices in e-commerce*, available here.

⁽⁶⁾ The sector inquiry into data processing in the on-line advertising sector opened by the French Competition Authority, the fine imposed on WhatsApp by the Italian Competition Authority for allegedly obliging users to agree to share their personal data with Facebook, the fine imposed by the Italian Competition Authority on Aspen Pharma (Aspen Case), and the fine imposed by the UK's Competition Market Authority on Pfizer and Flynn Pharma (Pfizer/Flynn Pharma case);

36. points out the risks of a substantial vertical integration between traits, seeds and chemicals resulting from the unprecedented global market dominance in this sensitive area which would grant the dominant companies in this industry even greater influence over policy, compromising independent science and the public interest by abusing their position on the market;

37. emphasises the important role of small farmers in the sustainability of regional ecosystems, and calls on the Commission to ensure that the mergers underway will not raise entry barriers for smaller innovators, will not increase the risk that smaller innovators are excluded from access to technology and other resources needed to compete effectively, and will not result in higher agricultural input prices and less choice for farmers;

38. stresses the vulnerability of farmers and SMEs, which represent 79 % of EU farms, due to their weaker bargaining position and to unfair trading practices in the food supply chain; highlights, in the same vein, that farmers are the main shock absorber in the supply chain as regards market risks such as price volatility or prolonged periods of low prices and calls on the Commission to help farmers to counter-balance the effects of increasing concentration at the processing and retailing stages of the chain;

39. urges the Agriculture and Competition Commissioners to work more closely to simplify the application of state aid rules in the area of rural development, including by providing for an integrated procedure for the simultaneous approval of an RDP and state aid relating to funding for the forestry sector and agricultural diversification, which have been excluded from simplification efforts in the agricultural sector. This would support efforts towards market diversification for the agri-food sector; particularly for agri-food industries in Member States most affected by BREXIT;

40. reiterates its call, as explained in its opinion on the CAP after 2020, for a review of EU competition law so as to allow all stakeholders in a given sector, including consumers and public authorities, to decide on a fair distribution of the added value and profit margins along the value chain and to allow farmers to strengthen their position on the market;

41. reiterates its call for a review of EU law on awarding public contracts in the mass catering sector that introduces incentives for supply of EU food products and/or km 0 food products through short supply chains, with a view to promoting the internal market and the safety of the product used;

42. stresses that State aid control has played a key role in ensuring a safer and sounder banking sector in the EU throughout the crisis;

43. notes, however, that the lack of uniformity in the application of the BRRD (Bank Recovery and Resolution Directive) poses greater uncertainty for State aid control for measures taken to resolve or provide temporary recapitalisation of Financial Institutions;

44. believes that there should be much greater certainty on the role of bail-in versus bailout and how that corresponds to different sized financial institutions, where there would be a clear level playing field for the application of state aid control for the entire European banking system without Member State exemptions;

45. is of the opinion that more efficient deposit guarantee arrangements are needed at the level of the Banking Union to ensure sufficient financial means to underpin the confidence of all depositors and thereby safeguard financial stability;

46. welcomes the fact that State aid rules are flexible enough to allow Member States to help vulnerable citizens, struggling small companies and savers without that help being considered as State aid as the Commission confirmed with its decisions on the Cyprus State grant Scheme to borrowers and micro-companies⁽⁷⁾ and on the Resolution of the Cooperative Bank of Peloponnese (Greece)⁽⁸⁾;

⁽⁷⁾ Case SA.45004 (2016/N).

⁽⁸⁾ Case number SA.43886.

Climate-friendly Energy Union

47. welcomes the Commission's inquiry into the capacity mechanism ⁽⁹⁾ while stressing that the first priority guiding EU action in this field must be to promote sustainable energy (renewables and further energy efficiency efforts) as a means to achieve reduced CO₂ emissions in accordance with the UNFCCC Paris agreement as well as fighting energy poverty, securing energy supply, and enhancing territorial cohesion;

48. highlights also that the availability of energy at affordable prices is a key condition for regional competitiveness, in particular for less favoured and peripheral regions, and that regions which have a strong industrial base, which is a sector energy-intensive per se, are highly influenced by taxes and charges on energy and depend on an affordable and secure energy supply;

49. notes that energy prices on the retail market have increased in recent years despite lower wholesale prices and agrees with the Commission's view that the clean energy transition should be fair and take into account its transformative impact on stakeholders, including industries and workers ⁽¹⁰⁾;

50. calls on the Commission to optimise its support to the structural transition in coal and carbon-intensive regions, in compliance with competition rules, and to work in partnership with the stakeholders of these regions, to better target European Union support, encouraging exchange of good practices, including discussions on industrial roadmaps and re-skilling needs and promoting synergies/joint cooperation;

Global Competition Culture

51. underlines that fiscal and social dumping, abusive tax planning and tax evasion all constitute obstacles to fair competition;

52. strongly believes that EU trade policy plays a key role in promoting convergence of competition policy instruments and practices across jurisdictions while establishing a world based on values;

53. Welcomes the State Aid Memorandum of Understanding between the Commission and China's National Development and Reform Commission. The CoR expects that this memorandum will contribute substantially to the Commission's broader strategy to address the distortion that national subsidies policies put on global trade ⁽¹¹⁾.

Brussels, 1 December 2017.

*The President
of the European Committee of the Regions*
Karl-Heinz LAMBERTZ

⁽⁹⁾ Capacity mechanisms are designed to support investment to fill the expected capacity gap and ensure security of supply. Typically, capacity mechanisms offer additional rewards to capacity providers, on top of income obtained by selling electricity on the market, in return for maintaining existing capacity or investing in new capacity needed to guarantee security of electricity supplies.

⁽¹⁰⁾ European Commission *Second Report on the State of the Energy Union*, COM(2017) 53 final, Brussels, 1 February 2017, available here.

⁽¹¹⁾ http://europa.eu/rapid/press-release_IP-17-1520_en.htm

Opinion of the European Committee of the Regions — Towards a European Agenda for Housing

(2018/C 164/10)

Rapporteur: Hicham IMANE (BE/PES), Member of Charleroi Municipal Council**POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS

1. points out that the Union recognises and respects the right to social assistance and to housing support so as to ensure a decent existence for all those who lack sufficient resources, a right that is set out in Article 34 of the Charter of Fundamental Rights of the European Union, and that the right to housing is also an international obligation on the part of the Member States towards the Council of Europe and the United Nations. Thus, national, regional and local authorities responsible for housing policy must ensure that the right to decent and affordable housing is upheld;
2. emphasises that the EU has no explicit competence in the area of housing policy and that interaction between the housing policies pursued at local, regional, national and European levels must comply with the subsidiarity principle. Notes at the same time that the implementation of many EU objectives (economic stability, tackling climate change and social inclusion, etc.) and many EU policies (regional policy, Urban Agenda, competition, energy, social policy, etc.) affects housing policies at different levels and depends on them. Therefore, better coordination of policies in this area is needed;
3. welcomes the fact that the European Pillar of Social Rights, proclaimed by the European Parliament, the Council and the Commission at the social summit for fair jobs and growth in Gothenburg on 17 November 2017, includes the right to access to social housing, the right to good quality housing assistance, and the right to assistance and protection for those at risk of eviction;
4. in this respect, points to the key role of regional authorities and cities across Europe in putting the Member States' housing policies into practice, given the growing disparity of needs on local housing markets, in terms of both internal migration within Member States to areas that are experiencing housing pressure from areas not under such pressure and of recent external migration towards pressure areas;
5. restates the importance of a robust partnership with various kinds of organisations in the non-profit sector, housing associations and cooperatives, tenants and neighbourhood organisations that directly provide housing and/or ease access to housing assistance, but also with reliable private investors that provide affordable housing;
6. draws attention to the diversity of housing traditions and systems in the Member States, and to the importance of a neutral approach regarding types of occupancy when implementing existing policies;
7. points out that local and regional authorities play a key role in implementing a sustainable housing policy and that they make a significant contribution to enabling the EU's policy objectives to be implemented in practice;
8. points to the structural nature of the housing crisis affecting urban areas in Europe, and to the need for local and regional authorities to promote the supply of affordable housing that market forces alone cannot provide given the mismatch in many EU Member States and regions between the availability of affordable land, particularly in urban areas, and the level of housing demand. More specifically, this mismatch arises due to the scale of internal and external migration flows and from increased demand for housing adapted to demographic trends linked to ageing in the majority of the Member States;
9. points out that demand for housing in the EU, and even in individual countries and regions, is not uniform, meaning that a flexible approach to promoting construction is needed;

10. highlights the increasing impact of EU policies and rules on the conditions under which Member State and regional and local authority housing policies are put into practice. This concerns the relevant State aid arrangements, the VAT system, the definition of social housing as a service of general economic interest, the rules governing public procurement and public-public cooperation, and country-specific recommendations under the European Semester, with regard in particular to rent controls and housing benefits;

11. welcomes the fact that long-term housing investment is gradually being reflected in EU policies, in particular with it being made eligible for ERDF support regarding renovation for energy efficiency, access to housing for marginalised communities and urban regeneration, and its inclusion in the Juncker Plan in view of its multiplier effect on local employment and of the increasing contribution of EIB funding, especially where long-term investment in social and mid-range housing is concerned;

12. welcomes the decision of the Pact of Amsterdam to draw up an Urban Agenda for the EU and to create a Partnership for Housing as part of the Agenda focusing on developing more consistent European rules for housing and on compiling examples of best practice by European cities in promoting provision of affordable housing and the relevant funding;

13. following on from the EU Urban Agenda's Partnership for Housing, calls for the implementation of a European Agenda for Housing that can: ensure better coordination between EU policies and the policies of the Member States, their regions and local authorities; achieve better coordination of EU policies and intervention mechanisms to support these housing policies; and compare how European cities provide affordable housing;

The need for better coordination between EU policies and Member State housing policies

14. points to the need for a Union that is more effective in its policies and measures and, above all, more clearly visible to ordinary people in their daily lives;

15. highlights the direct link between housing costs and the ability of individuals and families to invest in private consumption and spend on education, health and retirement, all of which are factors for economic and social well-being;

16. stresses the importance of informing the public about — and involving them in — the housing sector and welcomes national, regional and local representatives' participation in broad-based public awareness-raising, such as World Habitat Day, World Architecture Day and other initiatives;

17. points out that it is necessary to solve the problem of insufficient housing in large urban areas, industrial areas and areas with advanced business services, while simultaneously providing access to infrastructure that ensures well-being, particularly for people who have reached retirement age or who are, for various reasons (including illness, disability, etc.), unable to work. It is important to analyse the opportunities offered by migration — relieving pressure on large cities and bringing people into areas affected by depopulation — on the basis of data on available housing and the cost of living in the various regions of the EU;

18. points out that the strain on the financial systems of several Member States caused by non-repayment of mortgages and the loss of value of housing have played a central role in the recent crisis experienced in Europe, and calls for the goals of the future European Agenda for Housing to include striking a balance between access to the funding necessary to purchase housing and the solvency of financial institutions;

19. also considers that affordable housing is one of the pre-requisites for social cohesion and a diverse, balanced society, and helps to build communities that are resistant to social, economic and geographic segregation; notes that access to state-supported housing can also be a barrier to taking employment, if taking employment would lead to a loss of entitlement to remain in state-supporting housing;

20. welcomes the Commission's initiative to link the European Pillar of Social Rights to the European Semester, which in the area of housing policy will according to the Commission translate into a closer monitoring of the reform of social housing, the accessibility and affordability of housing, as well as the effectiveness of housing allowances. Expects thereby an amendment of certain flawed assumptions on housing in the European Semester insofar as: i) the EU competence of some country analyses and country-specific recommendations in the field of housing was debatable in terms of subsidiarity (for example questioning of rent controls, etc.) and ii) recommendations on housing were made only from the perspective of possible macroeconomic imbalances based on national figures and proposed therefore one-size-fits-all policies that did not take into account local and regional peculiarities;

21. calls for the future European Agenda for Housing to also pay attention to the needs and demands of rural areas with respect to housing;

22. calls therefore for a proper democratic involvement of the European Parliament and consultations with the CoR representing European local and regional authorities as well as with the social partners prior to adopting European Semester country-specific recommendations in the area of housing policy and for particular attention given to the respect of the subsidiarity principle in this field;

23. stresses that public investment in housing needs more flexibility in budget and financial rules in order to trigger private investment, stimulate job creation and growth at local level and thereby bring long-term benefits to society as a whole; requests therefore further leeway for investments in social infrastructure at local and regional levels within the Stability and Growth Pact;

24. given the results of recent research suggesting that there are significant regional differences in house price developments, suggests that the macroeconomic imbalances scoreboard uses regional and not just national data on year-on-year changes in house prices as trigger point that would warrant close monitoring. Also asks the Commission to enquire whether it could be possible to encourage a differentiated macro-prudential policy at the regional level with different loan-to-value (LTV) or debt-to-income (DTI) limits for mortgages, in particular in metropolitan areas and in the rest of the country;

25. sees public investment in housing as a long-term investment that should be recognised under the regulatory framework and rules of ESA 2010. Moreover, thought should be given to introducing conditions that facilitate non-volatile, non-speculative investment channelled to private-sector investors (e.g. insurance companies) which have similar long-term interests;

26. emphasises that achieving the Paris targets on tackling climate change represents a particular challenge for the housing sector but also offers huge potential for energy savings, insofar as the residential sector generates 40 % of greenhouse gas emissions. This is a sector in which 75 % of European buildings are energy inefficient, and only 0,4 to 1,2 % of building stock is renovated each year;

27. with regard to renovation and energy efficiency of buildings, highlights that the policies to be implemented must be accompanied by an evaluation that includes safety as well as energy efficiency. The — in particular financial — measures to be put in place should therefore focus on promoting seismic upgrading operations, which is the preventative and forward-looking choice in terms of safety, energy efficiency, savings for citizens and reducing polluting emissions;

28. urges that the Member States be able to continue applying a reduced VAT rate to housing supply under the social policy umbrella and to housing renovation work and building refurbishment in the context of urban regeneration and renovation activities, as part of the ongoing revision of the VAT Directive;

29. welcomes the fact that the Commission's report on the EU Urban Agenda ⁽¹⁾ echoes its call ⁽²⁾ for a review of Decision 2012/21/EU with the aim of broadening access to social housing beyond 'disadvantaged citizens or socially less advantaged groups'. Such an extension would be in line with giving the Member States more discretion in planning, delivering, financing and organising the construction of social housing and would confirm their autonomy to decide how to use housing policy as a tool to create social mix, avoid ghettoisation and create sustainable communities. This would allow the right to adequate and affordable accommodation to be given more priority, because the inability of the housing market to meet accommodation needs in certain regions affects not just people who have no access to housing at all, but also the occupants of housing that is hazardous to health, inadequate or overcrowded, as well as people who are paying most of their income on rent or their monthly mortgage payments. Believes, therefore, that there would be added value to be gained from establishing criteria for defining decent affordable housing at European level;

30. also endorses the European Parliament's call on the Commission to support the Member States in their efforts to curb the rising trend of homelessness with a view to its gradual elimination;

A new cohesion policy that fully reflects the housing issue

31. calls for housing investment to be eligible under the post-2020 cohesion policy, in order to better respond to the diversity of local needs (energy, urban planning, migrants, exclusion, etc.) while continuing existing measures in the areas of renovation for energy efficiency, access to housing for marginalised communities and urban regeneration, as part of a cross-cutting approach to housing investment, to be co-funded under cohesion policy. Social action in those urban areas and in housing where it is needed should be a horizontal tool of public housing policies;

32. considers that the European Fund for Strategic Investment (EFSI) could contribute to fill the market failure gap in the field of social housing in the case of high risk profile projects that would not have the chance to get financing under EIB traditional lending. However, in the field of social housing the new financial instruments such as EFSI must meet the specific long-term needs in terms of affordable housing and energy efficiency. The 4 % uptake of the overall EFSI budget on social infrastructures by June 2017 illustrates that difficulty which may be exacerbated by the insufficient use of the investment clause foreseen in the Stability and Growth Pact and by the choice of inserting investments in social housing in the ESA 2010 accountancy category of public administration when calculating the public deficit. Urges therefore that an evaluation be made of the Juncker Plan and EIB loans in terms of the investment generated in the field of housing and expects the newly established High-Level Taskforce on Social Infrastructure to play a significant role in this regard;

33. expects housing policies to be better coordinated with the EU's agenda on demographic change. Tools and appropriate data at regional level are needed to ensure information flows, in particular about existing and unused housing across the entire EU, which could at least partially help to address territorial imbalances in offer and demand in housing;

34. calls for innovative financing mechanisms to be used to invest in the housing sector and for public and private funds to be combined to seek to achieve a multiplier effect;

A European Agenda for Housing under the Pact of Amsterdam

35. supports the work of the Partnership for Housing as part of the Urban Agenda concerning European regulation and a compilation of the best practices of European cities in supplying and financing housing;

36. welcomes the initial conclusions of the Urban Agenda for the EU's Partnership for Housing, which also represent practical contributions to the Regulatory Fitness and Performance Programme (REFIT), and urges the Member States and the European Commission to back up these results by preparing specific proposals such as a revision of the SGEI decision;

37. emphasises the importance of a European Agenda for Housing that combines a cross-cutting approach to EU policies that are directly and indirectly linked to housing with a territorial approach that compares local policies for promoting and financing the provision of affordable housing;

⁽¹⁾ See Commission report on the EU Urban Agenda, 20.11.2017, COM(2017) 657, p. 9.

⁽²⁾ See point 41 of the CoR opinion of 11 October 2016 on *State Aid and Services of General Economic Interest* and point 44 of the CoR opinion of 11 October 2016 on *The European Pillar of Social Rights*.

38. considers that in accordance with the CJEU's ruling in the C-618/10 (Banco Español de Crédito) case on 14 June 2012, the Member States are obliged to implement the provisions of Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts so as to ensure protection for mortgage holders, especially in cases where the mortgaged property was a family home, thus avoiding putting people at risk of homelessness;

39. underlines the importance of ensuring that social/residential housing meets the necessary energy requirements, which comply with criteria on: energy efficiency, energy savings, low CO₂ emissions and investment in clean and renewable energy. In this regard, calls for the 'smart' construction and upgrading of housing, in line with the Horizon 2020 objectives.

Brussels, 1 December 2017.

*The President
of the European Committee of the Regions*

Karl-Heinz LAMBERTZ

III

(Preparatory acts)

COMMITTEE OF THE REGIONS

126TH COR PLENARY SESSION, 30.11.2017-1.12.2017

Opinion of the European Committee of the Regions — Work-life balance for parents and carers

(2018/C 164/11)

Rapporteur:	Nathalie Sarrazebolles (FR/PES), President of Finistère Departmental Council
Reference documents:	Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: an Initiative to Support Work-Life Balance for Working Parents and Carers COM(2017) 252 final Proposal for a Directive of the European Parliament and of the Council on work-life balance for parents and carers and repealing Council Directive 2010/18/EU COM(2017) 253 final

I. RECOMMENDATIONS FOR AMENDMENTS

Amendment 1

Recital 6

Text proposed by the Commission	CoR amendment
<p>At Union level, several Directives in the fields of gender equality and working conditions already address certain issues that are relevant for work-life balance, in particular Directive 2006/54/EC of the European Parliament and of the Council⁽¹⁶⁾, Directive 2010/41/EU of the European Parliament and of the Council⁽¹⁷⁾, Council Directive 92/85/EEC⁽¹⁸⁾, Council Directive 97/81/EC⁽¹⁹⁾ and Council Directive 2010/18/EU⁽²⁰⁾.</p> <p>⁽¹⁶⁾ Directive 2006/54/EC of the European Parliament and of the Council of 5 July 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation (OJ L 204, 26.7.2006, p. 23).</p> <p>⁽¹⁷⁾ Directive 2010/41/EU of the European Parliament and of the Council of 7 July 2010 on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity and repealing Council Directive 86/613/EEC (OJ L 180, 15.7.2010, p. 1).</p> <p>⁽¹⁸⁾ Council Directive 92/85/EEC of 19 October 1992 on the introduction of measures to encourage improvements in the safety and health at work of pregnant workers and workers who have recently given birth or are breastfeeding (tenth individual Directive within the meaning of Article 16(1) of Directive 89/391/EEC) (OJ L 348, 28.11.1992, p. 1).</p> <p>⁽¹⁹⁾ Council Directive 97/81/EC, of 15 December 1997, concerning the Framework Agreement on part-time work concluded by UNICE, CEEP and the ETUC (OJ L 14, 20.1.1998, p. 9).</p> <p>⁽²⁰⁾ Council Directive 2010/18/EU of 8 March 2010 implementing the revised Framework Agreement on parental leave concluded by BUSINESSEUROPE, UEAPME, CEEP and ETUC and repealing Directive 96/34/EC (OJ L 68, 18.3.2010, p. 13).</p>	<p>At Union level, several Directives in the fields of gender equality and working conditions already address certain issues that are relevant for work-life balance, in particular Directive 2006/54/EC of the European Parliament and of the Council⁽¹⁶⁾, Directive 2010/41/EU of the European Parliament and of the Council⁽¹⁷⁾, Council Directive 92/85/EEC⁽¹⁸⁾, Council Directive 97/81/EC⁽¹⁹⁾ and Council Directive 2010/18/EU⁽²⁰⁾. Furthermore, the Council calls on the Member States and, where appropriate, the European Union, to take measures under the European Pact for Gender Equality (2011-2020) and its provisions on the promotion of a better work-life balance to improve the supply of adequate, affordable, high-quality childcare services for children under the mandatory school age with a view to achieving the objectives set at the European Council in Barcelona in March 2002. Commission Recommendation 2013/112/EU⁽²¹⁾ also stresses the need to improve access to sufficient resources and to achieve the Barcelona objectives.</p> <p>⁽¹⁶⁾ Directive 2006/54/EC of the European Parliament and of the Council of 5 July 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation (OJ L 204, 26.7.2006, p. 23).</p> <p>⁽¹⁷⁾ Directive 2010/41/EU of the European Parliament and of the Council of 7 July 2010 on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity and repealing Council Directive 86/613/EEC (OJ L 180, 15.7.2010, p. 1).</p> <p>⁽¹⁸⁾ Council Directive 92/85/EEC of 19 October 1992 on the introduction of measures to encourage improvements in the safety and health at work of pregnant workers and workers who have recently given birth or are breastfeeding (tenth individual Directive within the meaning of Article 16(1) of Directive 89/391/EEC) (OJ L 348, 28.11.1992, p. 1).</p> <p>⁽¹⁹⁾ Council Directive 97/81/EC, of 15 December 1997, concerning the Framework Agreement on part-time work concluded by UNICE, CEEP and the ETUC (OJ L 14, 20.1.1998, p. 9).</p> <p>⁽²⁰⁾ Council Directive 2010/18/EU of 8 March 2010 implementing the revised Framework Agreement on parental leave concluded by BUSINESSEUROPE, UEAPME, CEEP and ETUC and repealing Directive 96/34/EC (OJ L 68, 18.3.2010, p. 13).</p> <p>⁽²¹⁾ Commission Recommendation 2013/112/EU of 20 February 2013 — Investing in children: breaking the cycle of disadvantage (OJ L 59, 2.3.2013, p. 5).</p>

Reason

The reference to the Barcelona targets included in the Europe 2020 strategy is important in relation to measures aimed at improving women's participation in the labour market.

Amendment 2

Recital 16

Text proposed by the Commission	CoR amendment
In order to facilitate the return to work following parental leave, workers and employers should be encouraged to maintain contact during the period of leave and may make arrangements for any appropriate reintegration measures, to be decided between the parties concerned, taking into account national law, collective agreements and practice.	In order to facilitate the return to work following parental leave, workers and employers should be encouraged to maintain contact during the period of leave — without prejudice, however, to workers' 'right to disconnect' — and may make arrangements for any appropriate reintegration measures, to be decided between the parties concerned, taking into account national law, collective agreements and practice.

Reason

While continuing to be in contact during the period of leave means that workers can remain connected to the labour market, this must not be an obligation for them or degenerate into a form of teleworking.

Amendment 3

New recital after Recital 27

Text proposed by the Commission	CoR amendment
	<i>Equally, local and regional authorities, which play a key role in drafting, implementing and evaluating policies in areas where they often have vital expertise, such as childcare (including the different types of child minding), care for the elderly and people with disabilities, education and social services or employment, as well as social integration and employability, should be involved in the reflection process and in the implementation of the proposed measures. Moreover, local and regional authorities should also promote best practices and mutual learning on how to best foster a work-life balance.</i>

Reason

Local and regional authorities, being employers themselves and due to their proximity to citizens as well as local businesses and employers, can most effectively address the challenges faced by citizens in achieving a work-life balance. They should, therefore, be fully involved in implementing the directive.

Amendment 4

Article 2

Text proposed by the Commission	CoR amendment
<p>Scope</p> <p>This Directive applies to all workers, men and women, who have an employment contract or employment relationship.</p>	<p>Scope</p> <p>This Directive applies to all workers, men and women, who have an employment contract or employment relationship, as well as to atypical workers, including the self-employed.</p>

Reason

In line with Directive 2010/41/EU on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity.

Amendment 5

Article 3

Text proposed by the Commission	CoR amendment
Definitions	Definitions
For the purposes of this Directive, the following definitions shall apply:	For the purposes of this Directive, the following definitions shall apply:
(a) 'paternity leave' means leave from work for fathers to be taken on the occasion of the birth of a child;	(a) 'paternity leave' means leave from work for the father/ the person legally recognised as such to be taken on the occasion of the birth of a child;
(b) 'parental leave' means leave from work on the grounds of the birth or adoption of a child to take care of that child;	(b) 'parental leave' means leave from work taken by the parents on the grounds of the birth or adoption of a child to take care of that child;
(c) 'carer' means a worker providing personal care or support in case of a serious illness or dependency of a relative;	(c) 'carer' means a worker providing personal care or support in case of a serious illness or dependency of a relative;
(d) 'relative' means a worker's son, daughter, mother, father, spouse or partner in civil partnership, where such partnerships are envisaged by national law;	(d) 'relative' means a worker's son, daughter, mother, father, spouse or partner in civil partnership, where such partnerships are envisaged by national law;
(e) 'dependency' means a situation in which a person is, temporarily or permanently, in need of care due to disability or a serious medical condition other than serious illness;	(e) 'dependency' means a situation in which a person is, temporarily or permanently, in need of care due to disability or a serious medical condition other than serious illness;
(f) 'flexible working arrangements' means the possibility for workers to adjust their working patterns, including through the use of remote working arrangements, flexible working schedules, or a reduction in working hours.	(f) 'flexible working arrangements' means the possibility for workers, after discussion with their employer , to adjust their working patterns, including through the use of remote working arrangements, flexible working schedules, or a reduction in working hours.

Reason

The directive should take into account developments in the make-up of families.

Amendment 6

Article 4

Text proposed by the Commission	CoR amendment
<p>Paternity leave</p> <p>1. Member States shall take the necessary measures to ensure that fathers have the right to take paternity leave of at least ten working days on the occasion of the birth of a child.</p> <p>2. The right to paternity leave referred to in paragraph 1 shall be granted irrespective of marital or family status as defined in national law.</p>	<p>Paternity leave</p> <p>1. Member States shall take the necessary measures to ensure that the father/the person legally recognised as such has the right to take paternity leave of at least ten working days on the occasion of the birth of a child, which must be taken in the three months following the birth.</p> <p>2. The right to paternity leave referred to in paragraph 1 shall be granted irrespective of marital or family status as defined in national law.</p>

Reason

The directive should take into account developments in the make-up of families. At the same time, paternity leave is intended to be taken around the time of the birth and it has to be clearly linked to this event. That is why the amendment sets a time limit for it.

Amendment 7

Article 5

Text proposed by the Commission	CoR amendment
<p>Parental leave</p> <p>1. Member States shall take the necessary measures to ensure that workers have an individual right to parental leave of at least four months to be taken before the child reaches a given age which shall be at least twelve.</p> <p>2. Where Member States allow one parent to transfer their parental leave entitlement to the other parent, they shall ensure that at least four months of parental leave cannot be transferred.</p> <p>3. Member States shall establish the period of notice to be given by workers to employers when exercising the right to parental leave. In doing so, Member States shall take into account the needs of both employers and workers. Member States shall ensure that the worker's request specifies the intended beginning and end of the period of leave.</p>	<p>Parental leave</p> <p>1. Member States shall take the necessary measures to ensure that workers have an individual right to parental leave of at least four months to be taken before the child reaches a given age which shall be at least twelve.</p> <p>2. Where Member States allow one parent to transfer their parental leave entitlement to the other parent, they shall ensure that at least four months of parental leave cannot be transferred.</p> <p>3. Member States shall establish the period of notice to be given by workers to employers when exercising the right to parental leave. In doing so, Member States shall take into account the needs of both employers and workers. Member States shall ensure that the worker's request specifies the intended beginning and end of the period of leave.</p>

Text proposed by the Commission	CoR amendment
<p>4. Member States may make the right to parental leave subject to a period of work qualification or a length of service qualification which shall not exceed one year. In the case of successive fixed-term contracts, within the meaning of Council Directive 1999/70/EC ⁽²¹⁾, with the same employer, the sum of those contracts shall be taken into account for the purpose of calculating the qualifying period.</p> <p>5. Member States may define the circumstances in which an employer, following consultation in accordance with national law, collective agreements and/or practice, may be allowed to postpone the granting of parental leave by a reasonable period of time on the grounds that it would seriously disrupt the good functioning of the establishment. Employers shall justify any postponement of parental leave in writing.</p> <p>6. Member States shall take the necessary measures to ensure that workers have the right to request parental leave also on a part-time basis, in blocks separated by periods of work or in other flexible forms. Employers shall consider and respond to such requests, taking into account the needs of both employers and workers. Employers shall justify any refusal of such a request in writing.</p> <p>7. Member States shall assess the need for the conditions of access and detailed arrangements for the application of parental leave to be adapted to the needs of adoptive parents, parents having a disability and parents with children with a disability or long-term illness.</p> <p>⁽²¹⁾ Council Directive 1999/70/EC of 28 June 1999 concerning the framework agreement on fixed-term work concluded by ETUC, UNICE and CEEP (OJ L 175, 10.7.1999, p. 43).</p>	<p>4. Member States may make the right to parental leave subject to a period of work qualification or a length of service qualification which shall not exceed one year. In the case of successive fixed-term contracts, within the meaning of Council Directive 1999/70/EC ⁽²¹⁾, with the same employer, the sum of those contracts shall be taken into account for the purpose of calculating the qualifying period.</p> <p>5. Member States may define the circumstances in which an employer, following consultation in accordance with national law, collective agreements and/or practice, may be allowed to postpone the granting of parental leave by a reasonable period of time on the grounds that it would seriously disrupt the good functioning of the establishment. Employers shall justify any postponement of parental leave in writing.</p> <p>6. Member States shall take the necessary measures to ensure that workers have the right to request parental leave also on a part-time basis, in blocks separated by periods of work or in other flexible forms. Employers shall consider and respond to such requests, taking into account the needs of both employers and workers. Employers shall justify any refusal of such a request in writing.</p> <p>7. Member States shall assess the need for the conditions of access and detailed arrangements for the application of parental leave to be adapted to the needs of adoptive parents, parents having a disability and parents with children with a disability or long-term illness.</p> <p>8. Member States shall define the concept of parenthood and shall assess the need for the conditions of access and detailed arrangements for the application of parental leave to be adapted where there are more than two applicants for such parental leave.</p> <p>⁽²¹⁾ Council Directive 1999/70/EC of 28 June 1999 concerning the framework agreement on fixed-term work concluded by ETUC, UNICE and CEEP (OJ L 175, 10.7.1999, p. 43).</p>

Reason

It is up to the Member State to define the impact of possibly taking account of developments in the concept of parenthood.

Amendment 8

Article 8

Text proposed by the Commission	CoR amendment
<p>Adequate income</p> <p>In accordance with national circumstances, such as national law, collective agreements and/or practice, and taking into account the powers delegated to social partners, Member States shall ensure that workers exercising the rights to leave referred to in Article 4, 5 or 6 will receive a payment or an adequate allowance at least equivalent to what the worker concerned would receive in case of sick leave.</p>	<p>Adequate income</p> <p>In accordance with national circumstances, such as national law, collective agreements and/or practice, and taking into account the powers delegated to social partners, Member States shall ensure that workers exercising the rights to leave referred to in Article 4, 5 or 6 will receive a payment or an adequate allowance in line with the Member States' respective social security systems.</p>

Reason

Member States' social security systems are a national competence.

Amendment 9

Article 10

Text proposed by the Commission	CoR amendment
<p>2. Member States shall ensure that, at the end of leave referred to in Article 4, 5 or 6, workers are entitled to return to their jobs or to equivalent posts on terms and conditions which are no less favourable to them, and to benefit from any improvement in working conditions to which they would have been entitled during their absence.</p>	<p>2. Member States shall ensure that, at the end of leave referred to in Article 4, 5 or 6, workers are entitled to have their jobs reserved or, if appropriate, to obtain equivalent posts on terms and conditions which are no less favourable to them, and to benefit from any improvement in working conditions to which they would have been entitled during their absence.</p>

Reason

The rewording is intended to strengthen the right of an individual who takes parental leave to return to their job.

II. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

1. welcomes the Commission's proposal, which is consistent with and also builds on existing provisions in this area and the European Pillar of Social Rights, an initiative that seeks to strengthen the social dimension of the Union and enhance Member States' upward convergence in the area of social performance. Combining legislative measures with non-legislative measures provides the means necessary to guarantee bottom-up convergence in the EU — something that the existing legislation has so far failed to ensure — while maintaining a degree of flexibility;

2. notes that the legal basis of the Commission's proposal for a directive — namely Article 153 TFEU — falls within the competences shared between the EU and the Member States and that the principle of subsidiarity is, therefore, applicable. Takes the view that, given that the Commission's proposal seeks to modernise the existing legal framework in order to provide common minimum standards for work-life balance policies, EU-level action is necessary, suitable and appropriate. Notes in this regard that Article 153 TFEU explicitly provides that a directive is the instrument to be used to lay down minimum requirements for gradual implementation by the Member States, which should ensure that minimal intervention allows the proposal's objectives to be met. The CoR agrees that such minimum standards are particularly relevant in the context of free movement of workers and the freedom of providing services in the EU Internal Market. Underlines, however, that Union action should leave as much scope for individual and national decisions as possible since it is established practice for this area to be regulated by the social partners at both EU and national level. Regions and municipalities have a dual role as employers and as authorities;

3. would argue that the responsibility for a suitable work-life balance is to be shared between workers, families, the social partners, local and regional authorities and all public and private employers and service providers. Only by ensuring a holistic approach from all sides will it be possible to establish a socially and economically sustainable society that puts individuals and their families at the heart of policy-making;

4. observes that due to cultural beliefs and norms, women are much more likely to assume the role of unpaid carers. This is one of the main reasons why women participate to a lesser extent in the labour market than men. As a result the CoR believes that work-life balance policies, including family leave, may contribute both to increasing employment rates of women and to higher fertility rates, leading to greater economic benefits for all. At the same time, it is important to ensure that family leave does not turn into a trap for women that further restricts their options on the labour market; that is why work-life balance policies must be accompanied by policies to ensure that responsibilities are shared by both sexes. Such policies would make it possible to bring about a change in social structures and a new social pact enabling time for work, domestic chores, caring, leisure and personal life to be divided fairly between men and women;

5. points out that the current demographic trends make it imperative to rethink gender roles and promote more flexible and equal working arrangements, thus facilitating the choice of reducing working times and taking career breaks both for men and for women to care for children and other relatives;

6. regrets that the scope of the directive is limited to workers with a contract of employment or an employment relationship and that it does not cover the various forms of atypical work, such as the self-employed, which would be in keeping with Directive 2010/41/EU on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity. This would also cover concealed employment relationships and economically dependent jobs (the bogus self-employed);

7. agrees with the Commission on the economic and social advantages of a better work-life balance. This balance is a question not only of fairness, gender equality and optimal allocation of skills, but also of countries' fiscal sustainability and of helping to achieve growth and employment priorities;

8. calls, therefore, for a transition to a new work culture that recognises the shared benefits, for women, families and society of a better work-life balance, namely, that the predicted increase in women in employment and a smaller gender pay gap will impact positively on women themselves in terms of personal satisfaction, financial income and future pensions due to more consistent, fairer pension contributions, as well as for their family's economic prosperity, their social inclusion and their health, while companies will benefit from a wider pool of talent and a more motivated, more productive workforce as well as less absenteeism;

9. notes that parents and carers, regardless of whether they are women or men, young or older, are also employees and entrepreneurs who live in both rural and urban areas and contribute to their vibrancy; highlights the difficulties of finding carers in these areas given the higher proportion of older people living there. With this in mind, a European label for family-friendly towns and cities could be considered, awarded to those towns and cities providing family-friendly infrastructure, which incites citizens to either remain or move there, thus increasing investment attractiveness for the town or city concerned ⁽¹⁾;

10. acknowledges the role played by local and regional authorities in this area, given their competences in matters that affect daily family life, such as childcare, care for the elderly and people with disabilities, education, social services and employment. Multi-level governance is therefore important for the optimal implementation of the directive ⁽²⁾;

⁽¹⁾ Territorial Impact Assessment Report on Work-Life Balance

⁽²⁾ Ibidem.

11. urges, therefore, that local and regional authorities as large public sector employers in many Member States, be supported in their endeavours to implement appropriate employment and social policies, including through support and capacity-building geared towards implementing work-life balance policies;

12. stresses the importance of the Structural and Investment Funds as tools to promote — in an appropriate manner — the development of measures to create a better work-life balance, particularly by local and regional authorities. In particular, the European Social Fund should be bolstered to better address deprivation, in-work poverty and social inclusion in addition to employability support;

13. highlights that many good practices already exist at local and regional level and should be shared, promoted, and replicated at all levels; those businesses which work to ensure a genuine work-life balance for their employees should be rewarded;

14. note that regions and cities can also ensure easy access to services and leisure by designing and implementing integrated cultural, trade and transport policies that take account of the need to ensure a work-life balance;

15. regrets the lack of mention of the Barcelona objectives, which aim to increase women's activity rates and, in 2002, set a target in which the European Council agreed that childcare should be provided for at least 90 % of children between three years old and the mandatory school age and for 33 % of all children under the age of 3 for European countries. These objectives have not been met by all Member States, and efforts therefore need to be further stepped up to implement them;

16. points out that the European Semester is a powerful tool in the area of fiscal policy and that it could be very helpful in giving Member States guidance and recommendations concerning economic disincentives for second earners, and guidance on care services;

17. stresses the need to provide flexible working arrangements and to ensure that they are not managed in such a way as to become synonymous with low wages and reduced promotion prospects, especially for women. At the same time, such flexible working arrangements should be properly discussed with employers so as to minimise the risk of disruptions, especially when it comes to SMEs;

18. draws attention to the importance of enabling easy access to training for parents or carers who have had to be absent for lengthy periods due to family and care commitments, and to the wealth of skills acquired by carers;

19. underlines that in today's labour market, in order to improve employment prospects for all Europeans, but in particular young people, women and carers, measures are needed to increase flexibility and security of new business models and new types of employment. Provided it is properly regulated and accompanied by measures to ensure legal clarity and certainty, increased flexicurity brings benefits to both employees and employers;

20. points out that single parents have to contend with particular challenges in terms of work-life balance and need specific support. They are particularly frequently in part-time work, have few chances of career progression and have particular difficulties in education and training. The Member States and the social partners are called upon to offer flexible working time models especially for single parents and to offer them vocational training compatible with their family responsibilities;

21. it is important for the experience acquired by carers in carrying out this task in their private life to be able to receive practical recognition that helps them access the labour market on a professional basis, with a view to carrying out the same tasks for which they have developed skills in their private life;

22. is disappointed by the lack of proposals to strengthen maternity rights, regarding, for example, protection against dismissal over an extended period of time and, more generally, discrimination at work. This is a missed opportunity, particularly given the purpose of the directive, which is to replace the directive on maternity leave that was withdrawn in 2015;

23. welcomes the introduction of paternity leave and deems it beneficial to both parents and children. Cultural change for fathers to feel that it is acceptable for them to take time off work to care for a child is required which will be brought about more quickly if both parents are treated more equally from the start of the pregnancy;

24. agrees with the proposal to grant paternity leave without prejudice to marital or family status, as defined in national law, to avoid any discrimination. It is a matter for the Member States to define the conditions of access and detailed arrangements for the application of parental leave where there are more than two applicants for such parental leave;

25. encourages the introduction of parental leave, which would be paid as determined by the Member States, who have exclusive competence in this area, by means of legislation or collective agreements and with Member States allowed to lay down the precise arrangements. The CoR maintains that a good work-life balance for parents, which would increase the time in which they are available without threatening their job security, is crucial to the well-being of children and society;

26. recognises that the introduction of paid care leave is an important proposal as it acknowledges and supports those who spontaneously and informally care for elderly or disabled dependant relatives and their commitment to solidarity between generations within families. However, efforts are still needed to guarantee that a sufficient number of long-term facilities are in place to meet emerging needs and that European funds are earmarked for providing long-term care services. These two aspects are essential to help Member States manage the current demographic trends in Europe: the ageing of the population, falling birth rates and an increase in life expectancy. Work-life balance and gender equality need to be complemented by investment in quality long-term care and diversification of services in this area;

27. welcomes the proposal to produce more and better data as part of the non-legislative measures proposed by the Commission, and stresses the need to collect data at local and regional level, in order to be able to shape policies in a targeted and resource-efficient way;

28. express recognition should be given to the educational importance of early childhood services and, consequently, the support measures implemented should take account of this aspect in order to value the staff employed and promote the social perception of work in this extremely sensitive area;

29. underscores that in addition to strengthening protection around leave, the success of the new Directive will depend also on tackling the gender pay gap and ensuring greater equity in the labour market;

30. proposes that data be collected on working hours, including a breakdown by sex and age in order to obtain information on intersectional discrimination;

31. suggests working with the European Institute for Gender Equality (EIGE), the European Foundation for the Improvement of Living and Working Conditions (EUROFOUND) and the European Centre for the Development of Vocational Training (Cedefop) and national and regional equality bodies to continuously update work-life balance indicators to ensure data is relevant and timely;

32. calls on the Commission to urge Member States to include gender equality education in compulsory and pre-school education, and to continue with public authorities' efforts to provide information and raise awareness;

33. urges the Commission to focus its efforts on ensuring the implementation and enforcement of existing European legislation and existing objectives, in order to achieve work-life balance for parents and carers. The EU should develop and adopt a new multi-annual European gender equality strategy, monitor the situation in the Member States, and disseminate information and good practices in the field of gender equality. Broader gender mainstreaming could provide impetus for efforts at national level;

34. calls on the Commission to urge the Member States to implement measures to reduce the financial cost of childcare during mothers' and fathers' working hours, from birth to the start of compulsory schooling;
35. calls on the Commission to urge the Member States to consider the situation of SMEs and micro SMEs and to implement economic measures so that these businesses can promote a work-life balance for their employees.

Brussels, 30 November 2017.

*The President
of the European Committee of the Regions*
Karl-Heinz LAMBERTZ

Opinion of the European Committee of the Regions — The role of waste-to-energy in the circular economy

(2018/C 164/12)

Rapporteur: Kata TÜTTŐ (HU/PES) Councillor, District 12, Budapest

Reference document: Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the European Committee of the Regions — The role of waste-to-energy in the circular economy

COM(2017) 34 final

POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

General comments

1. reiterates that the waste hierarchy is a key principle in the circular economy, and agrees that energy recovery processes can contribute to the transition to a circular economy, provided that the solutions chosen do not hamper efforts to achieve higher levels of waste prevention and recycling and of product reuse;
2. reiterates that, in order to achieve the ambitious goal of a fully circular economy, the political will to take the necessary steps is vital at all levels, as are long-term changes in public opinion and consumer behaviour and the creation of a stable market for products and materials based on secondary raw materials;
3. reiterates that, under certain conditions, the conversion of unavoidable, non-recyclable waste to energy in high-efficiency incineration plants forms an integral part of the circular economy and that in many Member States and regions it plays an important role in reducing landfilling significantly in the near future. Waste-to-energy also contributes to energy supply;
4. highlights that waste-to-energy planning must also be based on the waste hierarchy established by the EU, on minimising the volume of waste and on life-cycle considerations, and that, with regard to the circular economy, it is imperative to avoid a shift away from models based on high levels of recycling towards energy recovery, and therefore to avoid designing such installations with too great a capacity. It should be stressed, however, that only recyclable waste should be circulated, and that the dumping of residual waste in landfills is purely a last resort. Therefore, energy recovery should be prioritised over landfilling;
5. warns that the full and correct implementation of existing European legislation on waste is of outmost importance in order to create a level playing field for waste management throughout Europe;
6. calls on all levels of government in the Member States to make every effort to reduce the quantity of waste landfilled and non-recoverable waste to be incinerated (particularly when this does not result in energy recovery), paying particular attention to waste prevention, the development of separate collection systems, and investment in activities ranked higher in the waste hierarchy;
7. notes that there are huge differences between European regions with regard not only to the volume of municipal waste but also to how it is treated. Certain regions are already exceeding EU waste targets without using energy recovery, while others have not achieved the minimum targets set. This shows that similar systems may lead to very different final results, and that local commitment to achieving the targets is of paramount importance;

8. points out that the waste hierarchy is a cornerstone of EU policy and legislation on waste and a key to the transition to the circular economy. Its primary purpose is to establish an order of priority that minimises adverse environmental effects and optimises resource efficiency in waste prevention and management;

9. stresses that the sizeable disparities between Member States and regions in terms of their waste-to-energy situations and capacities mean that the most appropriate methods of achieving the general objectives may also be very varied, and therefore that a one-size-fits-all approach should be avoided;

Separate collection of waste

10. points out that biowaste makes up a significant proportion of household waste volumes, and that more attention should be paid to increasing biowaste recycling rates, for example by means of processes such as anaerobic digestion of clean and properly sorted biodegradable waste, which combines materials recycling with energy recovery. Biowaste should be collected on the basis of local and regional conditions, and there should be scope for development and innovation in this task. It is therefore important for waste collection to be organised in line with local views on how best to meet the recycling targets set out in the Waste Framework Directive, rather than by imposing collection methods on local and regional authorities;

11. considers that, in view of the different levels of development of the regions of the EU and the relatively high costs of implementing ever more sophisticated recycling and energy recovery systems, it would be a good idea to seek ways of increasing funding for activities of this kind. This is in the interests of the citizens of all Member States;

12. draws attention to the fact that many regions, despite having a high level of separate collection, do not have a proportionally high level of recycling, and that specific policy instruments should therefore be developed to remedy this discrepancy, it being particularly important to lay down rules for promoting the use of secondary raw materials within an appropriate framework for price competition regarding original raw materials;

13. supports the expansion of waste sorting and recycling mechanisms that leave high-quality waste with few contaminants. Other methods may also be used, such as replacing fossil fuels with fossil fuel residues in combustion plants that produce cement and lime, anaerobic digestion of biodegradable waste, or producing waste-based fuels. However, the construction of new incineration capacity is a complementary solution that should be used in order to prevent new landfills from being created in areas with low waste incineration capacity. This brings a greater benefit to the environment as a whole. However, these incineration plants must go hand in hand with energy recovery;

Incineration capacity

14. recognises that the transition to a circular economy requires the right balance being struck in terms of waste-to-energy capacity when planning the treatment of non-recyclable waste, in order to avoid potential economic losses or the creation of infrastructure barriers to achieving higher recycling rates;

15. points out that with a view to the circular economy, incineration capacity must factor in the distance that waste must travel for disposal as well as parameters such as: distance from other waste sorting and processing centres (and their catchment areas), the number of residents in the catchment area, the quantity of waste produced and forecast trends in these parameters, in order to make it possible to minimise further harm to the environment;

16. draws attention to the fact that the evaluation and planning of incineration capacity should not be based solely on municipal waste, as a large proportion of the inputs used for energy recovery come from other sources of waste;

17. considers that the Commission's recommendations are unfortunately solely focused on waste incineration overcapacity, as the high level of waste landfilling in the EU demonstrates that under capacity is also a problem that needs to be addressed. To reduce the quantity of waste, it is important to have clearer rules on reuse and recycling and to promote the use of recycled materials in the manufacturing sector, while also giving consideration to removing harmful substances from circulation;

18. shares the European Commission's opinion that, although waste-to-energy plays an important role in avoiding landfilling in a number of Member States, waste incineration overcapacity is liable to lead to technology lock-in, which could hamper the achievement of waste management objectives;

19. suggests improving energy efficiency percentages to optimum levels for older, less efficient waste incineration plants, to support European Union energy self-sufficiency and reduce consumption of non-renewable fossil resources. In the event that such an improvement is not possible from an economic and technical point of view, those plants that do not adapt should be decommissioned and support mechanisms phased out, particularly in Member States with overcapacity;

20. recommends that Member States with little or no incineration capacity should focus their efforts on developing the separate collection and recycling of waste — whereby source-separated collection should be encouraged, as it is vital for the provision of high-quality waste with a high recycling value — and should only expand their use of energy recovery in the context of very careful planning, taking account of the fact that this is mainly a temporary and transitional solution in the context of moving from a system based on landfill to another method, the ultimate objective of which is recycling;

21. is in favour of shipments of waste between Member States and between regions for energy recovery purposes in order to avoid or reduce landfilling and in view of the fact that they help to make better use of existing incineration capacity. This complements national and regional approaches. The Committee also considers it necessary for fairness and solidarity aspects to be taken into account when assessing the merits of shipments of waste between Member States, in order to ensure that the countries and regions concerned can reap the environmental, economic and social benefits of this activity on an equal basis;

Economic and social impact

22. draws attention to the enormous differences between Member States and regions as regards the per capita quantity of municipal waste, which in some countries is more than double that of other countries. There may be several reasons for these differences, with lower quantities being attributable to responsible consumption or to poverty, depending on location. Waste strategies must take account of all these aspects, inasmuch as very different kinds of policy instruments and support mechanisms may be similarly effective in achieving the objectives set;

23. highlights the fact that, in certain regions, people's use of waste in individual domestic heating stoves is a major problem that is partly linked to energy poverty and partly to negligence and lack of awareness regarding the harm caused, and that, unlike specialised incineration plants with proper filtration systems, this practice is causing major environmental damage and presents significant risks for public health, as well as being incompatible with the basic conditions for social integration. The Committee therefore urges the European Commission also to incorporate efforts to combat energy poverty into activities relating to waste-to-energy and to adopt strategies to raise awareness of the harm done by using waste as fuel for domestic heating;

24. it is important to clarify how, and by whom, waste management costs are to be borne, given that in a number of Member States they already present a disproportionate burden compared with household income. It will therefore be necessary to monitor the economic and social impact closely. This situation is a particular problem for many islands and outermost regions, especially those which are overpopulated and under tourist pressure;

Policy implementation tools

25. points out that local and regional authorities have a key role to play in achieving the EU's common waste management objectives, particularly when it comes to the management of municipal waste, as they are the ones who will have to implement the decisions taken and the great diversity of situations precludes a one-size-fits-all solution;

26. highlights the importance of investments channelled through EU financing mechanisms, such as the European Fund for Strategic Investment (EFSI), and in particular their role in attracting private financing to the best and most 'circular' waste management methods. The Committee also appreciates the support that helps bring to the market advanced energy-efficient technologies, developed in part thanks to research and innovation programmes;

27. calls on the European Commission to ensure that the Member States involve local and regional authorities closely in drawing up the strategy, adopting the necessary technical and fiscal measures, developing the financial support mechanisms, and exchanging good practices;
28. points out that it is essential for civil society organisations and the population concerned to be involved, in order to foster the sense of environmental ownership among citizens and, for the right decisions to be made and implemented effectively; recommends that the Member States set the clearest possible priorities for waste management, thus ensuring close cooperation between all those involved in the waste management system. Cooperation and transparency in waste management are crucial in this regard;
29. considers it essential for financial support at all levels to be in line with the waste hierarchy and, as far as possible, to be redirected towards prevention, public information, high-quality separate waste collection schemes and the development of reuse and recycling infrastructure, as well as towards research and innovation in the field; waste and the income generated should ideally be used to develop local public services and reduce their cost;
30. calls on the European Commission to support the existing platforms for pooling experience, transferring knowledge and exchanging experience in the field of waste-to-energy, disseminating tried-and-tested solutions and providing related technical and financial assistance, in view of the fact that many local and regional authorities have taken a variety of initiatives to promote the efficient use of resources and to support the circular economy, which could serve as models for others;
31. calls on the European Commission to work closely with the CoR to support the exchange of good practices between cities and regions in order to find better solutions regarding, for example, district heating and cooling systems, problems with sorted waste rejected by recycling companies, and how to raise public acceptance of household waste sorting, in view of the fact that these good practices could encourage greater ambition in the development of waste management systems;
32. draws the European Commission's attention to the fact that the precondition for appropriate regulation and sound decision-making is the availability of reliable, comparable data that reflects reality, which is currently not fully guaranteed, particularly with regard to non-municipal waste;
33. highlights the importance of taking account of cultural and economic differences between Member States and regions when drawing up policies designed to change people's behaviour as regards the sorting of waste at source. It should also be noted that island and rural authorities have specific geographical needs and delivery challenges;
34. proposes that the European Commission, Member States, and local and regional authorities as the political levels closest to the general public, should take education and training measures to significantly improve the public's and economic operators' knowledge and awareness of sustainable consumption, waste reduction, the protection of natural resources and the environment, producer responsibility and the design of products and advertising, for example by including these issues in educational programmes and information campaigns (which could be realised through social media promotion, school visits, public events, press campaigns etc.).

Brussels, 30 November 2017.

*The President
of the European Committee of the Regions*
Karl-Heinz LAMBERTZ

Opinion of the European Committee of the Regions — Action Plan for a Maritime Strategy in the Atlantic Area — Delivering Smart, Sustainable and Inclusive Growth

(2018/C 164/13)

Rapporteur: Jerry LUNDY (IE/ALDE), Member of Sligo County Council

Reference document: Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions — Action Plan for a Maritime Strategy in the Atlantic area — Delivering smart, sustainable and inclusive growth

COM(2013) 279 final

POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

1. Welcomes the mid-term review of the Action Plan for the Atlantic Strategy as proposed by the European Commission to be completed before the end of 2017 and that the Committee was consulted by the European Commission with a request to adopt an opinion on the mid-term review, which will feed into the overall review to be discussed by Member States and regions;
2. Notes the Committee's previous work on topics relating to the Blue Economy (including, NAT-VI-018; NAT-VI-019; NAT-V-21, NAT-V-44 and COTER-VI-022) ⁽¹⁾;
3. Notes that the challenges facing the Atlantic regions and nations can be dealt with more efficiently and deliver more concrete results under the umbrella of an action plan and Member States and regions can achieve more concrete results by closer cooperation;
4. Recognises that the Action Plan can ensure that different EU policies and funding instruments can have a greater impact when more closely aligned but notes that when EU funding instruments are implemented through national instruments and or regional programmes, the role of the national and regional decision makers is pivotal;
5. Notes the fragile nature of many coastal communities in the Atlantic area and the necessity to do more to attract investment and private sector activity especially in the blue economy in order to contribute to the sustainable development of these areas;
6. Considers the effective use of EU Structural and Investment funds (ESIF) as crucial to achieving the objectives of the strategy but notes with concern that no proper mechanism currently exists to measure the impact of the blue economy in these areas ⁽²⁾;
7. Recognises that in adopting an ecosystem approach and in adopting the Marine Spatial Planning Directive, authorities must now take full account of all activities when allocating space in their waters but notes that the relevant plans may not be finally adopted until March 2021. The greatest contribution this requirement has made to date has been to facilitate offshore wind production. Moreover, the Committee notes the contribution that various Interreg Programmes have made to this process and the support given by the European Maritime and Fisheries Fund (EMFF) to cross-border projects between 2014-2016 to assist in the maritime planning process;

⁽¹⁾ Previous opinions by the COR:
 CDR 6621/2016 NAT-VI-018 'International Ocean Governance, an agenda for the future of our oceans';
 CDR 6622/2016 NAT-VI-019 'A new stage in the European Policy on Blue Growth';
 OJ C 391, 18.12.2012, p. 1, NAT-V-21 'Developing a Maritime strategy for the Atlantic Ocean Area';
 OJ C 19, 21.1.2015, p. 24, NAT-V-44 'Innovation in the Blue Economy: realising the potential of our seas and oceans for jobs and growth';
 CDR 0019/2017 COTER-VI-22 Entrepreneurship on Islands: contributing towards territorial cohesion

⁽²⁾ The Marnet project funded under the Atlantic Area Interreg Programme 2007-14 developed a suite of marine related socioeconomic comparable indicators to measure the impact of coastal/marine activity in the 5-Member States.

8. Notes the actions taken under the European Commission's Leadership 2020 initiative to match available skills to labour market demand especially in shipbuilding, offshore renewables and new innovative maritime skills are beginning to bear fruit. Notes also that in addition, the innovation and partnership angle is being tackled by Horizon 2020 but supports the call by the Conference of Peripheral and Maritime Regions (CPMR) to increase the budget for the EMFF call for Blue Careers in Europe projects which considers the training needs across Europe's sea basins, especially for occupations connected with the maritime and fisheries sector, which are suffering a serious generational renewal problem;

9. Agrees with the view expressed in the Commission document 'Report of the Blue Growth Strategy — Towards more sustainable growth and jobs in the blue economy SWD(2017) 128 Final' that Knowledge and Innovation Communities (KIC) have the potential to allow innovative products and services to be developed but notes that there is, as yet, no KIC specifically dealing with maritime and marine issues. Therefore reiterates its call for the creation of a specific KIC for the Blue Economy as a further measure for the development of skills and the transfer of ideas from marine research to the private sector ⁽³⁾;

10. Emphasises the potential for marine technology to provide new jobs and additional income streams and the capacity of the sector to grow in areas such as renewable energy and demonstration of marine technologies but equally recognises the potential risk involved with this type of investment and the fact that the lack of knowledge and relevant data make entry to this sector more difficult. The Committee supports the prioritisation under Horizon 2020 of calls specifically targeted at blue growth but recognises that greater efforts have to be made to facilitate access to finance for innovative businesses and initiatives in this area;

11. Points to the importance of recognising the fact that maritime and fisheries activities in the Atlantic continue to safeguard economic and social potential, of recognising their importance, and of recognising that catch-related activities are progressively adapting to environmental sustainability. Similarly, emphasises that they can contribute to redistributing wealth and creating social cohesion, and to the industry's potential to process and market marine products in order to obtain added value and maintain their key role in supplying high-quality foodstuffs;

12. Is concerned that the management measures taken to maintain vulnerable ecosystems by the EU, especially deep-sea fisheries, have had a mixed result to date and that the deadline for reporting good environmental status under the Marine Strategy Framework Directive is approaching;

13. Recognises the progress that has been made in responding to threats and emergencies, especially the adoption of the Copernicus Programme in 2014, which has provided more stable data for measuring surface ocean temperature and also a more effective operational baseline ocean forecasting service. In addition, seabed mapping has been the most concrete cooperation outcome arising to date from the 2013 Galway Statement's launch of a Transatlantic Ocean Research Alliance between the EU, USA and Canada;

The importance of data for the methodological development of the Blue Economy at the local and regional level

14. Notes that the impact of the blue economy at the regional and local level has not been measured to its full extent so far, as a system of indicators based on reliable data, measuring the precise effect of activities directly or indirectly relying on the sea, has yet to be developed; this will require significant cooperation between the European Commission and the various Member States ⁽⁴⁾. In this respect, the CoR notes the work of the COTER Commission in relation to the proposed amendments to the NUTS Regulation, specifically in calling for future territorial typologies to include 'coastal' and 'island' types. This would facilitate developing appropriate indicators (beyond GDP) for measuring blue economic activity;

⁽³⁾ NAT-V-44

⁽⁴⁾ The Marnet project which has developed a suite of marine socio-economic data across the Atlantic regions may be a useful addition to this process.

15. Recommends, due to the complexity and extent of resources required to methodologically develop the blue economy at local and regional level, that existing regional strategies for smart specialisation should be used as the basis by which to identify further opportunities in the Blue Economy sectors. Together with targeted impact exercises, such strategies would help LRAs identify the most suitable sectors to pursue;

Smarter Deployment of Funding Instruments

16. Invites Member States to continue to integrate the objectives of the AAP in their respective ERDF Operational Programmes; the success of the Atlantic Strategy and Action Plan depend entirely on the commitment of the Atlantic Member States to coordinate their efforts for the areas of cooperation defined in the Action Plan;

17. Agrees with the following observation in the Commission Staff Working Document 'Report on the Blue Growth Strategy Towards more sustainable growth and jobs in the blue economy' SWD(2017) 128 final:

'it generally seems that relatively little funding has been specifically earmarked for the priorities of the Atlantic Strategy in the different Operational Programmes of these funds, while considerable funding might potentially be available for actions and priorities that are not specific to the maritime sector. Herein lies a major challenge for national and regional Managing Authorities. In contrast funding from the European Maritime and Fisheries Fund has been targeted at the objective of the Atlantic Strategy';

18. Argues that, for credibility, a common strategy for the development of Europe's Atlantic Ocean area and the Atlantic regions merits a dedicated funding instrument; the provision of an adequate fund to enable implementation of the Action Plan should be part of the discussion on the multi-annual financial framework which will be the basis for the implementation of the objectives of the EU beyond 2020; the integration of the objectives of the Atlantic Action Plan and strategy in the MFF is particularly relevant having regard to the decision of the United Kingdom to leave the European Union and the negative impact this will have on the overall EU budget;

19. In this context echoes the COR's Opinion on the Future of Cohesion Policy beyond 2020 in noting that macro-regional and maritime strategies for the participating regions and those who live there constitute significant added value, provided that existing and future funding tools can be used for the strategies in a coordinated way;

20. Restates the proposal made in opinion NAT-VI/019 to establish regional or inter-regional blue economy platforms and points out that several Atlantic regions could be good candidates for setting up such a platform, which would provide a mechanism for identifying projects, providing support for their implementation, and mobilising local, national and European financial tools. Such platforms would be managed by the regions and their selected projects would be financed under the Juncker Plan 2.0;

21. Calls upon the European Commission and the Member States to pursue further improvement of coordination, monitoring and support for projects and exchange of best practices taking into account the successful examples delivered so far by the Atlantic Strategy;

22. Reiterates that Cohesion Policy, through the ERDF and the ESF, has been the most important investment tool in the EU in the current programming period, and that maximising the use of these resources together with available funding opportunities through the EMFF and EAFRD will be essential for the future success of projects under the umbrella of the Atlantic Strategy; further simplification of the management and administration of ESI Funds will further boost the capacity of local communities to avail of funding for local projects;

23. Notes that in the current programming period many of the related Operational Programmes experienced significant launching delays; the CoR calls upon the Member States and the European Commission to develop their proposals for post-2020 as early as possible in order to allow a smooth transition between programming periods;

24. Calls for interregional, national and transnational projects that are consistent with the sea basin strategies and the S3 to be eligible for financing through the pooling of regional, national and European funds within a simplified framework and to qualify for a community bonus, without the need for new calls for projects;

25. Calls upon the European Commission and Member States to develop and deploy, particularly where not already the case, appropriate place-based and bottom-up strategies for regional smart specialisation; such strategies should build the foundations for future spending and focus on the strengths and the specific attributes of each region; the successful implementation of regional smart specialisation strategies, reflecting economic realities on the ground, would serve to increase the absorption rate of available funding in the regions;

26. In view of the fact that both national and European funding represent public expenditure, calls upon the Member States and the Commission to jointly improve the quality of reporting and feedback on the projects under the umbrella of the Action Plan and to develop the Assistance Mechanism as a tool providing a transparent overview of successful initiatives and available funding opportunities;

27. With regard to regional smart specialisation, calls upon the Commission and Member States to further improve the thematic component of the deployed policies (as opposed to geographic), as a means to strengthen common European values and goals;

Community-led local development (CLLD)

28. Underlines the importance of maintaining and expanding the community-led local development approach (CLLD) as this instrument of the European Structural and Investment Funds (ESIF) can be shown to represent one of the most effective ways for communities to obtain EU funding for their own local projects. CLLD support is particularly important for more remote and peripheral regions, including smaller coastal communities, regions and islands with limited alternative access to finance;

29. Suggests that the local communities of islands and coastal regions should be able to make use of all EU funds, including the EMFF, to finance their maritime development strategies within a single framework, based on the model of the Leader programme and of CLLD;

30. Appeals to the budgetary authority to use existing flexibility in ESI funding to provide for gradual increases of available CLLD funding within the EMFF for the benefit of European coastal communities;

The Assistance Mechanism for the Atlantic Strategy and Action Plan

31. Notes that the structure of the assistance mechanism ⁽⁵⁾, with national units and a central office in Brussels, is well-adjusted to the communication needs of the Atlantic Action Plan, although the task of disseminating and publicising the Plan will need to be supported, as will its function in terms of providing advice, coordination and assistance;

32. Supports the continuation of the assistance mechanism for the Atlantic Strategy as currently it is the only dedicated budget line provided for the oversight and implementation of the Atlantic Action Plan;

33. Requests the European Commission to assure a longer-term solution for the assistance mechanism to ensure continuity in its operations;

34. Encourages the national units to work as closely as possible with national and regional Managing Authorities to ensure the opportunities available under the various funding instruments are clearly explained to potential beneficiaries;

The consequences of the decision, following the referendum of 23 June 2016, of the UK to invoke Article 50 of the TEU and to leave the EU on funding opportunities and structure of the MFF beyond 2020

35. Notes that, regardless of the outcome of the negotiations with the United Kingdom, the EU is losing one of its five Atlantic Member States, a major maritime nation and one of the countries with the biggest level of investments in the fields of marine economy and research; moreover, the UK is one of the EU's leading exporters of seafood;

⁽⁵⁾ Funding allocated to a service provider to provide guidance to public and private organisations, research institutions and universities, institutional and private investors as well as promoters and other stakeholders wishing to put forward and develop projects to implement the Atlantic Action Plan.

36. Notes that the United Kingdom is one of the key contributors to the EU budget, and its disappearance from the balance sheet of the EU will require the detailed examination of all available options regarding the future financing of Cohesion Policy;

37. Underlines that the practical impacts of 'Brexit' may coincide with the new multiannual financial framework (MFF) as of 2021, and asks the budgetary authority to consider the allocation of adequate financial means for policies that are currently not regarded as first priority such as the development of the blue economy;

38. Reiterates its call as presented in the opinion on The Future of Cohesion Policy beyond 2020 for the UK and the EU to agree that UK regions and local authorities be allowed to continue in European territorial Cooperation and other EU wide programmes similar to the participation of non-EU Member States such as Norway and Iceland;

39. The outcome of the Brexit negotiations will need to be considered and addressed as regards the potential impact on the future of the Atlantic Maritime Strategy and Action Plan. Emphasises that, in the context of Brexit, it now becomes more important for remaining EU Atlantic Member States to prioritise closer cooperation and integration of activities in the maritime domain in order to overcome the resulting gap in science and innovation, surveillance, defence, ocean energy and maritime investments in general that the loss of the UK through Brexit may entail;

40. Is alarmed at the potential consequences for the Common Fisheries Policy (CFP) of the UK exit especially in access to UK waters with a particular impact on the fishing sectors of neighbouring countries. This could lead to reduced catches with a consequent reduction in employment in an already fragile sector in addition to distorted competition in areas such as quotas, discard bans, maximum days at sea, state aid rules for the sector and the maintenance of biodiversity⁽⁶⁾;

Territorial Cooperation Programmes

41. Notes the important role that territorial cooperation programmes can play in furthering the objectives of the Atlantic Strategy which includes a focus on cooperation between regions to further enhance the Atlantic space in line with the terms of the strategy;

42. Considers that the points 27-30 made in Opinion NAT-V-021 (2012) still remain relevant especially the role that the ten Programmes that operate in the functional area can potentially play;

43. Notes, in particular, the potential crucial role of the Atlantic Area Cooperation programme given its focus on maritime issues and its geographical spread across the Atlantic space;

44. Agrees with the points raised by the Atlantic Arc Commission of CPMR in its final declaration at its 2017 General Assembly in Les Sables d'Olonne (3 March 2017), especially relating to simplification measures as part of the midterm review and more flexible finance rates (5 % bonus) to encourage projects addressing issues relevant to the Atlantic Strategy;

Brussels, 1 December 2017.

*The President
of the European Committee of the Regions*
Karl-Heinz LAMBERTZ

⁽⁶⁾ CPMR Technical note for Atlantic Arc regions February 2017.

Opinion of the European Committee of the Regions — Legal acts providing for the use of the regulatory procedure with scrutiny

(2018/C 164/14)

Rapporteur: François Decoster (FR/ALDE) Member of Hauts-de-France Regional Council

Reference document: Proposal for a Regulation of the European Parliament and of the Council adapting a number of legal acts providing for the use of the regulatory procedure with scrutiny to Articles 290 and 291 of the Treaty on the Functioning of the European Union

COM(2016) 799 final — 2016/0400 (COD)

POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

1. considers it necessary for the European Union to have implementing powers to assist the legislator in the more technical aspects of its mandate and thus allow for the uniform and speedy application of European legislation within the EU;
2. stresses the importance, in this connection, of this implementation being limited to non-essential elements of legislative acts and of its being carried out in the most transparent manner, under the scrutiny of the legislator (the European Parliament and the Council), the Member States and local and regional authorities;
3. points out that Member States are responsible for implementing European legislation, that this is very often implemented at the local and regional level, and that these levels' involvement in implementing European legislative acts is thus a democratic and practical necessity;
4. reiterates its support for reform of the comitology system introduced by the Treaty of Lisbon and for the creation of two systems of delegated acts and implementing acts governed by Articles 290 and 291 TFEU, with the delegated acts replacing the old Regulatory Procedure with Scrutiny (RPS), which applied to the most politically sensitive areas such as the environment, agriculture, financial services and health;
5. supports amending the existing basic acts covered by this proposal to replace references to the RPS with references to Articles 290 and 291 TFEU;
6. supports the change in the Commission's approach compared to its proposal of 2013, which provided that references to the RPS in the basic acts were to be read as references to Article 290 or Article 291. Under that approach, each basic act would have had to be read in conjunction with the relevant regulation, if adopted. Instead, it is preferable to amend each basic act;
7. supports the Commission's position that empowerments of indeterminate duration are justified because the legislator has the possibility to revoke an empowerment in all cases and at any time. Setting this empowerment at five years and imposing a reporting requirement before automatic renewal would require the Commission to issue reports on each act five years after the adoption of the proposal in question, which would create a significant administrative burden;

Common Understanding on delegated acts

8. welcomes the signing of a Common Understanding on delegated acts between the European Parliament, the Council and the Commission appended to the Interinstitutional Agreement on Better Law-making ⁽¹⁾, which provides a framework for setting the objectives, scope, duration and conditions of the delegation;
9. points out that the criteria and procedure for adopting delegated acts need to be very clearly defined and properly limited in order not to diminish the role of the legislator;

⁽¹⁾ OJ L 123, 12.5.2016, p. 1.

10. where there is doubt as to whether an element of a legislative act is essential, proposes that the Commission should not adopt a delegated act and that the draft legislation should instead be adopted according to the ordinary legislative procedures;
11. welcomes the clear commitment to systematically consulting Member States' experts when delegated acts are being prepared and drafted, but is not certain that this consultation is sufficiently defined, transparent and binding;
12. welcomes the strengthening of the European Parliament's scrutiny over the adoption of delegated acts;
13. regrets however, in this regard, that no provision is made for consulting representatives of local and regional authorities, although they are extensively involved in implementing delegated acts;
14. stresses that involving local and regional authorities in this scrutiny is crucial as they are the governance level that implements the majority of EU legislation;
15. calls for the European Committee of the Regions to receive all documents, including draft delegated acts, at the same time as the Member States' experts and for its representatives to have systematic and facilitated access to the meetings of Commission expert groups preparing delegated acts;
16. welcomes the setting up by the Commission, the European Parliament and the Council of a joint functional register of delegated acts, at the latest by the end of 2017, which could help to increase scrutiny over the Commission's exercise of its delegated powers and their transparency, facilitate planning and enable traceability of all stages in the lifecycle of a delegated act;

Subsidiarity and proportionality analysis

17. considers that the draft regulation does not pose any subsidiarity issues in that the issue concerns the delegation of power between different European Union institutions;
18. considers, for the same reason, that the draft regulation does not pose any proportionality issues in that it is suitable for achieving the objective pursued by the regulation and adapting a number of basic acts to Articles 290 and 291 TFEU, and that it does not go beyond what is necessary;
19. reiterates, however, the importance of the subsidiarity and proportionality principles; and emphasises that these principles are applicable not only when drafting and adopting EU legislation but also when implementing it;
20. believes that delegation under Article 290 TFEU, which transfers a power of the EU legislator to the Commission, mainly poses an issue of proportionality in that it is the result of a decision on the normative force of the act, but does not alter the division of competences between the EU and the Member States;
21. believes, on the other hand, that implementation under Article 291 TFEU involves the EU institutions exercising a competence that rests primarily with the Member States, and is therefore more of a subsidiarity issue;
22. considers, therefore, that the Commission must constantly ensure compliance with these principles when taking action, including when adopting implementing measures.

Brussels, 1 December 2017.

*The President
of the European Committee of the Regions*
Karl-Heinz LAMBERTZ

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