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II

(Preparatory Acts)

COMMITTEE OF THE REGIONS

62nd PLENARY SESSION, HELD ON 16 AND 17 NOVEMBER 2005

Opinion of the Committee of the Regions on the Communication from the Commission Cohesion Policy in Support of Growth and Jobs: Community Strategic Guidelines, 2007-2013

(2006/C 115/01)

THE COMMITTEE OF THE REGIONS,

HAVING REGARD TO the Communication from the Commission: Cohesion Policy in Support of Growth and Jobs: Community Strategic Guidelines, 2007-2013 (COM(2005) 299 final);

HAVING REGARD TO the decision of the European Commission on 5 July 2005, under the first paragraph of Article 265 of the Treaty establishing the European Community, to consult it on this matter;

HAVING REGARD TO the decision of its President of 19 May 2005 to instruct the Commission for Territorial Cohesion Policy to draw up an opinion on this issue;

HAVING REGARD TO the Communication from the Commission: *Third progress report on cohesion: Towards a new partnership for growth, jobs and cohesion* COM(2005) 192 final (SEC(2005)632);

HAVING REGARD TO its opinion on the Communication from the Commission: Third report on economic and social cohesion — A new partnership for cohesion, convergence, competitiveness and cooperation, COM(2004) 107 final (CdR 120/2004 final) ⁽¹⁾;

HAVING REGARD TO its opinion on the financial perspectives — Communication from the Commission to the Council and the European Parliament: *Building our common future — Policy challenges and budgetary means of the enlarged Union 2007-2013* (COM(2004) 101 final — CdR 162/2004 fin) ⁽²⁾;

HAVING REGARD TO its opinion on the Proposal for a Regulation of the European Parliament and of the Council on the European Regional Development Fund (COM(2004) 495 final — 2004/0167 (COD) — CdR 233/2004 fin) ⁽³⁾;

HAVING REGARD TO its opinion on the *Proposal for a Council Regulation establishing a Cohesion Fund* (COM(2004) 494 final — 2004/0166 (AVC) — CdR 234/2004 fin) ⁽⁴⁾;

HAVING REGARD TO its opinion on the Proposal for a Regulation of the European Parliament and of the Council on the European Social Fund (COM(2004) 493 final — 2004/0165 (COD) — CdR 240/2004 fin) ⁽⁵⁾;

⁽¹⁾ OJ C 318, 22.12.04, p. 1.

⁽²⁾ OJ C 164, 05.07.05, p. 4.

⁽³⁾ OJ C 231, 20.09.05, p. 19.

⁽⁴⁾ OJ C 231, 20.09.05, p. 35.

⁽⁵⁾ OJ C 164, 05.07.05, p. 48.

HAVING REGARD TO its opinion on the Proposal for a Council Regulation laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund (COM(2004) 492 final — 2004/0163 (AVC) — CdR 232/2004 fin) ⁽⁶⁾;

HAVING REGARD TO the Birmingham declaration adopted by the CoR bureau on 2 September 2005 on *Cohesion policy and the national framework plans for implementing the Lisbon strategy*;

HAVING REGARD TO its draft opinion on this issue (CdR 140/2005 rev. 1) adopted on 30 September 2005 by the Commission for Territorial Cohesion Policy (rapporteur: Mr Alain Rousset, President of the Aquitaine Regional Council (FR/PES));

adopted the following opinion at its 62nd plenary session, held on 16 and 17 November 2005 (meeting of 16 November).

I. General comments

The Committee of the Regions:

- 1) **takes note of** the Community Strategic Guidelines (CSGs) adopted by the European Commission on 5 July 2005;
- 2) **welcomes** the clearly stated priority, prompted mainly by the accession of ten new Member States, to focus on regions lagging behind, by means of the Convergence Objective; the EU as a duty to show solidarity towards these regions and to speed up their economic and social development, as has been done through previous generations of programmes;
- 3) also **welcomes** the commitment to pursuing an EU cohesion policy for all of Europe's regions, by means of the future competitiveness and employment objective; but stresses that under this objective, priority must be given to peripheral and/or less competitive regions, in order to bridge the gap, in terms of development, both between and within regions; in fact, the principal function of cohesion policy is to correct regional and local imbalances and not to support the most competitive regions;
- 4) **regrets** that the CSGs do not distinguish between the priorities for the Convergence regions and those for the regions coming under the future competitiveness and employment objective; the competitiveness and employment objective must be targeted at projects aimed at increasing regional competitiveness (research, innovation, education/training, accessibility/transport, ICTs, and services of general interest) and must steer clear of the often-criticised current practice of spreading resources too thinly;
- 5) **welcomes** the fact that cohesion policy is now focused on the implementation of the Lisbon Strategy at regional level, but stresses the absolute need for cohesion policy to be used primarily as an instrument for correcting development disparities at regional and local levels;
- 6) **emphasises** the fundamental importance of this document for the development of EU cohesion policy for the period 2007-2013 and for the follow-up of this policy at EU level with regard to the stated objectives and priorities;
- 7) **emphasises** the need for regional and cohesion policy to be guided by a strategic EU document, such as that which has been in existence for several years for the European Employment Strategy;
- 8) **is concerned about** the gap between the document's stated ambitions and the low levels of funding which certain Member States wish to allocate to them under the 2007-2013 financial perspectives;
- 9) **is also concerned about** the use that will be made of this document by Member States, particularly if the financial perspectives are not equal to the task in hand;
- 10) **acknowledges** that while the subsidiarity principle must be respected by leaving Member States free to adapt the CSGs to their own particular situation and needs, it is important that Member States do not use EU Structural Funds to finance their own national policies;
- 11) **is concerned by** the risk that such a drift could pose to the longer term continuation of a genuine EU cohesion policy that is one of the most publicly visible of all EU policies;
- 12) therefore **regrets** that the European Commission, under pressure from Member States, has decided not to append the national versions of this document, which are based on the results from the territorial research programme undertaken by Member States via the European Spatial Planning Observatory Network (ESPON) and which allowed the strategic coherence between EU and national objectives regarding territorial cohesion to be verified.

⁽⁶⁾ OJ C 231, 20.09.05, p. 1.

1. The Community Strategic Guidelines (CSGs) and the Lisbon Strategy

The Committee of the Regions

1.1 **reaffirms** its overall support for the Lisbon Strategy and notes the European Commission's intention to effectively structure the CSGs around this Strategy but deeply regrets the fact that the environment and the Gothenburg Strategy are relegated to second place;

1.2 **agrees** with the three main priorities proposed by the European Commission (making Europe and its regions more attractive places to invest in, improving knowledge and innovation as key factors for growth and helping to create more and better jobs);

1.3 **regrets**, however, the lack of any reference to the concept of balanced competitiveness within these main priorities; reaffirms its commitment to ensuring that the same level of attention is given to the three pillars of sustainable development (economic, social and environmental);

1.4 **emphasises** once again that the main weakness of the Lisbon Strategy, as of the European Employment Strategy, lies in its implementation, particularly by Member States; deeply regrets, in particular, the lack of a truly devolved approach and the fact that the coordination method has not succeeded in involving local and regional authorities; **regrets** that cooperation on this front has remained essentially intergovernmental, whilst ignoring the increased role played by social partners in the Lisbon process;

1.5 therefore **welcomes** the European Commission's desire for local and regional authorities to play a central role in implementing this Strategy and the fact that it links this with cohesion policy in the pursuit of its objectives;

1.6 **insists** therefore on the need that the CSGs, on which Member States and regions will set out their own strategic priorities for cohesion policy, are incorporated into the *Lisbon National Action Programmes* and that the relevance of the regional and local levels to territorial strategic development is emphasised;

1.7 **hopes** that beyond the Convergence regions — the priority areas for EU intervention — Structural Funds will be provided under the competitiveness and employment objective aimed at speeding up, as a matter of priority, the development of peripheral and less competitive regions with the emphasis on research, innovation, education and training and accessibility (transport, ICTs, and services of general interest); each European region must have the capacity to establish its own Lisbon agenda at regional and local levels;

1.8 **warns against** the use of EU funds for the financing or co-financing of national or EU policies (Trans-European trans-

port networks, the Framework Programme for Research and Development, the Competitiveness and Innovation Framework Programme, etc.), which are designed purely for national competitiveness, with no regard for territorial cohesion and which therefore do not form part of cohesion policy; while it is quite legitimate and important for regions lagging behind to be able to use the Structural Funds for this kind of financing, it would be detrimental, however, if regions eligible for the future employment and competitiveness objective did not concentrate their funds on genuine regional development priorities;

1.9 **reaffirms** its call for private co-financing to continue to be allowed in future;

1.10 **points out** that while in the current programming period sectoral policies must contribute to cohesion policy, the situation will be reversed from 2007 when cohesion policy will be required to contribute to sectoral policy;

1.11 therefore **hopes** that the structuring of the CSGs around the Lisbon Strategy does not provide an opportunity for Member States to appropriate cohesion policy for financing their own national policies, with no regard for the principles of economic, social and territorial cohesion applying to their territory;

1.12 thus **warns against** the potential risk of *renationalising* EU cohesion policy;

1.13 therefore **calls for** the CSGs to set clear and focused objectives regarding territorial cohesion, so as to minimise such a risk.

2. The territorial dimension of cohesion policy

The Committee of the Regions

2.1 **regrets** that the territorial dimension of cohesion policy is not covered by either a separate priority or a horizontal priority overlapping with the three main priorities defined in the document and that it is not the governing principle of all of the CSGs as is the case with economic and social cohesion;

2.2 **reiterates** that the territorial dimension is the very foundation of regional and cohesion policy;

2.3 **is therefore very surprised** that the chapter on the territorial dimension focuses only on cities and rural areas and is far less a priority here than it was in the European Commission's stated ambitions in its third report on cohesion, while the regional process allows both the authorities and the public to measure the impact of EU policies on the ground; reemphasises the necessity to cover the urban dimension within regional programmes;

2.4 **calls for** the concepts of balanced competitiveness as defined by the Treaty on European Union, and of polycentric Spatial Development Perspective, which ought to enable the type and scope of policies to be adapted to objective local competitiveness conditions, to be taken into account;

2.5 **calls for** the territorial dimension to include a specific paragraph concerning areas with permanent handicaps (islands, upland areas and areas of low population density), the outermost regions, vulnerable rural areas and urban areas in difficulty, and to deal with strengthening the link between urban and rural; it recognises the strategic importance of towns and urban areas in achieving the Lisbon objectives, with the aim of creating safe, cohesive and sustainable communities even in the most deprived urban areas;

2.6 **awaits** in this regard the publication of the European Commission Communication on the urban dimension of the strategic guidelines of the cohesion policy;

2.7 **points out**, more fundamentally, the commitment of regional and local authorities to the objective of territorial cohesion as a necessary complementary objective inextricably linked with that of economic and social cohesion;

2.8 **regrets** the general lack of emphasis on territorial cooperation within the document; is concerned by Member States' plans to allocate less funds towards this fundamental objective of regional and cohesion policy;

2.9 **reaffirms** its support for cross-border cooperation as an essential instrument of European integration; hopes that issues such as culture, the environment, exchanges of information between authorities, civil protection and health are included within this area;

2.10 **recommends** establishing real transnational cooperation, going beyond a basic level of cooperation between Member States for achieving the objectives — this kind of cooperation is instrumental in achieving territorial cohesion;

2.11 **calls for** transnational cooperation to become a strategic element in territorial structuring and interconnection; points out that the work carried out by ESPON contains many suggestions for focussing transnational cooperation around several priority themes; calls for a greater involvement of local and regional authorities not only in programme management but also in defining priority action areas;

2.12 **calls on** Member States to avoid reducing the budget proposed by the European Commission for transnational cooperation;

2.13 **recommends** giving more consideration to the interregional aspect and notes the vital importance of having a sufficient budget to meet the stated objectives.

3. Compatibility of financial resources with the stated objectives

The Committee of the Regions

3.1 **points out**, firstly, the need for the EU's budget to be equal to its ambitions and in particular to the objectives set at the Lisbon European Council;

3.2 **is therefore concerned** about the risk of a significant discrepancy between the stated strategic ambitions and the low level of funding which may ultimately be allocated in the light of the latest intergovernmental negotiations;

3.3 therefore **regrets** that the European Commission is not proposing to concentrate more on areas and regions on which EU intervention can have a real leverage effect;

3.4 **considers**, regarding the future competitiveness and employment objective, that there should be a distinction between the intervention criteria of the ERDF and those of the ESF, given that while the ESF is legitimately concerned with all the EU's regions, for obvious reasons of unemployment and social exclusion, ERDF intervention must take account of various territorial criteria when allocating funding;

3.5 therefore **suggests** that the first priority when allocating Structural Funds should be the least competitive, most disadvantaged regions, and that the basis for allocating them should be both the EU's criteria and a weighting system based on clear and objective territorial criteria;

3.6 finally, **deeply regrets** the failure to agree on the financial perspectives at the European Council of 16-17 June 2005; points out the risk that a prolonged absence of any agreement on this matter could pose to the preparation of the 2007-2013 programming period.

II. Recommendations

The Committee of the Regions

1. **recognises** the efforts made by the European Commission in presenting this strategic document, but wonders what use will be made of it by Member States;

2. **reaffirms** its support for prioritising the Convergence regions, prompted mainly by the accession of ten new Member States;

3. **believes** that regional and cohesion policy should not be limited to Member States financing the sectoral policies considered priorities under the Lisbon Strategy; in fact, the principal function of cohesion policy is to correct regional and local imbalances and not to support the most competitive regions;

4. **is of the opinion** that the success of the Lisbon Strategy depends first and foremost on how it is interpreted at regional and local levels;

5. **hopes** that eligible regions under the future competitiveness and employment objective can concentrate EU funding on the financing of real strategies for regional development, implemented at regional level;

6. **is concerned by** the failure to effectively take account of the territorial dimension, which is after all, the reason for the very existence of an EU cohesion policy;

7. therefore **places the utmost importance** on achieving the objective of territorial cohesion, which is particularly important in the context of an enlarged Europe;

8. **calls for** a better balance between, on the one hand, the need for competitiveness within the EU and its Member States

and on the other, the need for territorial cohesion within the EU;

9. **believes** that this better balance involves making all EU regions eligible but also involves adding a genuine territorial dimension to the National Strategic Reference Frameworks (NSRFs) drawn up by Member States, in order to concentrate EU intervention on the peripheral and/or less competitive regions;

10. **recommends** giving greater importance to territorial cooperation generally and to transnational cooperation in particular, giving it a more strategic role in terms of the EU's territorial structuring and allocating sufficient financial resources for this;

11. **reaffirms** its support for the European Commission's proposals on the financial perspectives for the period 2007-2013; believes that the stated objectives within the Community Strategic Guidelines will not be achieved without an ambitious but realistic allocation of EU funding to enable the pursuit of a genuine regional and cohesion policy for the whole of the EU.

Brussels, 16 November 2005.

The President
of the Committee of the Regions
Peter STRAUB

Opinion of the Committee of the Regions on the State aid Action Plan — Less and better targeted State aid: a roadmap for State aid reform 2005–2009

(2006/C 115/02)

THE COMMITTEE OF THE REGIONS,

Having regard to the Communication from the Commission State aid Action Plan — Less and better targeted State aid: a roadmap for State aid reform 2005–2009, COM(2005) 107 final;

Having regard to the decision of the European Commission of 8 June 2005 to consult it on the subject, under the first paragraph of Article 265 of the Treaty establishing the European Community;

Having regard to the decision of its Bureau of 22 February 2005 to instruct its Commission for Economic and Social Policy to draw up an opinion on this subject;

Having regard to the Commission Decision of 18 July 2005 on the application of Article 86(2) of the Treaty to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest, the Commission Directive .../.../EC, amending Directive 80/723/EEC on the transparency of financial relations between Member States and public undertakings and the Community Framework for State Aid in the form of public service compensation;

Having regard to its opinion on the revision of the guidelines for regional state aids (CdR 77/2005 fin);

Having regard to its opinion on the Commission decision on the application of Article 86 of the Treaty to State aid in the form of public service compensation, the draft directive amending Commission Directive 80/723/EEC on the transparency of financial relations between Member States and public undertakings and the draft Community framework for State aid in the form of public service compensation (CdR 155/2004 fin) ⁽¹⁾;

Having regard to its opinion on the White Paper on services of general interest (CdR 327/2004) ⁽²⁾;

Having regard to the Resolution of the Committee of the Regions on revitalising the Lisbon strategy adopted on 24 February 2005;

Having regard to its Draft Opinion CdR 225/2005 rev. 1 adopted on 23 September 2005 by its Commission for Economic and Social Policy (Rapporteur: **Mr Gabor Bihary**, Member of the General Assembly of the Capital, President of the European Integration and Foreign Affairs Committee of the General Assembly of the Capital (HU/PSE));

adopted the following opinion at its 62nd plenary session, held on 16/17 November 2005 (meeting of 16 November).

⁽¹⁾ OJ C 43 of 18.2.2005, p. 13.

⁽²⁾ OJ C 164 of 5.7.2005, p. 53.

The Committee of the Regions' views

The Committee of the Regions

Welcomes the approach by the European Commission to establish a series of large consultations on the reform of State Aid Policy and to involve European local and regional authorities through the Committee of the Regions.

Reiterates its previous position with regard to the revision of the guidelines for regional state aids.

1. A modernised State aid policy in the context of the Lisbon strategy for growth and jobs

The Committee of the Regions

1.1 **welcomes** that the State aid policy should be closely linked to the objectives of Lisbon strategy and similarly welcomes its reorientation towards more selective horizontal approach (without disregarding the needs of specific targeted regions) and its focus on key policies such as innovation and R&D, human capital, entrepreneurship, services of general economic interest, regional aid, sustainable environment, transport, energy and information and communication technology infrastructures;

1.2 **feels** that the criterion of market failure developed by the Commission to justify State aid is an interesting approach, but it is not based on the EC treaty, is not clearly defined, and cannot be applied in those cases where there are no existing markets. It therefore **objects** to the idea of giving market failure a key role as a criterion for assessing the admissibility of State aid. Furthermore, application of the criterion of market failure is only acceptable if Member States and regional and local authorities, in keeping with the subsidiarity principle, retain adequate scope for manoeuvre in defining market failure and in deciding how to respond to it;

1.3 **recalls** that the CoR Resolution on Revitalising the Lisbon Strategy, adopted on 24 February 2005, points out that 'instead of pursuing the objective of a quantitative reduction in State aid, the EU should focus on better State aid with regard to long-term high-quality delivery of services'; **considers** it indeed to be wrong to focus on the global costs of State aid without differentiating the types of State aid and their respective benefits in terms of common interest;

1.4 **points out** that State aid, if sufficiently targeted and effectively managed, can contribute significantly to meet the requirements in terms of public service obligations set by local and regional authorities, and **believes** that the reform of State

aid rules should consider this fact in parallel with the impact of State aid on market functioning;

1.5 **notes** that the objective of Articles 81 and 82 EC Treaty on competition rules applying to undertakings is to protect competition on the market as a means of enhancing consumer welfare. Considering that the definition of 'competition' has to be homogenous and coherent throughout the Treaty, the Committee of the Regions regrets therefore the absence of any reference to the objective of consumer welfare within the State Aid Action Plan;

1.6 **is worried** to note that the concept of non-affectation of trade between Member States is not used any more as a priority criterion for granting State aid. The CoR considers indeed that subsidies by local and regional authorities to companies carrying out public service obligations do not necessarily affect trade in the single market between Member States or do seriously impede competition, i.e. create or reinforce a dominant market position of the relevant company/ies;

1.7 **underlines** the need for the European Union to be internationally competitive in attracting inward investment and considers that the State aid rules must better reflect business reality in an open globalised economy and provide sufficient flexibility to allow regions in the Member States to compete for foreign (non-EU) investment projects against regions from outside the Union which are heavily aided;

1.8 **believes** that the role of State aid is more important in periods with lesser economic growth, therefore suggests considering flexible rules, which could take this into account;

1.9 **also believes** that, within an economically integrated area, the less economically developed a Member State is, the more State aid might be justifiable as a percentage of GDP in order to develop public services or to provide similar public service standards as in the other Member States; furthermore, it **considers** that, within a Member State, some regions (notably less developed regions and regions in transition) should benefit from specific enhancements;

1.10 **suggests** that the European Commission should strengthen the impact analysis of its own decisions in the field of State aid, especially given the fact that the State Aid Action Plan is built upon an 'economic approach' of State Aid analysis;

1.11 **regrets** that the State Aid Action Plan does not reflect the specificity of private-public partnerships with regard to State aid.

2. Focusing on the key priorities

The Committee of the Regions

2.1 **welcomes** the intention to simplify and consolidate block exemption regulations for training and employment aids and **draws attention** to the fact that this also gives the opportunity to harmonize definitions such as e.g. the definition of 'disadvantaged worker' which varies from one block exemption to the other;

2.2 **believes** that the distinction between specific training and general training is mostly artificial in practice and therefore **suggests** not to differentiate State aid intensity based on this in the future;

2.3 **welcomes** the efforts by the Commission to complement the uncertainties remaining after the Altmark judgement⁽³⁾ by adopting a set of measures concerning the rules for financing public service obligations. The Committee of the Regions considers that these measures, by obliging local and regional authorities to define their public service contracts better, will lead to greater transparency and democratic accountability in the management of services of general economic interest;

2.4 **is pleased to note** that in this context the European Commission agrees with the Committee of the Regions' demand to exempt State aid granted for hospitals and social housing companies from the notification procedure;

2.5 **highlights** that a proposal for a legal framework on public services which should facilitate a definition of positive principles remains more necessary than ever. Such a framework should include for instance:

- criteria for distinguishing between Services of General Economic Interest (SGEI) and non-economic Services of General Interest (SGI);
- principles and general obligations of SGI, such as universal service, continuity, quality, efficiency, accessibility and user and consumer protection;
- criteria for curbing trade distortions;
- the recognition of the right of local and regional authorities to provide services of general economic interest themselves, and guiding principles for financing;
- evaluation mechanisms;

2.6 **welcomes** the Commission's intention to issue a general block exemption regulation to exempt certain categories of aid from the obligation to notify the Commission and **believes** that this future regulation will ensure better governance;

2.7 **supports** the intention to broaden block exemptions to integrate aid to support SMEs and R&D;

2.8 **believes** that due to its procedural requirements the 'de minimis' exemption is very difficult to apply in practice. Any increase of the de minimis threshold should therefore go together with a simplification and clarification of the current rules governing the de minimis regulation, notably by explaining:

- (i) whether the threshold for de minimis aid applies to independent undertakings or separate legal entities,
- (ii) how operations in more than one Member State by the same legal entity obtaining de minimis aid in different Member States are taken into account and
- (iii) what is the status of EC aid when determining whether the de minimis threshold has been reached;

therefore **supports** the increase of de minimis aid threshold and **requests** this to be based on the cumulate inflation since the last increase in 2001;

2.9 **considers** that, due to the huge increase in state aids granted to non-profit bodies, the Commission should make a clear and explicit reference to such bodies, in keeping with the relevant case-law of the Court of Justice;

2.10 **believes** that the improvement of Information and Communication Technology (ICT) infrastructure will have the same significant importance as the improved transport and energy infrastructures; **notes**, however, that market conditions for ICT development are different, therefore **draws attention to** the need for specific guidelines allowing greater flexibility in granting aid for developing ICT in general;

2.11

2.11.1 **welcomes** that the European Commission has launched on 24 August 2005 a public consultation on the Review of the Guidelines for State Aid for Environmental Protection but regrets that the tight deadline for replies set on 10 October 2005;

2.11.2 **expresses** its support for extending the scope of the current guidelines to 'consumer health', which in the view of the Committee of the regions encompasses the notions of 'safety of civilians and their environment', 'safety of employees' and 'health of employees';

2.11.3 **supports** explicit rules for environmental investment aid to companies in order to deal with pollution caused by other companies;

⁽³⁾ Case C-280/00 of 24.7.2003.

2.11.4 **advocates** maintaining higher aid intensity for SMEs;

2.11.5 **considers** that it is necessary to maintain higher levels of aid intensity for those regions which due to economic transformation are lagging behind in meeting the requirements of the *acquis communautaire* in the field of environment.

2.12 **welcomes** that the European Commission has launched on 21 September 2005 a public consultation on the reform on the rules on State aid for innovation (COM(2005) 436) but regrets the tight deadline for replies set on 21 November 2005;

2.12.1 the Committee **expresses**, in line with the objective of simplification, its support to integrating innovation in the current Community framework for State aid for research and development ⁽⁴⁾ as opposed to creating a new specific ruling;

2.12.2 it **supports** the objective to target innovation-related State aid towards small and medium-sized enterprises;

2.12.3 it **pleas** for retention of the current allowed cumulation of aid for innovation and regional aid;

2.12.4 the Committee **wonders**, with regard to innovative start-ups, why only 'exemptions of [50 %] on social contributions and other local/regional taxes (i.e. not linked to profits)' are envisaged;

2.12.5 it **welcomes** that 'State aid to SMEs and/or to activities far away from the market may qualify for lighter procedural rules, and could be exempted from notification' COM(2005) 436 (recital 24);

2.12.6 **questions** however the focus given by the Commission to 'market failure'. The Commission admits indeed that innovation related-activities are specific in that they are often distant from the market: 'Experience shows that it is very difficult to know in advance which innovative products and services will become successful in the market.' COM(2005) 436 (recital 18).

Brussels, 16 November 2005.

3. Modernising the practices and procedures of State aid

The Committee of the Regions

3.1 **welcomes** the Commission's proposals to ensure better governance of State aid; in particular **supports** issuing best practices guidelines after consulting Member States as well as the involved parties;

3.2 **points out** that shared responsibility with Member States is one of the key issues of State aid reform, and welcomes therefore the elements of the State Aid Action Plan, that strengthen the Member States' commitment;

3.3 **believes** that there should be an evaluation of the proposal to create independent State aid monitoring authorities in individual Member States, in terms of procedural benefits and the roles these authorities would undertake, and **asks** that local and regional authorities be consulted in such an evaluation;

3.4 **calls for the** establishment of a network of national State aid authorities, to enable the continuous flow of information and exchange of best practices, which could increase Member States' commitment and promote better governance;

3.5 **supports** the outlined system of a certain flexibility combined with a strict timetable, differentiating simple cases from those needing deeper investigation;

3.6 **calls with regard** to the announced overhaul of the Procedural Regulation 659/1999 for a strengthening of the rights of third parties (beneficiaries and plaintiffs) in the procedures following the initiation of proceedings;

3.7 **requests** to be consulted on the assessment or modification of the rescue and restructuring aid guidelines, indicated by the Roadmap for 2007/2008, as well as on other relevant reforms which affect local and regional authorities.

The President
of the Committee of the Regions
Peter STRAUB

⁽⁴⁾ Official Journal C 45, 17.2.1996, pp. 5-16.

Own-initiative Opinion of the Committee of the Regions on Competitiveness and decentralisation

(2006/C 115/03)

THE COMMITTEE OF THE REGIONS,

Having regard to the decision of its Bureau of 21 January 2005, under the fifth paragraph of Article 265 of the Treaty establishing the European Community, to instruct its Commission for Economic and Social Policy to draw up an opinion on this subject;

Having regard to the Report from the High Level Group chaired by Wim Kok on Facing the Challenge: The Lisbon Strategy for growth and employment (November 2004);

Having regard to the Communication from the Commission to the Spring European Council 2005, *Working together for growth and jobs: A new start for the Lisbon Strategy* (COM(2005) 24 final);

Having regard to the Commission Communication *Better Regulation for Growth and Jobs in the European Union* (COM(2005) 97 final);

Having regard to its opinion on the Commission Communication on the *Mid-term review of the Lisbon Strategy* (CdR 152/2004 fin) ⁽¹⁾;

Having regard to the resolution of the Committee of the Regions on revitalising the *Lisbon Strategy* adopted on 24 February 2005 (CdR 518/2004 fin) ⁽²⁾;

Having regard to the Wrocław Declaration adopted at the European Summit of Regions and Cities held in Wrocław, Poland, on 19 and 20 May 2005 (CdR 158/2005);

Having regard to its draft opinion on the Integrated guidelines for growth and jobs (2005-2008), including a Commission recommendation on the Broad guidelines for the economic policies of the Member States and the Community (under Article 99 of the EC Treaty) and a Proposal for a Council Decision on Guidelines for the employment policies of the Member States (CdR 147/2005 fin);

Having regard to the Commission Communication (COM(2000) 196 final) on Acting Locally for Employment — A Local Dimension for the European Employment Strategy;

Having regard to the Commission Communication (COM(2001) 629 final) on Strengthening the local dimension of the European Employment Strategy;

Having regard to its opinion on the Commission Communication on Acting Locally for Employment — a Local Dimension for the European Employment Strategy (CdR 187/2000 fin);

Having regard to its draft opinion CdR 23/2005 rev. 2 adopted on 23 September 2005 by its Commission for Economic and Social Policy (Rapporteur: **Mr Anders Gustâv**, Mayor of Solna (SE/EPP).

Whereas:

- 1) it is essential that local and regional authorities have the necessary powers and administrative and budgetary resources to play their natural role of promoting and managing competitiveness, innovation and cohesion policies, for the benefit of regional and local development;

⁽¹⁾ OJ C 43, 18.2.2005, p. 1.

⁽²⁾ OJ C 164, 5.7.2005, p. 91.

- 2) decentralisation that is geared to the specific characteristics of each Member State enhances autonomy and local and regional democracy. It also goes some way to responding to public fears about globalisation and economic and social changes in the wider world;
- 3) tripartite contracts between European, national and regional levels, taking account, depending on the case, of the urban problems involved, are good instruments for ensuring better involvement and better sharing of responsibilities by all players concerned, in implementing European regional policy;
- 4) the challenges of a globalised economy, addressed in the *partnership for growth and jobs* laid down at the Brussels European Council on 23 March 2005 to revive the Lisbon Strategy could be met more effectively via a bottom-up approach drawing regional and local authorities into the framing and implementation of the national programmes that will flow from it, given their major role in creating an environment conducive to economic growth;

adopted the following opinion at its 62nd plenary session, held on 16/17 November 2005 (meeting of 16 November).

1. Committee of the Regions' views

1.1 Competitiveness is improving in the regions, towns and municipalities

cities and regions have the power to influence. It is important to introduce a micro-perspective to the competitiveness debate and to show how the local and regional level in Europe can contribute to it specifically. Consequently, the opinion also suggests specific competitiveness boosting measures that can be adopted at local and regional level.

The Committee of the Regions

1.2 Europe needs more entrepreneurs and successful small businesses

1.1.1 **notes** that the European Council's objective for the Lisbon Strategy was that the EU would improve competitiveness and growth, create more and better jobs and ensure sustainable ecological and social development. The European Union would become the world's leading economy by 2010. Five years after the Lisbon summit, the European Commission notes that very little has been achieved. The Lisbon Strategy therefore needs to be relaunched, and the Member States given more responsibility for implementing the strategy;

1.2.1 **notes** that the post-war decades saw remarkable development in Europe. Production per inhabitant in Western Europe rose from 40 % of the US level at the end of the war to 70 % in 1970, a relative level that has remained unchanged ever since. Growth and the expansion of welfare systems went hand in hand and the recent problems experienced in funding welfare have coincided with lower growth;

1.1.2 **delivers**, against this background this own-initiative opinion on decentralisation and competitiveness. The aim is to show the importance of decentralisation to competitiveness and to identify the key local and regional factors that help to boost competitiveness and growth. The Committee of the Regions does not believe that strong competitiveness and sustainable development are mutually exclusive. Contributing to sustainable development is a shared responsibility for all countries, citizens, municipalities, cities and regions. The fact that the opinion focuses on competitive conditions is in no way intended to disregard efforts to achieve sustainable development;

1.2.2 **stresses** that post-war development created many major world-leading companies with good prospects, but they cannot single-handedly deliver a competitive Europe. What Europe needs is not just for today's competitive companies to keep up with global competition; it also needs new companies that can branch out and replace the jobs that disappear when other companies are forced out by competition, relocate abroad or cut back on production;

1.1.3 **underlines** that the key factors for increased competitiveness identified in the opinion are ones that municipalities,

1.2.3 **notes** that most new companies start out as small-scale local businesses. The local enterprise culture, attitudes towards enterprise and the availability of staff, skills and finance are of major importance to the number of new entrepreneurs we can expect to see.

1.3 Competitiveness is built from the bottom-up

1.3.1 **considers** that as public players and democratic institutions, the local and regional authorities have an important influence on the soil that companies take root in and the climate that helps them to flourish. They are democratic focal points for businesses and citizens, and the current debate and cooperation efforts to develop the local environment is crucial to development throughout Europe. To highlight the part Europe's municipalities and regions have to play in securing growth is not to detract from the Member States' crucial responsibility, but it does provide the debate on competitiveness and growth with a much-needed grass-roots perspective, i.e. the level closest to citizens, whether they be employees, entrepreneurs or job seekers. The drive to boost competitiveness therefore needs to be underpinned by subsidiarity and decentralisation. Decisions need to be taken close to those affected by them, and local and regional development potential must be recognised;

1.3.2 **notes** that the role of local and regional administration in achieving competitiveness objectives varies between Member States. In those Member States where decentralisation is far advanced and local administration has a relatively independent financial position (a major part of local expenditure is covered directly by personal and business taxes and revenue from charges), there is obviously a strong motive for the local level to promote employment, job quality, entrepreneurship and a favourable business climate, training and innovation services, and the quality of the environment. This has the effect of strengthening the commitment of the local and regional level to implementing competitiveness objectives. Greater 'ownership', as called for by the European Council, only comes about through genuine opportunities to participate and exert influence. The fact that local administration is close to the people leads to greater transparency and effectiveness in the realisation of the competitiveness objectives;

1.3.3 **emphasises** that the regional diversity that is increasingly a feature of Europe should be seen as an asset. This is a question of building on every region's specific circumstances. These vary considerably between cities, growth regions, upland areas, rural areas, declining regions and restructuring areas. There is no European model that can suit everyone. Growth regions, for example, are extremely important for development throughout the EU and their potential should be recognised. There are always some regions at the top of the growth league, in any case, but by building on each region's comparative advantages the leaders can act as a dynamo and develop regions according to their own circumstances. Europe cannot afford to let either stronger or weaker regions be hamstrung in their development. Competitiveness and entrepreneurship cannot be improved without building on existing

circumstances and opportunities in Europe's regions, cities and municipalities;

1.3.4 **underlines** that Europe's regions, cities and municipalities are different but that they all have the potential and responsibility to contribute to greater competitiveness; it is also in their interest to do so.

1.4 Factors in increased competitiveness

1.4.1 **emphasises** that a dynamic business environment is key to a competitive Europe. The factors contributing to an environment that is conducive to business start-ups and growth have been identified by a number of observers. The Wim Kok Report lists measures to reduce the administrative burden, improve legislation, make it easier to start a new business and create a supportive environment for business. The Commission working paper on *Benchmarking Enterprise Policy*, SEC(2004) 1427, also points out a number of factors such as access to financing and the importance of innovation and knowledge spill-overs. The Commission Communication on *Better regulation for growth and jobs in the European Union*, COM(2005) 97, also points to the vital importance of legislation to the business environment and consequently recommends less — but more appropriate — legislation;

1.4.2 **considers** that regions, cities and municipalities can often help to bolster the factors that encourage competitiveness. The Committee of the Regions would highlight the following factors that can be most obviously influenced by the local and regional authorities:

- a) **Society's ability to deal with structural change.** The ability to deal with both slow and sudden structural change, such as major business closures, varies. The chances of coping with structural change increase where there is a broad-based, efficient local and regional leadership and a society that promotes continuous learning.
- b) **Attitudes towards enterprise and entrepreneurship.** Some regions are characterised by an enterprise culture that makes them competitive. Even though it takes some time to create such a culture it is fully possible to develop one.
- c) **Appropriateness and implementation of legislation and regulation.** The framework of legislation surrounding business needs to be appropriate and to target clear objectives, and rules and regulations must be implemented objectively and sensitively. This calls for a public administration that is able to promote competitiveness.
- d) **Access to innovation and research results.** More results of research need to be translated into market products and innovation needs to be applied more quickly. This requires a continuous learning society and a local and regional enterprise culture.

e) **Access to knowledge and staff.** The learning society needs to make access to knowledge easier. Matching job-seekers with employers must be simplified through better access to jobs and a less rigid labour market.

f) **The role of the local and regional market.** Competitiveness cannot be considered separately from global, European, national, regional or local levels of competition. Making high levels of competition possible in local and regional markets calls for an administration that strives to promote competitiveness. Local and regional administrations have a responsibility to promote efficient local and regional markets.

g) **Access to financing.** There are fewer and fewer financial institutions focusing on small businesses. This makes it more difficult for small firms to gain access to finance and risk capital. In order to strengthen an entrepreneurial culture, regional intermediaries and services are needed to smooth the way for businesses to access financing.

h) **The impact of local and regional taxation on enterprise.** Public authorities depend on tax revenue to perform their duties. At the same time, tax levels impact directly on costs, e.g. labour costs. Setting taxation at levels that have the least negative impact on business while safeguarding the income they need is a challenge both for the leadership and the administration;

1.4.3 **underlines** that local and regional authorities account for a significant slice of the EU economy. The way tax and fee-based public measures are dealt with also impacts on European competitiveness. The following factors have specific bearing on the public administration's competitiveness:

a) **The efficiency of public administration.** Increased public sector productivity has a positive effect on competitiveness. Better use of resources makes it possible to deliver quality services. Striving for efficiency gains calls for a competitive administration that delivers low-cost, quality services.

b) **Creativity in the provision of services.** In accordance with the principle of subsidiarity, local and regional authorities are free to choose how to provide public services. There are many alternative ways to ensure delivery of high quality services and a sign of a competitive administration is the willingness to constantly assess and explore creative forms of service delivery in order to enhance efficiency.

1.4.4 **considers** that in order to influence increased competitiveness factors, local and regional authorities must rise to the challenge to develop leadership, create an enterprise culture,

competitive administration, a learning society, and facilitate access to jobs and services;

1.4.5 **notes** that the extent to which a rural municipality, a region or a city can influence factors in strong competitiveness depends on circumstances such as formal skills, the extent of national legislation, the structure of the business community and many other factors that are key to local or regional policy options. Notwithstanding the major differences in circumstances, it must be stressed that all local and regional authorities in Europe can adopt measures to boost competitiveness. Even in cases where responsibility lies with another body, it is always possible to work for greater interplay with those responsible. The Committee of the Regions offers the following 26 examples of specific measures to boost competitiveness.

1.5 *Specific measures to boost competitiveness*

Competitive leadership

1.5.1 **Shape leadership in a cooperation venture that can handle structural change.** Experience shows that it is necessary to have an open dialogue and broad-based cooperation with all stakeholders. By leadership, we do not just mean political leadership, but the combined leadership available in a municipality or region. It is a question of contributing — continually and in the long-term — towards interaction and understanding between the various players in the community by clarifying roles and responsibilities. Civil society and businesses are clearly part of this leadership. Cooperation paves the way for strategic development efforts and it contributes to that pooling of knowledge, social network and trust that is the hallmark of successful regions. Local and regional leadership needs to constantly update its common perception of its environment in order to prepare properly for any future structural change.

1.5.2 **Put development issues on the agenda.** It is natural that the local and regional debate should focus heavily on publicly-funded services. It is also important to ensure that economic development issues are not neglected. Political leadership has a duty to put development issues on the agenda, and particularly the link between local and regional competitiveness and well-being in a globalised world. Trade has made Europe rich, but today fear of competition often gains the upper hand and people too often fail to see the opportunities. People feel more reassured if development issues are high on the agenda and if politicians speak more of the opportunities afforded to boost prosperity and well-being.

1.5.3 Develop local and regional action plans to boost growth. National Lisbon plans are being implemented as part of the Lisbon process. But cities, municipalities and regions also need to plan for growth. Irrespective of the different local and regional conditions, action plans must be taken forward in order to boost competitiveness and harness the different comparative advantages in Europe's various regions.

1.5.4 Participate actively and constructively in national and European development policies. European and national development plans need the active participation of committed local and regional leadership. The different levels in the European Union are interdependent and it is only through constructive cooperation in which the EU, the Member States and the **regional and local** level actively contribute that Europe's full potential can be released. It is especially important in those countries that receive Structural Fund aid from the European Union.

1.5.5 Learn from the best. One of the keys to success is to be open to the strategies and approaches that can best advance one's own city or region. A useful way to check the status and strategies of one's activity is to compare them with those that have proved successful. Results-focused study visits with the broad participation of businesses, universities and local newspapers are examples of how this type of learning can be organised. Highlighting one's own town's or region's performance through benchmarking should also be welcomed.

1.5.6 Recognise that diversity and regional identity are important factors in heightened regional competitiveness. Local and regional leadership needs to work harder to enhance local and regional appeal, building on each region's comparative advantages. Europe's diversity must also be a competitive advantage.

Culture of enterprise

1.5.7 Introduce entrepreneurship in schools. Help to ensure that lifelong learning does not just mean learning how to be an employee. Introduce entrepreneurship in schools both as a specific subject and as an important part of the curriculum. Learning about enterprise and undertaking traineeships in companies enhances students' understanding of society and increases their potential to choose the type of employment they wish to pursue. Engaging in dialogue with local and regional employers also increases the chances of tailoring learning to labour market needs.

1.5.8 Solid consultancy services for new entrepreneurs and for second-time-around entrepreneurs. It is important that entrepreneurs who come up with an idea and have the

drive to carry it through should have easy access to relevant advice. Employees that choose to work for themselves also need access to information and advice. Furthermore, the experience gained from a failed entrepreneurship may contribute to the creation of a successful one.

1.5.9 Set up 'first-stop-shops' for businesses, focusing on advice, support and funding. Both entrepreneurs and established firms need advice and support. An established entrepreneur needs to work hard to maintain competitiveness and access to professional support and advice is extremely valuable. Support may be required in contacts with the authorities, in which case a 'first-stop-shop' can act as a go-between. Access to financing is also very important and a centre to facilitate access to capital could provide valuable help for some entrepreneurs. There are fewer and fewer local banks and, as a result, the banks are less likely to be aware of local conditions. Lack of finance is a national and European problem, but the municipalities and regions can help to mitigate the effects.

1.5.10 Train civil servants in the meaning of 'enterprise'. A better understanding of the enterprise culture is needed if local and regional authorities are to help rather than hinder enterprise and entrepreneurship. This is not to call into question the public authorities' commitment or special circumstances; put simply, a civil servant with a broader understanding of society's various parts is better placed to make informed decisions.

1.5.11 Set up consultative councils with entrepreneurs and employee representatives. Local and regional democracies make independent decisions based on the mandate voters have given them. If decisions are to be taken in the most businesslike way, a continuous dialogue is needed with the different community players and citizens. In order to safeguard employment and boost growth it is important to maintain a dialogue with local and regional businesses and with employees. A consultative council where politicians, businesses and employees can meet could provide a way to strengthen the basis for political decisions.

A learning society

1.5.12 Promote teamwork between educational institutions, companies, organisations and employees. Learning does not end with school and we need to bolster life-long learning in order to meet new skills requirements. Local learning centres, for example, could provide a better supply-demand match in education. Education needs to be tailored to entrepreneurs and their employees. Significantly more evening courses should be offered, for example.

1.5.13 Expand cooperation with universities and colleges. It is important to encourage people to enter higher education and to improve the availability of academic education and further training. Generally speaking, cooperation with academia needs improving so that more research will be applicable and meet the needs of business and the public sector. The interplay between academia and the community that is a feature of American universities helps to create growth and municipalities and regions need to strive to enhance this interplay. At the same time, the universities need to be given more incentive to interact.

1.5.14 Help to disseminate research results. More widespread application of the fruits of research is a challenge for Europe. Contact points for the dissemination of research results and innovation need to be located near companies that can benefit from new knowledge and new ideas.

1.5.15 Promote business clusters. Companies operating within the same sector and that are geographically close could develop business clusters where services, staff and ideas can flow between companies. Clusters enhance development **of best practice** and competitiveness through the close interplay between individuals and companies within the same sector and skills area. These should be facilitated through better access to **best practice** and access to trained staff. Promoting clusters must be an important part of regional and local planning.

Competitive administration

1.5.16 Use spatial planning as an active instrument to boost competitiveness. Spatial planning is crucial to the type of local market that is created. Planning impacts on access to business premises and freedom of establishment. The way a market operates also depends on the availability of shops and services for customers. Good public communications play an important role here. In Europe there is freedom of establishment but unless local and regional spatial planning is used properly it can, in practice, hinder the establishment of companies. Regional and local planning — whether in rural or urban areas — must be more growth and development-oriented.

1.5.17 Set efficiency improvement objectives for public services. In Europe, locally and regionally produced publicly funded services account for a significant part of the economy. How these resources are used is important not just in terms of the service citizens receive but also in terms of competitiveness. Better use of tax revenue has a positive impact on the whole economy and on employment. Continuous efficiency gains in public services enhances public sector productivity and gives

more freedom in the choice of tax rates and service levels. In order to increase public sector efficiency gains, good follow-up systems are needed, along with the chance to compare and expand in line with best practice.

1.5.18 Assess the impact of decisions on the enterprise culture. Public agencies need to take account of the impact of their decisions on different citizens and, for example, on the environment. Just as environmental impact statements are drawn up, the same should be done for enterprise and employment. Existing rules also need to be overhauled in order to eliminate any rules that give rise to unnecessary costs and that hamper business competitiveness.

1.5.19 Assess and explore creative forms of service delivery. In accordance with the principle of subsidiarity, local and regional authorities should seek to enhance the efficiency of service delivery through assessing and exploring creative forms of delivery, such as outsourcing, which in turn could stimulate local and regional markets.

1.5.20 Improve procurement skills. Make public procurement an active, transparent instrument for promoting competition. It is important to perfect procurement skills in order to improve quality and consistency in tender assessments. Procurement centres can often be established with several public authorities working together in order to secure a high level of competence.

1.5.21 Promote small businesses in procurement procedures. While it is important to coordinate cross-municipality procurement skills, it is also important to ensure this does not lead to bundling tenders together into major ventures that are impossible for small businesses to handle. Instead, big tenders should, as far as possible, be divided up into several smaller tenders, which would favour small businesses. The administrative burden in tender procedures is often far too big for small businesses. Tender applications and procedures should, as far as possible, be standardised and uniform regional, national and European standards should be established. The use of information technology both for procurement and smaller buy-ins must be increased.

1.5.22 Greater use of e-administration. In order to save costs both for citizens, companies and administrations, e-administration needs to be rolled out. Good e-administration improves service, frees up resources for core activities and makes more frequent electronic exchanges of information between public institutions easier.

1.5.23 Increase employment and reduce benefit dependency. General economic and social policy at regional and municipal level must focus more on employment, giving more people the opportunity to work and reducing benefit dependency. Increasing employment is always the best way to ease social problems. The impact of social policy on employment should be continuously assessed in order to improve procedures. **Technical meetings should also be held to share best practice in this area.**

1.5.24 Empower the workforce. Help to empower the workforce by providing more child-care and social initiatives for better integration of unemployed immigrants into working life. In this context, it is important to push for greater equality of opportunity. Equal opportunities in the labour market is very important for growth. Older people of pensionable age who want to continue working also constitute a resource and, rather than being prevented from doing so, this should be welcomed by society.

Accessible jobs and services

1.5.25 Expand the labour market through better communications. The economic success of major cities depends in part on the ready availability of labour and jobs, and on the fact that distances are close and communications good. It makes it easier to match job vacancies with jobseekers. For the individual employee, the importance of having access to a large labour market cannot be underestimated. It is therefore important to expand infrastructure and general communications so that access to job vacancies can be improved. Border regions must ensure that commuting across regional boundaries does not cost more than commuting within the region.

1.5.26 Ensure ease of access to broadband services. Local and regional authorities can help to ensure that market-driven broadband services are rolled out. Broadband makes services more accessible and facilitates teleworking.

2. Recommendations for increased local and regional competitiveness

The Committee of the Regions

2.1 undertakes to keep the debate about local and regional competitiveness alive and urges Europe's municipalities, cities and regions to pursue the debate in their own democratic

assemblies. Competitiveness is achieved from a bottom-up perspective, and it is here that this debate — crucial to Europe's future — must be pursued and words turned into action.

2.2 urges Europe's municipalities, cities and regions to consider the report's examples of specific measures to boost competitiveness, and to establish local and regional growth plans that target greater competitiveness. The plans should list measures that are appropriate for local and regional circumstances.

2.3 urges the Member States to recognise the role played by the municipalities and regions in growth and competitiveness and to simplify matters for local and regional development potential by ensuring the local and regional level has ample room for manoeuvre on development policy. The preparatory work for Member States' national reform programmes should include an evaluation of the role of the local and regional levels in implementing various economic and employment policy guidelines. In this connection, it is important for cohesion policy to focus on achieving the Lisbon objectives and make specific provision for the practical role of cities and local authorities.

2.4 urges the Member States and the Commission to recognise the important role played by Europe's growth regions and major city regions in the development of the entire European Union. Regions that are lagging behind need to feel the pull of Europe's economic engines.

2.5 urges the Commission to vigorously promote European learning on regional growth and competitiveness. Strategic initiatives are needed in order to learn about best European practice and examples from other parts of the world. Thematic benchmarking, where similar regions are compared with each other, should be promoted.

2.6 urges the Commission to draw up annual regional competitiveness reports describing conditions in the regions with the aim to facilitate thematic benchmarking and best practice. The Committee of the Regions would gladly support the Commission in this work.

2.7 intends to contribute actively to the preparations for the Spring European Council meeting and to the evaluation of the national action plans.

Brussels, 16 November 2005.

The President
of the Committee of the Regions
Peter STRAUB

Opinion of the Committee of the Regions on the Proposal for a Decision of the European Parliament and of the Council establishing a Competitiveness and Innovation Framework Programme (2007-2013)

(2006/C 115/04)

THE COMMITTEE OF THE REGIONS,

HAVING REGARD TO the Proposal for a Decision of the European Parliament and of the Council establishing a Competitiveness and Innovation Framework Programme (2007-2013), COM(2005) 121 final — 2005/0050 (COD);

HAVING REGARD TO the decision of the European Commission of 6 April 2005 to consult it on the subject, under Article 265 and Article 156 of the Treaty establishing the European Community;

HAVING REGARD TO the decision of its President of 19 May 2005 to instruct its Commission for Economic and Social Policy to draw up an opinion on this subject;

HAVING REGARD TO its Draft Opinion CdR 150/2005 rev. 2 adopted on 23 September 2005 by its Commission for Economic and Social Policy (Rapporteur: **Mr Harry Dijkema**, Member of the Executive Council of the province of Flevoland (NL/ALDE);

WHEREAS it has recently issued opinions on most of the programmes and relevant topics covered in the proposed Competitiveness and Innovation Framework Programme, and whereas there would be little point in repeating views expressed in the past which are still valid;

Adopted the following opinion at its 62nd plenary session, held on 16/17 November 2005 (meeting of 16 November).

The CIFP is welcome

1. The Committee of the Regions is pleased to note that, with its Proposal for a Decision of the European Parliament and of the Council establishing a Competitiveness and Innovation Framework Programme (2007-2013) (CIFP), the European Commission is acting on its wish for improved coordination between various sorts of EU sectoral policy, for greater consideration to be given to SMEs and for enhanced competitiveness.

The CIFP in the various levels of European government

2. The Commission considers that its proposal does justice to the principles of subsidiarity and proportionality. The Committee broadly concurs with the Commission's argument in the light of current practice. It considers, however, that, particularly with regard to implementation, the devolved levels of government are not assigned their proper role as participants in good European governance.

3. The Committee regards the CIFP as an improvement on the existing situation. It remains a top-down approach, however, which does not necessarily lead to the best results.

4. Through its framework policy the Union must encourage government and the business community to rediscover their own strengths in a changing international context, and in the process act as an instigator, the creator of conditions, supplementing a top-down approach with one that works from the bottom up, rather than imposing detailed top-down programmes with local and regional authorities merely filling in the blanks.

5. The economy is rapidly becoming internationalised. The Committee therefore considers that a properly funded European policy framework for competitiveness and innovation remains essential, despite changes in the division of responsibilities between EU, Member States and the devolved levels of government.

6. Partly as a result of the leverage effect, the financial contribution of the EU generates substantial European added value. The Committee believes that a sufficient budget is required for CIFP activities throughout Europe. Policy and financial commitment is required of all European levels of government in order to achieve the objectives of the Lisbon strategy.

7. The question the Committee would like to raise in this connection is this: is the Lisbon strategy not still based too much on linear thinking? Would it not now make more sense to think in terms of breaking trends, using Europe's specific strengths as the starting point?

8. Europe's strength is diversity, not standardisation. Custom-made solutions are also needed when promoting competitiveness via innovation. Their administrative practices make the devolved levels of government best placed to promote competitiveness through innovation in their area. An integrated approach can best be achieved close to the grass roots. Synergies are greatest here and cooperative arrangements can be quickly established.

9. The devolved levels of government therefore have to play a full and central role in implementing this pan-European policy in the framework of European partnership.

10. The Committee therefore calls on all the branches of European government to promote innovation within their own organisations, and in the process to be on the lookout for ways of stimulating innovative behaviour by third parties. There is no doubt that the credibility of innovation policy, and thus its effectiveness, are enhanced when government itself sets a good example.

CIFP — simplification and coherence

11. The CIFP simplifies the existing situation. However, one management committee and one work programme would be preferable to three in the interests of policy coherence and efficiency. Clearly, the existence of different work programmes with the same purpose means that good coordination will be essential if optimum benefits are to be obtained.

12. In its proposal the Commission outlines the policy relationship between the individual components of the CIFP, and between the CIFP and the various relevant European programmes. This gives a coherent overview of policy. It would be a good thing for the annual work programme to make it clear how this link between the CIFP and other European programmes, particularly the Seventh framework programme for research, technological development and demonstration activities (FP7-RTD), can be used in practice to establish integrated national, regional and local action programmes which create optimum synergies.

13. The CIFP offers a framework programme with many opportunities for action. Only when the annual work programmes are drawn up, however, will it become clear what actions are planned, when, to whom they are available and in what form, what criteria the Commission will apply, and thus in general what opportunities exist in practice. The Committee wishes to be briefed on the process of drawing up the work programmes, like the European Parliament, so that, where appropriate, it can make its views known in good time. Regional governments should also have access to the draft programmes, so that they can express their opinions and suggestions and build on their role to pave the way for competitiveness.

14. European programmes are often considered difficult of access. The Committee therefore calls on the Commission to use short, clear procedures, with clear criteria and a minimum administrative burden, from application through to audit, and obviously with optimum use made of ICT.

15. In the light of the above, the Committee asks the Commission to seriously consider delegating at least implementation and management tasks to the devolved levels of government, which are willing and able to perform them.

Entrepreneurship and innovation

16. The Committee is pleased to note that the Commission gives consideration to the whole range of SMEs, including very small, traditional and family businesses. This also applies to the role of local and regional financial funds and intermediaries. However, the policies of both the relevant European institutions and the supervising and managing authorities often impede the provision of risk capital. Here too renewal of policy and rules is needed.

17. The CIFP places heavy emphasis on cooperation, including transnational cooperation, for which partners from three countries are required. The Committee recommends making provision for twinning in view of the effectiveness of intensive one-to-one cooperation.

18. In order to help SMEs cross the notorious cooperation threshold, it would be worthwhile encouraging small-scale, firm-level joint ventures at local and regional level, possibly as a precursor to further-reaching cooperation.

19. The Committee is pleased that young people are made a specific target group for the Entrepreneurship programme. But from a social point of view, it would be equally desirable to target older people and minorities in connection with entrepreneurship.

ICT policy

20. In the ICT programme, the Committee recommends adopting an approach which takes in the whole 'chain', as is done in the case of environmental technology, to provide market incentives for accelerated implementation of the necessary broadband ICT applications, broadband infrastructure and similar technologies.

21. Government, like the services sector, makes less use of ICT than it should. The Committee considers that the devolved levels of government should make an effort to set an example. Where they have insufficient capacity or resources, they should be supported by other national or European-level authorities in identifying creative solutions and making maximum use of their own opportunities on their own responsibility.

Intelligent Energy-Europe

22. In the introductory chapter of the Explanatory Memorandum of its proposal the Commission mentions LIFE as one of the existing instruments to be incorporated into the CIFP. LIFE is not, however, mentioned again in the proposal. Or at least not in an obvious way. The role of the CIFP with regard to LIFE should be clarified.

23. Although this is not mentioned in the CIPF, the Committee assumes that the recently launched Sustainable Energy-Europe campaign, which runs until 2008, and the Intelligent Energy-Europe programme are to be coordinated.

State aid

24. The Committee welcomes that on 21 September 2005 the European Commission has launched a public consultation on the rules on state aid for innovation (COM(2005) 436) but regrets the tight deadline for replies.

The Committee wants to state the following on this matter:

- The Committee expresses, in line with the objective of simplification, its support to the integration of innovation in current rulings as opposed to creating new ruling.
- It supports the objective to target innovation-related state aid towards small and medium-sized enterprises.
- It pleads for retention of the current allowed cumulation of aid for innovation and regional aid.
- The Committee wonders, with regard to innovative start-ups, why only 'exemptions of [50 %] on social contribu-

tions and other local/regional taxes (i.e. not linked to profits)' are envisaged.

- It welcomes that 'State aid to SME's and/or to activities far away from the market may qualify for lighter procedural rules, and could be exempted from notification' (recital 24).

The Committee questions however the focus given by the Commission to 'market failure'. The Commission admits indeed that innovation related-activities are specific in that they are often distant from the market: 'Experience shows that it is very difficult to know in advance which innovative products and services will become successful in the market.' (recital 18)

Final comment

25. The Committee believes that with this opinion it can contribute to an improved policy to boost competitiveness through innovation and promote discussion on the financial perspective; it believes that adjusting the CIPF in the way proposed will contribute to a more balanced distribution of responsibilities and tasks in European government.

Brussels, 16 November 2005.

The President
of the Committee of the Regions
Peter STRAUB

Opinion of the Committee of the Regions on the Proposal for a Decision of the European Parliament and of the Council concerning the seventh framework programme of the European Community for research, technological development and demonstration activities (2007-2013)

(2006/C 115/05)

THE COMMITTEE OF THE REGIONS,

Having regard to the Proposal for a Decision of the European Parliament and of the Council concerning the seventh framework programme of the European Community for research, technological development and demonstration activities (2007 to 2013) (COM(2005) 119 final) — 2005/0043 (COD) — 2005/0044 (CNS);

Having regard to the Communication from the Commission: Building the ERA of knowledge for growth (COM (2005) 118 final);

Having regard to the decision of the Council of 31 March 2005 to consult it on this subject, under the first paragraph of Article 265 of the Treaty establishing the European Community;

Having regard to the decision of its President of 19 May 2005 to instruct the Commission for Culture and Education to draw up an opinion on this subject;

Having regard to the Decision of the 2000 Lisbon European Council to adopt the concept of a European Research Area (ERA), thereby laying the foundation for common science and technology policy across the European Union;

Having regard to the Decision of the March 2002 Barcelona European Council by which the European Union set itself the objective of increasing the European research effort to 3 % of the European Union's GDP by 2010;

Having regard to the Communication from the Commission: A European initiative for growth — Investing in networks and knowledge for growth and employment — final report to the European Council (COM(2003) 690 final);

Having regard to the Communication from the Commission: Science and technology, the key to Europe's future — guidelines for future European policy to support research in Europe (COM(2004) 353 final) and its opinion on the subject (CdR 194/2004 fin) ⁽¹⁾;

Having regard to the Communication from the Commission responding to the observations and recommendations of the high-level Panel of independent experts concerning the new instruments of the Sixth Framework Programme (COM(2004) 574 final);

Having regard to the Communication to the Spring European Council: Working together for growth and jobs — a new start for the Lisbon Strategy (COM(2005) 24 final);

Having regard to the Proposal for a Decision of the European Parliament and of the Council establishing a Competitiveness and Innovation Framework Programme (2007-2013) (COM(2005) 121 final — 2005/0050 (COD));

Having regard to the Communication from the Commission: Mobilising the brainpower of Europe: enabling universities to make their full contribution to the Lisbon Strategy (COM(2005) 152 final) and its opinion on the subject (CdR 154/2005 fin);

Having regard to the report of the High-level Expert Panel chaired by professor Ramon Marimon *Evaluation of the effectiveness of the New Instruments of Framework Programme VI* (21 June 2004);

Having regard to the opinion (CdR 155/2005 rev. 2) adopted on 22 September by its Commission for Culture and Education (rapporteur: Mr Lars Nordström, Regional Councillor, Region of Västra Götaland (SE/ALDE);

⁽¹⁾ OJ C 71, 22.3.2005, p. 22.

Whereas:

1. the overarching objectives set out in the Commission proposal are crucial for the implementation of the Lisbon Strategy. Raising European investment in research to 3 % of EU GDP, with two-thirds of this coming from the private sector and all of it geared to research and development promoting knowledge-based societies and economies in Europe, is an ambitious target that can only be met through joint efforts and coordinated action by the EU and Member States;
2. research, innovation and lifelong learning are key to European growth and competitiveness;
3. the need to double Union research funding in the period 2007–2013 is in line with the objectives of the Lisbon Strategy and the accession of ten new Member States in 2004. It is in the interest of the whole of Europe that the proposal be implemented, even if changes are made to other parts of the budget plans for 2007–2013;
4. the high degree of continuity between the current Sixth Framework Programme (2002–2006) and the forthcoming Seventh Framework Programme. The proposal also includes new elements, such as the European Research Council and Joint Technology Initiatives;
5. although the measures contained in the Commission proposal are not cohesion instruments as such, they will undoubtedly have an impact on cohesion in Europe;

unanimously adopted the following opinion at its 62nd plenary session, held on 16–17 November 2005 (meeting of 16 November):

The Committee of the Regions' views

1. General comments

The Committee of the Regions

1.1 **welcomes** the fact that **the political context and objectives** of this proposal are set out in a separate communication *Building the ERA of knowledge for growth*, which was presented at the same time by the Commission;

1.2 **believes** that, **in the main, the Commission's proposal is good** in that it has a high degree of **continuity** with the current Framework Programme. Local and regional authorities and small and medium-sized enterprises (SMEs) are given better opportunities to participate, although FP7 instruments continue to favour 'large initiatives';

1.3 in view of the relaunch of the Lisbon agenda, **stresses** the importance of reaching an agreement on the financial perspectives that allows the necessary financing for the 7th Framework Programme as proposed by the Commission;

1.4 **welcomes** the measures aimed at administrative, financial and legal **simplification**, which are described in the Working Document on implementation accompanying the proposal, and **would particularly highlight** the need for **simplification** at all stages of the application procedure, contractual negotiations and implementation;

1.5 **notes** that the Commission has taken into account the views expressed by many of the interested parties in a **broad consultation** and that the proposal is built on an in-depth

impact assessment based on evaluations and inputs from the interested parties;

1.6 **agrees** that knowledge is at the core of the Lisbon Strategy and that the components of the 'Triangle of knowledge' are innovation, education and research; **would particularly stress that the quest for quality and excellence lies at the heart of research policy**. In this way, knowledge can be produced which promotes sustainable economic growth, employment and social cohesion;

1.7 **endorses** the Programme's overarching objectives and the division of the Seventh Framework Programme into four specific programmes — Cooperation, Ideas, People and Capacities — corresponding to the four major objectives of European research policy;

1.8 **welcomes the focus of the Cooperation programme on a few thematic areas** for all types of transnational cooperation, ranging from collaborative projects and networks to the coordination of research programmes in the following thematic areas:

- a) Health
- b) Food, Agriculture and Biotechnology
- c) Information and Communication Technologies
- d) Nanosciences, Nanotechnologies, Materials and new Production Technologies
- e) Energy
- f) Environment (including Climate Change)

- g) Transport (including Aeronautics)
- h) Socio-economic Sciences and the Humanities
- i) Security and Space;

1.9 **has** high hopes for the **Ideas programme**, which provides for the creation of an autonomous European Research Council (ERC) to support investigator-driven 'frontier-research' carried out by individual teams competing in all scientific and technological fields; **would stress** the importance of an independent ERC and the need for results from research funded via the ERC to be disseminated systematically in full cooperation with local and regional authorities. The idea of a European Research Council should be developed to have close contacts with local and regional administration and the CoR;

1.10 **welcomes** the fact that the **People programme** provides for increased support for the training and career development of researchers, with a focus on skills and career development and stronger links with national systems;

1.11 as regards the **Capacities programme**, **recalls** the specific needs for cooperation between the Framework Programme and the Structural Funds in order to enhance research, training and innovation capacity in Europe in the context of support for research infrastructures, research for the benefit of SMEs, regional research-driven clusters, unlocking research potential in the EU's 'convergence' regions, 'science in society' issues and 'horizontal' activities in the field of international cooperation;

1.12 Europe must strive for the best integration of the new Member States. Inclusion in all EU policies and instruments is a prerequisite for effectively tapping the significant human and economic potential of these countries to build a more competitive and cohesive Europe, enjoying sustained development. The Framework Programmes should help accelerate the process of integration.

2. Cooperation programme

2.1 The issue of knowledge transfer and dissemination is crucial. The current Framework Programme contains mechanisms for this purpose but does knowledge transfer and dissemination take place effectively and systematically? What results have been achieved to date? Little is known about this because there is no clear requirement for follow-up. One way to remedy this would be for approved projects to be given an explicit responsibility for devising and implementing knowledge transfer strategies. The Commission should monitor these in order to determine the results achieved.

2.2 Information and communication technologies (ICT) are of key importance to all aspects of industry, business, the

services sector, science and technology, including security and defence. Compared to Japan and the USA in particular, Europe has considerable ground to make up, not least in view of the need for supercomputers in many important fields, such as climate, security and materials research and the synthesis of new medicines.

2.3 As regards the ecological dimension of sustainable development, the Committee of the Regions wishes to draw attention to the importance of the natural environment as a resource and an area for research in fields such as bio-energy and biofuels, plant genomics, wood technology, sustainable forestry, mining technology, waste technology and tourism.

2.4 The CoR reiterates its strong satisfaction at the re-incorporation of the important **energy** sub-programme into FP7. However, even though energy research is also a very high priority for Euratom FP7, even greater emphasis on this vital subject is necessary. Energy is the key resource of a competitive economy, but, as is well known, Europe is worryingly dependent on energy imports.

2.5 This should be complemented by a focus on the social dimension and here the Committee of the Regions would particularly highlight integration issues as a key overarching theme. Examples of important research questions in this context are how integration policy is implemented and monitored in Member States; what targets and indicators are employed; how tax policy affects integration efforts (in many Member States taxes are raised at national level but the local and regional level has to bear a major part of the costs resulting from exclusion, etc.). Other important questions relate to democratic aspects of integration efforts, such as the effects of the formal right to vote or differences in the approach to integration policy at different levels in society. Another set of questions relates to refugees and discrimination in the labour market.

2.6 The CoR welcomes the beginning of the construction of the **Galileo** project; besides being of great value in terms of innovation, the technological solutions employed here and especially their application are, in the Committee's view, what makes this project truly multi-disciplinary and cross-functional.

2.7 The Committee of the Regions believes that research on broad issues relating to public health, health care and social services should be included in the thematic research priorities of pan-European interest. Other issues also need to be addressed, including various aspects of public health, such as, for example, measures to tackle the harmful consequences of alcohol and tobacco use. Knowledge of the extent and effects of alcohol and tobacco-related problems is important, both in the short and long term.

2.8 Moreover, research on many aspects of urban development, in addition to environmental concerns, needs to be taken into account. Such research could, for example, cover not only issues relating to transport, urban planning and water and waste management, cultural heritage and tourism but also integration and governance. These issues were included in the Fifth Framework Programme but are missing from the Sixth Framework Programme. A broader approach to urban development is therefore called for in the Seventh Framework Programme.

2.9 The Committee of the Regions believes that the interaction between research and practice is an important area for research. A major challenge for both the public and the private sector is the ability to translate research-based knowledge into practice, for example in order to revamp the welfare system. In theory this applies to all research areas but perhaps above all to new knowledge in the service sectors. Thus more research needs to be done into the practical application of research results. Examples of the kind of questions such research could address are: developing methodology on the use of research results; obstacles to change; reasons why some improvement strategies work and others do not; how to promote change through learning; how to involve colleagues; how to use proposal systems to develop a creative climate, etc. Hence there is a need for European research policy to highlight the fact that the interaction between research and practice is a field of research which can promote innovation or development. The EU should recognise this and support the establishment of this type of research in the service sectors.

2.10 On the one hand, there is a need for national research programmes on various aspects of demographic change, including ageing, and it is important to improve the coordination of such programmes at European level. The Committee believes that instruments for programme coordination could be developed through interregional cooperation projects under the ERA-NET scheme with an eye to future cooperation in accordance with Article 169. On the other hand, support for research on demographic ageing should be given a significant boost through the Seventh Framework Programme itself. Potentially relevant issues relating to 'active ageing' are addressed in the Commission communication *Increasing the employment of older workers and delaying the exit from the labour market*. However, active ageing involves much more than this; for example, there is a need to develop knowledge on healthy ageing people and how older people are and can become an asset to society. There is a diversity of cultural differences and experiences among Member States as regards attitudes towards demographic change, and this could serve as a basis for addressing a range of research issues from an inter-disciplinary perspective. Besides the implications of an insufficient birth rate, emigration and dramatic population shrinkage, this includes research on ageing which assesses the requirements as regards health care, social services and self-care. Though coordination between national and European programmes is mentioned in the Cooperation programme, the Committee feels that it should be

enhanced. The concept of ageing incorporates social, economic and cultural aspects. The development of social solutions and adaptation strategies in response to demographic change is one of the main political challenges facing us over the next few years, particularly at regional level. Therefore it is also important that the local and regional level play a major role in designing national programmes.

2.11 The Committee of the Regions feels that the links between research, innovation, entrepreneurship and business have become unclear with the division of measures between the Framework Programme and the Competitiveness and Innovation Programme (CIP). There is a danger here that project ideas on the borderline between these key areas, which are crucial for growth and job creation, could be overlooked or become caught up in excessive red tape or, in the worst case, that potential applicants might be deterred from applying at all, which is something Europe simply cannot afford. It is of the utmost importance that the Commission as a whole work to ensure that administrative boundaries between different DGs and programmes do not hold back good projects.

2.12 Because of the responsibility they bear for key sectors of society, local and regional authorities could usefully become involved in Technology Platforms (TPs). In formulating research strategies for new TPs from the perspective of people's needs and in developing relevant platforms already in operation, local and regional authorities have a natural place in the cooperation between academia, the business community and the public sector which TPs require. Some TPs could take on board the development of local and regional activities. TPs are long-term initiatives, but they are built on long-established technology fields rather than citizens' basic needs.

2.13 Given the importance of towns and cities and local and regional authorities in promoting economic and social development for their citizens and local area, they must be fully involved in innovation and continuous learning programmes, both in terms of their role as catalysts for promoting partnerships that can offer widespread access to funding, and of their role in boosting innovation and research in their local area.

2.14 The Committee of the Regions welcomes the fact that several Member States within, for example, the Council and the European Parliament have put forward the idea of incorporating 'socially motivated research platforms' (SMRP) as part of the Seventh Framework Programme. SMRPs should be considered as a complement to Technology Platforms which are based on the premise that societal needs should act as a driving force for determining long-term research strategies drawn up by key players such as public authorities and research centres (universities and institutes) but, where appropriate, by the business sector as well. Europe needs new knowledge in order to be able to better understand and address problems caused by

challenges in the social sphere relating to, for example, intercultural and ethnic differences, demographic factors and environmental changes, including climate change. The aim of SMRPs is to bring together European stakeholders to further knowledge on major long-term social challenges facing Europe. Key stakeholder groups include, of course, the 'end-users' of knowledge, who are often local and regional authorities.

2.15 The concept of SMRPs springs in large part from the initiatives of social stakeholders and their need for new knowledge based on frontier research in various sectors of society. It is also derives from the fact that these stakeholders take an active part in identifying and framing the problems and issues to be studied. Moreover, social stakeholders take active responsibility for the dissemination and take-up of new knowledge, which, of course, is more likely to happen when they themselves play a major role in formulating the problems. SMRPs should therefore be seen as a complement to TPs, where industry is the driving force. Industrial players may be closely involved in SMRPs, depending on the subject at hand, even though other players are expected to be the main protagonists. The concept of SMRPs includes inter-disciplinary research, reflecting the complexity of human and social problems. Such problems are best understood by examining them from several different scientific perspectives. Extensive transnational cooperation to advance knowledge and expand the opportunities for social innovation is an essential element of SMRPs.

2.16 Of the various subjects and themes mentioned in the discussion on SMRPs, the Committee of the Regions would single out here the following potential topics: the changing demographic landscape in Europe (ageing population); Europe and integration/migration; and sustainable development from an environmental perspective.

All the Member States face *the challenges of an ageing population*, with its implications for health care services, social services (e.g. eHealth, healthy ageing, secure housing), pension schemes, longer working lives, etc. Although this demographic challenge is often portrayed as a problem, it also creates many opportunities. An ageing population represents a vast knowledge resource based on accumulated skills and experience and many elderly people are also well-informed and demanding customers/consumers/patients, which calls for innovative solutions to various issues. How can we best harness and develop a person's resources over the course of his lifetime to the benefit of the individual and society as a whole? The theme *Integration/migration* could include, for example, questions relating to integration in the world of work, discrimination, etc. The theme *Sustainable development — the environment* might cover, for example, spatial issues in Europe: the town as a driving force, with an emphasis on the interaction between town and countryside; environmental pollution and its impact on the landscape, with an emphasis on the interaction between towns and rural areas in the regions; Europe's responsibility for global sustainable development, with an emphasis on the interaction between the global and European contexts.

3. Ideas programme

3.1 It is crucial that the European Research Council possess a high degree of integrity, under the direction of independent and qualitative researchers. Its work must be characterised by simple procedures for handling applications and a clear understanding as to who sets priorities.

3.2 Results from research funded via the European Research Council under the *Ideas programme* should be systematically disseminated in an appropriate way to researchers active in other European regions. This funding should be provided under the measures for promoting researchers' mobility or through direct support from the ERC. In the latter case, a smaller proportion of the total funding for approved projects should be earmarked for this purpose.

4. People programme

4.1 In order for Europe to be able to recruit a sufficient number of researchers it is important to make it easier for women to work in research environments and here both policy measures and changes in attitudes in the business sector and the academic world could be important factors. The Marie Curie Actions should be strengthened so as to stimulate the interest of young people still in secondary education and to put the focus on the role and place of women in science and research with the aim of reducing the under-representation of women.

4.2 The Committee would point out that many other measures are probably needed to enable Europe to attract leading research groups. Real career development opportunities in Europe are hindered by geographical, legal, administrative and cultural factors. Possible initiatives for promoting the further development of career opportunities include comparisons of career ladders, salaries and social benefits. Another way might be to promote jobs which offer employees the opportunity to combine research with their work.

4.3 The Committee considers that 'lifelong learning' should be seen as a resource for growth in Europe, i.e. a means of achieving Europe's research objectives. The Committee welcomes the fact that this point is taken up again in the Commission proposal and believes that it is important that players at regional as well as national and Community level are involved in advancing work in this area. Here the Committee would also draw attention to the *Mutual Learning Platforms* initiative launched by DG Research, DG Enterprise and the Committee of the Regions. It is designed to help decision-makers at regional level by developing specific tools for mutual learning, such as regional foresight activities, regional benchmarking and regional profiles.

4.4 The Committee believes that the Commission should ensure that the development of researchers' careers at European level covers all EU Member States as well as those parts of the public sector which fall under the remit of local and regional authorities.

4.5 The Committee would also emphasise that support is needed for measures designed to promote the emergence of a new generation of researchers who can work in universities, industry and the public sector. For example, doctoral programmes need to be developed which enable postgraduate students to be involved in both industrial and public sector activities during their study period. Research students must be also trained and equipped to work outside the academic world.

5. Capacities programme

The Committee of the Regions welcomes this part of the Framework Programme. All of the six activities under this programme are important but the Committee would particularly highlight the following.

5.1 The *Regions of Knowledge* initiative is highly commendable as, among other things, it highlights the regions' increased significance for innovation and growth. The importance of the knowledge-intensive regions for overall economic growth in Europe cannot be overemphasised; they are the cornerstones of countries' economies.

5.2 The Committee would like to see more links between framework programmes and the Structural Funds. There is an inherent tension between support for excellence and support for cohesion. This tension can be alleviated by encouraging the relevant parties in all the regions to work for excellence. The Committee of the Regions has initiated a study on regions' and local and regional authorities' structural capacity and motivation in respect of R&D, which addresses, inter alia, the connections between R&D, the Structural Funds and innovation issues.

5.3 The Committee of the Regions is aware of the debate under way in Europe on the Financial Perspectives. It is, however, of the utmost importance that this new initiative be maintained, should the budget be cut in relation to the current proposal. The proposed budget for this initiative is far too low — only about EUR 160 million (approx. 2 %) of the total for the Capacities programme (EUR 7.4 billion) — given the stated objectives of the proposal.

5.4 There is a lack of clear ambition as regards linking the efforts of learning centres to developing and promoting the commercialisation of R&D in collaboration with industry. This

may be because the innovation sections have been removed and transferred to a specific framework programme for competitiveness and innovation, the CIP Programme. There are a number of uncertainties concerning the interfaces and links between these framework programmes, which the Commission should clarify. It is not certain that problems will arise but if they do the Commission will have to find a way of better coordinating different programmes. A case in point is the question of venture capital for Joint Technology Initiatives: will it be possible for a project to receive funding under the Seventh Framework Programme during the commercialisation phase or will funds have to be sought from the CIP Programme during this phase?

5.5 Furthermore, it should be recognised that research institutes act as a natural bridge for technology transfers and collaborative product development. Depending on the economic structure of a particular region, the need for specialisation can be great. In addition to noting the synergies with cohesion policy, the Commission should also underline the importance of EU instruments for the implementation of both national and regional innovation strategies.

5.6 The Committee of the Regions agrees with the Commission that there is vast *Research potential* to be unlocked in the EU's convergence regions, as defined in the context of the Structural Funds.

5.7 Sectors which are less research intensive but make an important contribution to European growth and the Lisbon process must not be forgotten. The current 6th Framework Programme is geared mainly towards research-intensive players. Providing financial support to less research-intensive players in order to enable them to exploit existing technologies would allow implementation of innovations that would otherwise not be possible. Thus these players should be given a more prominent position in the research programmes.

5.8 The Committee welcomes the *Science in Society* action programme and stresses that it is a key component of the new Framework Programme.

6. The Committee of the Regions' recommendations

The Committee of the Regions

6.1 **believes** that the social and ecological dimensions of sustainable development should become a more integral part of all aspects of the Seventh Framework Programme for Research and Development;

6.2 **expects** the Commission to take a proactive role and support the evolution of SMRPs in various ways along the lines of the approach adopted towards Technology Platforms. For example, in the initial phase, it could develop the concept of SMRPs, encourage the various stakeholders to unite behind a long-term vision and strategic research agenda, participate in platforms as an observer in an advisory and supportive capacity and ensure transparency and openness and the provision of relevant secretariat support. In so doing, the Commission would also help to increase the chances of successful implementation;

6.3 **notes** that representatives of the local and regional level are working actively to bring together the relevant players to develop the idea of SMRPs; **would like to see** the development of a dialogue between the Commission, the Parliament, the Council, national research funding agencies, local and regional authorities, researchers and other interested stakeholders, primarily around the theme of 'an ageing population';

6.4 **feels** that the Commission must ensure that no administrative problems arise in implementation as a result of the fact that the Framework Programme and the Competitiveness and Innovation Programme (CIP) are run by different Directorates-General and, further, that it must clarify the interfaces between the two programmes;

6.5 **stresses** the importance of technological development within the 7th Framework Programme and of creating close synergies with the Framework Programme for Competitiveness and Innovation (CIP), in order to generate new business and jobs in knowledge-based enterprises throughout all European regions;

6.6 **considers** that there is a need to complement the thematic research priorities with broad issues relating to public health, health care and social services. In addition, there is a need for research on various aspects of urban development, not just those related to environmental concerns;

6.7 considering the role of SMEs as motors of the European economy, the CoR **suggests** that a balance between large initiatives and those for SMEs be sought in the 7th Framework Programme, for instance by increasing financing for the *Regions of Knowledge* initiative;

6.8 **proposes** that the Commission explore the possibility of identifying good examples of scientific cooperation between various stakeholders at local level. This could also take the form of a competition;

6.9 **recommends** that the Council and the Parliament adopt the Commission's proposal to set the budget for the Seventh Framework Programme at EUR 72 726 million.

Brussels, 16 November 2005.

The President
of the Committee of the Regions
Peter STRAUB

Opinion of the Committee of the Regions on the Communication from the Commission on Restructuring and employment Anticipating and accompanying restructuring in order to develop employment: the role of the European Union

(2006/C 115/06)

THE COMMITTEE OF THE REGIONS,

Having regard to the Communication from the Commission on Restructuring and employment -Anticipating and accompanying restructuring in order to develop employment: the role of the European Union, COM(2005) 120 final,

Having regard to the decision of the European Commission of 31 March 2005 to consult it on the subject, under the first paragraph of Article 265 of the Treaty establishing the European Community,

Having regard to the decision of its Bureau of 12 April 2005 to instruct its Commission for Economic and Social Policy to draw up an opinion on this subject,

Having regard to its Opinion on the *Integrated Guidelines for Growth and Jobs 2005 -2006* (CdR 147/2005 fin),

Having regard to its Opinion on the *Revision of the Guidelines for Regional State Aids* (CdR 77/2005 fin),

Having regard to its Opinion on the *Communication from the Commission on the Social Agenda* (CdR 80/2005 fin),

Having regard to its Opinion on the Communication from the Commission on the *Social Dimension of Globalisation — the EU's policy contribution on extending the benefits to all* (CdR 328/2004 fin),

Having regard to its Draft Opinion CdR 148/2005 rev. 2 adopted on 23 September 2005 by its Commission for Economic and Social Policy (Rapporteur: **Mrs Irene Oldfather**, Member of the Scottish Parliament) (UK/PES),

unanimously adopted the following opinion at its 62nd plenary session, held on 16/17 November 2005 (meeting of 16 November).

1. The Committee of the Regions' views

ment and that it must form part of a long-term vision of the development of the European economy in order to ensure that the changes really are a way of strengthening its competitiveness;

The Committee of the Regions

1.1 **welcomes** the Communication as a useful contribution to the key debate of the restructuring of enterprises and the effects on employment. Restructuring has become a response to market changes, the creation of the internal market and globalisation. It is seen by many companies as an important element in maintaining competitiveness, when viewed as an opportunity to create new activities with higher-added value and more sustainable jobs within the concerned territory;

1.2 **is pleased** that economic restructuring is discussed within the context of the Lisbon Strategy for growth and the European Social Model. The CoR wishes to emphasise the importance of the European Social Model in alleviating the detrimental effects of restructuring for both individuals and local communities, and recognizes the need to take preventative action in relation to this where possible;

1.3 **agrees** that it is necessary to ensure that restructuring is well-managed to meet a two-fold economic and social require-

1.4 **notes** that the Communication only examines the EU level. Given the important role played by local and regional government and Member States, the Committee of the Regions is disappointed that the Communication was not wider in scope and looked at the interaction between the different spheres of government and the roles of these different spheres of government. However, the EU has competencies in areas such as the development of the Single Market, trade and development policy and the Lisbon Agenda. It is important that the European Commission considers the effects of these policies on economic restructuring and vice versa;

1.5 **agrees** with the Communication that the cost of restructuring can be high not only for the workers concerned but also for its detrimental effects on the local and regional economy;

1.6 **emphasises** the important role of the European Monitoring Centre on Change for highlighting best practice, with a view to building a firmer foundation for the public debate on restructuring and relocation;

THE CURRENT CHALLENGES

The Committee of the Regions

1.7 **agrees** that the following reasons can result in restructuring at the enterprise level:

- European single market and the opening-up of economies to international competition
- Technological innovation
- The development of the regulatory framework
- Major changes in consumer demand

1.8 **argues** that the Communication should have looked in greater detail at globalisation and the relocation of a large number of jobs outside the European Union;

1.9 **suggests** that the changes in the sectoral patterns of employment and the quality of jobs are important considerations in the framing of employment, training, industrial and agricultural policy at EU level. The Communication states that between 1977 and 2002 around 30 million jobs were created in the EU. 44 million jobs were created in the service sector while 7 million jobs were lost in industry and 7.5 million jobs lost in agriculture. Employment rates have increased 25.1 % for high-skilled workers, 14.2 % for workers with intermediate skills and only 2.2 % for unskilled workers;

1.10 **supports** the Communication about the benefits for growth and employment in terms of the deepening of the internal market and the opening up of the economy to trade. The CoR also welcomes the recognition in the Communication on the regional impacts of these policies and the need for social justice in these policy areas;

1.11 **supports** the Communication's view that the effects of restructuring can be influenced by policies to improve the functioning of the labour market, strengthening active employment policies, anticipating change, and providing mechanisms to facilitate the transition to other employment. The CoR would also like to stress the importance of effective local and regional economic development strategies which assist in the growth of the economy and the diversification of the economic base. Restructuring of enterprises in these sorts of economies is far easier to manage;

1.12 **notes** that the example of the United States 2002 Trade Adjustment Assistance Reform Act is cited as a positive example of opening the economy up to trade and providing assistance to companies and workers. However, the CoR believes that there are many examples in the EU of public agencies successfully responding to restructuring that can be used as a model;

RESPONSES AT THE EUROPEAN COMMUNITY LEVEL

i. General approach

The Committee of the Regions

1.13 **supports** the need for greater coordination of Community policies which affect restructuring and, in particular, welcomes the creation of a task force involving the Commission departments which have an effect on restructuring;

1.14 **agrees** with the examination of Community policies that affect restructuring so that the appropriate policy changes can be made.

ii. Reform of the European Employment Strategy (EES)

The Committee of the Regions

1.15 **calls** upon Member States to ensure that measures agreed under the European Employment Strategy are implemented effectively and promptly;

1.16 **welcomes** the important links that the Communication makes between the Lisbon Strategy, the European Employment Strategy and the EU Structural Funds. The CoR emphasises the importance of measures to support adaptation and restructuring which are proposed by the European Commission in the European Social Fund (ESF). The CoR also emphasises the need for high quality management training, geared to local needs and based on a broad partnership, so that employers and employees have the skills to manage change effectively and, thus, welcomes the proposals for training 'change managers';

1.17 **wholeheartedly agrees** with the conclusion of the Communication which states that that 'it is, after all, at local level that anticipating change is most effective' and that 'the European Union's regional and cohesion policy must act as a catalyst' ⁽¹⁾;

⁽¹⁾ COM(2005) 120 final page 12, footnote.

1.18 **calls upon** Member States to adequately finance regional and cohesion policy so that it can act as a catalyst for change.

1.19 **recalls** that there are still regions, in countries that were already Members of the Union before the recent enlargement, which, in order to be able to converge with the other regions of the Community, are dependent on a continuation of regional development policies, through the Structural and Cohesion Funds, at least during a transitional period;

iii. Reform of Community financial instruments for better anticipation and management of restructuring

The Committee of the Regions

1.20 **agrees with** the Communication that, as well as the European Employment Strategy and EU structural funds, that the Seventh Framework Programme and EU education and training programmes can assist in the development of a competitive knowledge-based economy, that encourages mobility;

1.21 **proposes** an increase in the assistance provided for research, development and innovation (R+D+I), based on the significant benefits this type of activity brings to the restructuring of companies and to alleviating the negative impact that this can have on some local and regional economies;

1.22 **notes** that no consideration has been given to the different impact of restructuring on men and women; this hinders the adoption of measures specifically adapted to each issue;

1.23 **expresses concern** about the low levels of finance allocated in EU Member States negotiations to the Competition Objective. Restructuring will still continue in these areas and many areas need support to fully modernise regional economies and create a knowledge economy;

1.24 **reiterates** its support for the Commission's proposals for a Growth Adjustment Fund in the EU Structural Fund negotiations for the period 2007 — 2013;

1.25 **welcomes** the new impetus given by the proposal of establishing a Globalisation Adjustment Fund, which would aim at addressing significant economic and social shocks on local and regional level resulting from globalisation-related restructuring, which local and regional authorities could not have anticipated;

1.26 **stresses** the importance of CAP reform and rural development policy in reducing the detrimental effects of restructuring on agricultural employees and rural communities and particularly underlines the usefulness of endogenous development policies;

iv. Industrial and enterprise policy

The Committee of the Regions

1.27 **supports** the approach adopted by the EU in April 2004 when industrial and enterprise policy was revised. In this revision, the regulatory framework for companies was improved, greater competitiveness and innovation was supported and co-ordinated action established at sectoral level;

1.28 **supports** the suggestion in the Communication that the European Commission identifies sectors subject to rapid and far-reaching change and through high-level groups involving all stakeholders, the Commission will concentrate on analysing the development of competitiveness, environmental threats and opportunities, consequences at the regional level and measures that could be taken at the Community level to anticipate and manage change.

v. Competition policy

The Committee of the Regions

1.29 **notes** that the current guidelines for rescuing and restructuring firms in difficulty were introduced in October 2004 without consulting with the Committee of the Regions or the European Parliament;

1.30 **notes** that the Commission has published the State Aid Action Plan⁽²⁾ (SAAP) in June 2005 and this will be the subject of a separate CoR Opinion. The CoR further notes that the SAAP announces an assessment and modification of the rescue and restructuring aid guidelines in 2007/2008 and emphasises the need to consult with the Committee if the Regions before new guidelines are introduced in 2009;

1.31 **emphasises** the importance of draft Regulation laying down general provisions for the European Regional Development Fund, European Social Fund and Cohesion Fund (COM(2004) 492) that if companies benefiting from the funds cease a productive activity and a possible loss of jobs within seven years of the financing decision, they must repay the sums received (Article 56).

⁽²⁾ COM (2005) 107 final – CdR 225/2005.

vi. External policy

The Committee of the Regions

1.32 **welcomes** the statement in the Communication that the Social Agenda applies to external measures and makes provision for the promotion of employment, social policy and decent working conditions for everyone. The Communication goes on to state that the objectives of the social agenda includes the promotion of fundamental social rights, development of the social dialogue, corporate social responsibility, and the proactive management of change at a global level. These objectives will guide the EU its dealings with international organisations such as the ILO, OECD, UN, IMF, World Bank and WTO.

vii. Strengthening the partnership for change

The Committee of the Regions

1.33 **supports** comments in the Communication that the Commission will pursue change partnerships through strengthening the social dialogue, a Communication on Corporate Social Responsibility and the creation of a 'Restructuring Forum';

1.34 **believes** that the first Restructuring Forum held in June 2005 was a great success and looks forward to the establishment of the Forum as a regular event. In particular, the CoR welcomes the intention to concentrate on the local and regional level at a future Forum;

1.35 **agrees** that the proposed Communication on Corporate Social Responsibility should focus on the best practices used by firms and stakeholders to address restructuring. The Communication states that evidence shows that companies which are better able to handle restructuring in a socially responsible manner are often those with better track records in terms of market competitiveness and resilience. The CoR welcomes these conclusions;

1.36 **welcomes** the proposal in the Communication that the European Monitoring Centre on Change will be asked to monitor restructuring and provide a quantitative and qualitative analysis if restructuring that will assist the public debate.

viii. Adapting the framework of regulation and agreement

1.37 **welcomes** proposals in this section for regulatory, modernisation, and simplification measures provided for under the Lisbon Action Programme and the proposal for a Green

Paper on Labour Law which will look at new models of work organisation and the role of labour law in coping with restructuring. This would provide an opportunity to look at the encouragement of 'reflexive restructuring'. These measures include training breaks, sabbaticals, job-sharing, remote and part-time working and are less disruptive than the compulsory redundancies associated with more aggressive restructuring.

ix. The second phase of consultation of the European social partners on company restructuring and European works councils

1.38 **agrees** with the Communication that the social partners need to be more involved in anticipating and managing change and restructuring;

1.39 **welcomes** the approach of the Commission in respect to the revision of the Works Council Directive began in April 2004. The Commission has outlined four areas for agreement to Works Councils' role in anticipating and managing change and restructuring. These areas of agreement include the adoption of best practice and common approaches to restructuring.

2. The Committee of the Regions' recommendations**The Committee of the Regions**

2.1 **feels** that economic restructuring at enterprise level is an inevitable part of the modernisation process in the creation of a forward looking knowledge based economy but emphasises the need to strengthen the European Social Model to alleviate the problems that restructuring can cause for individuals and local communities;

2.2 **agrees** with the European Commission that the 'Restructuring Forum' has a valuable role to play and that a future Forum should examine the role played in restructuring at the local and regional level;

2.3 **calls** for more research on the responses of government to the restructuring of enterprises, particularly the roles and interaction of the EU, national, regional and local spheres of government and also for more research on the causes of restructuring, particularly globalisation;

2.4 **calls** for EU, national and local policies to be built round employment security rather than job security. This would move away from the concept of a job for life (job security) and move to a situation where employees learned the skills to move more easily from job-to-job (employment security);

2.5 **emphasises** the role of the European Monitoring Centre on Change and its role in providing up-to-date information on economic restructuring which will inform the debate on anticipating and managing changes;

2.6 **stresses** the need for the greater co-ordination of EU policies to adapt to and manage change, and in line with the Commission recommendations suggests the need to include educational and training policy in the list of policies to be further coordinated;

2.7 **wishes** to see a well-functioning European Employment Strategy which plays a key role in the adaptation and management of change and the creation of employment in growth sectors;

2.8 **emphasises** the fact that restructuring at enterprise level is easier to manage where local and regional agencies have devised economic development strategies that promote growth and diversify the economy. This makes it easier for former employees to find alternative employment;

2.9 **acknowledges** the key role that the EU Structural Funds and European Social Fund play in restructuring and the management of change. The CoR calls upon Member States to agree an EU budget that allows local and regional authorities to modernise their economies and, thus, reduce the detrimental effects of restructuring at the level of the individual enterprise, considering that this is a horizontal problem that affects all kinds of regions;

2.10 **recommends** the re-consideration by EU Member States of a growth or globalisation adjustment fund through the EU structural funds which would allow the EU to intervene if a crisis hit a local or regional economy due to restructuring; the CoR considers that this fund could only intervene if a regional threshold is reached, defined in terms of the proportion of workers hit by the restructuring shock which could not be anticipated, the regional unemployment rate and the impact on regional GNI. It agrees that the Fund should cover measures

for absorbing the shock in terms of human capital, i.e. through training and relocation of workers and recommends that this fund should be established within the EU budget as a permanent independent fund with its own fixed annual budget. The CoR supports an allocation to that fund of EUR 1 billion per year.

2.11 **recommends** that the European Union looks at actions to diversify rural economies and improve their competitiveness so that the severe effects of agricultural restructuring can be reduced; it particularly emphasises the important role that endogenous development policies can play in this;

2.12 while **welcoming** the proposals on industrial and enterprise policy, the CoR **recommends** that the European Commission works closely with local and regional authorities to identify sectors experiencing rapid change;

2.13 **wishes** to be consulted when the rescue and restructuring guidelines are reviewed in 2007/2008;

2.14 **recommends** that Social Agenda considerations play a key role in negotiations with international organisations and in the Doha Development Round;

2.15 **stresses** the need for the responsible management of change and restructuring at the level of enterprises and different spheres of government and the need to ensure that employers are aware of their obligations. The CoR recommends that this can be achieved in a number of ways at the EU Level through the strengthening of the Social Dialogue, the Communication on Corporate Social Responsibility and negotiations surrounding the Works Council Directive;

2.16 **recommends** that enterprises look first at the encouragement of 'reflexive restructuring'. These measures include training breaks, sabbaticals, job-sharing, remote and part-time working and are less disruptive than the compulsory redundancies associated with more aggressive restructuring through branch closures.

Brussels, 16 November 2005.

The President
of the Committee of the Regions
Peter STRAUB

Opinion of the Committee of the Regions on The role of regional parliaments with legislative powers in the democratic life of the Union

(2006/C 115/07)

THE COMMITTEE OF THE REGIONS,

having regard to the decision of its Bureau, on 15 June 2004, to ask its Commission for Constitutional Affairs and European Governance to draw up an own-initiative opinion on *The role of regional parliaments in the democratic life of the Union*;

having regard to the Treaty establishing a Constitution for Europe and, more particularly, its provisions concerning the application of the principle of subsidiarity;

having regard to its opinion on *The Treaty establishing a Constitution for Europe* (CdR 354/2003 fin ⁽¹⁾);

having regard to its opinion of 13 October 2005 on The period of reflection: the structure, subjects and context for an assessment of the debate on the European Union (CdR 250/2005 fin);

having regard to the declaration of its Bureau of 26 October 2001 on *The role of the regions with legislative powers in the Community decision-making process* (CdR 191/2001 fin);

having regard to the 2003-2004 joint action plan of the Committee of the Regions and the Conference of European Regional Legislative Assemblies (CALRE);

having regard to the statements adopted on 27 and 28 October 2003 at Reggio di Calabria, on 26 October 2004 in Milan and on 24-25 October 2005 in Barcelona by the presidents of the European Regional Legislative Assemblies;

having regard to the Oviedo declaration establishing the Conference of European Regional Legislative Assemblies (CALRE) in 1997 and laying down its objectives and principles;

having regard to the draft opinion (CdR 221/2004 rev. 3) adopted on 22 April 2005 by its Commission for Constitutional Affairs and European Governance (rapporteur: Mr Luc Van den Brande, BE-EPP, Senator, Belgian Parliament, member of the Flemish Parliament);

- 1) **whereas** in some Member States regions have legislative powers and are consequently empowered to apply European legislation;
- 2) **whereas** the specific competences of regions with legislative powers have been explicitly expanded by the Treaty establishing a Constitution for Europe to include those relating to the process of monitoring and applying the subsidiarity principle, giving them a special role in the European Union's democratic decision-making process as a result;
- 3) **whereas** the limits of this opinion, which deals with the specific case of regional parliaments with legislative powers, are determined by the competences which have thus been devolved to these parliaments by the Constitutional Treaty; whereas this opinion therefore does not detract from recognition of the importance of other political levels of decision-making; and whereas this opinion's recommendations also apply *mutatis mutandis* to the other political levels of decision-making;
- 4) **whereas** the regional parliaments with legislative powers are fully responsible for executing their decisions and are expressly mentioned on this account in the protocol on the application of the principles of subsidiarity and proportionality annexed to the Constitutional Treaty;

⁽¹⁾ OJ C 71, 22.3.2005, p.1.

- 5) **whereas** the discussions at the hearing on The role of regional parliaments and regional assemblies with legislative powers in the democratic life of the Union held by the Commission for Constitutional Affairs and European Governance on 3 March 2005 confirmed the growing involvement of regional parliaments with legislative powers in the European unification process;
- 6) **whereas** the pause in the process of ratifying the Constitutional Treaty must on no account hold back the initiatives undertaken with a view to involving the regional parliaments more in the democratic life of the Union and to their participation in drafting Community legislation and in the implementation and monitoring thereof in line with the political consensus surrounding the Constitutional Treaty;

adopted the following opinion at its 62nd plenary session, held on 16 and 17 November 2005 (meeting of 16 November).

1. Views of the Committee of the Regions

The Committee of the Regions:

1.1 **recommends** the incorporation into the current Treaties of the protocol on subsidiarity and proportionality and the protocol on the role of national parliaments in the European Union, as these could substantially improve democracy and public involvement in the European Union's decision-making process;

1.2 **thinks that** regional democracy makes a fundamental contribution towards involving the citizen in policy and that it therefore deserves all necessary attention within the framework of the European Union; consequently, the contribution of elected regional and local assemblies towards bringing Europe closer to the citizen should be upgraded, in particular by involving these decentralised entities fully in decision-making;

1.3 **feels that** regional parliaments help to underpin European citizenship in terms of European cultural and linguistic diversity;

1.4 **is convinced that** the strengthening of local and regional autonomy in several Member States represents an important contribution towards building a Europe that is governed, inter alia, by the principles of democracy, proximity and decentralisation;

1.5 **notes that** all the Member States of the European Union have experienced major developments as regards decentralisation, in which the regions have become major political and economic players in the European arena;

1.6 **points out** that local and regional assemblies are an integral part of the way in which European countries give form to their democracy. The subnational political level should therefore be given its place in the European debate;

1.7 **regrets that** the intention to take into account the decentralised powers of regional parliaments with legislative powers, for which the Laeken Declaration had provided a positive boost, has not led to a direct right of appeal by the regions concerned in the Treaty establishing a Constitution for Europe;

1.8 **is pleased** to have obtained the right to appeal to the Court of Justice concerning legislative acts which have to be referred to it under the Constitution, but at the same time, it regrets that regions with legislative powers are (still) not entitled to bring suit before the Court of Justice;

1.9 **notes** therefore that regional assemblies, and particularly those with legislative powers, will be able to call on the CoR, if necessary through national parliaments, to bring such a suit where appropriate;

1.10 **supports** the efforts of the Conference of European Regional Legislative Assemblies (CALRE) to get regional parliamentary authorities involved in the European decision-making process;

1.11 **would like to stress once again that**, in accordance with the recommendations of the White Paper on European Governance, all the levels of power responsible for the implementation of European legislation should be involved fully in its preparation and in the development of EU policy, and considers that this applies all the more to regional legislative assemblies given that they have to adopt regional laws applying European legal texts; it therefore **supports** their active participation in the pre-legislative consultation process and involvement through their representative associations in structured dialogue;

1.12 **has noted** the various proposals and initiatives to strengthen inter-parliamentary cooperation at European level, which, in its view, can encourage European integration;

1.13 **feels**, however, that there should be closer investigation of whether these suggestions are desirable and realistic and, above all, an assessment of whether they can boost the political impact of the regional assemblies;

1.14 **stresses also** that the EU's current period of reflection on the constitution should under no circumstances constitute a step away or a withdrawal from these objectives;

1.15 **emphasises that** the protocol on the application of the principles of subsidiarity and proportionality annexed to the Treaty establishing a Constitution for Europe, which stipulates that, in the course of monitoring application of the subsidiarity principle, national parliaments will have to consult, where appropriate, regional parliaments with legislative powers, is a first and important step towards the effective recognition of these assemblies;

1.16 **also notes** that all regional assemblies depending on the powers assigned to them, are affected by mechanisms for applying and monitoring the subsidiarity and proportionality principles;

1.17 **points out** that the European Commission's proposals on European governance, as well as the Treaty establishing a Constitution for Europe, undeniably confirm that the EU has adopted a system of multi-level governance. This requires the relationship between the different spheres of government to be based on a horizontal partnership and designed to ensure effective, integrated decision-making and that the distribution of powers between the various political levels must be clarified, in order to know who does what and at what level political responsibility lies;

1.18 **points out** that the participation of regional parliaments with legislative powers within the Committee of the Regions represents an added advantage, reflecting the great diversity of the territories within the EU, and thus enabling closer cooperation between the Committee of the Regions and the regional legislative assemblies, with the shared objectives of strengthening regional democracy in Europe and contributing more to the exercise of new responsibilities in this field, as provided for in the treaty establishing a Constitution for Europe, and correctly applying the subsidiarity and proportionality principles, in coordination with regional executives;

1.19 **sees** the ratification of the Treaty establishing a Constitution for Europe by regional parliaments with legislative powers as an important opportunity to clarify their role and place in the European integration process.

2. Recommendations of the Committee of the Regions

The Committee of the Regions:

2.1 **would like** regional parliaments, regional assemblies and local authorities, in line with the powers granted to them, to be actively involved at an institutional level and to participate fully in the European debate and decision-making process, while shouldering their responsibilities vis-à-vis the public, particularly in the context of the current period of reflection;

2.2 **recommends**, in this connection, that regional parliaments be involved in the parliamentary forums planned by the European Parliament as part of the period of reflection with a view to fostering the European dialogue in order to overcome the constitutional crisis;

2.3 **recommends** that local and regional authorities and especially regional parliaments with legislative powers are actually involved at the pre-legislative phase, in preliminary consultations on European legislation, and also recommends that they are consulted in the course of implementing the early warning system;

2.4 **insists** on regional parliaments being fully involved in the European Commission's Plan D, with regard to both Community initiatives and planned national debates, to discuss the future of Europe and the public's expectations;

2.5 **intends** to enter into more intensive collaboration and dialogue with regional parliaments with legislative powers with a view to optimising such involvement;

2.6 **notes** that it will carefully consider any requests stemming from its networking with regional and local authorities and their associations to bring actions about EU legislative acts under internal procedures to be established;

2.7 **will endeavour** to ensure that regional parliaments with legislative powers, in accordance with the powers exercised by the European Union, act as components of the parliamentary machinery in their country or as chambers of the national parliament, and can also turn to their national parliament in the course of lodging an appeal with the Court of Justice for violation of the subsidiarity principle;

2.8 **requests** regional parliaments with legislative powers and the regional assemblies to contribute to regular updates of the directory of terms of reference on The division of powers between the European Union, the Member States and regional and local authorities (CdR 104/2004) drafted by the CoR;

2.9 **urges** the regional parliaments with legislative powers to consider setting up parliamentary committees with responsibility for monitoring application of the subsidiarity principle. As a result, these would then be privileged negotiating partners in the above-mentioned networks;

2.10 **argues** that in Member States where powers are shared between the national and regional level a binding internal agreement should be concluded on the procedure envisaged by the early warning system for monitoring compliance with the subsidiarity principle, in order to ensure the clarity and transparency of this procedure, and proposes to draw up a list of these procedural agreements adopted in the Member States;

2.11 **recommends** that the subsidiarity monitoring process should be accompanied by an internal reform process within Member States, in line with existing constitutional structures,

to consolidate the involvement of regional parliaments with legislative powers in the mechanisms envisaged by the protocol on the application and monitoring of the subsidiarity and proportionality principles;

2.12 **recommends** that regional parliaments with legislative powers should use them in the European decision-making process, on the basis not only of their institutional capacity but also that of their fiscal capacity;

2.13 finally, **strongly urges** the European Union to undertake to give teeth to the regional debate in Europe, which, whatever happens, has to take the form of collaboration between the European Parliament, the national parliaments, the local and regional authorities and especially the regional parliaments with legislative powers; this collaboration will need to show clearly that it offers added value for European democracy, and the conditions under which this collaboration takes place must be the subject of close consultations.

Brussels 16 November 2005.

The President
of the Committee of the Regions
Peter STRAUB

Opinion of the Committee of the Regions on Guidelines for the application and monitoring of the subsidiarity and proportionality principles

(2006/C 115/08)

THE COMMITTEE OF THE REGIONS,

HAVING REGARD TO the decision of its Bureau of 20 June 2004 to instruct its Commission for Constitutional Affairs and European Governance, under Article 265(5) of the EC Treaty, to draw up an own-initiative opinion on *the application and monitoring of the subsidiarity and proportionality principles*;

HAVING REGARD TO the Treaty establishing a Constitution for Europe signed by the heads of state or government on 29 October 2004, and in particular to the provisions of the *Protocol on the application of the principles of subsidiarity and proportionality* (hereinafter referred to as the *subsidiarity protocol*) (CIG 87/04 rev. 1, CIG 87/04 Add 1 rev. 1, CIG 87/04 Add 2 rev. 1);

HAVING REGARD TO the Commission Communication on the Implementation of the Framework Action *Updating and simplifying the Community acquis* (COM (2004) 432 final);

HAVING REGARD TO its opinion on the Revision of the Treaty on European Union (CdR 136/1995) and its additional opinion on The application of the principle of subsidiarity in the European Union (CdR 136/1995 appendix);

HAVING REGARD TO its resolution on the *Outcome of the Intergovernmental Conference* (CdR 305/1997 fin);

HAVING REGARD TO its opinion entitled Developing a genuine culture of subsidiarity: an appeal by the Committee of the Regions (CdR 302/1998 fin ⁽¹⁾);

HAVING REGARD TO its opinion *Better lawmaking 1998 — a shared responsibility* (CdR 50/1999 fin ⁽²⁾);

HAVING REGARD TO its opinion on the Implementation of EU law by the regions and local authorities (CdR 51/1999 fin ⁽³⁾);

HAVING REGARD TO its opinion on the *2000 Intergovernmental Conference* (CdR 53/1999 fin ⁽⁴⁾);

HAVING REGARD TO its resolution on *The next Intergovernmental Conference* (CdR 54/1999 ⁽⁵⁾);

HAVING REGARD TO its opinion on the Commission report to the European Council on *Better lawmaking 1999* (CdR 18/2000 fin ⁽⁶⁾);

HAVING REGARD TO its opinion on the Commission report on *Better lawmaking 2002* and the Commission Communication on *Updating and simplifying the Community acquis* (CdR 62/2003 fin ⁽⁷⁾);

HAVING REGARD TO its opinion on Better lawmaking 2004 and Better Regulation for Growth and Jobs in the European Union (CdR 121/2005 fin);

HAVING REGARD TO its opinion on the *Treaty establishing a Constitution for Europe* (CdR 354/2003 fin);

HAVING REGARD TO its opinion on The period of reflection: the structure, subject and context for an assessment of the debate on the European Union, (CdR 250/2005 fin);

HAVING REGARD TO the draft opinion (CdR 220/2004 rev. 3) adopted by the Commission for Constitutional Affairs and European Governance on 4 October 2005 (rapporteur: Mr Peter Straub, DE-EPP, president of the Baden-Württemberg *Landtag*);

- 1) **WHEREAS** its proposals have gained gradual acceptance in recent years as the subsidiarity principle has become bound into the Treaties;
- 2) **WHEREAS** conclusions were drawn at the first conference on subsidiarity held in Berlin on 27 May 2004 on its initiative;
- 3) **WHEREAS** the subsidiarity principle is extended to regional and local authorities (Article I-11), thus giving substance to the principle of local and regional self-government enshrined in the Constitution (Article I-5(1));
- 4) **WHEREAS** the European Commission is required to undertake broad consultation of regional and local authorities in the pre-legislative phase (Article 2 of the subsidiarity protocol);
- 5) **WHEREAS** the Committee, as the institutional voice of the EU's regions and cities, is entitled to protect its prerogatives before the Court of Justice of the European Union (Article III-365(3));
- 6) **WHEREAS** the Committee may also lodge an appeal to ensure compliance with the subsidiarity principle (Article III-365 and Article 8 of the subsidiarity protocol);

⁽¹⁾ OJ C 198 of 14.7.1999, p. 73.

⁽²⁾ OJ C 374 of 23.12.99, p. 11.

⁽³⁾ OJ L 292, 15.11.1996, p. 2. C 374 of 23.12.99, p. 25.

⁽⁴⁾ OJ C 156 of 6.6.2000, p. 6.

⁽⁵⁾ OJ C 293 of 13.10.1999, p. 74.

⁽⁶⁾ OJ C 226 of 8.8.2000, p. 60.

⁽⁷⁾ OJ C 73 of 23.03.2004, p. 38.

- 7) **WHEREAS** the Committee is called upon, along with the other institutions and national parliaments, to consider the European Commission's annual report on the application of Article I-11 of the constitution (subsidiarity and proportionality) (Article 9 of the subsidiarity protocol);
- 8) **WHEREAS** an early warning system is created for political monitoring of compliance with the subsidiarity principle which for the first time also gives national and regional parliaments a role in the legislative process of the European Union (Article 6 of the Subsidiarity Protocol);

unanimously adopted the following opinion at its 62nd plenary session, held on 16 and 17 November 2005 (meeting of 16 November):

Views and recommendations of the Committee of the Regions

1. Preliminary remark concerning the status of the ratification process for the Constitutional Treaty

The Committee of the Regions

1.1 **notes** that the majority of the Member States have ratified the Constitutional Treaty, whilst the populations of two Member States have rejected the Constitutional Treaty by way of referendum;

1.2 **welcomes** the announcement by the European Council of 16-17 June 2005 of a period of reflection in the ratification process and **considers it necessary** to use this period to consider how the Union might bring its policies more into line with public expectations and improve communications with the public; and **emphasises** that representatives of regional and local authorities in particular, who are especially close to the citizens, can play a decisive role in this, not least by formulating proposals and initiatives;

1.3 **has emphasised** the need for the local and regional level to be actively involved in the 'period of reflection' and has made recommendations on the structure of the debate and on subjects for discussion and assessment (CdR 250/2005).

1.4 **emphasises** that basing European policy on the principles of subsidiarity and proportionality and developing a culture of subsidiarity could make a decisive contribution to strengthening public confidence in European cooperation and overcoming the scepticism expressed in the referendums that produced a no vote;

1.5 therefore **appeals** to the EU's institutions and bodies to implement immediately, as far as is legally possible, the principles of subsidiarity and proportionality and the monitoring thereof provided for in the Constitutional Treaty, regardless of whether that Treaty has been ratified;

1.6 **considers it indispensable** that, in accordance with the new Protocol on the application of the principles of subsidiarity and proportionality, more account be taken of the European Union's regional and local dimension through extensive consultations prior to the adoption of all legislative acts and that, for every European framework law, a 'subsidiarity statement' must

be drawn up in which the European Commission is to assess the regulatory and financial consequences of the proposed framework law for regional and local authorities (CdR 121/2005, point 2.1.2).

2. Political evaluation of subsidiarity and proportionality in the Constitutional Treaty

The Committee of the Regions

2.1 **is delighted** that the various reforms of the Treaties since 1996 and the Constitutional Treaty signed on 29 October 2004 have between them met almost all the CoR's demands made over the last ten years regarding the subsidiarity principle, in particular through the work of the Constitutional Convention. This demonstrates its ability to assert itself and influence the European legislative process;

2.2 **welcomes** the new definition of the subsidiarity principle and its involvement in ex-post monitoring of compliance with that principle; it also **recognises** that, together with other institutions and national parliaments, it will receive the Commission's annual report on the application of Article I-11 of the Constitution (subsidiarity and proportionality — Article 9) — (CdR 354/2003 point 1.12);

2.3 **stresses** that the changes under the Constitutional Treaty have given it an important role to play in monitoring the application of subsidiarity, thus strengthening its institutional role within the EU;

2.4 **will make every effort** to prepare itself to fulfil this new role and to work together even more closely than in the past with the relevant institutions and the regional and local authorities it represents;

2.5 **stresses** that the resolute application of the reformed subsidiarity principle, i.e. deeper involvement of regional and local players, may be a key factor in defining the European institutions' policies and actions in more concrete terms, given that regions and local authorities are particularly close to the grassroots and can therefore forward to the European institutions requests and suggestions on the tangible economic and social development needs voiced by local and regional authorities. Moreover, local and regional authorities can help in promoting the idea of Europe among citizens;

2.6 **welcomes** the offer that Commission President Barroso made during the plenary session of 24 February 2005 to strengthen the political partnership with the European Commission and to further develop the cooperation agreement signed in 2001; and **recalls** its expectation of real dialogue with the Commission, which should be extended to key themes (CdR 354/2003 point 1.18);

2.7 **welcomes** the fact that, for the first time, as the Committee has repeatedly demanded ⁽⁸⁾, the Treaty establishing a Constitution for Europe is introducing clear categories of competences (exclusive, shared, and complementary, Article I-12) and clearer divisions of competences between the Union, the Member States and their regional and local authorities (Article I-13 to I-18);

2.8 **recalls** in this context that the main aim of the subsidiarity principle, as a dynamic political principle guiding action where competence is shared between the institutions and bodies involved in the public life of the Union, is to ensure that decisions in Europe are taken at the level that achieves the best effect and is as close to the citizen as possible;

2.9 **notes** that subsidiarity is a dynamic principle, which in some areas can lead to 'more Europe', and in others, to less (CdR 302/1998, point 1.1.5);

2.10 **emphasises** that the European Union needs both harmonisation and the preservation of the diversity that has evolved, and **advocates** a Europe in which the diversity and identities of its peoples can develop their potential to promote fruitful competition without damaging the solidarity and cohesion within the Union ⁽⁹⁾;

2.11 therefore **points out** to the European Commission that the application of the subsidiarity principle particularly means proactively checking whether a European legislative initiative is necessary in the first place;

2.12 **stresses** that under point 1 of the *Protocol on the application of the principles of subsidiarity and proportionality* attached to the Constitutional Treaty, all European institutions are required to abide by these principles, and that they are to apply throughout the legislative process, i.e. also during deliberations in the European Parliament and the Council of Ministers; it is therefore very important that, in view of its new responsibilities, the Committee should receive or develop the means to monitor compliance with the subsidiarity principle throughout the entire legislative process and, where appropriate, to bring actions before the ECJ;

2.13 **is pleased to point out** that the inclusion of the local level in the subsidiarity principle has made clear that compliance with that principle is not simply a matter of respecting the legislative powers of the national and regional levels, and that instead the European Union must also ensure that the prerogatives of cities, municipalities and regions are safeguarded within the context of local and regional self-government;

2.14 **regrets**, however, that the criteria contained in the subsidiarity protocol annexed to the Amsterdam Treaty for checking the compatibility of a European Union legislative proposal with the subsidiarity principle were not reproduced in full in the new subsidiarity protocol, and **encourages** the European Commission, when applying the subsidiarity principle in future, to highlight whether:

- the area in question contains trans-national aspects that cannot adequately be addressed by measures taken by Member States or their regional and local authorities;
- measures taken by Member States or their regional and local authorities alone, or the absence of Community measures, would violate the requirements of the Treaty or would in some other way significantly harm the interests of the Member States or their regional and local authorities;
- measures at Community level would, due to their scope or their effect, have significant advantages over measures taken by Member States or their regional and local authorities;

2.15 **believes** that, when monitoring subsidiarity, account should be taken of the extent to which economies of scale and added value can be achieved through cross-border and trans-national effects when EU measures are taken;

2.16 **stresses** that where European legislation is necessary under the subsidiarity principle, it should be drafted in such a way as to retain the greatest possible scope for national, regional and local decision-making, and that the volume of European legislation must be limited, even more than has hitherto been the case, to what is strictly necessary to achieve the Treaty objectives (proportionality principle); in particular, if jobs are to be protected and created, citizens and businesses must not be saddled with unnecessary red tape; therefore also **welcomes** the European Commission's measures to update and simplify the Community acquis, and calls for these to be stepped up;

2.17 **regrets** therefore that the provisions on the proportionality principle are less comprehensive and clear than those on subsidiarity, and all the more so since the constitution recognises the autonomy of regional and local self-government (Article I-5 and Part II preamble) and the local and regional level is responsible for implementing more than 70 % of EU legislative acts;

2.18 **refers** in this context to the existing ECJ case law ⁽¹⁰⁾ that, when assessing the compatibility of a legislative proposal with the subsidiarity principle, aspects of proportionality must also be taken into consideration and that these two principles cannot entirely be separated from one another;

⁽⁸⁾ Opinion on a better division and definition of competence in the European Union (CdR 119/2002 final).

⁽⁹⁾ CdR 308/1998.

⁽¹⁰⁾ (C 491/01).

2.19 **makes it clear** with respect to its right to bring actions on subsidiarity issues that its main aim is to secure an effective contribution from the local and regional level to ensure better application of the subsidiarity principle from the drafting stage of legislative proposals by the European Commission to their adoption by the European Parliament and the Council of Ministers;

2.20 therefore **calls on** the European Commission, the European Parliament, the Council of Ministers, and national and regional parliaments to create a real subsidiarity culture in the Union and to work together towards fixing that principle firmly in the minds of political decision-makers at European, national, regional and local level, and to conduct ongoing dialogue about specific measures for applying the principles of subsidiarity and proportionality;

2.21 **recalls** the close correlation between the application of the subsidiarity principle and the principles of good governance in Europe. These principles strengthen the democratic legitimacy and transparency of the Union, and the Constitutional Treaty provides for a welcome extension of pre-legislative consultation between the European Commission and regional and local authorities (Article 2 of the subsidiarity protocol), which should result in a genuine exchange of opinions;

2.22 **invites** national parliaments, which, like the Committee itself, have been given a right to bring actions before the Court of Justice of the European Union, to enter into a continuous dialogue with it in order to develop joint strategies for the efficient application of the subsidiarity protocol and to effectively and transparently pursue at national level the consultation of representatives of the local and regional level, in particular regional parliaments with legislative powers, provided for in the Constitutional Treaty;

2.23 **invites** regional parliaments to continue to liaise with it and to take internal measures that facilitate rapid decision-making and effective exchange of information on subsidiarity matters within the framework of the early-warning system.

3. The Committee of the Regions' role in monitoring the principles of subsidiarity and proportionality from the pre-legislative phase to the phase where actions are brought before the Court of Justice of the European Union

a) The pre-legislative phase

The Committee of the Regions

3.1 **stresses** that the planning phase of a legislative act offers it, along with local and regional authorities, the greatest number of opportunities to effectively bring the local and regional dimension to bear; and **points out** that involving it at an early stage and taking its views into account could obviate the need for cases to be brought before the Court of Justice of the European Union for infringements of the subsidiarity principle;

3.2 **welcomes** the fact that the European Commission, before publishing legislative proposals, must first examine their financial and administrative impact, and expects the impact on local and regional authorities to be included in the subsidiarity sheet, as it often falls to this level of government and administration to regulate and implement new EU initiatives; it **requests** the European Parliament to similarly consider the impact of its changes to legislative proposals (CdR 354/2003 point 1.21);

3.3 **emphasises** that the Commission should make full use of the framework legislation allowing national, regional and local authorities to select the most appropriate form and methods for achieving the desired results;

3.4 **proposes** that, even during the consultations provided for in Article 2 of the subsidiarity protocol, the Commission produce subsidiarity sheets with reasoned statements on the principles of subsidiarity and proportionality and on the impact assessment;

3.5 **expects** the European Commission regularly to involve it in the pre-legislative consultation process under Article 2 of the subsidiarity protocol;

3.6 **expects** to be given the opportunity to make its contribution in connection with the drafting of the European Commission's annual report to the European Council on the application of the subsidiarity principle; in particular, its opinion on the European Commission's annual report on the application of Article I-11 of the Constitution (subsidiarity and proportionality) should be enclosed with the Commission's report;

3.7 **proposes**, for the purpose of developing a culture of subsidiarity in the European Union, that an annual subsidiarity conference be held involving the European Commission, the Council of Ministers, the European Parliament, the Court of Justice of the European Union, national parliaments and regional assemblies, at which progress, hindrances and developments in the application of the subsidiarity and proportionality principles are to be discussed and assessed;

3.8 **firms**ly believes that its opportunities to be involved in the pre-legislative process must be extended further; and therefore **invites** the European Commission, when carrying out the revision of the cooperation agreement due in 2005, to pay particular attention to issues of cooperation in relation to the application of the subsidiarity principle and to its new role.

b) Legislative procedure

The Committee of the Regions

3.9 **stresses** that, on the basis of its existing consultative role, it has the right to examine the compatibility of an EU legislative proposal with the principles of subsidiarity and proportionality and to make its views known to the European institutions and national parliaments;

3.10 **believes** that in its assessment of the subsidiarity principle the CoR should not confine itself to the ten areas of mandatory consultation, but should be able to 'make its own destiny';

3.11 **is aware** that it will be politically strengthened by the right to bring proceedings in defence of its rights;

3.12 **points out** that, unlike national parliaments, it is not bound by a deadline for lodging complaints about non-compliance with the principles of subsidiarity and proportionality under the early warning system;

3.13 therefore **decides**, in the light of the deadlines that apply within the early warning system and to complaints by the CoR, to vest the Bureau with the power to check that legislation proposed by the Commission in areas where consultation of the CoR is mandatory is compatible with the principles of subsidiarity and proportionality, and with the task of making its views known to the European institutions and national parliaments; the practical arrangements within the Bureau will have to be worked out as part of a review of the CoR's Rules of Procedure;

3.14 **stresses** that guaranteeing the substantive content of opinions on all legislative proposals remains the responsibility of the commissions and their rapporteurs throughout the whole legislative process;

3.15 **points out**, however, the need to follow up its assessment of the application procedures for the principles of subsidiarity and proportionality throughout the legislative process; in particular, rapporteurs will need to pay attention to whether discussions in the Parliament and the Council of Ministers have led to changes in the text that make the proposal incompatible with the subsidiarity or proportionality principle and inform the Committee (Bureau) if necessary;

3.16 therefore **invites** the Council of Ministers and the European Parliament, given their future obligation under the Constitutional Treaty (Article III-388) to consult it in the areas of mandatory consultation and in the light of its new responsibilities for monitoring subsidiarity, to consider embarking on negotiations about a cooperation agreement; in view of its responsibility for subsidiarity, this agreement should in particular contain the arrangements for consulting the Committee and for the information flow between it and the Parliament or the Council of Ministers within the co-decision procedure;

3.17 **intends**, even before the Constitutional Treaty for Europe enters into force, to use, within the current legal framework, the subsidiarity monitoring instruments in a test phase, in particular by setting up an electronic network with regional and local authorities and their associations.

c) *Appeals to the European Court of Justice*

The Committee of the Regions

3.18 **notes** that the European Court of Justice has up until now been very restrictive in its handling of the monitoring of compliance with the subsidiarity principle. Essentially, the Court of Justice mainly checks whether the institutions have met their requirement to make a statement on compliance with the subsidiarity principle. However, the Court of Justice does not look into matters of substantive law, except in cases where there has been a clear violation. As the principle of subsidiarity and the monitoring thereof have increased considerably in importance as a result of the Constitutional Treaty, it remains to be seen whether the ECJ will step up its checks;

3.19 **notes** that under Article III-365, it must lodge an appeal on the grounds of violation of the subsidiarity principle no later than two months after the entry into force of a legislative act;

3.20 **welcomes** the fact that its right to bring actions to protect its prerogatives and to ensure that legislative acts about which it must be consulted comply with the subsidiarity principle give it new judicial legitimacy;

3.21 **considers** that it can bring a case before the Court of Justice of the European Union for violation of the subsidiarity principle even when it has not adopted a critical opinion on the application of the subsidiarity principle but has limited itself to an opinion under its mandatory or optional consultative role;

3.22 **is determined** to use the right to bring actions before the European Court of Justice as a last resort and only when all other means of exerting influence have been exhausted;

3.23 **decides** that, as a rule, the Bureau shall take decisions on lodging appeals, on the grounds of violations of the subsidiarity principle, with the Court of Justice of the European Union. If it is possible to do so by the relevant deadline, the plenary assembly shall take the decision on a proposal from the Bureau. However, in view of the significance of bringing such an action for the Committee, the plenary assembly at all times reserves the right to review the decision of the Bureau. The practical arrangements remain to be worked out as part of a review of the CoR's Rules of Procedure;

3.24 **notes** that it will carefully consider any requests stemming from its networking with regional and local authorities and their associations to bring actions about EU legislative acts under internal procedures to be established.

Brussels, 16 November 2005.

The President
of the Committee of the Regions
Peter STRAUB

APPENDIX

DRAFT SUBSIDIARITY ANALYSIS GRID ⁽¹⁾

- 1. Commission document reference**
- 2. Legal basis**
- 3. Justification and objective of the action:**
 - Is this action based on the Community's exclusive competences or on shared competences with the Member States?
 - Are the objectives of the proposed action in keeping with the Union's obligations?
 - Does action at Community level bring added value?
 - Has the potential inadequacy of action by Member States been demonstrated?
 - Could the aim of the proposed action adequately have been achieved at local or regional level?
- 4. Local and regional dimension:**
 - Has the regional and local dimension of the proposed actions been taken into consideration?
 - What implications have been detected for regulation at local and regional level?
- 5. Choice of instruments:**
 - Is the proposed instrument (directive, regulation, etc.) the most appropriate one?
- 6. Legislative and administrative simplification:**
 - Is the proposed action in keeping with the criteria for legislative and administrative simplification, both at Community and at Member State level?
 - What implications — positive or negative — does the proposed action have for local and regional authorities?
- 7. Financial evaluation:**
 - Evaluation of the financial statement relating to the European Commission's proposal.
 - Evaluation of the impact on local and regional finances.
- 8. External consultation:**
 - Has the consultation process taken account of the local and regional dimension of the proposed actions?
 - Were local and regional authorities consulted about the European Commission's initiative? Was this consultation relevant?
- 9. Impact assessment:**
 - Was an impact assessment of the European Commission's initiative carried out?
 - Was territorial impact taken into account?
- 10. Proportionality:**
 - Is the action suitable, necessary and appropriate?
 - Are the legal form and the scope and extent of the action appropriate?
 - Are the financial costs and the administrative burden appropriate?

⁽¹⁾ This draft analysis grid has been drawn up as part of measure B32 of the CoR's administrative reform, whose aim is gradually to introduce into the structure of CoR opinions an evaluation of compliance with the subsidiarity principle and the expected impact on administration and local and regional finances, in accordance with Rule 51 of the CoR's Rules of Procedure. The operation of this analysis grid is being assessed on the basis of a few test opinions and should be rolled out in the course of 2005. The grid will be backed up by a political assessment contained within the body of the opinion and including implementing provisions.

Opinion of the Committee of the Regions on Decentralised cooperation in the reform of the EU's development policy

(2006/C 115/09)

THE COMMITTEE OF THE REGIONS,

HAVING REGARD TO the decision of its Bureau of 5 July 2005 to instruct its Commission for External Relations (RELEX) to draw up an own-initiative opinion, under the fifth paragraph of Article 265 of the EC Treaty, on decentralised cooperation in the reform of the EU's development policy;

HAVING REGARD TO the External Relations Strategy of the Committee of the Regions: Guidelines (DI CdR 8/2005) adopted on 30 June 2005 by the RELEX commission for submission to the Bureau;

HAVING REGARD TO the work programme of the RELEX commission (CdR 62/2005 item 8 appendix 6) adopted by the Bureau at its meeting on 12 April 2005, in particular Article 1.3;

HAVING REGARD TO its opinion of 23 February 2005 on the Communication from the Commission on the social dimension of globalisation (CdR 328/2004 fin) ⁽¹⁾;

HAVING REGARD TO its opinion of 9 October 2003 on the Communication from the Commission on trade and development — assisting developing countries to benefit from trade (CdR 100/2003 fin) ⁽²⁾;

HAVING REGARD TO its opinion of 3 July 2003 on the impact on local and regional authorities of the negotiations on the General Agreement on Trade in Services (GATS) at the WTO (CdR 103/2003 fin) ⁽³⁾;

HAVING REGARD TO Articles 177 to 181 of the Treaty establishing the European Community;

HAVING REGARD TO the Conclusions of the Council of 23 and 24 May 2005 endorsing the Commission Communications of 12 April 2005;

HAVING REGARD TO the Communication from the Commission to the Council, the European Parliament and the European Economic and Social Committee on Speeding up progress towards the Millennium Development Goals — the European Union's contribution COM (2005) 132 final of 12 April 2005;

HAVING REGARD TO the results of the consultation on the future of EU development policy launched by the Commission on 7 January 2005;

HAVING REGARD TO the Conclusions of the Brussels European Council of 16 and 17 June 2005 (10255/05), in particular Point IV;

HAVING REGARD TO the revised Cotonou Agreement signed on 25 June 2005;

HAVING REGARD TO the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions — Proposal for a joint declaration by the Council, the European Parliament and the Commission on the European Development Policy 'The European Consensus' COM(2005) 311 final of 13 July 2005;

HAVING REGARD TO the report presented on 21 March 2005 by the Secretary-General of the United Nations on the progress made towards achieving the Millennium Development Goals, discussed at the UN Summit in New York in September 2005;

HAVING REGARD TO its draft opinion (CdR 224/2005) adopted on 15 September 2005 by the Commission for External Relations (rapporteur: **Ms Juliette Soulabaille**, Mayor of Corps-Nuds, **FR/PES**);

⁽¹⁾ OJ C 164 of 5.7.2005, p. 82.

⁽²⁾ OJ C 23 of 27.1.2004, p.8.

⁽³⁾ OJ C 256 of 24.10.2003, p.83.

WHEREAS

- 1) the Committee of the Regions should speak out on an institutional level about the specific nature of the decentralised development cooperation projects carried out by European regional authorities;
- 2) it is important to take into account the specialised contribution of actors who, by definition, are experienced in development and in organising democracy which meets public needs and expectations, in order to ensure that the EU's work towards achieving the global objectives of the fight against poverty is both relevant and effective;
- 3) the Commission has submitted its proposal for a joint declaration by the Council, the European Parliament and the Commission on the European Development Policy 'The European Consensus' COM(2005) 311 final;

adopted the following opinion unanimously at its 62nd plenary session, held on 16 and 17 November 2005 (meeting of 16 November):

1. Views of the Committee of the Regions

1.1 *European Development Policy*

The Committee of the Regions,

1.1.1 **recalls** that the Community's Development Policy is enshrined in Articles 177 to 181 of the Treaty and that it constitutes a key component of the European Union's external action;

1.1.2 **supports** the reform of the European Development Policy adopted in November 2000, which was conceived in a spirit of partnership with beneficiary countries, focussing on the fight against global poverty and reaffirming its commitment to democracy and human rights; **highlights** the importance of the UN Millennium Goals and their focus on fighting poverty; **underlines** that these ambitious goals cannot be achieved without the active participation of local and regional authorities; this should be stated clearly and local and regional authorities should be given an explicitly important role in development cooperation efforts.

1.1.3 **welcomes** the measures taken to increase the visibility and effectiveness of European aid, as well as its appropriation by beneficiary countries (the drawing up of real, multi-annual development strategies, the creation of EuropeAid and the now effective deconcentration of European programmes to the Commission Delegations);

1.1.4 **notes** that the European Union's Development Policy today concerns an internationally agreed list of 151 countries and territories, and operates through multiple geographical and thematic programmes and, in the case of the ACP countries, through the Cotonou Agreement;

1.1.5 **regrets** that the Commission, in its Communication of 2002 on the participation of non-state actors (NSAs) in EC development policy ⁽⁴⁾ and commitment, expressed therein, to the ownership of its programmes by the citizens of the countries concerned, has only taken civil society organisations into account, overlooking the contribution of local authorities;

1.1.6 therefore **welcomes** the new direction brought to this approach by the recent amendment of the Cotonou Agreement at its midterm review ⁽⁵⁾, particularly in Article 4, which extends the provisions previously only laid down for NSAs to 'local decentralised authorities'.

1.2 *The role of decentralised cooperation*

The Committee of the Regions,

1.2.1 **defines** 'decentralised cooperation' as international cooperation led by European local authorities (as defined by the respective Member State's legislation) under the direction of their democratically elected executive and involving local stakeholders distinct from both central state government and civil society;

1.2.2 **regrets** that European local authorities' contribution to the European Development Policy, as to other external assistance policies, continues to go largely unrecognised;

⁽⁴⁾ COM (2002) 598 final.

⁽⁵⁾ COM (2005) 185 final.

1.2.3 **notes** that, in particular, this lack of recognition leads to local authorities being assigned changing roles within the different programmes connected to development policy, i.e.,

- a) certain programmes, such as Urb-Al or Asia Urbs (henceforth part of Asia Pro Eco II), assign them a specific role,
- b) in the Communication from the Commission of 2002 on the participation of non-state actors (NSAs) in EC development policy, and in the Cotonou Agreement signed in 2000, the local 'authorities' are grouped with state actors, rather than NSAs (non-state actors),
- c) while in the Regulation on 'decentralised cooperation', the same 'local (including municipal) authorities' are included in a long list of civil society actors;

1.2.4 **hopes** that, when development players other than governments are taken into consideration, a better balance will be established between the various civil society organisations classified as 'non-state actors' and local authorities. This is entirely compatible with the partnerships that are often established by authorities with NSAs as part of their decentralised cooperation.

1.3 Local authorities as players in development policy

The Committee of the Regions,

1.3.1 **stresses** that, according to their Member State's national provisions, European local authorities have for many years maintained cooperative links with their counterparts in non-member countries, particularly in developing countries;

1.3.2 **notes** that whatever the degree of initiative afforded the authorities, the Member States often offer them various types of support aimed at strengthening the effectiveness of their decentralised cooperation and encouraging its coordination with national development cooperation, thus recognising the added contribution of the authorities;

1.3.3 **recalls** that authorities bring know-how and experience to decentralised cooperation due to the diversity of their activities in: public health and education services, urban services (water, waste), territorial economic development, including through trade, together with the provision of institutional support for local management, experience of local and regional democracy and functioning democratic institutions, and fostering heritage, not to mention the role they can play in

to support peace ('diplomacy of the cities'). Therefore, their actions are especially valuable in helping 'decentralised local authorities' of developing countries, to better fulfil the responsibilities conferred on them by decentralisation;

1.3.4 **stresses** that local authorities are perfectly placed to bring the issue of development aid to the attention of European citizens and to encourage them to take action;

1.3.5 **acknowledges** that the diversity of the national provisions, the variety of fields in which local authorities cooperate, the characteristics of each authority and the varying amounts of human and financial resources dedicated to decentralised cooperation have formed a rich and complex picture;

1.3.6 **believes** that clarity is a key element in the recognition of the contribution made by authorities to the fight against poverty and to the promotion of democracy, for it allows decentralised cooperation to be seen not only as a simple proliferation of actions or programmes but as a local dimension of a global strategy for national or regional development;

1.3.7 **welcomes** the initiative of local authorities in both European and developing countries in structuring their cooperation on a thematic or geographical basis;

1.3.8 **welcomes** the creation in 2004 of the international organisation 'United Cities and Local Governments' (UCLG), now recognised by the United Nations as a representative body, founded on values of peace, local autonomy and solidarity and uniting the governments of all regions of the world around the issue of international cooperation.

1.4 *The Proposal for a joint declaration by the Council, the European Parliament and the Commission on the European Development Policy 'The European Consensus' COM(2005) 311 final*

The Committee of the Regions

1.4.1 **thanks** the Commission for sending its Proposal for a joint declaration, which is of great political importance, to the Committee;

1.4.2 **welcomes** this submission, considering that in itself it constitutes a recognition of local authorities as players in European development policy;

1.4.3 **shares** the general perspective of the text that '*globalisation is a positive force for all of mankind*', a position it adopted itself in a previous opinion ⁽⁶⁾;

1.4.4 **welcomes** the desire to strengthen consistency, within the European Union's development activities, between internal and external policies (particularly necessary in the fields of international trade and agriculture) and between action by the Commission and that of Member States, through the establishment of a 'thematic framework' to guide priority selection;

1.4.5 **welcomes** the explicit mention of the role of local authorities as actors of local governance and decentralised development in a number of selected themes for action, but feels it could also be mentioned in other fields (namely access to water);

1.4.6 **looks forward** to the specific text on the situation in, and the aid for Africa announced by the Commission.

2. The Committee of the Regions' recommendations

The Committee of the Regions,

2.1 **recommends** that the role of decentralised cooperation be considered according to the following principles:

- a) the global approach to the fight against global poverty and efforts to achieve the UN Millennium Goals must include a clear recognition of local issues and their local resolution;
- b) it is therefore important to recognise that authorities possess, alongside other actors, specific know-how and experience derived from their powers and responsibilities vis-à-vis their own citizens;
- c) for greater impact, European development policy must incorporate into its strategies the contribution of actors who both promote democracy and development and share the Union's principles of partnership and ownership;
- d) **recognises** that international development is a two way process and that as well as having an enormous amount to contribute to development in terms of ideas and best practice, Europe's local and regional authorities will also benefit from greater inter-action and involvement with governments, local authorities and local communities around the world in learning from their work and experiences;

e) **recognises** that better governance is key to a successful development policy and **believes** that the key element of good governance is a recognition that decisions are best made at the closest level possible to the citizens;

2.2 **proposes** adoption of the following measures, using the organisations already established by the authorities to structure their decentralised cooperation on development, particularly as part of United Cities and Local Governments, as well as bodies working to foster decentralised cooperation:

2.2.1 regarding European local authorities:

a) identify decentralised cooperation operations, a precondition for increasing appreciation of its richness among Community partners, and for encouraging exchanges of experience and synergies between authorities. The example of the Observatory on Decentralised Cooperation between the European Union and Latin America (**following a call for projects launched as part of Urb-Al**) **should be welcomed and considered as a model for other areas of the world;**

b) encourage the creation of a platform similar to that for NGOs (CONCORD) to establish political dialogue between Community institutions and local authorities focussed on development;

c) **facilitate exchanges of information and discussion between authorities by providing funding for twinning programmes between authorities in the EU and in developing countries;**

d) examine in the form of a study the different legislative and regulatory provisions which, in the different member States, influence local authorities' actions on international cooperation;

2.2.2 regarding local and regional authorities from developing countries, application of the general principles of aid to European development using a decentralised approach:

a) with regard to the *deconcentration* of the Commission's activities: the Commission delegations should be more aware of the local dimension, emphasising the **complementary** nature of decentralised cooperation compared with that conducted at state level, and its relevance, given the needs of the local authorities of the countries concerned, to advancing democratisation and decentralisation. In this sense, *guidelines* could be laid down to monitor this aspect at every stage of a programme's creation from its conception up to funding at the implementation stage;

⁽⁶⁾ CdR 328/2004 fin.

- b) to strengthen *regional integration*, the creation of associations and networks of local elected representatives could be encouraged and aided by their European counterparts;
- c) to *harmonise aid*, 'country forums' bringing together European local authorities that are active in a given country could be organised. These might be considered for the four countries where, following decisions made at the March 2002 Barcelona Council, the harmonisation of aid between Member States is being tested;

2.3 **recommends** the inclusion of local authorities in driving forward European development policy envisaged by the Commission; they already know how to play a role, working with NGOs, in *raising public awareness of the issues surrounding the fight against global poverty* through specific actions aimed at their citizens, especially young people;

2.4 The Proposal for a joint declaration by the Council, the European Parliament and the Commission on the European Development Policy 'The European Consensus' COM(2005) 311 final

Brussels, 16 November 2005.

The Committee of the Regions

2.4.1 is concerned about the changes to be made to the 'decentralised cooperation' budget heading from 2007, given the emphasis placed on countries that have 'difficult partnerships' with the European Union; this heading is currently ⁽⁷⁾ reserved specifically for such countries, despite being allocated a clearly insufficient amount;

2.4.2 calls for budgetary aid, which should become increasingly important in European aid arrangements, to provide an opportunity for beneficiary governments to transfer, from the national budget to local authorities, funds appropriate to the responsibilities conferred on them by ongoing decentralisation measures;

2.4.3 calls on the Commission, at this new stage of the European union's development policy, to take into consideration the recommendations made in this opinion.

The President
of the Committee of the Regions
Peter STRAUB

⁽⁷⁾ Council Regulation 625/2004 for the years 2004-2006 – Budget Heading 21-02-13.

Opinion of the Committee of the Regions on the Communication from the Commission to the Council and to the European Parliament establishing a framework programme on Solidarity and the Management of Migration Flows for the period 2007-2013

(2006/C 115/10)

THE COMMITTEE OF THE REGIONS,

HAVING REGARD TO the Communications from the Commission to the Council and to the European Parliament establishing a framework programme on Solidarity and the Management of Migration Flows for the period 2007-2013 (COM(2005) 123 final);

HAVING REGARD TO the European Commission's decision of 6 April 2005 to consult it under the first paragraph of Article 265 of the Treaty establishing the European Community;

HAVING REGARD TO the decision of its Bureau of 22 February 2005 to instruct its Commission for External Relations to draw up an opinion on this subject;

HAVING REGARD TO its opinion of 7 July 2005 on the Green Paper on an EU approach to managing economic migration (CdR 82/2005 fin);

HAVING REGARD TO its draft opinion (CdR 144/2005 rev. 1), adopted by the Commission for External Relations on 15 September 2005 (rapporteur: Mr Paleologos, Member of the Municipal Council of Livadia (EL/PES));

WHEREAS this Solidarity Programme will provide a new policy tool for the establishment of an Area of Freedom, Security and Justice for all residents of the Union;

WHEREAS it intends to draw the balance between the efficient support of all European policies on Freedom, Security and Justice and the national, regional and local needs, in line with the idea of burden sharing;

WHEREAS the push and pull factors will continue to cause migratory flows from the less developed and insecure countries all over the world towards the Union, while criminal networks, racist and xenophobic ideas and movements and administrative gaps can jeopardise a regulated, managed and socially and economically inclusive migration for the benefit of both the migrants and the sending and receiving societies;

WHEREAS the broadening involvement of the Union in a series of policies and action needs the support of adequate financial resources and instruments;

WHEREAS the ageing population and the shrinking working-age population will probably lead to more immigration flows that will become increasingly necessary to meet the needs of the wider Union;

WHEREAS the Framework Programme contains a solid legal basis concerning regional and local bodies, which stresses that: 'Each Member State shall organise, in accordance with current national rules and practices, a partnership with the authorities and bodies which it designates, namely (a) the competent regional, local, urban and other public authorities';

adopted the following opinion unanimously at its 62nd plenary session, held on 16 and 17 November 2005 (meeting of 16 November):

1. The Committee of the Regions' views

tion policy within the European Union. This is even more important now in the enlarged Community;

The Committee of the Regions:

1.1 **welcomes** the Commission's proposal for the establishment of a framework programme on Solidarity and the Management of Migration Flows for the period 2007-2013;

1.2 **recognises** the significance and scope of global migration and its importance for diversity and development, particularly in the local community. The CoR fully endorses the importance of coordinating immigration, asylum and integra-

1.3 **recognises** the importance of a Community driven, comprehensive and sustainable policy for the management of the migratory flows, including security at the frontiers, efficient **protection** of persons in need of international protection, effective repatriation of third country nationals, illegally residing on the European soil, integration of legal migrants in the economic, social, cultural and political life;

1.4 **stresses** that the national level is responsible for designing and implementing legislation, while the task of facilitating immigrant reception, settlement and integration falls mainly to the regional and local level. The CoR would therefore particularly stress the important role of the local and regional authorities, whose responsibilities include planning, housing, education and the labour market, which impact directly on integration and can promote social cohesion, social integration and sustainable societies;

1.5 **stresses** that local and regional authorities hope to form a key link in the chain of solidarity and help to eradicate the causes of migration by strengthening measures for financial cooperation and by developing a common strategy for promoting cross-border regional and nation cooperation in the field of Management of Migration Flows. Their powers in the areas of migration, immigration and integration, as well as their position as operators or owners of infrastructures, place these authorities at the forefront of processes to prevent, finance and manage migration flows;

1.6 **emphasises** that in many parts of the European Union, tax revenues are collected at national level, while the economic burden of dealing with immigration-related exclusion falls on the local level. Lack of consultation between the different levels can be an obstacle to best use of economic resources. That type of burden sharing could complement the exercise at Union level and give positive results in the field;

1.7 a) **recalls** that women are discriminated against both on grounds of gender and ethnic origin. If gender issues are taken into account, efforts for better management of migration flows will be more target-oriented and effective. The importance of women for successful integration must not be underestimated since they often provide a direct link with children in the family;

b) **emphasises** that the achievement of a successful migration policy requires other values — in addition to economic ones — to be taken into account. Immigration opens up perspectives that can enrich individual citizens' lives, just as it can provide the EU with skills that are valuable in a global context;

c) **calls upon** the Council and the Commission to further exploit the expertise local and regional authorities have acquired after decades of hands-on experience of implementing migration policy;

1.8 a) **emphasises** that initiatives designed to ensure that economic support for a common immigration policy is effective must take account of regional differences. Support should encourage flexible solutions, and the

local and regional levels must be given the freedom to choose their approach;

b) **urges** to consider, in the debate about future European cohesion policy, the initiatives carried out in certain regions where Structural Fund support might be reduced and where the immigrant population has increased significantly in recent years. This applies particularly in the major towns and cities;

1.9 **stresses** that immigration is not sufficient to cover EU labour shortages in the long term, and would refer to its opinion on the contribution of older people to the labour market;

1.10 there is an urgent need for strategies to deal with the large group of immigrants that are outside the labour market, for economic, social and political reasons;

1.11 **calls** for measures in order to address effectively the issue that a large number of working persons have entered and live in the EU illegally. Measures must be considered and mechanisms introduced to enable immigrants in breach of current immigration legislation to legalise their position without delay, especially if their illegal stay is due to administrative shortages or special geopolitical circumstances, faced by Member States. Those measures must be of exceptional nature, not repetitive, and combined with a) decent standards of reception of the interested persons, b) establishment of the idea that illegal immigration is not tolerated, c) strict fight against trafficking in human beings and social exclusion d) adoption of effective structures and policies in support of legal labour migration;

1.12 **stresses** that the individual immigrant's need to work to support himself must be acknowledged and encouraged. In addition to the economic aspects, entrepreneurship and small businesses contribute to positive social development. The opportunity to own and run a company impacts on integration and it should therefore be given increased public support;

1.13 **welcomes** the increasing awareness within the EU of immigrants' creativity and entrepreneurship. The growth of entrepreneurship and new businesses is of crucial importance to successful integration processes and represents an important contribution towards achieving the Lisbon Strategy;

1.14 **stresses** the importance of the work of non-governmental organisations in close cooperation with the local and regional authorities and supports their programmes to speed up migration related policies and actions (such as integration into the political and social life of the country etc.);

1.15 **welcomes** the Decision establishing the European Refugees Fund, and especially the provision on the integration of the targeted populations. The CoR reminds that the vast majority of the actions proposed as eligible both, for the improvement of the reception conditions and for the integration of refugees, fall in the field of intervention of the regional and local authorities;

1.16 **welcomes** the Decision establishing the External Borders Fund and recalls the fact that some regions of Europe suffer collateral losses, in terms of development and social cohesion, for being at the frontiers of the Union. That reality should be reflected in the decision;

1.17 **notes** that the EU's failure on the integration front is partly due to the fact that the local and regional authorities have not been involved in policy framing. The local and regional authorities are the tier of government that is closest to citizens, but the consequences of implementation at local level have most often been disregarded and not always taken into consideration;

1.18 **recalls** that integration issues must be included in all policy areas if social cohesion is to be achieved. The Community's immigration and integration policy must be in harmony with the EU's more overarching objectives in social policy, economic policy, and foreign and development policy, and comply with such fundamental European values as equal opportunities, human rights, human dignity, tolerance, respect for diversity, measures to combat discrimination, and promotion of increased participation in the community;

1.19 **would highlight** the fact that integration is a duty for society as a whole, requiring input from both immigrants and the local population in order to achieve sustainable social cohesion and growth;

1.20 **acknowledges** that, while labour market issues are of crucial importance for the integration of immigrants, they cannot be taken out of context since the degree of integration also depends on a number of other factors, such as social background, education and language skills, and participation in the life of the community. The successful integration of immigrants is a step towards achieving a society in which everyone has a stake, to the benefit of both the individual, the local community and society in the broader sense;

1.21 **deplores** the fact that in the Solidarity Programme there is a lack of sufficient coverage for the almost 500,000 asylum seekers in the European Union who are awaiting a decision on residence or similar permits, the vast majority of whom are outside the regular labour market;

1.22 **stresses** that the disparity between the national level's focus on the need for immigrant labour, and the local level's efforts to combat exclusion, marginalisation and xenophobia, reinforces the need for dialogue and cooperation between all levels concerned;

1.23 **considers** that actions and policies leading progressively to the formal right to vote, which will help to increase the involvement of immigrants in the democratic process, should be a decisive part of the Solidarity Programme;

1.24 **welcomes** the Decision establishing the European Return Fund, recalling that integrated management of return must include a regional parameter, especially acknowledging the contribution of regional and local authorities at EU borders in the support of voluntary return schemes.

2. The Committee of the Regions' recommendations

The Committee of the Regions

2.1 **stresses** that a balanced policy which will promote measures to ensure equitable levels of legal migration together with measures to discourage illegal migration and fight against smuggling and trafficking in human beings, is essential. The CoR emphasises also the important role of migration in terms of filling skill shortages and calls upon the European Council to develop effective policy initiatives in these areas including the recruitment of third country nationals for scientific research;

2.2 **stresses** that the local and regional authorities should be more involved in framing and implementing of the asylum policies. The CoR proposes considering extension of the scope of funding under Regional Cooperation and the New Neighbourhood Policy, which are included in the third main objective of the Structural Funds for the 2007-2013 period, to cover these tasks and hopes that the joint multilateral programmes conducted under that objective and the bilateral action plans that will be implemented as part of neighbourhood policy will be coordinated effectively;

2.3 **stresses** that it is imperative to provide for concrete involvement of regional and local authorities both in designing and executing of actions under all four Funds, in order to materialise the horizontal provision on partnership;

2.4 **proposes** the strengthening of actions and measures involving education in the efforts for the management of migratory flows, especially in the fields of integration of migrants and refugees;

2.5 **proposes** the inclusion of specific horizontal provisions — clauses as follows:

Recommendation 1

Article 3

Text proposed by the Commission (COM(2005) 123 final — 2005/0049 (COD))	CoR Amendment
<p><i>Article 3</i></p> <p>Specific objectives</p> <p>1. The Fund shall contribute to the following specific objectives:</p> <p>(a) The introduction and improvement of the organisation and implementation of integrated return management by Member States;</p> <p>(b) The enhancement of the co-operation between Member States in the framework of integrated return management and its implementation;</p> <p>(c) The promotion of an effective and uniform application of common standards on return according to the policy development in the field.</p>	<p><i>Article 3</i></p> <p>Specific objectives</p> <p>1. The Fund shall contribute to the following specific objectives:</p> <p>(a) The introduction and improvement of the organisation and implementation of integrated return management by Member States, <u>notably by establishing, where appropriate, cooperation mechanisms between national, regional and local public authorities;</u></p> <p>(b) The enhancement of the co-operation between Member States in the framework of integrated return management and its implementation;</p> <p>(c) The promotion of an effective and uniform application of common standards on return according to the policy development in the field.</p>

Reason

Since the Commission proposal is based on legal basis for which co-decision applies, the Committee of the Regions should strive to present concrete amendments to the Commission proposal according to the model used by the European Parliament.

Recommendation 2

Article 4.1

Text proposed by the Commission (COM(2005) 123 final — 2005/0049 (COD))	CoR Amendment
<p><i>Article 4</i></p> <p>Eligible actions in the Member States</p> <p>1. Actions relating to the objective laid down in Article 3(1), point a), and in particular the following, shall be eligible for support from the Fund:</p> <p>(a) Establishment or improvement of an effective, stable and lasting operational co-operation of Member States' authorities with consular authorities and immigration services of third countries, with a view to obtaining travel documents for the return of third country nationals and ensuring speedy and successful removal procedures;</p> <p>(b) Promotion and facilitation of voluntary returns of illegally staying third country nationals, in particular through assisted voluntary return programmes, with a view to ensuring the sustainability of returns;</p> <p>(c) Simplification and implementation of enforced returns of illegally staying third country nationals, with a view to enhancing the credibility and integrity of immigration policies and reducing the period of custody of persons waiting for forced removal.</p>	<p><i>Article 4</i></p> <p>Eligible actions in the Member States</p> <p>1. Actions relating to the objective laid down in Article 3(1), point a), and in particular the following, shall be eligible for support from the Fund:</p> <p>(a) Establishment or improvement of an effective, stable and lasting operational co-operation of Member States' authorities with consular authorities and immigration services of third countries, with a view to obtaining travel documents for the return of third country nationals and ensuring speedy and successful removal procedures;</p> <p>(b) Promotion and facilitation of voluntary returns of illegally staying third country nationals, in particular through assisted voluntary return programmes, with a view to ensuring the sustainability of returns;</p> <p>(c) Simplification and implementation of enforced returns of illegally staying third country nationals, with a view to enhancing the credibility and integrity of immigration policies and reducing the period of custody of persons waiting for forced removal.</p> <p><u>(d) actions which would help to improve the coordination between different levels of national, regional, local, urban and other public authorities.</u></p>

Reason

Since the Commission proposal is based on legal basis for which co-decision applies, the Committee of the Regions should strive to present concrete amendments to the Commission proposal according to the model used by the European Parliament.

Recommendation 3

Article 4.2

Text proposed by the Commission (COM(2005) 123 final — 2005/0049 (COD))	CoR Amendment
<p style="text-align: center;"><i>Article 4</i></p> <p style="text-align: center;">Eligible actions in the Member States</p> <p>(...)</p> <p>2. Actions relating to the objective laid down in Article 3(1), point b), and in particular the following, shall be eligible for support from the Fund:</p> <p>(a) Cooperation in the gathering and provision to potential returnees of information on the country of origin;</p> <p>(b) Cooperation in developing effective, stable and lasting operational working relationships between Member States' authorities and consular authorities and immigration services of third countries, to facilitate consular assistance in obtaining travel documents for the return of third country nationals and ensuring speedy and successful removal procedures;</p> <p>(c) Design of joint integrated return plans and their implementation, including joint voluntary return programmes on specific countries or regions of origin, former residence or transit;</p> <p>(d) Studies on the current situation and possibilities for enhancing administrative co-operation among Member States in the field of return as well as on the role of international and non-governmental organisations to be played in this context;</p> <p>(e) Exchange of information, support and advice in dealing with the return of particularly vulnerable groups;</p> <p>(f) Organization of seminars for practitioners on best practices focusing on specific third countries and/or regions;</p> <p>(g) Joint measures enabling the reception of readmitted persons in countries of origin, former residence or transit;</p> <p>(h) Joint development of actions to ensure the durable reintegration of persons in the country of origin or former residence;</p> <p>(i) Joint measures to monitor the situation of returnees and sustainability of their situation after return.</p>	<p style="text-align: center;"><i>Article 4</i></p> <p style="text-align: center;">Eligible actions in the Member States</p> <p>(...)</p> <p>2. Actions relating to the objective laid down in Article 3(1), point b), and in particular the following, shall be eligible for support from the Fund:</p> <p>(a) Cooperation in the gathering and provision to potential returnees of information on the country of origin;</p> <p>(b) Cooperation in developing effective, stable and lasting operational working relationships between Member States' authorities and consular authorities and immigration services of third countries, to facilitate consular assistance in obtaining travel documents for the return of third country nationals and ensuring speedy and successful removal procedures;</p> <p>(c) Design of joint integrated return plans and their implementation, including joint voluntary return programmes on specific countries or regions of origin, former residence or transit;</p> <p>(d) Studies on the current situation and possibilities for enhancing administrative co-operation among Member States in the field of return as well as on the role of international and non-governmental organisations to be played in this context;</p> <p>(e) Exchange of information, support and advice in dealing with the return of particularly vulnerable groups;</p> <p>(f) Organization of seminars for practitioners on best practices focusing on specific third countries and/or regions;</p> <p>(g) Joint measures enabling the reception of readmitted persons in countries of origin, former residence or transit;</p> <p>(h) Joint development of actions to ensure the durable reintegration of persons in the country of origin or former residence;</p> <p>(i) Joint measures to monitor the situation of returnees and sustainability of their situation after return.</p> <p><u>(j) organization of seminars and joint training for the staff of the competent national, regional, local, urban and other competent administrative, law enforcement and judicial bodies</u></p> <p><u>(k) promotion of a 'Handbook of Best Practices', a common initiative of the Council of the European Union, the European Commission, the European Parliament and the CoR. This handbook should comprise contributions from national, regional and local public authorities and include strategies for bringing citizens closer together, for cooperation with associations and non-governmental organisations, for the establishment of local networks, data collection and studies, and for cooperation with police forces and institutions;</u></p> <p><u>Where appropriate, action shall take into account regional and local, public authorities.</u></p>

Reason

Since the Commission proposal is based on the legal basis for which co-decision applies, the Committee of the Regions should strive to present concrete amendments to the Commission proposal according to the model used by the European Parliament.

2.6 **regrets** that expenditure for technical assistance in all four Decisions is low although public awareness campaigns are crucial in the success and effectiveness of all policies in the field of Freedom, Security and Justice;

2.7 **encourages** local and regional administrations to exchange training programmes and to work towards synergy and partnership with appropriate European and national authorities;

2.8 **encourages** local and regional authorities to contribute to a fast and effective implementation of measures proposed in the framework Programme;

2.9 **launches** a Committee of the Regions action plan to foster the spirit of a fair share of responsibilities between Member States and within the Member States between national, regional, local, urban and other public authorities in the field of migration;

2.10 **stresses** that it must be considered as a relevant and Community-focused partner, helping more effectively to clarify the responsibilities of local and regional representatives as regards issues of funding and managing of migration flows for the period 2007-2013 and thus helping to integrate these into the cooperation mechanism that the Union wishes to implement.

Brussels, 16 November 2005.

The President
of the Committee of the Regions
Peter STRAUB

Opinion of the Committee of the Regions on the Communication from the Commission to the Council on a European Future for Kosovo

(2006/C 115/11)

THE COMMITTEE OF THE REGIONS,

Having regard to the Communication from the Commission to the Council on *A European Future for Kosovo* (COM(2005) 156 final);

Having regard to the decision of the European Commission of 11 May 2005 to consult it on this subject, under the first paragraph of Article 265 of the Treaty establishing the European Community;

Having regard to the decision of its Bureau of 12 April 2005 to instruct its Commission for External Relations to draw up an opinion on the subject;

Having regard to the Presidency conclusions of the European Council, held in Brussels on 16-17 June 2005;

Having regard to the Presidency conclusions of the European Council, held in Thessaloniki, on 19 and 20 June 2003;

Having regard to the decision by the European Council on 14 June 2004 on the principles, priorities and conditions contained in the European Partnership with Serbia and Montenegro including Kosovo;

Having regard to the Report on the preparedness of Serbia and Montenegro to negotiate a Stabilisation and Association Agreement with the European Union (SEC(2005) 478 final);

Having regard to the opinion of the Parliamentary Assembly of the Council of Europe on the 'Current situation in Kosovo' adopted on 3 June 2005 (doc. 10572, rapporteur: Ms Marianne Tritz);

Having regard to the Report of the Secretary-General on the United Nations Interim Administration Mission in Kosovo of 23 May 2005 (doc. 05-33918);

Having regard to the United Nations Security Council Resolution 1244 (1999) of 10 June 1999;

Having regard to the Cooperation Agreement between the Committee of the Regions and the Congress of Local and Regional Authorities of the Council of Europe of 13 April 2005, CdR 62/2005;

Having regard to its opinion on The role of the European Union's local and regional authorities in the democratic consolidation process in the Western Balkans — CdR 101/2003 fin ⁽¹⁾;

Having regard to the conclusions adopted by the participants at the conference held in Pristina on 22 June 2005 (the 'Pristina declaration'), CdR 145/2005 fin;

Having regard to its Draft Opinion (CdR 143/2005 rev. 2) adopted on 15 September 2005 by its Commission for External Relations (Rapporteur: Mr Tomaz Štebe, Mayor of the Municipality of Mengeš (SI/EPP));

Wishing to submit views on the European future for Kosovo from a local and regional perspective;

Whereas:

1. The Presidency conclusions of the European Council, held in Thessaloniki, on 19 and 20 June 2003, have given the whole region of the Western Balkans an European outlook for the future. This outlook was stressed again by the Presidency conclusions of the European Council, held in Brussels on 16-17 June 2005;
2. all Western Balkans countries, as well as Kosovo, are currently undergoing positive changes in attitudes, including in relation to the International Criminal Tribunal for the former Yugoslavia (ICTY). These changes are an important step to their eventual European integration. However, further substantial progress is needed;

⁽¹⁾ OJ C 73 of 23.3.2004, p.1.

3. in respect of Kosovo, people showed peaceful restraint following the resignation of former Prime Minister Haradinaj, and the government showed political maturity in the smooth transition to a new Kosovo Government led by Prime Minister Kosumi. This was accompanied by a renewed commitment to carry on the programme of the previous Government centred on UN standards implementation;
4. Kosovo's Government has adopted a 'Reform of Local Government — Working Programme 2005' on 22 February 2005. The reform is intended to improve services at the local level and thereby contribute to (a) ensuring sustainable government and living conditions for all people in Kosovo; (b) the integration of all communities into democratic structures in Kosovo; (c) the setting up and consolidation of functioning democratic institutions in Kosovo as required by the standards;
5. activities aimed at the economic integration of Kosovo in the region continue. These ongoing efforts are intended to address the continuing difficult economic situation in Kosovo, including low-income level, high unemployment and huge infrastructure deficit. A legal framework defining clear property rights is urgently needed;
6. an ambitious and comprehensive review of the implementation of standards, which is currently taking place, should launch a realistic process leading to the settlement of Kosovo's future status. Strong, autonomous and multiethnic local and municipal authorities are a prerequisite for long-lasting peace and prosperity in Kosovo, as well as a key element in any negotiated agreement on the future status of Kosovo;
7. the final declaration of the conference on the role of EU regional and local authorities in the process of democratic consolidation in the Western Balkans' region organised jointly with the Committee of the Regions, the European Commission, the Congress of Local and Regional Authorities of the Council of Europe and the Stability Pact for South-Eastern Europe in Pristina, 22 June 2005, stresses that if the people of Kosovo were to have a future within the European Union, it was vital to have genuine devolution and a participatory democracy, which fully respected democratic values and minority rights.

adopted the following opinion at its 62nd plenary session, held on 16 and 17 November 2005 (meeting of 16 November):

1. The Committee of the Regions' Views

The Committee of the Regions

1.1 **welcomes** the report and the conclusions reached by the Commission in the Communication *A European Future for Kosovo*, (COM(2005) 156 final) which present a framework for ending the current impasse regarding the development of a democratic and multi-ethnic society in Kosovo, in order to enable it to participate in the region in a context of peace and prosperity;

1.2 **welcomes** the Report on the preparedness of Serbia and Montenegro to negotiate a Stabilisation and Association Agreement with the European Union, SEC(2005) 478 final, which concludes with a positive recommendation towards opening stabilisation and associations negotiations provided Serbia and Montenegro continues its preparations in a sustained way;

1.3 **welcomes** Presidency conclusions of the European Council, held in Brussels on 16-17 June 2005 and the annexed Declaration on Kosovo which stressed that the outcome of the comprehensive review of the situation in Kosovo was not a foregone conclusion: the implementation of standards, particularly those which have been identified as a priority, and the decentralisation process are of particular importance;

1.4 **considers** that Kosovo's and EU local and regional authorities should help to achieve the challenge of the European future for Kosovo;

1.5 **welcomes** the Commission's commitment to focussing on the specific situation and particular needs of Kosovo in order that it might make progress in the stabilisation and association process;

1.6 **welcomes** the active focus on the development and reform needs of Kosovo with a commitment to mobilise Commission resources to accelerate such development and reforms;

1.7 **endorses** the European Commission proposal to explore new avenues in order to ensure that Kosovo can benefit fully from all relevant European Union instruments;

1.8 **attaches** the utmost importance to the political dialogue between the communities of Kosovo and between the authorities in Belgrade and Pristina as the only way to achieve that greater stability which is a prerequisite for the European integration of the whole Western Balkans region;

1.9 **welcomes** the initial effort made by the Provisional Institutions of Self Government in Kosovo (PISG) to reform the local government in Kosovo;

1.10 **recalls** that devolution must be accompanied by a genuine transfer of power and particularly financial resources and properties commensurate with the new responsibilities entrusted to the local and regional authorities;

1.11 **supports** the vital role that the local and regional authority associations play in putting the collective views of local and regional authorities to their governments and as key instruments to promote the potential for action through local and regional politicians;

1.12 **endorses** the Commission's engagement in high-level consultation with the main international actors so as to establish a coordinated policy approach to Kosovo; and **welcomes** the decision to launch the comprehensive review of progress made in the implementation of the Kosovo standards.

2. The Committee of the Regions' recommendations

The Committee of the Regions

2.1 **asks** the Commission to actively involve local authorities of Kosovo in the task of implementing political, social and economical reforms at the ground level with the full respect of the principles of subsidiarity, proportionality and good governance;

2.2 **encourages** the Commission to promote and support — in close cooperation with local authorities — information campaigns in order to inform EU citizens about relations with Kosovo and to inform Kosovo citizens of EU values;

2.3 **encourages** the Commission to support — in close cooperation with local authorities — exchange and twinning programmes that will help to increase mutual understanding between citizens and the administrations of the EU and Kosovo and strengthen local and regional-level administrative capacity;

2.4 **recommends** that Commission assistance for institution building give special consideration to local government capacity, in particular to assist the implementation of law and to improve communication and cooperation between central and local government;

2.5 **calls for** cooperation efforts and exchanges of the experiences and best practices gained under the pre-accession policy implemented with the local and regional authorities of the EU member states, applicant countries and Western Balkans countries;

2.6 **stresses** that one way of developing confidence and stability in Kosovo and the Western Balkan region is through

active cross-border cooperation between local and regional authorities;

2.7 **encourages** all those responsible for implementing standards, particularly the Provisional Institutions of Self-Government (PISG) in Kosovo to continue the implementation of the Reform of Local Government in entire Kosovo's territory and to assist local authorities in Kosovo to conform with the European Charter of Local Self Government, notably by providing the local authorities in Kosovo with the necessary financial, land and human resources for their social and economic responsibilities;

2.8 **recalls** to all those responsible for implementing standards, particularly the Provisional Institutions of Self-Government (PISG) in Kosovo that safeguarding and promoting regional and minority languages as well as cultural heritage of all communities are key factors in tolerance and mutual understanding within a pluralist, multiethnic and multicultural Kosovo;

2.9 **encourages** all those responsible for implementing standards, particularly the Provisional Institutions of Self-Government (PISG) in Kosovo to facilitate participation of persons from all ethnic groups and communities in the decision-making processes, in particular at local and municipal level and **stresses** that multiethnic municipalities are key element for stabilisation and reconciliation process in Kosovo;

2.10 **recommends** all those responsible for implementing standards, particularly the Provisional Institutions of Self-Government (PISG) in Kosovo, to redouble their efforts to achieve concrete results urgently, particularly as regards the return of refugees, return of displaced persons and freedom of movement for all communities;

2.11 **asks** all those responsible for implementing standards, particularly the Provisional Institutions of Self-Government (PISG) in Kosovo to take steps, in cooperation with EU and international institutions, to look beyond the implementation of standards and to be prepared to implement EU legislation, including at local level;

2.12 **recommends** to work closely with the Congress of Local and Regional Authorities of Europe (CLRAE) of the Council of Europe and to foster a wider participation of Kosovo's authorities in the European democratic process;

2.13 **recommends** that in the context of Financial Perspectives 2007-2013 sufficient financial support is allowed for Kosovo.

Brussels, 16 November 2005.

The President
of the Committee of the Regions
Peter STRAUB

Opinion of the Committee of the Regions on the Proposal for a Decision of the European Parliament and of the Council establishing a Community action for the European Capital of Culture event for the years 2007 to 2019

(2006/C 115/12)

THE COMMITTEE OF THE REGIONS,

Having regard to the Proposal from the European Commission for a Decision of the European Parliament and of the Council *establishing a Community action for the European Capital of Culture event for the years 2007 to 2019* COM(2005) 209 final — 2005/102 (COD);

Having regard to the decision of the European Commission of 30 May 2005 to consult it on this subject, under the first paragraph of Article 265 of the Treaty establishing the European Community;

Having regard to the decision of its President of 25 July 2005 to instruct its Commission for Culture and Education to draw up an opinion on this subject;

Having regard to its opinion on the Proposal for a European Parliament and Council Decision establishing a Community initiative for *The European Capital of Culture event* (CdR 448/97 fin) ⁽¹⁾;

Having regard to its opinion on the Proposal for a Decision of the European Parliament and Council amending Decision 1419/1999/EC *establishing a Community action for the 'European Capital of Culture' event for the years 2005 to 2019* (CdR 393/2003fin) ⁽²⁾;

Having regard to its opinion on Culture and cultural differences and their significance for the future of Europe (CdR 447/97 fin) ⁽³⁾;

Having regard to the opinion of the Commission for Culture and Education, adopted on 22 September 2005 (CdR 251/2005 rev. 1) (rapporteur: Mr Seamus Murray, Member of Meath County Council and the Mid-East Regional Authority (IE/UEN-EA));

unanimously adopted the following opinion at its 62nd plenary session, held on 16-17 November 2005 (meeting of 17 November):

1. The Committee of the Regions' views

On the European Capital of Culture (ECOC)

development strategy and feels that it is important that the ECOC promote more sustainable approaches to cultural development. Furthermore, the Committee recognises that the ECOC is increasingly adopting a regional dimension, with cities involving their surrounding areas in the development and implementation of their cultural programmes;

The Committee of the Regions

1.1 **regards** the ECOC as a powerful tool to showcase, support, enrich and experience European and local cultures and appreciates that ECOC designation has very positive impacts for cities, not just in the cultural sector, but in providing economic and employment opportunities in the tourism, leisure and sports sectors and in acting as a catalyst for city regeneration;

1.2 **recognises** that the impact of the ECOC can be greater when the event is an integral part of a city's long-term cultural

1.3 **considers** that the value and potential of the ECOC has been underestimated, primarily as a result of low levels of EU financial assistance, a lack of focus on developing the European dimension of the ECOC and developing visibility for cities and an absence of support in helping cities to prepare and implement their cultural programmes;

1.4 **considers** that in the past the European Union has missed an opportunity to exploit the ECOC initiative to help promote European integration and identity, bearing in mind the ECOC's high visibility and broad awareness. The Committee feels that the ECOC can help citizens identify favourably with the European Union.

⁽¹⁾ OJ C 180, 11.6.1998, p. 70.

⁽²⁾ OJ C 121, 30.4.2004, p. 15.

⁽³⁾ OJ C 180, 11.6.1998, p. 63.

On the Proposed Selection and Monitoring Procedures

The Committee of the Regions

1.5 **welcomes** the proposal from the European Commission to reform the selection procedure for the ECOC and to provide a monitoring process for designated cities during the preparations of their cultural programmes;

1.6 **considers** that the proposal from the European Commission addresses many of the weaknesses of the current selection process and accepts that the proposed approach represents a good balance between the need: to have a genuine element of competition between cities; to enhance the role of the selection panel; to have greater emphasis on the European dimension of the ECOC; and to recognise the input of the Member States and the role of the Council in the nomination and designation process;

1.7 **welcomes** and supports the following aspects of the proposed selection and monitoring procedure:

- the earlier designation of the ECOC and the extension of the lead-in time for the cities to prepare their cultural programmes;
- the greater clarity provided to cities by grouping the cultural programme criteria into the 'European dimension' and the 'city and citizens' and providing objectives for each;
- the greater transparency of the selection process and the emphasis given to the European added-value in the process;
- the introduction of an element of competition as an incentive and inspiration to the designated cities to raise quality and artistic elements of their cultural programmes;
- the regular contact between the designated cities and the Monitoring Panel in an effort to monitor progress, provide guidance and address potential problems at the earliest stage in the preparation phase;

1.8 **asks** the European Commission to fully consider the central role cities will play during the selection and monitoring process and in this regard feels that the proposal, as currently drafted, is both ambiguous and prescriptive and provides uncertainty for cities wishing to host the ECOC;

1.9 **has** some reservations about the following aspects of the proposed selection and monitoring procedure:

- the potential burden placed on designated cities in terms of delivering mid-term, monitoring and evaluation reports. This may be disproportionate in comparison to the very limited EU financial contribution to the overall budgets of cities for ECOC and in particular a problem for smaller cities wishing to host the ECOC;

- based on past experience, the ability of the Monitoring Panel to provide the cities with expert support on preparing their programmes and practical 'hands-on' experience in implementing the ECOC;

- the potential for delay that still exists in the new designation process, especially between the nomination of a city by the Member State and the designation decision by the Council;

1.10 **considers that** further clarification is required on some aspects of the proposed selection and monitoring procedure, in particular:

- the definition of 'independent experts' to be appointed to the selection and monitoring panels by the European Institutions and the implications this may have for the Institutions when making their nominations.
- the procedure for awarding the prize (as outlined in Article 11), to the designated cities that meet the criteria and the recommendations of the panels;

1.11 **supports** the composition of the Selection Panel (as set out in Article 5), with 13 members, seven from the EU Institutions and six nominated by the Member States concerned. However, requests that Member States include one nominee from the relevant national association representing local and/or urban government;

1.12 **welcomes** the criteria to have linkages between the programmes of the two designated cities, as it advocated in its previous opinion (CdR 393/2003 fin) and feels that the Monitoring Panel has a key role to play in ensuring that these synergies are developed in the programme preparation phase;

1.13 **emphasises** that all Member States are treated as equal in the ECOC initiative, regardless of the date of their accession. The Committee is disappointed that the European Commission has again made no provision for further enlargements of the Union and asks the European Commission to clarify the situation for countries currently negotiating their membership.

On Financing and Assisting the European Capitals of Culture

The Committee of the Regions

1.14 **welcomes** the proposal in the Culture 2007 programme providing for a tripling of the Community contribution to each Capital of Culture as compared to the current programme, as it believes that this will maximise the visibility of the EU's involvement, match the renewed emphasis on the European dimension of the cultural programmes of the cities and help to better meet the expectation of the designated cities;

1.15 **cautions** against any reduction in the budget for the European Capital of Culture, within the Culture 2007 programme, in the on-going negotiations on the Financial Perspectives 2007-2013;

1.16 **feels** that the Commission needs to immediately clarify its proposal on how it wishes to financially support designated cities through a 'prize' and to explain the potential benefits such a procedure gives to designated cities over current practice. Furthermore, the Committee would ask the Commission to use a term other than 'prize' for providing such assistance, as a prize suggests a reward or honour for winning a contest as opposed to a payment for fulfilling certain programme criteria;

1.17 **is concerned** by the long delays often experienced by cities in the processing of payments by the European Commission to the Capitals of Culture, where cities may not receive a significant amount of funds until after the year of designation has been completed;

1.18 **would welcome** further proposals on other ways in which the European Commission could support and assist the designated cities in preparing and implementing their cultural programmes;

1.19 furthermore **would welcome** support from the European Commission for cities, after their designated year has ended, to ensure that the impacts of the ECOC are sustained over a longer time period and that there is a cultural legacy in the city. The Monitoring Panel could play a role here in ensuring that the sustainability of action in the cultural sector is built into cities' programmes, but EU financial assistance would help deliver this.

On the Involvement of Third Countries

The Committee of the Regions

1.20 **supports** the Commission's general proposal regarding the inclusion of third countries in the ECOC through the resumption of the 'cultural month' initiative, rather than having an additional ECOC from a third country. The Committee would however like clarification on how the 'cultural month' initiative would be financially supported at the EU level;

1.21 **considers** that there must be synergies between the designated ECOC and the (at least two) cities hosting the 'cultural month' initiative, with such links focusing mainly on cross-border and inter-regional cultural cooperation. These actions and the linkages with the 'cultural month' should be a central element of the ECOC cultural programmes, as the Committee considers that such an approach would enhance the European dimension of the ECOC;

1.22 therefore, **considers** that the proposal on the future involvement of third countries should have been developed in conjunction with the current proposal on the ECOC, with a view to the designation processes happening at the same time for the ECOC and the 'cultural month' initiative.

On the Involvement of the Committee of the Regions

The Committee of the Regions

1.23 **remains** strongly committed to being involved in the ECOC action and is willing to continue to be an active member in the selection and monitoring process proposed by the European Commission;

1.24 **would like** the wording on the nomination of members to the selection panel (as set out in Article 5) clarified, to ensure that one of its elected members continues to represent the Committee in the designation process. The Committee would also like to continue the practice of nominating an ad-personam alternate, in order to maintain its active involvement in the event of inability of its representative on the panel to attend meetings.

2. The Committee of the Regions' recommendations

On the Selection and Monitoring Procedure

The Committee of the Regions

2.1 **recommends** that cities use the ECOC as part of a long-term cultural development strategy in order to promote more sustainable approaches to cultural development and enhance the impact and legacy of the ECOC in cities;

2.2 **asks** the European Parliament, Council and European Commission to keep potential delays between the nomination of the cities by the Member States and the designation by the Council to a minimum, in order to give cities the maximum time for programme preparation;

2.3 **requests** that Member States include one nominee from the relevant national association representing local and/or urban government, as a member of its six nominees to the ECOC selection panel.

On Assistance to the European Capitals of Culture

The Committee of the Regions

2.4 **asks** the European Commission to reduce the administrative burden placed on designated cities during the preparation process, with the implementation of the new monitoring arrangements;

2.5 **requests** that the designated cities are informed, well in advance of the implementation of their programme, of the amount of EU financial assistance they will receive in order to assist the planning process. The Committee is encouraged by the intention of the European Commission to award the ‘prize’ to the cities, that meet the criteria, six months in advance of the year of designation commencing but would like further information on how and under what conditions the ‘prize’ would be awarded;

2.6 **demands** that the European Commission immediately streamlines procedures for the application of funds and speeds up the processing of payment of these funds to the Capitals of Culture;

2.7 **requests** that the European Commission, as part of the monitoring process, enables designated cities to have ready access to practical experience and expertise by supporting the provision of a mentoring service. This service should be responsive and tailored to cities’ needs and should be additional to any information provided to cities via the Commission’s website and could be delivered either by:

- a) making available to cities a directory of mentors, such as directors and technical experts from cities that have previously hosted Capital of Culture programmes; or
- b) re-invigorating the Network of European Capitals of Culture and Cultural Months, to facilitate this exchange of experience and act as a support service to newly designated cities;

2.8 **asks** the European Commission to make further proposals on other ways in which it could support and assist the designated cities in preparing and implementing their cultural programmes, in particular through:

- a) direct assistance to cities in marketing activities, the wider distribution of promotional materials and giving greater visibility to the ECOC;
- b) preparing guidance on how cities can meet the extensive evaluation and monitoring requirements;

2.9 **requests** the European Commission to provide some financial and other supports to cities, after their designated year has ended, to ensure that the impacts of the ECOC are sustained over a longer time period and that there is a cultural legacy in the city;

On Wider Involvement in the European Capitals of Culture

The Committee of the Regions

2.10 **asks** the European Commission to clarify, without delay, the provisions in the ECOC for further enlargements of the Union;

2.11 **recommends** that two cities from third countries host the ‘cultural month’ initiative and that these cities be designated at the same time as the ECOC, in order to allow synergies develop between them at an early stage in preparations and to enhance the European dimension of the ECOC cultural programmes.

On the Involvement of the Committee of the Regions

The Committee of the Regions

2.12 **underlines** that its representative on the Selection Panel must continue to be one of its elected members, as has been standard practice in the past, and to facilitate internal coordination, requests that this representative be appointed for two years, rather than three years.

Recommendation 1

Article 5(3)

Text proposed by the Commission	CoR Amendment
Two Panel members shall be appointed by the European Parliament, two by the Council, two by the Commission and one by the Committee of the Regions.	Two Panel members shall be appointed by the European Parliament, two by the Council, two by the Commission and one by the Committee of the Regions.
These selection panel members shall be independent experts with no conflict of interest and with substantial experience and expertise in the cultural sector, in cultural development of cities or in organization of European Capital of Culture.	These selection panel members shall be <u>leading independent figures</u> experts with no conflict of interest and with substantial experience and expertise in the cultural sector, in cultural development of cities or in organization of European Capital of Culture.
By way of derogation to the first subparagraph in the first year this Decision is in force, two experts shall be appointed by the Commission for one year, two by the European Parliament for two years, two by the Council for three years and one by the Committee of the Regions for three years.	By way of derogation to the first subparagraph in the first year this Decision is in force, two <u>members</u> experts shall be appointed by the Commission for one year, two by the European Parliament for two years, two by the Council for three years and one by the Committee of the Regions for <u>two</u> three years.

2.13 **asks** that the proposal for a Decision would confirm the role of the Committee of the Regions in the Monitoring Panel and that this panel would be tasked with and play an active role in ensuring that the synergies between the cultural programmes of the designated cities are developed in the programme preparation phase.

Recommendation 2

Article 9(2)

Text proposed by the Commission	CoR Amendment
No later than 24 months before the event is due to begin, the Commission shall convene the seven experts nominated by the European Parliament, the Council, the Commission and the authorities responsible for the implementation of the programmes of the cities designated as European Capitals of Culture. From this stage these experts form a 'monitoring panel'. They shall meet to evaluate the preparation of the event, particularly concerning the European added value of the programmes.	No later than 24 months before the event is due to begin, the Commission shall convene the seven <u>members</u> experts nominated by the European Parliament, the Council, the Commission, <u>the Committee of the Regions</u> and the authorities responsible for the implementation of the programmes of the cities designated as European Capitals of Culture. From this stage these <u>members will</u> experts form a 'monitoring panel'. They shall meet to evaluate the preparation of the event, particularly concerning the European added value <u>and the synergies between the two cities'</u> of the programmes.

Brussels, 17 November 2005.

The President
of the Committee of the Regions
Peter STRAUB

Opinion of the Committee of the Regions on the Green Paper 'Confronting demographic change: a new solidarity between the generations'

(2006/C 115/13)

THE COMMITTEE OF THE REGIONS,

Having regard to the Communication from the European Commission on Green Paper *Confronting demographic change: a new solidarity between the generations*, COM(2005) 94 final;

Having regard to the decision of the European Commission of 16 March 2005 to consult it on the subject, under the first paragraph of Article 265 of the Treaty establishing the European Community;

Having regard to the decision of its President of 10 January 2005 to instruct its Commission for Economic and Social Policy to draw up an opinion on this subject;

Having regard to the Communication from the Commission Towards a Europe for All Ages: Promoting Prosperity and Intergenerational Solidarity, COM(1999) 221 final;

Having regard to its Opinion on the Report from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions, Report requested by Stockholm European Council: Increasing labour force participating and promoting active ageing, COM(2002) 9 final (CdR 94/2002 fin) ⁽¹⁾;

Having regard to the Communication from the Commission Europe's response to World Ageing: Promoting economic and social progress in an ageing world, A contribution of the European Commission to the 2nd World Assembly on Ageing, COM(2002) 143 final;

Having regard to its Opinion on the Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee of the Regions on immigration, integration and employment, COM(2003) 336 final (CdR 223/2003 fin) ⁽²⁾;

Having regard to its Opinion on the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions: Increasing the employment of older workers and delaying the exit from the labour market, COM(2004) 146 final (CdR 151/2004 fin) ⁽³⁾;

Having regard to its Opinion on the Green Paper on an EU approach to managing economic migration, COM(2004) 811 final (CdR 82/2005 fin);

Having regard to its Draft Opinion CdR 152/2005 rev. 1 adopted on 23 September 2005 by its Commission for Economic and Social Policy (Rapporteur: **Mr Roman Línek**, Vice-governor of Pardubice Region (CS/EPP);

adopted the following opinion at its 62nd plenary session, held on 16/17 November 2005 (meeting of 17 November)

1. The Committee of the Regions' comments

The Committee of the Regions

with regard to some of the key issues raised in the Green Paper:

The challenges of European demography

1.1 **considers** that public policies at the European and national levels as well as regional and local levels must take into account the current demographic changes in Europe;

1.2 **takes the view** that the discussion of demographic trends and managing their impact must take place at European and national levels as well as regional and local levels, that this debate is part of the implementation of the Lisbon Strategy and that it should respond to the questions of how to:

— strengthen intergenerational solidarity through greater social integration of young people and retired and elderly persons;

— promote quality of life, good health for all as well as life-long learning even after retirement;

— ensure that the production and social welfare systems meet the requirements of ageing societies;

⁽¹⁾ OJ C 287 of 22.11.2002, p. 1.

⁽²⁾ OJ C 109 of 30.4.2004, p. 46.

⁽³⁾ OJ C 43 of 18.2.2005, p. 7.

- ensure that the issue of ageing is taken into account in all policy areas;
- promote the social status of families and single parents;

considers that a more favourable social climate and conditions should be created for families, for the children and their parents or parental guardians and dependent persons and their relatives in all areas, allowing people to pursue their own life strategies for fulfilling their plans as partners and parents while respecting the various interests and needs of different types of families and individual family members. This requires, above all, safeguarding the economic security of families and giving them prospects for the future. In this sense, economic and labour market policies are the *sine qua non* for a successful policy on families;

1.3 **considers** that a better work/life balance could help improve child-rearing and care for dependent persons, e.g. by providing services for families and by introducing new parental leave measures to benefit both parents;

1.4 **believes** that public and private sector services could contribute to a more balanced division of domestic and family responsibilities between the genders, while keeping both partners involved according to their possibilities and mutual agreement and respecting gender equality;

1.5 **suggests** that women's participation in the labour market should be promoted. Effective measures to achieve this objective should be developed and promoted, including corrective ones, to prevent discrimination against single parent families;

1.6 **considers** that the development of social and educational services for children under 3 and care facilities for the elderly and dependent persons in both the public and private sectors could be improved by setting up — where this has not already been done — a legislative framework encouraging the private sector to get involved in this area, for instance through benefits for providers and users of these services;

1.7 **stresses** that access for parents, especially young couples, to the labour market and the possibility of having the career and the number of children that they want must be mainly a matter of their own initiative, assuming that any discrimination against families with children has been removed;

1.8 **takes the view** that the current demographic changes in Europe are putting pressure on the labour market and the social security system. It stresses the urgent need for positive measures to improve the position of older workers in the labour market and for appropriate policy initiatives which would not only reverse this trend, but bring new opportunities

for a better quality of working life, the right to lifelong learning, increased flexibility in choices of retirement options, integrating those who are socially disadvantaged or discriminated against into the labour market and, if necessary, gradual incentives for increasing the number of years in active employment. It takes the view that a broad discussion should be started on the universal right to a reasonable pension, including for workers in atypical professions or people in high risk groups;

1.9 **considers** that, in view of the declining number of active people, needs analyses of the labour market and closer cooperation between all social groups will be required to provide the next generation of skilled workers. As well as business taking responsibility by providing training tailored to requirements, the greatest need is for a) targeted recruiting, b) flanking measures such as training arrangements that stress practice rather than theory, c) increasing the number of people eligible for higher education, and d) measures that enable more graduates to remain in economically weaker regions;

1.10 **Stresses** that information is a fundamental tool for ensuring that the immigrant population is aware not only of the resources that are available but also of the particular characteristics of the society in which they have decided to live;

1.11 **notes** that immigration alone cannot solve all the problems resulting from the ageing of the population nor can it replace economic reforms or the need for a more flexible labour market, although it could be a complementary factor in solving the current demographic trend in Europe;

1.12 **considers** that immigration should be regarded as a resource for European societies, but that it cannot be the only solution to the problem of the ageing European population. The policies for integration of immigrants, especially young people and elderly migrants, fundamental for ensuring social cohesion in an increasingly multicultural area such as 21st century Europe, should cover the economic, community, cultural and social, spheres. There is a risk, however, that the insufficient integration of immigrants could, in the short term, result in an increase in public expenditure on social matters. The CoR thinks that efforts to combat discrimination (linked mainly to minorities) should be stepped up and Member States and local and regional authorities should be encouraged to exchange information about best practices;

1.13 **considers** that Community instruments, especially the legislative framework to combat discrimination, structural funds and employment strategy could actively bolster the integration of immigrants into the European values system;

1.14 **considers** that an appropriate EU migration policy could significantly help states to face the challenges posed by immigration, could help to integrate immigrants residing legally in the Union and could also constitute a considerable step forward in combating illegal immigration and in meeting the needs of any foreign workers in Member State labour markets;

New solidarity between the generations

1.15 **stresses** that each child must receive a rounded education allowing the development of a values-oriented individual who is socially and culturally aware and capable of leading a full life and reacting to different situations in life without losing sight of his own ideas. A stable family environment enables the healthy physical and psychological development of children and thereby the functioning of society's economic and social systems;

1.16 **emphasises** the need to view minors as active, participatory and creative individuals, who are capable of changing their own personal and social environment, of being involved in discovering and meeting their own needs and in meeting the needs of others, and points out that the basic content of minors' rights must not be affected by a lack of basic social resources;

1.17 **considers** that there should be an assessment of the role played by local and regional authorities in education in numerous Member States. **Stresses** that changes in initial training are due to the new concept of lifelong learning, which aims primarily to ensure equal opportunities in education and allow full integration into society. Adult education must be linked to this initial training while respecting the different educational needs of particular groups;

1.18 **considers** that the education system can ensure favourable conditions for young people to make the transition from education to working life by linking initial training with work and further studies, by combining education and work experience, and by having a well organised information and advisory system, particularly at the regional and local level;

1.19 **considers** that opportunities for men and women to switch at short notice between full- and part-time work, flexible working hours and new forms of employment such as home-working could contribute to accommodating the specific needs of each age group and lead to the modernisation of work organisation;

1.20 **is convinced** that the target agreed upon by the Stockholm European Council on 23 and 24 March 2001 of a 50 % increase by 2010 in the number of men and women in the 55 to 64 age bracket in employment can only be achieved if raising the average age of workers is accompanied by a better organisation of work, particularly as regards lifelong learning;

1.21 **considers** that more should be done to involve senior citizens in work in the community. This could take the form of looking after children and young people or the elderly, cultural work or caring for and looking after the very old. By looking after and taking a neighbourly interest in one another, senior citizens will avoid loneliness, improve their health and continue to be involved in society;

1.22 **considers** that older people can be involved in economic and social life by creating conditions in the work place so that they can work to their full abilities. Older people are not necessarily less productive in their work than younger people. In social terms, older people need to be motivated to support their children by passing on their personal knowledge and experience;

1.23 **believes** that the mobility of retired people between the Member States requires a legislative instruments to deal with social protection and health care issues connected with internal migration in the EU;

1.24 **believes** a distinction should be drawn between retirement pensions and disability allowances;

1.25 the inequalities between retired men and women stem from a significant gender wage gap, occupational segregation, the lack of training opportunities for women, the lack of policies on achieving a work/life balance, and the lack of social services — a feature of most EU countries. A true gender equality policy, together with the promotion of parental leave for men so that they may care for children or elderly people, may help to improve women's retirement provision. Governments must become involved in the fight against poverty of elderly women;

1.26 **considers** that support for senior citizens should be drawn from the principles of traditional education and modern life-long learning (e.g. in the form of e-learning). Working from home, the use of the Internet and other modern technologies should be supported as part of the introduction of new forms of work activities. Older people should play a greater role in public life and their continued presence in the labour market should be supported, which would bring society considerable professional and economic resources.

2. The Committee of the Regions' recommendations

The Committee of the Regions

2.1 **agrees** that the EU employment and social policy should systematically integrate a life course approach to support the reform and the implementation of the Lisbon agenda;

2.2 **recommends** that, in the spheres for which they are competent, regional and local administrations draw up integrated policies to help minors to achieve their potential by ensuring that they have the appropriate resources, in particular as regards the rights set out in each Member State's legislation and in the Charter of Fundamental Rights, in the section on the rights of minors;

2.3 **is convinced** that the EU should increase the awareness of political and private actors of life course effects by introducing an impact assessment of policy initiatives on quality of work, work-life balance, working time, lifelong learning, care for children and other dependents, quality of life, equal opportunities, social inclusion and the modernisation of social security provisions;

2.4 **emphasises** that the EU should initiate further discussions, as a follow-up of the Green Paper on demographic change, on the importance of life course policies in the various policy arenas: Council of Ministers, Social and Civil Dialogue, relevant EU-agencies etc.;

2.5 **is convinced** that the EU should sponsor more research to enlarge the knowledge base on changing working life biographies and their effect over the life course on income, employment, social security provision and work-life-balance;

2.6 **urges** both the EU and Member States to promote a more favourable social climate and to create better conditions for families — the children and their parents or parental guardians;

2.7 **stresses** that the promotion of the family is a crucial factor in reversing the demographic changes in the EU, which are endangering the future viability of the economy and social stability. Effective family policy must be implemented on the basis of the principle of subsidiarity and by cooperation with a wide spectrum of civil society organisations at regional and local level.

Brussels, 17 November 2005.

The President
of the Committee of the Regions
Peter STRAUB

Opinion of the Committee of the Regions on the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions *Non-discrimination and equal opportunities for all — A framework strategy Proposal for a Decision of the European Parliament and of the Council on the European Year of Equal Opportunities for All (2007) Towards a Just Society*

(2006/C 115/14)

THE COMMITTEE OF THE REGIONS,

Having regard to the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions '*Non-discrimination and equal opportunities for all — A framework strategy*' COM(2005) 224 final and the Proposal for a Decision of the European Parliament and the Council on '*the European Year of Equal Opportunities for All (2007) Towards a Just Society*' COM(2005) 225 final — 2005/0107 (COD),

Having regard to the decision of the European Commission of 1 June 2005 to consult it on the subject, under the first paragraph of Article 265 of the Treaty establishing the European Community,

Having regard to the European Parliament's Resolution on protection of minorities and anti-discrimination policies in an enlarged Europe and the CoR's forthcoming opinion in response to this Resolution,

Having regard to the decision of its President of 25 July 2005 to instruct its Commission for Economic and Social Policy to draw up an opinion on this subject,

Having regard to its opinion on equal treatment (CdR 513/99 fin) ⁽¹⁾,

Having regard to Directives 2000/43/EC and 2000/78/EC (implementing the principle of equal treatment between persons irrespective of racial or ethnic origin and establishing a general framework for equal treatment in employment and occupation),

Having regard to its opinion on implementing the principle of equal treatment between men and women in the access to and supply of goods and services (CdR 19/2004 fin) ⁽²⁾,

Having regard to its opinion on the Green Paper on equality and non-discrimination in an enlarged EU COM(2004) 379 final (CdR 241/2004 fin) ⁽³⁾,

Having regard to its Draft Opinion CdR 226/2005 rev. 1 adopted on 23 September 2005 by its Commission for Economic and Social Policy (Rapporteur: **Cllr Peter Moore**, Member of Sheffield Metropolitan Borough Council (UK/ALDE),

Whereas:

- 1) The Treaty establishing the European Union (Article 13 TEU) sets as a fundamental objective combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation;
- 2) The provisions of the Charter of Fundamental Rights of the Union, adopted in Nice in December 2000 and inserted into the Treaty establishing a Constitution for Europe (Article II-81), introduce a broad ban on discrimination: 'Any discrimination based on any ground such as sex, race, colour, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age or sexual orientation shall be prohibited';

⁽¹⁾ OJ C 226 of 8.8.2000, p. 1

⁽²⁾ OJ C 121 of 30.4.2004, p. 25

⁽³⁾ OJ C 71 of 22.3.2005, p. 62

- 3) The Racial Equality Directive (2000/43/EC) and the Employment Framework Directive (2000/78/EC) were due to have been transposed into national law by all Member States by the end of 2003;
- 4) The Social Agenda 2005-2010, which complements and supports the Lisbon Strategy, has a key role in promoting the social dimension of economic growth and one of the priorities of the Social Agenda is the promotion of equal opportunities for all;

unanimously adopted the following opinion at its 62nd plenary session, held on 16 and 17 November 2005 (meeting of 16 November).

1. The Committee of the Regions' views

The Committee of the Regions

I) Outcome of the Green Paper Consultation

1.1 **welcomes** the Commission's attempt to take account of the comments and reactions received from over 1500 organisations in response to the Green Paper consultation on 'Equality and non-discrimination in an enlarged EU' adopted by the Commission in May 2004;

1.2 **notes** that in addition to the Committee of the Regions, a large number of local and regional authorities and their associations took part in the consultation process;

1.3 **highlights** that the interest shown by the local and regional level in the Green Paper reflects the fact that local and regional authorities have a major role to play in delivering strategies dealing with non-discrimination and equal opportunities for all. This is largely due to their role as major employers, as well as their responsibility as providers and procurers of goods and services;

1.4 **expresses** gratitude that the Commission broadly took into account a number of its concerns, as set out in its opinion on the Green Paper, particularly with regard to efforts to improve implementation of non-discrimination laws, information and awareness raising, stakeholder involvement and the need to improve monitoring and reporting mechanism.

II) Ensuring Effective Legal Protection against Discrimination

1.5 **welcomes** the suggestion to draw up an annual comprehensive report on national implementing measures transposing the provisions of Directives 2000/43/EC and 2000/78/EC;

1.6 **welcomes** the publication in early 2006 of Commission reports to the Council and Parliament analysing the state of transposition of Directives 2000/43/EC and 2000/78/EC;

1.7 **underlines** however the unsatisfactory state of implementation of anti-discrimination policies by the Member States.

III) Assessing the Need for Further Action to Complement the Current Legal Framework

1.8 **reminds** the Commission that it deplores the emergence of a hierarchy of protection between different groups covered by Article 13 and that a more comprehensive EU policy framework remains to be completed with regard to, age, gender, ethnic origin, disability, religion and belief and sexual orientation;

1.9 **points out that** although progress has been made regarding female employment, women continue to be paid less than men even when highly educated and for comparable work. Furthermore, employers still take a negative attitude towards gender differences when it comes to pregnancy and maternity;

1.10 **emphasises** the specific issue of migrant women in both working life and interpersonal and family relations and calls for a specific study to be carried out by 2008;

1.11 **notes** with interest the Commission's proposal to carry out a feasibility study concerning possible new initiatives to complement the current legal framework.

IV) Mainstreaming non-discrimination and equal opportunities for all

1.12 **agrees** that it is difficult for legislation alone to tackle deep-rooted patterns of inequality experienced by some groups and that mainstreaming tools should be developed to promote mainstreaming of non-discrimination. This should also help focus on situations of multiple discrimination;

1.13 **repeats** its suggestion that for mainstreaming equality there must be mechanisms to ensure that equality issues and principles are given due regard in the formulation, administration and evaluation of all policies;

1.14 **notes** that the Constitutional Treaty further strengthens the European Union's means to fight discrimination by broadening the ban on discrimination through Article II-81, by introducing a horizontal non-discrimination clause in Article III-118 and by strengthening the European Parliament's role in adopting anti-discrimination legislation (Article III-125). Irrespective of the ratification of the Constitutional Treaty, Article 13 of the EC Treaty already provides the legal basis for developing a mainstreaming approach to all the grounds of discrimination.

V) *Promoting and Learning from Innovation and Good Practice*

1.15 **considers** that education is an important means through which discrimination can be tackled and that local and regional authorities play a vital role in this area;

1.16 **welcomes** the Commission's intention to promote exchanges of experiences and good practice between a wide range of stakeholders and believes that local and regional authorities should be key players in these activities;

1.17 **welcomes** the increased emphasis placed on gender equality in the proposals for Structural Funds post 2006 but also recognises the importance of the horizontal approach to combating discrimination;

1.18 **strongly believes** that funding programmes that help promote exchanges of good practice and learning from others should not be overly bureaucratic with regard to their administrative requirements, which can inhibit take-up of available funding;

1.19 **recognises** the valuable work done by the European Monitoring Centre on Racism and Xenophobia and the intention to replace it with a new Fundamental Rights Agency and strongly urges that adequate resources are provided for the new Agency in order for it to fully play its part in the fight against discrimination.

VI) *Raising Awareness and Cooperating with Stakeholders*

1.20 **considers** that awareness-raising initiatives are crucial for increasing the public's knowledge about their rights at EU level and recognises the importance of targeting these at children and young people;

1.21 **suggests** that engaging with minority and community groups is crucial, particularly in rural areas and in areas where, for example there is a small ethnic minority population;

1.22 **supports** the initiative to make 2007 the European Year of Equal Opportunities for All and finds this particularly timely since it will be ten years since the European Year Against Racism and the Treaty of Amsterdam, which was significant for the new equalities legislation it brought in;

1.23 **points out** that if too much emphasis is placed on big-impact, large-scale activities the risk will be to focus attention on the main events, to the possible detriment of local and community events;

1.24 **agrees** with the themes selected for the European Year, namely Rights; Recognition; Representation; Respect;

1.25 **considers** that there should be a direct link with the proposed 2008 European Year of Inter-cultural Dialogue and that any actions in 2007 should be mutually supportive;

1.26 **stresses** that the role of the media will be critical to the success of the European Year. Due attention should be paid to the role of local media. Contacts between local and regional authorities and local media will help raise awareness during the year;

1.27 **highlights** the need to consult with the local and regional government sector, where many of the Union's policies are delivered, often requiring a considerable administrative and financial commitment. Good policy development and lawmaking requires input from the key stakeholders.

VII) *Tackling discrimination and social exclusion faced by disadvantaged ethnic minorities*

1.28 **supports** the Commission's highlighting of the situation of the Roma as a particular concern and the setting up of a high level advisory group on social and labour market integration of disadvantaged ethnic minorities;

2. The Committee of the Regions' recommendations

Implementation of Existing Legislation

2.1 **reminds** the CoR Secretary General of its request to evaluate the personnel policy and employee profile of the Secretariat General with regard to its compliance with the new legislation and to report back both to the Bureau and the ECOS commission within the next six months;

2.2 **urges** the CoR national delegations to ensure that nominations submitted for the 2006 mandate should be balanced in terms of gender and ethnic origin and that the Council take this into account when making the appointments;

Promoting and Learning from Best Practice

2.3 **repeats** its call for the CoR to commission and publish a vademecum of anti-discrimination good practice for local authorities as employers and further calls for this to cover our role as providers and procurers of goods and services and as leaders in community cohesion and anti-discrimination, linking examples from each Member State of initiatives covering all six grounds for discrimination recognised by Article 13. Where local and regional authorities work with other partners to provide these services, best practice examples of partnership working will be particularly welcome. Publication of this document should be timed to coincide with the launch of the 2007 Year of Equal Opportunities for All. The CoR will take due care not to duplicate any Commission led initiatives in this regard;

2.4 with regard to EU funding, **requests** that the Commission should seek creative ways of allowing small NGOs to access smaller levels of funding, with due consideration of administrative and reporting mechanisms;

2.5 better data collection, monitoring and analysis is important in order to inform the development of effective policies to promote equality and to tackle discrimination. The CoR **stresses** that local and regional government must be involved in discussions with the Commission regarding developing comparable quantitative data to identify and highlight the extent of existing inequalities. Data monitoring needs to cover as many aspects of potential discrimination as possible, not just gender or ethnicity. It is also important to measure the impact of different types of actions and identify whether changes are necessary.

Further Action to Complement the Current Legal Framework

2.6 the CoR **reiterates** its demand, previously made in its opinion on the Green Paper, that legislation on goods and services should be extended to all areas covered in Article 13;

2.7 the Commission's feasibility study looking into possible new measures to complement the current legal framework **should draw** on evidence gathered by the CoR in the process of drawing up its vademecum of anti-discrimination good practice.

Involvement of Stakeholders

2.8 **requests** that the Commission should explicitly name local and regional authorities when referring to key stakeholders, consistently and throughout the entirety of both the Communication on the framework strategy and the document establishing the European Year of Equal Opportunities for All;

2.9 **stresses** that the local and regional level and the Committee of the Regions should be fully involved in any follow-up actions highlighted in the framework strategy;

2.10 in particular, the Committee of the Regions **wishes** to be included in the annual high level 'Equality Summit' outlined in the draft framework strategy;

2.11 a local/regional dimension should be included at the Commission's planned high level advisory group on social and labour market integration of disadvantaged ethnic groups.

Awareness Raising Activities, including 2007 European Year of Equal Opportunities for All

2.12 **calls on** the UK Presidency to ensure that this dossier progresses speedily through the Council in order that a legal basis for the year can be secured in good time;

2.13 **supports** the Specific objectives of:

- i) Rights — Raising public awareness on the right to equality and non discrimination, and as local and regional authorities are the elected bodies closest to the citizen, believes they have a crucial role to play in this, particularly in disseminating this across the regions of Europe outside of the major urban areas. Welcomes the work carried out by the bus used by the Commission to disseminate information about EU citizens' rights with regard to equal opportunities and encourages it now to move beyond Member State capitals. A proactive approach involving local and regional authorities and the CoR should be used to promote the visit of the bus in local areas;
- ii) Representation — Stimulating debate on ways to increase participation in society with all minorities and with particular emphasis on increasing participation of Roma and Muslim communities;
- iii) Recognition — Celebrating and accommodating diversity;
- iv) Respect and tolerance — Promoting a more cohesive society and working on eliminating stereotypes and prejudices. A major tool in achieving this could be through the use of cultural events including music, drama and sport. The Commission could sponsor this and work with national and local and regional bodies and civil society to ensure events take place throughout the participating countries culminating in a major European festival combining both 2007 the year of Equal Opportunities for All and 2008 the year of Intercultural Dialogue. The event to take place in one of the two countries holding the presidency in 2008 (Slovenia/France);

2.14 **welcomes** the Commission's view that participating countries should designate a national coordination body including representatives of national government, social partners, targeted communities and other segments of civil society, but **calls** for each coordination body to include representation from local and regional authorities;

2.15 **encourages** regional and local authorities to use the logo of the European Year to publicise equal opportunities activities that they carry out in 2007;

2.16 **proposes** that the CoR hold a conference early in 2007, as for other European 'years' to launch the year.

Brussels, 16 November 2005.

The President
of the Committee of the Regions
Peter STRAUB

Resolution of the Committee of the Regions on the European Commission's work programme and the Committee of the Regions' priorities for 2006

(2006/C 115/15)

THE COMMITTEE OF THE REGIONS,

HAVING REGARD TO the Commission's work programme for 2006, *Unlocking Europe's full potential* (COM(2005) 531 final);

HAVING REGARD TO the Strategic Objectives 2005-2009 (COM(2005) 12 final);

HAVING REGARD TO the 2004-2006 multi-annual strategic programme of the six presidencies;

HAVING REGARD TO the Communication from the Commission, *The Commission's contribution to the period of reflection and beyond: Plan-D for Democracy, Dialogue and Debate* (COM(2005) 494 final);

HAVING REGARD TO the protocol on the arrangements for cooperation between the European Commission and the Committee of the Regions (DI CdR 81/2001 rev. 2);

HAVING REGARD TO the resolution of the Committee of the Regions on revitalising the Lisbon Strategy (CdR 518/2004);

HAVING REGARD TO the resolution of the Committee of the Regions on the way forward for the financial perspectives 2007-2013 (CdR 203/2005);

WHEREAS regional and local governments are the authorities responsible for implementing an important part of EU policies;

WHEREAS regional and local governments help to define the EU's priorities, which greatly enhances the democratic legitimacy of EU policies;

WHEREAS the Committee of the Regions will set its four-yearly priorities in February 2006, at the beginning of its fourth term of office (2006-2010);

adopted the following resolution at its 62nd plenary session of 16 and 17 November 2005 (meeting of 17 November):

The Committee of the Regions

FINANCIAL PERSPECTIVES

Considers that the adoption, under the British presidency, of ambitious financial perspectives is essential if the European Union is to fulfil its mandate and secure stronger public support for setting out afresh on the path of reform, for ensuring the European added value of the common cohesion and agricultural policies, and for laying the groundwork for genuinely Community-wide research and innovation policies.

PERIOD OF REFLECTION

Reaffirms its commitment to the Constitutional Treaty and its advances which guarantee better European governance through its considerable improvement in the functioning, simplicity and transparency of the EU compared to the existing treaties.

Recommends that the European Commission give consideration to its proposed roadmap for a decentralised debate during the period of reflection, recognising the need to act at a level as close as possible to ordinary citizens, and conducted in European local municipalities and regions, focusing on the purpose and added value of the European Union, its fundamental values and policies.

Calls upon the European Commission to adopt an ambitious, proactive and, above all, decentralised approach in its implementation of both Plan-D and its future information and communication policy, in order to arouse public support for the European venture.

Is prepared in this regard to assume its responsibilities towards regional and local public authorities and the regional and local press, who represent a crucial link to citizens; and therefore **requests** an increase in the financial resources allocated to it in order to make an effective contribution to the period of reflection.

EUROPEAN GOVERNANCE

Welcomes the European Commission's view that the European Union will only achieve its objectives if its institutions and national, regional and local authorities, as well as citizens, together contribute to this end; **hopes** that this partnership in the process of drafting and implementing Community policies will lead, in particular, to:

- a consideration of the contribution that target-based tripartite contracts and agreements could make to the arrangements to revitalise the Lisbon Strategy;
- systematic consultation of local and regional authorities in the early stages of drafting European legislation, regardless of developments in the ratification process;

- increasingly systematic use of the new impact assessment method for the European Commission's major initiatives, and its involvement in the impact assessment method;

- the introduction of a regional dimension to the national action plans to simplify legislation;

- a special focus on the transposition of Community legislation and its effects on the legislation of local and regional authorities.

Welcomes the intensification of the processes of consultation and assessment of the impact of legislation, proposed by the Commission in connection with the objective of better governance. Against the background of the possible impact of the common commercial policy on the regions and municipalities, the Commission is urged to consult the CoR on common commercial policy initiatives, particularly when drawing up recommendations for negotiating mandates for international trade agreements.

Urges the European Commission, in consequence, to promote a more proactive role for the Committee before action is taken at Community level by means of outlook opinions on future Community policies focusing on their impact on local and regional authorities, as well as through impact reports on certain directives from a local and regional perspective.

Emphasises, in connection with the work to codify and recast the Commission's legislative proposals, that 'better lawmaking' does not necessarily mean 'less lawmaking'. Any withdrawal of legislation by the Commission must be accompanied by an assessment of the European added value of the legislative proposal.

PROSPERITY

Reaffirms its conviction that equal attention should be paid to the three pillars of the Lisbon Strategy: the economic, social and environmental pillars.

Invites the European Commission to consider the important role of local and regional authorities in achieving higher growth and employment in the EU in the context of the revision and implementation process of the Integrated Guidelines for Growth and Jobs.

Believes that cohesion and competitiveness are two mutually reinforcing objectives, which must go together: exploiting underused territorial potential and capital can improve the competitiveness of an area and contribute positively to the objectives of territorial balance and cohesion. Furthermore **supports** the idea that competitiveness depends on a functioning single market, and insists that in particular attention is needed in cross-border regions.

Considers that the Lisbon Strategy's governance structures in the Member States should be adapted to allow for a more direct and closer formal integration of Structural Fund support and the Lisbon Strategy.

Fully agrees with the Commission estimation that globalisation is a reality that must be embraced to restore dynamic growth and quality jobs in Europe in particular by putting the emphasis on anticipating and accompanying globalisation-related restructuring.

Urges the European Commission to continue bringing down barriers to citizen mobility and to encourage citizens to take up opportunities throughout the Union, as an essential process for a dynamic economy.

Recognises that education and training are key instruments in achieving the Lisbon objectives and in ensuring that all Europeans are included in the knowledge-based society. In this respect it **welcomes** the fact that the Commission **will focus** on the recognition of qualifications, as well as encourage mobility and investment in an entrepreneurial culture.

Attaches much importance to the promotion of a regionally and socially equitable information society ensuring that citizens are equipped with the skills they need to live and work in this new digital age. The CoR has and will continue to make valuable contribution towards the development of local and regional e-services and e-Government underlining that local and regional actions would be the most effective method of achieving results.

Shares the Commission's view of the need to build the Trans-European Network on the Growth Initiative by ensuring that significant extra resources are matched by new measures to make the networks more operational and more coordinated.

Considers that the Trans-European Networks in the transport, telecommunications and energy sectors are essential in order to reach the full potential of the European economy, connect the enlarged Europe and improve territorial cohesion.

SOLIDARITY

Upholds the determination to concentrate efforts in introducing appropriate programming for the new generation of Structural Funds, but recalls, in this connection, the administrative and financial consequences for local and regional authorities of delays arising from the continuing absence of agreement on the financial perspectives.

Will closely monitor the implementation of the European territorial cooperation objective, particularly with regard to the definition of eligible areas, the simplification of administrative

procedures and the consistency of actions with European guidelines.

Strongly **recommends** that future programmes financed by the Structural Funds cover such issues as urban renewal, social deprivation, specific housing initiatives, economic restructuring and public transport, all of which tend to be concentrated in metropolitan regions, though recognises the importance of all of Europe's regions and the importance of ensuring an urban-rural balance in future programmes.

Calls on Member States and their regional and local authorities to direct ESF support towards areas affected by urban violence. **Urges** the Commission to ensure the continuation of the URBAN initiative and its objectives through future structural funding.

Strongly **supports** the added value of the new legal instrument represented by the European Grouping of Territorial Cooperation to foster cooperation initiatives between local and regional authorities, and **recalls** the importance of not over-burdening the monitoring procedures during the EGTC set-up phase. The Committee has brought together a platform of local and regional cooperation actors to monitor the process of adopting the regulation and launching the first EGTCs.

Reaffirms the need to safeguard a form of agriculture which is multifunctional in all the regions of Europe, since the countryside covers 90 % of Community territory, and **welcomes** the continuing reform of the CAP in those sectors which have not yet been reformed; recalls, in this regard, that the opportunity presented by the review of Community measures should therefore be used to seek new provisions to compensate for natural disadvantages facing farms in particular, but also measures to encourage the management of large areas and, more generally, their economic development.

Finds indispensable to pursue work in the area of services of general interest, which are of strategic relevance for regional and local authorities. In particular, **emphasises** the need for a horizontal, cross-sectoral Community reference framework in order to define the scope of services of general interest that are to be exempt from the rules of competition. In this context, in 2006, it **will consider** with particular interest the communication on the social sector of the services of general interest.

Recalls the political, economic and social challenge which demographic change poses for Europe's local and regional authorities. This change should serve as a spur to action in all areas of public life, since such change must be anticipated if the sustainability of our societies is to be ensured; therefore **calls upon** the Commission to take practical action in the course of 2006 in response to the Green Paper on demographic change.

Welcomes the Commission's initiatives to develop a new health and safety at work strategy, which will allow the European Union to define a more coherent framework in this field. **Stresses** the need to ensure the effective involvement of regional and local authorities, in particular in the establishment of health indicators and future benchmarking.

Underlines the importance of equal opportunities, a field in which local and regional authorities have a key role to play in particular given their role as major employers, as well as their responsibility as providers of goods and services. In this respect it looks forward to the European Commission Communication on gender equality strategy.

Welcomes the proposal to hold a year of intercultural dialogue 2008 and **reiterates** that for the CoR, respect of cultural and linguistic diversity is one of the basic principles underlying the process of European integration which is not about levelling out differences or creating uniform identities but fostering greater cooperation and understanding among the peoples of Europe.

Agrees with the European Commission's point of view in identifying the battle against climate change as one of the greatest future challenges, which should be tackled through a portfolio approach, through cooperation between all spheres of government, in partnership with the private sector, healthcare, community and education groups, and with energy efficiency organisations.

Calls upon the European Commission to include more measures targeting energy supply and distribution industries in the Action Plan, and **proposes** encouraging economic incentives for energy efficiency measures — especially those fostering the use of renewable energies — and allowing state aids for measures to introduce environmental innovations and productivity improvements with a view to increased energy efficiency, thus instigating innovation, making Europe more competitive and ensuring a sustainable and secure provision of energy.

Highlights the need to create a dynamic maritime sector based on sustainable development, at the same time demanding that the contribution made by local and regional authorities to managing maritime resource be fully recognised and built into the new EU policy.

SECURITY

Supports the implementation of the Hague Programme's ten priorities for the next five years, which are evidence of the will and determination to promote an area of freedom, security and justice, and **urges** the European Commission to draw up a specific action plan for local and regional authorities, so that

the local and regional dimension can play a more effective role in the Community's approach.

Backs the European Commission's commitment to combating organised crime and terrorism, and **reiterates** its proposal to set up a European Observatory for urban safety bringing together representatives of the local and regional authorities of the Member States capable of providing the CoR and all other relevant European institutional bodies with all information on the planning of policies, the promotion and coordination of research, and the collection, organisation and processing of security data, particularly through the dissemination of examples and best practice and the building of regional and local partnerships.

Renews its recommendation to use the Structural Funds to sustain and develop instruments implementing the Area of Freedom, Security and Justice and **invites** the European Commission to put into practice, under the new financial perspectives, the spirit of the Third Cohesion Report.

Agrees that the safety of transport systems is a primary concern of transport operators and of key stakeholders such as public authorities and passengers and the recent terrorist outrages in London and Madrid provide a stark reminder of the need for an increased focus on the security of transport systems across the EU.

Urges the Commission to plan and develop cross-border operations that involve the active participation of border regions and to improve coordination between the new Solidarity Fund and the Structural Funds, and **suggests** an increase in the coordination of the European Civil Protection Mechanism by setting up regional civil protection centres in every area at risk, to be responsible for data collection and monitoring and the establishment of an early warning system.

EUROPE, A GLOBAL PARTNER

Intends to press ahead with its commitment to ensuring intercultural political dialogue between the representatives of local and regional governments of the Member States and the accession and pre-accession states; to this end, **considers** it appropriate to set up a joint consultative committee with Turkey, and **renews** its request to the European Commission to propose an operational solution as soon as possible in order to offset the lack of a legal basis for setting up a joint consultative committee under the Stabilisation and Association Agreement with Croatia and the countries of the western Balkans.

Encourages the European Commission, in close cooperation with local and regional authorities and civil society, to promote and support information campaigns on the EU enlargement process at a local and regional level, in both the Member States and candidate and potential candidate countries.

Advocates boosting the neighbourhood policy through new action plans; **calls upon** the European Commission to take account of the contribution of cross-border and interregional cooperation in these plans and **asks** to be involved in their drafting, implementation and evaluation.

Restates its commitment to strengthening the Euro-Mediterranean partnership, together with its call for steps to be taken to increase the involvement of local and regional authorities, and **calls for** the creation of a new forum in the Euro-Mediterranean institutional framework, with the task, firstly, of promoting territorial and decentralised cooperation, and secondly, encouraging the partnership, and developing programmes that include schemes to be undertaken throughout the Mediterranean region.

Regrets that the contribution of European local and regional authorities to European development policy presently remains largely unknown, and consequently **recommends** a reassessment of the role of decentralised cooperation, by recognising that local and regional authorities possess, alongside other actors, specific know-how and experience which they can contribute to the global approach to the fight against global poverty and efforts to achieve the UN Millennium Goals.

Instructs its President to submit this resolution to the European Commission, the European Parliament, the Council, and the Austrian and Finnish presidencies.

Brussels, 17 November 2005.

The President
of the Committee of the Regions
Peter STRAUB

Resolution on the way forward for the financial perspectives 2007-2013

(2006/C 115/16)

THE COMMITTEE OF THE REGIONS,

HAVING REGARD TO its opinion on the financial perspective: Communication on Building Our Common Future: Policy Challenges and Budgetary Means of the Enlarged Union 2007-2013 (CdR 162/2004 fin);

HAVING REGARD TO the European Parliament resolution on Policy Challenges and Budgetary Means of the enlarged Union 2007-2013 (A6-0153/2005);

- 1) WHEREAS the European Council failed to reach an agreement on the budget for the forthcoming EU programming period of 2007-2013 at its meeting on 16 and 17 June;
- 2) WHEREAS the United Kingdom presidency was called upon to take forward discussions, drawing on the progress made, with a view to resolving all the issues necessary for achieving an agreement as soon as possible;
- 3) WHEREAS there is a need for financial perspectives to be adopted in 2005 allowing effective policies for solidarity, territorial cohesion and more growth and jobs in Europe from 2007 onwards;

adopted the following resolution at its 62nd plenary session of 16 and 17 November 2005 (meeting of 17 November):

The Committee of the Regions

declaration adopted jointly with the European Parliament on 6 April 2005 and the Wroclaw Declaration on 20 May 2005;

1. **reiterates** its support for the original balanced proposals of the European Commission (CdR 162/2004 fin), calculated on the basis of realistic needs and adopted after extensive consultations with local and regional authorities over four-years, which it set out in its opinion and reaffirmed in the

2. **acknowledges** the proposals made by the Luxembourg Presidency and **agrees** in particular with the European Parliament that the financial perspectives should be established in a way to ensure that sufficient resources are available to complement competitiveness and growth objectives and ensure the

availability of Regional and Structural Funds for all European regions. This is indispensable if the Union is to deliver its commitments and avoid increased public disappointment with the European Union. Any reduction in the budget ceiling will put in danger the basic principles of cohesion policy and consequently undermine the principle of solidarity that represents a distinct and essential element of the European integration and the model of European society. Budget reductions in this area could result into a re-nationalisation of the regional policy for the majority of the former EU-15 and that is clearly contrary to the views of European regions and local authorities;

3. **underlines** the convergence of views between the CoR and the European Parliament stressing the importance of EP's role as an equal partner in the budget negotiations;

4. **urges** Member States to resist calls for restricting the Union's budget, and **proposes** that Member States provide the EU with a budget which allows it to act effectively in those areas where it has and can continue to provide tangible added value to the lives of Europe's citizens and the places they live and work. **Notes** that this will require strong leadership, demonstration of clear cross sector partnership and a sustained public discussion in the coming months to agree those key areas where the Union provides this added value;

5. **reminds** Member States that cohesion policy is an area where the EU provides real added value: as spending in this area, at the EU level brings a greater return and leverage effect than at the national level. Cohesion policy has been proven to be particularly vital to fighting economic and social disparities between and within European regions, which constitute major obstacles to the delivery and efficiency of the European internal market. Cohesion policy is fundamental for regions that are lagging behind the average in Europe, to meet the Lisbon objectives and therefore has to be implicitly recognised as an essential complement in policy terms to all strategies for growth and jobs in Europe;

6. **supports** the efforts made by the President of the European Commission to re-launch negotiations on the Financial Perspectives and **considers** that this could also help to take forward discussions on how to modernise the EU budget, but **insists** that all such proposals must be set within the minimum adequate financial framework. In this regard, it takes note of the proposals for a new Globalisation adjustment Fund and JEREMIE and JASPERS mechanisms, and considers that these instruments should be complementary and not introduced as alternatives to budget headings envisaged to deliver the convergence and the competitiveness and employment Objective;

7. furthermore, in this respect it **warns against** the channeling of EU funds into solely national policies to deliver competitiveness and growth considering that EU funds can be best targeted at to further develop territorial cohesion within a mainstreamed competitiveness and growth agenda as part of a EU wide Cohesion policy; moreover demands that the Structural Funds co-financing rules should continue to provide the possibility for private co-financing;

8. **regrets** that the informal summit in Hampton Court on 27 October could not achieve the restarting of the debate on the financial perspectives;

9. **is especially concerned** that a delayed agreement will have a negative impact on how citizens view Europe, will jeopardise a smooth start to the next programming period, and generate financial instability across the local and regional authorities of the EU, with negative economic effects, above all in the new Member States, which could face serious problems in fulfilling obligations that originated during transition periods, which the Member States agreed to comply with in accession agreements before the last enlargement of the European Union.

10. **reiterates its appeal** to the British Presidency to do all that is necessary to reach an agreement by the end of the year.

Brussels, 17 November 2005.

The President
of the Committee of the Regions
Peter STRAUB

Outlook Opinion of the Committee of the Regions on the Safety of all modes of transport, including the issue of financing

(2006/C 115/17)

THE COMMITTEE OF THE REGIONS,

Having regard to the letter of referral of 3 June 2005 from Commissioner Wallström to President Straub requesting the CoR's opinion on the '*safety of all modes of transport, including the issue of financing*', under the first paragraph of Article 265 of the Treaty establishing the European Community;

Having regard to the White Paper on European Governance which the European Commission presented in 2001 and which urges the Committee of the Regions to 'play a more proactive role in examining policy, for example through the preparation of exploratory reports in advance of Commission proposals';

Having regard to the Protocol of Cooperation of September 2001 between the European Commission and the Committee of the Regions which encourages 'the Committee of the Regions to draw up strategic documents reviewing matters which the Commission regards as important; these "outlook reports" shall explore in greater depth problems in areas where the Committee of the Regions has the appropriate local information resources';

Having regard to the decision of its President of 25 July 2005 to instruct its Commission for Territorial Cohesion Policy to draw up an opinion on this subject;

Having regard to its opinion on the Communications from the Commission to the Council and the European Parliament Prevention, preparedness and response to terrorist attacks Prevention of and the fight against terrorist financing *through measures to improve the exchange of information, to strengthen transparency and enhance the traceability of financial transactions* Preparedness and consequence management in the fight against terrorism COM(2004) 698 final — COM(2004) 700 final — COM(2004) 701 final — COM(2004) 702 final — CdR 465/2004 fin;

Having regard to its draft opinion (CdR 209/2005 rev. 1) adopted on 30 September 2005 by its Commission for Territorial Cohesion Policy (rapporteur: **Mr Robert Neill**, Member of the London Assembly (UK, EPP).

Whereas:

- 1) The safety of transport systems has always been a primary concern of transport operators and of key stakeholders such as public authorities and passengers. However, the recent terrorist outrages in London and Madrid provide a stark reminder of the need for an increased focus on the security of transport systems across the EU. The Committee of the Regions welcomes the intention of the European Commission to publish a Communication on this subject, including the issue of financing security measures, towards the end of 2005. Member States and their regional and local authorities should, as a priority, consider how to respond to this Communication when it is produced.
- 2) The CoR also welcomes the measures that are being taken or envisaged at EU and national level in the fields of aviation, maritime and freight security.
- 3) Advice from EU Member State governments is that the threat of terrorist attacks on civilian targets will be with us for the foreseeable future. This threat applies in particular to transport systems because this is where people are present in large numbers on a regular basis, often without the possibility of systematic security checks.
- 4) Given their responsibility for a range of transport matters, regional and local governments and associated public authorities have a key role to play in seeking to mitigate this threat and the consequences of any terrorist incident.

- 5) No transport system can ever be completely secure. There will always be a risk of terrorist attack so strategies must be developed and/or updated to reduce and manage that risk. Risk management expertise exists around the world, having been developed in response to terrorist attacks of the past decades as well as to the attacks of 9/11 and later. The challenge is how to make use of this expertise in complex networks like transport systems, which may involve many different public and private sector players, and how to fund the changes to existing practices which this implies.
- 6) Ease of access to efficient and reasonably priced transport infrastructure is an essential part of life in EU Member States. EU citizens may be frequent users of local transport systems, but also rely on a global transport and logistics network which provides not only employment and business opportunities but is essential for the supply of basic commodities, including food. Further measures must be taken to address the terrorist threat, but these must not result in disproportionate disruption to the transport network. Major ongoing disruption, which is what the terrorists are trying to cause, would have serious consequences for the economic and social life of the EU.
- 7) This report does not in any way attempt to cover the whole range of actions that would comprise a counter-terrorism strategy. It focuses on those issues that are within the competence of regional and local authorities and in particular those, which concern the operation of public transport services. More specifically, this report seeks to identify some of the issues that those authorities should focus on (and in many cases are already focussing on) and to identify what value can be added to these efforts through collaboration with other Member States at EU level.

unanimously adopted the following opinion at its 62nd plenary session, held on 16-17 November 2005 (meeting of 17 November).

The views of the Committee of the Regions

railway stations), they should be fully involved in security strategies.

Key issues to be addressed

1. Cooperation

1.1 Effective security on transport networks depends on the closest cooperation between all the agencies involved, ranging from staff on the ground operating transport services, their managers and the politicians (local, regional or national) to whom they are accountable, through to the police and intelligence services. This is essential to ensure that there is a consistent approach to deterrence and effective action in the case of an incident, for example to ensure that, in parallel, assistance can be given to passengers, evidence can be protected and services can be restored as soon as possible. The involvement of senior management in all agencies is essential.

1.2 Such collaboration must achieve a balance between confidentiality where necessary and sharing information between agencies, between Member States and with the public where possible. Where the private sector is present, for example as a provider of transport services, or of services that are provided in close proximity to transport hubs (e.g. cleaning services or retailers/other businesses occupying space on

1.3 This cooperation must also be extended between the regions of a Member State and across borders in the EU, so that best practice can spread, and so that all relevant agencies, from the emergency services to transport authorities, are immediately informed if there is an terrorist incident and can take the appropriate action.

1.4 In addition to looking at previous incidents in the EU, and in particular the Madrid train bombings in 2004, the EU should seek to learn from other countries around the world who have also experienced terrorist attacks, such as New York, Tokyo and Moscow ⁽¹⁾. In addition, efforts should be made to make use of experience in other sectors (e.g. to compare the responses of the airline and surface transport sectors).

1.5 The basic elements of European cooperation on transport security are already in place but these efforts should be enhanced. Transport operators collaborate through fora such as the UITP (The International Association of Public Transport) working group on security. Railway police forces and railway companies in Europe co-operate through COLPOFER (Collaboration des services de police ferroviaire et de sécurité) which is an associated body of the International Union of Railways

⁽¹⁾ See Annex 1 for a list of recent terrorist incidents.

(UIC) ⁽²⁾. Railway and subway police forces of the Netherlands, Germany, Belgium, Italy and the UK share information and best practice and seek areas for cooperation through RAILPOL. The Dutch police provide the chair and secretariat of RAILPOL, which receives some funding from the EU for its activities. A number of other Member States are eager to join this group and this process should be encouraged.

2. Training and planning

2.1 Transport and emergency services dealing with the recent attacks in London received praise for their well-organised response. It seems that this was due to appropriate training and contingency planning across different services. Using human resources effectively may involve building up teams of specialist staff, including dedicated policing of transport networks, or transport or police personnel specially trained to monitor CCTV images.

2.2 Regular training for transport staff, including exercises simulating terrorist incidents and involving all the relevant agencies, is invaluable, especially in dealing with the immediate aftermath of an attack.

2.3 Contingency planning might range from operational recovery following a specific incident to wider business continuity. These plans can be regularly rehearsed and updated as a result of day-to-day incidents such as equipment failures or third party events (e.g. burst water mains or serious road traffic accidents). Similarly, contingency planning should have a cross-border aspect, for example to allocate clear responsibilities in the event of an incident at or near a border crossing, or to make specialist help available to a Member State which may not have such assets.

2.4 Risk assessment is an essential part of planning and training. This encompasses monitoring of global threats, systematic analysis of past incidents in order to learn lessons and assessment of individual incidents (such as unattended luggage) as they occur in order to minimise unnecessary disruption.

2.5 Passengers using public transport services, and indeed business users of transport, also have a key role to play. However, they need clear and readily available information on, for example, how to avoid causing alerts, what to do if they observe suspicious behaviour and what to do in the event of an

attack. This information should be made available in summary on the transport system itself and in greater detail on relevant websites. In addition, strategies are needed to reassure passengers about the safety of the network, for example through visible staff/police presence or advertising campaigns ⁽³⁾.

2.6 It would be appropriate, in schools, other educational establishments and businesses, to provide courses and to hand out information sheets and other educational materials on possible terrorist attacks and how to act during such attacks. This would make people more vigilant and reduce the consequences of any panic that may occur.

3. Use of information technology

3.1 Effective closed-circuit television (CCTV) systems and monitoring have proved to be of critical importance both for deterrence and detection of crime. These systems need to be subject to certain standards and clear operational requirements to enable, for example, downloading of data while still allowing the system to carry out its monitoring function. In addition, companies in and around stations or part of the transport infrastructure may have their own CCTV systems. If properly briefed and trained, these resources can become additional 'eyes and ears' to enhance the security of the vicinity of transport systems with little additional impact on the normal operation of the businesses.

3.2 Resilient mobile phone networks are also vital. Although there might be a need in certain circumstances to disable mobile networks or reserve their use to emergency services, they will normally play a significant role in dealing with incidents. For example, transport staff on the ground in areas affected by an incident may need to use mobile phones to communicate with a control centre. Equally, passengers may need to communicate urgently with friends or relatives, something that may contribute to reducing concern and confusion in the event of an incident.

4. Design

4.1 It is important when providing or procuring public transport services and infrastructure, that full consideration is given to security obligations in the contract specifications. Flexibility to amend these obligations in light of a changing security situation, should also be considered.

⁽²⁾ See, for example, the joint declaration of UITP and UIC on public transport and anti-terrorism security: <http://www.uitp.com/media-room/june-2004/full-declaration-geneva-en.cfm>.

⁽³⁾ An example of this from the US is the Washington Metropolitan Area Transit Authority campaign featuring their staff's role in maintaining safety. See *Public Transport International*, May 2004.

4.2 Transport authorities and other occupants of transport premises should be encouraged to consider the design of existing facilities, such as transport terminals and vehicles, in order to make it harder to hide bombs, to make evacuation easier and to reduce casualties and damage in the event of an explosion or other form of terrorist attack. As an example, the widespread use of glass and lightweight materials in recent building developments, particularly where a mix of operational and retail areas are involved, may no longer be considered appropriate. At the same time there is evidence that provision of good sight lines and elimination of hiding places has proved to be effective.

5. Financing and resources

5.1 Measures to improve the security of transport networks will require extra resources. In many cases these resources will be significant and/or long term, e.g. more sophisticated information technology, additional rail reversing points, more buses, more transport staff and dedicated policing, more training and more extensive information campaigns. Such new initiatives may well be over and above pre-existing investment plans focussing primarily on renewal of transport infrastructure and networks. Indeed, it is possible that in some cases the current financial processes for approving transport investment may not be well suited to obtaining funding for resilience measures.

5.2 While the operators of transport networks in the public and private sector, and other relevant agencies, must decide exactly what is the best response for them, it is essential that, once priorities are agreed, implementation is not delayed because of disagreement about financing. The Commission, Member States and regional and local authorities should play a role in ensuring that this key issue is properly addressed.

5.3 The question of financing must therefore be addressed at the start, in parallel with other issues. Further work must be done to assess the potential costs, but it is possible that the scale of the necessary response will make it impossible to pass on the entire cost of security measures to passengers without seriously damaging the attractiveness of public transport. Significant increases in fares must be avoided at a time when, for a range of policy reasons (environmental, health, economic), it is essential to encourage the use of public transport.

5.4 When undertaking this assessment of cost, Member States and public authorities should take into account the cost of *not* making every effort to reduce the threat and consequences of a terrorist attack. Apart from the direct costs of injuries and damage as a result of an attack, these costs may also include the loss of revenue from reduced tourism, travel, investment and other economic activity over a sustained period.

5.5 Potential consequences can be increased enormously by co-ordinated, possibly simultaneous, attacks on selected critical parts of one or more infrastructures with intention to maximise disruption and/or loss of life and panic. The reach and significance are clearly demonstrated in the table below.

Value Losses from Security Incidents

Description	Cost
Estimated cost on the entire supply chain of a weapon of mass destruction shipped via container	EUR 770 billion
Drop in the European markets (FTSE) immediately following the Madrid bombings	EUR 42 billion
Cost of cyber attacks against companies worldwide in 2003	EUR 9.6 billion
Cost of September 11 attacks on the two World Trade Centre buildings (direct and indirect)	EUR 64 billion

Source: Deloitte Research (figures converted EUR 1=\$1.3)

5.6 It should be noted, however, that there are potential benefits associated with improvements in the security of transport systems. Measures to deter terrorists also deter others intending to commit crimes of theft and vandalism as well as offences of aggression. Better designed and monitored transport terminals lead to increased user and passenger confidence, potentially leading to greater use of public transport overall. Improved contingency planning and exercises to practice response to large-scale incidents will also be of use in the case of non-terrorist emergencies.

The Committee of the Regions' Recommendations

1. The CoR calls on the Commission and all Member States to give the issue of transport safety the highest priority. The CoR believes that all levels of public authority — EU, national, regional and local — must have integrated and compatible strategies, according to their responsibilities, for addressing threats to security and mitigating incidents that do occur.

2. The CoR emphasises that while security strategies must be created or improved, it is essential to allow public transport systems to continue to operate efficiently, given the damaging social, economic and environmental consequences if they cannot.

3. The CoR calls on the EU and Member States to encourage public transport operators and all the responsible agencies to develop greater cooperation within and between Member States, building on the existing networks of transport operators and transport police forces.

4. The CoR believes such cooperation could focus on establishing information sharing principles in order to raise awareness of terrorism threats, enable carrying out of risk assessments and learning from previous incidents and best practice in a range of sectors.

5. The CoR congratulates the emergency services, the transport operators and the public for their response to recent terrorist atrocities. The CoR emphasises that this response was made possible not least because of good training, contingency planning and sharing of information and believes that, along with good design and use of appropriate information technology, these elements are an essential part of any transport security strategy.

6. The CoR calls on the Commission and Member States to work with mobile phone network providers and public trans-

port operators to encourage the development of more resilient mobile phone services in the case of serious incidents, for the benefit of the operators and of passengers. In addition, any EU proposals on electronic and telephony data storage for security purposes should not serve to weaken existing relevant Member State legislation.

7. The CoR reminds the EU and the Member States of the vulnerability of the road transport sector to terrorist attack, of the need to apply the above recommendations, where appropriate to this sector, and notes that it is the intention of EESC to address this area in detail in an opinion currently in preparation.

8. The CoR believes that, given the likely continuing terrorist threat, sufficient improvements to transport security strategies are unlikely to be possible without substantial extra resources. The CoR therefore calls on the Commission and Member States to consider this issue as a matter of urgency in order to ensure that essential improvements to security are not delayed due to lack of financial planning.

Brussels, 17 November 2005.

The President
of the Committee of the Regions
Peter STRAUB

Appendix 1

Recent examples of dramatic and high impact terrorist attacks in public transport systems include (excluding the latest attacks in London):

1986	Paris	RER line A, a device loaded inside a gym bag exploded after a rider hurled the bag off the train.
1994	Baku	Two bomb attacks in the metro led to 19 dead and 90 wounded
1995	Tokyo	Metro system experienced a sarin-gas attack that killed 12 people and injured 5 600 more.
	Paris	A bomb attack at the Saint Michel station caused 8 dead and 120 wounded passengers.
1996	Paris	An explosion in the Port-Royal station killed 4 persons and injured 91 others.
	Moscow	An explosion in a metro car killed 4 passengers and injured 12 others
2000	Moscow	An explosion in the pedestrian subway street near the metro station resulted in 11 dead and 60 injured persons
2003	Daegu	A milk container containing flammable liquid was set on fire in a carriage. The fire led to 120 dead and 100 wounded passengers.
2004	Moscow	A suicide bomb attack destroyed a metro train during the morning rush hour and resulted in 40 casualties and about 140 injured passengers.
2004	Madrid	10 bombs concealed in rucksacks exploded within a few minutes in commuter trains during the morning rush hours. The explosion killed 190 passengers and injured about 1 400. Three more bombs have been found and destroyed.

Opinion of the Committee of the Regions on the Proposal for a Decision of the European Parliament and of the Council establishing the programme 'Citizens for Europe' to promote active European citizenship for the period 2007-2013

(2006/C 115/18)

THE COMMITTEE OF THE REGIONS

HAVING REGARD TO the Proposal for a Decision of the European Parliament and of the Council establishing the programme 'Citizens for Europe' to promote active European citizenship for the period 2007-2013 (COM(2005) 116 final);

HAVING REGARD TO the decision of the European Commission of 6 April 2005 to consult it, under articles 151, 265(1) and 308 of the ECT, on the Proposal for a Decision of the European Parliament and of the Council establishing the programme 'Citizens for Europe' to promote active European citizenship for the period 2007-2013;

HAVING REGARD TO the decision of its President of 20 January 2005 to instruct the Commission for Constitutional Affairs and European Governance to draw up an opinion on the Proposal for a Decision of the European Parliament and of the Council establishing the programme 'Citizens for Europe' to promote active European citizenship for the period 2007-2013;

HAVING REGARD TO the Treaty establishing a Constitution for Europe signed on 29 October 2004, in particular articles I-10 and III-280;

HAVING REGARD TO Council decision 2004/100/EC of 26 January 2004 establishing a Community action programme to promote active European citizenship (civic participation) ⁽¹⁾;

HAVING REGARD TO its opinion of 20 November 2003 on the Proposal for a Council decision establishing a Community action programme to promote active European citizenship (civic participation) and the Communication from the Commission to the European Parliament and the Council on measures to be taken by Member States to ensure participation of all citizens of the Union to the 2004 elections to the European Parliament in an enlarged Union (CdR 170/2003 fin ⁽²⁾);

HAVING REGARD TO its opinion of 21 November 2002 on the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions on an information and communication strategy for the European Union (COM(2002) 350 final) (CdR 124/2002 fin ⁽³⁾);

HAVING REGARD TO the fourth European Commission report on citizenship of the Union — 1 May 2001-30 April 2004 — (COM(2004) 695 final);

HAVING REGARD TO the Communication from the European Commission on Making citizenship work: fostering European culture and diversity through programmes for Youth, Culture, Audiovisual and Civic Participation — (COM(2004) 154 final);

HAVING REGARD TO its draft opinion (CdR 120/2005 rev. 2) adopted on 4 October 2005 by the Commission for Constitutional Affairs and European Governance (rapporteur: Ms Claude du Granrut, Member of Picardy Regional Council, First Deputy Mayor of Senlis (FR/EPP);

- 1) **WHEREAS** part two of the Treaty establishing the European Community has created European citizenship; under Article 17 of that treaty, that citizenship complements but does not replace national citizenship; these stipulations have been included in the Treaty establishing a Constitution for Europe (Article I-10); moreover, this treaty includes a Title VI entitled 'The democratic life of the Union';
- 2) **WHEREAS** citizenship is exercised first and foremost at local level; and whereas local and regional authorities must, in line with the subsidiarity principle, play an active role in promoting it;

⁽¹⁾ OJ L 30, 4.2.2004, p. 6.

⁽²⁾ OJ C 73, 23.3.2004, p. 46.

⁽³⁾ OJ C 73, 26.3.2003, p. 46.

- 3) **WHEREAS**, as the representative body of local and regional authorities and the defender of local democracy in the Community decision-making process, it is directly concerned with the promotion and implementation of such European citizenship;
- 4) **WHEREAS**, by means of the above-mentioned decision of 26 January 2004, the Council has established a three-year Community action programme to promote active European citizenship, and whereas the actions launched under this programme for a reference amount of EUR 72 million must be continued;
- 5) **WHEREAS**, in the context of enlargement of the European Union, a special effort must be made to promote European citizenship in the new Member States;
- 6) **WHEREAS** the Council of Europe has proclaimed 2005 European Year of Citizenship through Education to highlight the importance of education in promoting and protecting human rights, and whereas a youth summit, which demonstrated the extent to which young people who are active and aware of their new identity are the best means of promoting active citizenship, took place in 2005 on the fringes of the third summit of the Council of Europe in Warsaw;

adopted the following opinion unanimously at its 62nd plenary session, held on 16 and 17 November 2005 (meeting of 17 November):

1. Comments of the Committee of the Regions

The Committee of the Regions

1.1 **believes** that the European Union has a duty to make its citizens aware of the European dimension of their citizenship;

1.2 **firmly believes** that the increased diversity of the European Union that has resulted from the accession on 1 May 2004 of ten new Member States and will result from the future accession of other countries requires specific efforts to promote active European citizenship in these new Member States, as well as in the other 15, where promotion of European citizenship must take account of the cultural, social and linguistic diversity resulting from enlargement;

1.3 **is concerned** that Europe's citizens feel that they are being kept at a distance from the European Union's decision-making bodies and that they lack information, and therefore have reservations about the political development of the European Union;

1.4 **emphasises** the key role of local and regional authorities in developing active European citizenship;

1.5 **welcomes** the proposal for a decision establishing a Community action programme to promote active European citizenship with a budget of EUR 235 million for the period 2007-2013, which picks up where the 2004-2006 programme, whose limited budget of EUR 72 million the Committee had criticised in its above-mentioned opinion 170/2003, leaves off;

1.6 **believes that** promoting citizenship is a horizontal issue and that it must be taken into account in the European Union's other actions; programmes adopted in the areas of education, culture and youth must thus include a citizenship dimension, as must actions launched by DG Freedom, security

and justice under the programme on fundamental rights and citizenship for the period 2007-2013;

1.7 **believes**, on the other hand, that certain aspects of programmes such as those concerning values common to European citizens and the key events in their history have a strong citizenship dimension and belong more in the *Citizens for Europe* programme;

1.8 **believes** that the improvement of citizen projects is achieved by putting in place measures supporting the exchange of best practice carried out at local and regional level;

1.9 **welcomes** the European Commission's efforts to hold, as part of the drafting of this proposal, a wide-ranging public consultation, which culminated in a consultative forum being held on 3 and 4 February 2005, in which the Committee was involved;

1.10 **supports** the priority given in the action programme to town twinning, to which almost one-third of the budget of the whole programme is assigned;

1.11 **nonetheless notes** that to judge by the financial perspectives of the new programme there is likely to be a reduction in the number of projects financed, and **is concerned** about the discouraging effect of this on those running projects;

1.12 **believes** that twinning of other local and regional authorities should also be encouraged, whilst respecting national legislation;

1.13 **believes** that cross-border areas, which are in contact with several national cultures, hold the greatest potential for the development of a European identity, and **supports** the discussions that have been started, inter alia at DG Regio on the implementation of structures for cross-border cooperation to include the citizenship dimension;

1.14 **supports** the principle of opening the programme to EFTA countries, signatory countries to the EEA agreement, candidate countries with a pre-accession strategy, and to countries of the Western Balkans in line with the conclusions of the Thessaloniki European Council of 19 and 20 June 2003, but **regrets** that the proposal for a decision does not take into account EU citizens who live outside the EU;

1.15 **approves of** support for active civil society in Europe and **stresses** that priority should be given to these projects;

1.16 **underscores** the value of an active long-term information and communication policy, which it prefers over the systematic organisation of high-profile events that do not always provide a significant return;

1.17 **welcomes** the efforts being made to lighten the burden of red tape for beneficiaries, whilst abiding by the relevant financial rules, which have room for improvement;

1.18 **welcomes** the proposed monitoring and evaluation process, in particular the publication of three reports in 2010, 2011 and 2015, but **regrets** that no interim evaluation of the 2004-2006 three-year programme is yet available;

2. The Committee of the Regions' recommendations

The Committee of the Regions:

2.1 **hopes** that the European Parliament and the Council will adopt this decision without delay in order to ensure continuity of the activities currently taking place under the 2004-2006 three-year programme;

2.2 **calls** on the European Commission to include consideration of the citizenship dimension in all its proposals, in particu-

lar those that affect education, culture, youth and the protection of fundamental rights, and to transfer some aspects of other programmes to this programme when their main aim is to promote citizenship;

2.3 **believes** that the projected funding must be revised upwards and given a specific budget heading for the promotion of active European citizenship in the new Member States;

2.4 **emphasises** the need for town twinning to increase and **proposes** that other local and regional authorities be encouraged to twin and to get involved in existing twinning arrangements by drawing on the best practices that have already been identified;

2.5 **hopes** that particular attention will be paid to promoting European citizenship in cross-border areas;

2.6 **requests** that a debate be launched on the means of promoting European citizenship among EU citizens living outside the EU;

2.7 **encourages** a long-term information and communication policy, inter alia targeted at young people, and whose European origin should be clearly identifiable;

2.8 **requests** that efforts to reduce red tape be continued;

2.9 **hopes** that local and regional administrations will act as channels in the information and communication policy;

2.10 **proposes** that a recommendation be drawn up aimed at promoting education in European citizenship at schools and universities under the auspices of the European Commission and with the involvement of the Committee as the representative of education authorities.

Brussels, 17 November 2005.

The President
of the Committee of the Regions
Peter STRAUB

Opinion of the Committee of the Regions on the Communication from the Commission to the Council and to the European Parliament Reporting on the implementation of the EU Forestry Strategy

(2006/C 115/19)

THE COMMITTEE OF THE REGIONS,

HAVING REGARD TO the Communication from the Commission to the Council and the European Parliament — Reporting on the implementation of the EU Forestry Strategy COM (2005) 84 final;

HAVING REGARD TO the decision by the Commission on 17 March 2005, acting under the first paragraph of Article 265 of the Treaty establishing the European Community to consult the Committee of the Regions on the matter;

HAVING REGARD TO the decision taken by its bureau on 16 November 2004 to instruct the Commission for Sustainable Development to prepare an opinion on the subject;

HAVING REGARD TO the Council resolution of 15 December 1998 on a forestry strategy for the European Union;

HAVING REGARD TO its opinion of 19 November 1997 on *Management, use and protection of forests in the EU* (CdR 268/1997) ⁽¹⁾;

HAVING REGARD TO its opinion of 18 November 1999 on the Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions on a forestry strategy for the European Union (CdR 184/199) ⁽²⁾;

HAVING REGARD TO its opinion of 12 February 2003 on the Proposal for a European Parliament and Council Regulation concerning monitoring of forests and environmental interactions in the Community (Forest Focus) (CdR 345/2002) ⁽³⁾;

HAVING REGARD TO its draft opinion (CdR 213/2005 rev. 1) adopted on 6 October 2005 by the Commission for Sustainable Development (rapporteur: Mr Enrico Borghi, Member of Vigogna Municipal Council (IT/ALDE));

adopted the following opinion at its 62nd plenary session, held on 16 and 17 November 2005 (meeting of 17 November):

1. The Committee of the Regions' views

The Committee of the Regions

1.1 **is pleased** that the Commission, in response to the Council Resolution of 15 December 1998, has prepared an assessment report of the implementation of the forestry strategy;

1.2 **warmly welcomes** the fact that all the Community institutions are currently reviewing the document, which is indicative of the interest that the forestry issue has generated on an increasingly wider scale;

1.3 **notes** that the Commission:

- has not drawn explicit conclusions from the strategy's results;
- has confirmed the continuing validity of the principles and key elements of the strategy: sustainable forestry management, the multifunctional role of forests and a reference to national forest programmes;

— believes that the strategy should be repositioned within the 'newly emerging policy context';

— has proposed the development of a European Action Plan for sustainable forest management and a review of the existing instruments to facilitate coordination and cooperation between the various sectoral policies which affect forestry, and a review of the role the Standing Forestry Committee;

1.4 **emphasises** that the current EU Treaty — and the new constitutional Treaty — make no provisions for a common forestry policy and do not include timber among agricultural products; this means that the EU has to rely on coordination and environmental policy instruments, and — within the framework of agricultural regulation — forestry initiatives, given that the Commission has not chosen to exercise its right to initiate legislation;

1.5 **takes note**, however, of the Commission's proposal to pursue the development of the strategy, with reference to the Lisbon and Gothenburg strategies, by creating a European action plan for sustainable forest management, as it believes it can achieve better formatted and clearer instruments which would be more readily applied in the various Member States than at present;

⁽¹⁾ OJ C 64 of 27.2.1998, p. 25.

⁽²⁾ OJ C 57 of 29.2.2000, p. 96.

⁽³⁾ OJ C 128 of 29.5.2003, p. 41.

1.6 as far as the global development of the European strategy is concerned, **expresses satisfaction** with the exhaustive list of existing documents and agreements, but notes that the subsidiarity principle is applicable here, too. This therefore requires either the ratification of international agreements by the Member States or the development of coordination arrangements between the community bodies;

1.7 **believes** that as in the case of water, woodland and forests (the relationship between the two elements could not be more clear) are of global strategic importance and should be subject to a Community policy rather than be the sum of many parts that do not slot together easily to form a common, clear-cut instrument, particularly given the link between deforestation and the flooding it causes.

Aspects of the forestry strategy

The Committee of the Regions

1.8 **considers** that so far the forest/wood relationship has not been adequately addressed by Community economic development policies, so much so that, notwithstanding the fact that, cumulatively, they have created jobs and a multitude of businesses across the wood industry, it is considered to be a marginal sector;

1.9 **considers it necessary** that the use of the different qualities of wood produced in Europe, including wood grown in plantations for energy-supply purposes, should be addressed with a long-term Community strategy. In order to promote the use of wood, information and communication projects must be developed; these would illustrate the technical characteristics of wood and innovative ways of using it, with a view to replacing other materials whose cumulative costs, including disposal once the work is finished, are becoming increasingly burdensome;

1.10 **considers** the need to use economic development policies to give a boost to other forestry products besides wood; some of these are already mentioned in the report, such as cork, resins, medicinal plants, mushrooms and berries, while others are not, such as hunting, beekeeping, pine nuts, chestnuts and herbs;

1.11 **supports** the development of forestry certification, which must become a means by which producers can trade their wood in the internal market, thereby creating an element of competition that can be perceived by users and by the general public. The certification systems should remain voluntary and procedures should be framed by the various organisations requesting them. The state should not interfere by imposing regulations, with the exception of those that are necessary for ensuring transparency and preventing the dissemination of fraudulent information;

1.12 **considers it useful** to continue and step up action to promote the use of low-value wood by-products and wood residue, and wood grown in plantations for energy-supply purposes, for the production of heat and energy in neighbouring areas with a view to using alternative flammable materials;

1.13 **believes** that the future action plan must provide support for the various forestry organisations — land ownership, use — taking particular care to consolidate, or rather restructure some sectors of the wood industry; at the same time, forestry associations should be promoted and supported;

1.14 **takes note** of the much greater awareness of the multifunctional role of forests and woodland which, in the majority of cases however, is not reflected to its full potential in the economies of the areas in question or in local incomes; on the contrary, in many cases owners must deal with the constraints and limitations set by the authorities. This problem has not been remedied and cohesion and rural development policies have not yet managed to incentivise or adequately promote the forest economy. In order to remedy the situation, at least in part, it is important to adopt the measures linking forest policy and rural development contained in Commission proposal COM(2004) 490 final;

1.15 **believes** that the Lisbon and Gothenburg objectives for more and better jobs and ever greater social cohesion should be given sufficient consideration when drafting the action plan, with regard to both forest industry workers and the areas concerned;

1.16 **believes it necessary** that the action plan should support the idea of having a high proportion of forestry experts who would be highly adept at furthering the development of forestry. The experts would also be able to organise and provide support for the forest industry and owner and market operator associations. The plan must also provide for programmes and initiatives to ensure that forest industry employees have adequate opportunities to advance in their career and receive the necessary training;

1.17 **asserts** that sustainable forest management, forestry and environmental legislation and the framing and implementation of programmes must be supported by accurate information and knowledge about the areas concerned in order to ensure the full cooperation of local inhabitants and the social and cultural growth of their communities;

1.18 **supports** the FLEGT initiatives to tackle illegal logging and ensure that international agreements are respected, **calls** for their continuation and hopes that they will receive full legal implementation;

1.19 **calls on** the Community institutions to launch initiatives to protect European producers from unfair competition from products deriving from areas which do not guarantee the protection of workers and local indigenous populations, who are often victims of blatant exploitation;

1.20 **confirms** its support for the EU's environmental policies on forests and welcomes the fact that Europe's protected areas are consistently increasing, as well as the measures taken to protect biodiversity and combat desertification;

1.21 **welcomes** the fact that environmental policies are increasingly shaping the environmental legacy of European society and that Community measures have contributed towards these positive results;

1.22 **emphasises** that the action plan must promote the conversion of forest formations with a view to making them more multifunctional, promoting biodiversity, helping create a distinctive landscape and, more importantly, protecting water resources and air quality. In any event, the sustainable forest management principles established in Rio de Janeiro and strategic guidelines designed to adapt forest formations and the forest industry as a whole to climate change must be implemented;

1.23 **is concerned** about the environmental damage that can be caused by forestry operations and ancillary activities in environmentally sensitive areas. Peat uplands, in particular, need special protection;

1.24 **believes that it is essential** to incorporate scientific and technological research initiatives in the plan, particularly on:

- innovative uses of wood and other wooden materials, especially in the construction industry;
- updating forestry vehicles and technologies;
- forest management with a view to achieving multifunctionality;

1.25 **believes** that the most pressing issues for research are forestation schemes, the restoration of forest top-soils through afforestation, and forest management with a view to identifying ways of enhancing carbon sequestration in the medium- and long-term. These research fronts need to be adequately addressed in the Seventh Framework Programme, taking into account the various environmental and climatic characteristics of individual European regions;

1.26 **trusts** that the action plan will provide for a programme of EU-wide long-term initiatives in order to enhance the public's understanding of the various aspects and benefits of Community forests; it especially calls for information campaigns for the general public, and more specifically, for young people with organised trips to protected areas, forest industry sites and firms that use wood as raw material;

1.27 **reiterates** the need for the action plan to include precise guidelines to protect woodland and forests from fires, pollution and biotic agents and to highlight the fact that forests can help prevent landslides, avalanches and floods;

1.28 **believes** that in tax Member States have a powerful instrument with which to develop and promote the appropriate forest policy proposals and guidelines, particularly those dealing with the formation of associations or having social and environmental significance. The action plan could provide information on the developments underway in the various Member States, and facilitate synergies.

2. The Committee of the Regions' recommendations

The Committee of the Regions

2.1 **suggests** that every avenue be explored to establish a legal basis for the Community forest strategy, given that the issue is now recognised as being of global importance;

2.2 **calls** for all the Community institutions to ensure that the Commission's proposal, provided that it is not amended, is rapidly implemented, thereby ensuring that the future plan will not just be a blueprint for the Member States, but will also identify specific responsibilities and resources for its implementation;

2.3 **believes** that the EU plan should be adopted with the knowledge that national forest plans will be framed within a fixed time frame and that they will take on board the provisions set out in the Community plan;

2.4 **proposes** that the action plan should set out proposals for the promotion of the various sectors of the forest industry, to be applied in the Member States, and provide, for a set of incentives designed to ensure the proper functioning of the industry, the upkeep of forests that provide low or no economic return, the setting up of owner and tenant associations under the guidance of forestry experts, the development and follow-up of projects, initiatives, social, environmental and forest protection services, on condition that these are covered by regional and local authority programmes;

2.5 with a view to securing feasible global agreements, **urges** full commitment to framing a new international forestry agreement, which by implementing the Council's conclusions of 26 April 2005, would be applicable world wide as regards sustainable management;

2.6 would once again **recommend** that maximum priority be given to the relationship between forest activity and wood-based industries, marketing the various types of European wood and to the support of the whole forest industry — which calls for maximum coordination between Commission departments;

2.7 **calls for** the potential uses of renewable energy produced in forestry to be improved and further developed. These should be better integrated in the Commission Strategy on renewable energy, so as to grant forestry operators specific benefits;

2.8 **considers** it is necessary that the plan should address the environmental, tourist, cultural and social services provided by woodland and forests so that they can be appreciated on their own merits, and provide economic assessment criteria, with a view to encouraging owners and managers to bring these services to the market. Where this market does not exist, the plan should propose various methods and measures to ensure that the calculated environmental benefit translates into higher income for the owner or manager of the property;

2.9 **calls for** the plan to ensure that projects funded by the authorities can be implemented by the forest owner and manufacturer organisations, if they are willing and able so to do;

2.10 **believes** it is essential that the plan should include key elements which would be useful to the Member States and other authorities for re-examining current legislation, certain aspects of which certainly hinder the implementation of Community goals; measures to simplify administrative procedures at all levels are also required;

2.11 **endorses** the Commission's proposal to review the role of the Standing Forestry Committee so that it is in a position to enable it to help frame and implement the plan or to maintain strong, influential relations with the Member States;

2.12 **feels it essential** that the administrative structures and staff at the Commission dealing with forestry matters should be strengthened so that the EU action plan can be implemented effectively;

2.13 **proposes** that the Commission and Member States should create a forest science and technology forum which would bring together representatives of universities, research centres and forest expert groups in order that they may build on their combined expertise relating to the conditions and types of EU forests and the problems facing them, and to suggest initiatives and scientific and technological research programmes: the forum's work must be coordinated and financed by the Commission;

2.14 in view of the strategic relevance of forest policy, and in consideration of the fact that forestry issues fall within the competence of regional and local authorities, it **asks** that the proposed plan be submitted to this Committee for its opinion.

Brussels, 17 November 2005.

The President
of the Committee of the Regions
Peter STRAUB

Opinion of the Committee of the Regions on The contribution of local and regional authorities to combating climate change

(2006/C 115/20)

THE COMMITTEE OF THE REGIONS,

Having regard to the request from the UK Presidency of the European Union of 30 June 2005 to draw up an opinion on *The Contribution of Local and Regional Authorities to Combating Climate Change*, under Article 265(1) of the Treaty establishing the European Community;

Having regard to its President's decision of 25 July 2005 to instruct its Commission for Sustainable Development to draw up the opinion on this subject;

Having regard to the conclusions of the Council of 22 and 23 March 2005, and of the Environment Council of 7 March 2005;

Having regard to its opinion of 21 September 2000 on the Green Paper on *Greenhouse-gas emissions trading within the European Union* and the Communication from the Commission to the Council and the European Parliament on *EU policies and measures to reduce greenhouse-gas emissions: Towards a European Climate Change Programme (ECCP)*, COM(2000) 87 final and COM(2000) 88 final — (CdR 189/2000 fin ⁽¹⁾);

Having regard to the draft opinion (CdR 65/2005 rev. 1) adopted on 28 June 2005 by its Commission for Sustainable Development on the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions: *Winning the Battle Against Global Climate Change* (COM(2005) 35 final);

Having regard to its draft opinion (CdR 215/2005 rev. 1) adopted on 6 October 2005 by its Commission for Sustainable Development (rapporteur: Cllr. Ken Bodfish, Leader of Brighton and Hove Council (UK/PES));

Whereas:

1. the climate is changing. Scientists universally recognise that by 2100 we can expect global temperature increases of 1.4 to 5.8°C;
2. the EU Council of Ministers stated in 1996 that it 'believes that global average temperatures should not exceed two degrees above pre-industrial levels';
3. the effects of climate change will be felt across the globe and at the local level above all, through impacts such as reduced crop production; floods; forest fires; soil damage and erosion; restrictions on water use; damage to road and rail infrastructure; biodiversity loss; interrupted power supply; reduced fossil fuel reserves; structural damage and subsidence; heat island ⁽²⁾ and air quality problems;
4. extreme weather conditions such as flooding already have a significant impact on the European economy, and could prove catastrophic with further predicted climate change;
5. it is recognised that prevention of climate change does achieve results, but a combination of mitigation and adaptation to the already emerging effects of climate change will also be needed;
6. local and regional authorities play a major role in monitoring and assessing climate change and informing local and regional communities of potential impacts, as well as developing strategies to mitigate and adapt to the impacts of climate change and promoting sustainable energy use;

unanimously adopted the following opinion at its 62nd plenary session, held on 16 and 17 November 2005 (meeting of 17 November):

⁽¹⁾ OJ C 22, 24.1.2001, p. 30

⁽²⁾ On warm days the air in urban areas can be up to around 4°C higher than surrounding areas. In cities the combination of extensive urban and suburban landscapes combined with little wind and little cloud cover leads to 'heat island' effects.

1. Views of the Committee of the Regions

The Committee of the Regions

Introduction

1.1 **welcomes** the leadership demonstrated so far by the European Commission and Council of Ministers on climate change and urges this commitment to continue within the forthcoming post-2012 climate change policy and beyond;

1.2 **appreciates** the commitment shown by the Council of Ministers in March 2005 by agreeing to further emissions reductions targets, and urges the EU to strengthen its focus on the global response to climate change to ensure that this commitment is matched elsewhere;

1.3 **emphasises** that local and regional authorities have a pivotal and indispensable role in climate security. Local and regional government is where responsibility to promote the well-being of an area, delivery of key services, influence over how people live and work, enforcement powers, practical know-how and democratic legitimacy, all come together. Local and regional government can contribute to a stable climate by using sustainable energy in a way no other single organisation can match;

1.4 **considers** that there should be greater universal recognition of the comprehensive role that local and regional authorities can play in combating climate change. As such they should be adequately resourced to do so;

1.5 **highlights** that those most adversely affected by climate change are often the poorest, both in the EU and externally, and their ability to adapt to the effects of climate change is often limited. Tackling climate change must include a greater focus on tackling fuel poverty and energy efficiency improvements, and enabling communities to be more resilient in the face of anticipated future impacts;

1.6 **believes** that the energy hierarchy must be at the heart of all policies:

- a) Reduce the need for energy
- b) Use energy more efficiently

c) Use renewable energy

d) Any continuing use of fossil fuels to be clean and efficient;

1.7 **notes** that there are often many benefits to be realised regionally and locally from tackling climate change, including improvements for the competitiveness of the regional economy.

2. Climate change as an opportunity, not simply a threat

2.1 **stresses** that climate change poses a direct security threat to Europe, through the increasing fragility of the security supply as fossil fuels dwindle, and negative impacts caused by changing weather patterns. Europe as a whole will face rising insurance costs, and in many cases property will become uninsurable;

2.2 **suggests** that climate change presents one of the greatest threats to our way of life, but also presents major opportunities to build a more sustainable, inclusive and competitive future;

2.3 **considers** that the experiences of local and regional government have a great deal to contribute to the future EU climate change policy. To this end, a series of short case studies are highlighted below considering some of the key themes for action on climate change and highlighting recommendations for the future.

3. Examples of local and regional action ⁽³⁾

3.1 Promoting excellence and exchange of good practice

Partnerships to promote expertise can strengthen and coordinate delivery of local and regional climate change strategies as well as disseminate knowledge and exchange good practice. The experience of local and regional authority partnership has demonstrated significant results and should inform European and national policies.

⁽³⁾ The following examples have been gathered through direct knowledge and local government networks across the EU. Many examples are from the UK, as a result of national climate change projects by the respective national local government associations in the UK. The rapporteur recognises that there are many further examples throughout the EU and welcomes a stronger focus on promoting exchange internationally supported by the EU.

The Climate Star Awards, founded by Climate Alliance, awards exemplary activities in tackling climate change and documents the experiences gained and successes achieved across Europe. As well as rewarding excellence it promotes exchange between local and regional authorities. National schemes such as the **Beacon Council Scheme** on sustainable energy (**England and Wales**) also focus on exchange and communicating challenges faced at the local level.

3.2 Promoting renewable energy

The threats to climate security mean that we will increasingly need to look to generate energy locally. Locally generated energy is often more efficient as it is transmitted over shorter distances. Local and regional government holds the key to the development of more renewable energy capacity. Through its role in planning and procurement, it is a major steward of local energy capacity and consumption. Development of local renewable energy is also vital to building a local skills and technology base. However, the commitment being shown at the local level is not matched by high-level commitment within the EU. This must be changed if we are to establish the skills and technology for a competitive low carbon future.

The **City of Malmö (Sweden)**, through the International Council for Local Environmental Initiatives' Cities for Climate Protection programme, has built a new urban district with 1000 dwellings, which is supplied with 100 % renewable energy. The energy supply is based on local resources of sun, wind and water together with energy from refuse and sewage from the district. The dwellings are fitted with individual electricity metering to ensure that the City can identify energy usage patterns and plan for renewable capacity accordingly.

3.3 Measuring, and decreasing, the carbon footprint locally

Local and regional authorities can play a major role in assessing and guiding the use of energy and the carbon footprint of their local community, including domestic and commercial energy use. To achieve this, more emphasis must be placed on developing tools to assess carbon impacts and increasing access to verifiable data on energy consumption.

The Europe-wide DISPLAY campaign helps local authorities and their municipal buildings calculate their energy usage through specialised software. It also encourages them to display

energy consumption data in a user friendly way in public buildings to help promote energy efficiency awareness.

3.4 Tackling climate change — a full range of social, environmental and economic benefits

Adapting to low-energy consumption and production patterns will offer a higher quality of life for local citizens by reducing their exposure to risk, improving the safety on streets by promoting more sustainable mobility, and developing more comfortable homes irrespective of weather conditions. All of these improvements will be delivered through local and regional government working to promote local action and establishing more localised markets and improved resource management in the community.

Brighton and Hove Council (England) has established an Energy Action Partnership that focuses on delivering a more comfortable home environment to those most at risk, including the elderly and those in smaller dwellings, as well as people recently discharged from hospital. By 2005, just two years into the Partnership, it has improved the home environment of 361 private sector households and realised annual savings of 128 tonnes of CO₂. The streamlined grant administration procedures and careful construction of the Partnership tendering have helped the Partnership to deliver significant benefits to the community within a short period.

Working with the Scottish local authority of Midlothian, the **City of Heerlen (The Netherlands)** is developing a district heating system that uses hot water from abandoned coal mines to heat local buildings. This technology is combined with a massive growth in the use of solar power, including in municipal buildings to ensure a wide spread of innovation and awareness of renewable energy across the city and into the neighbouring communities in Germany.

3.5 Promoting local action on a range of policies

Existing buildings, settlements, livelihoods and lifestyles need to be adapted to ensure that we can cope with unpredictable, varied and potentially extreme weather. Simplicity, robustness and short supply lines will assist communities to achieve this. Resilience to climate change can be improved by making sure that basic needs such as food, warmth, light, and amenities such as shopping are met as locally as possible.

Bristol City Council (England) is working on a Food for Life pilot scheme in 20 of the area's schools — buying unprocessed, fresh, seasonal healthy food for school dinners — the Council is working in partnership with the Primary Healthcare Trust and the Soil Association.

3.6 Promoting job growth

Climate change and sustainable energy strategies present an opportunity to address the fundamental problems threatening our communities, and develop a strong expertise and skills base for the future. Partnerships between the local community, local and regional government, the education and healthcare sector and, importantly, private companies will result in a stronger sense of common purpose and a strong 'invest to save' approach.

Newark and Sherwood District Council (England) has almost eliminated fuel poverty among residents in public sector housing. In 1984, just 6 % of dwellings were capable of delivering affordable warmth — now, 98.4 % do as a result of investment in energy efficiency. The improvement programmes have created 30 jobs locally each year for 18 years. The overall spend for 7,500 properties will have been approximately EUR 24 million (£16 million) for the period 1988-2008. As well as creating jobs, Newark has witnessed an improved performance in schools and fewer mental health problems. The Council has found that the associated benefits paid for themselves within four years.

3.7 Improving the health and well-being of the local community

Fuel poverty affects many households in Europe and poses a significant health threat. Similarly, excessive heat in recent summers has already resulted in higher than average deaths from heat exhaustion. Local and regional authorities can work with their housing stock, and through building and planning regulations and more efficient heating and other appliances, to ensure that homes will be more comfortable and less susceptible to external weather conditions, whilst ensuring that the overall carbon footprint is reduced through better ventilation and improved energy efficiency.

Carrick District Council (England), together with tenant associations and other members of the Beacon Community Regeneration Partnership, implemented energy efficiency improvements in the Beacon Housing Estate in Falmouth, once one of the most deprived areas in Cornwall. In terms of results: energy efficiency improvements have been made to 900 homes; central heating and insulation measures have been installed in 300 properties in the first year, and a total of EUR 274 000 (£186 000) was saved on fuel bills. The Regeneration Partnership believes a range of other changes can also be attributed to

the housing improvements: there have been health improvements among residents, including a 50 % drop in the numbers suffering from asthma; the local school reports a 100 % improvement in the standard school examination results of boys; the crime rate has dropped dramatically, including a reduction in domestic violence incidents and the number of children on the 'Children at Risk' Register; vandalism is at an all-time low; there is increased employment; more people are wanting to move to the estate; and there is a remarkable upswing in community spirit.

The population of **Lewenborg (The Netherlands)** has suffered with health complaints as a result of moisture in their homes, problems with heating, and draughts. The city of Groningen is coordinating a project with the Province of Groningen, a federal agency, consultants and a large bank to undertake energy audits of the homes and provide low-cost mortgages to homeowners to help them improve the climate in their homes at no additional cost. The result has been improved health and lower energy bills.

3.8 Changing behaviour patterns

Local and regional authorities must work together with the private sector and other areas of the public sector to establish partnerships that lead to a low energy vision. This exercise has already been undertaken in England and Wales where the national Local Government Association has developed a vision of 'Anytown' 2025 where it would be possible to develop a more sustainable community using technology that already exists. This sustainable future uses electric vehicles, more green space, combined heat and power generation and a street layout that discourages the use of cars, without having to develop any new technology. This type of vision should become a feature of policies such as the future Thematic Strategy on Urban Environment in order to help local and regional authorities take decisions to get them to a more sustainable future using existing technology and know-how.

The Mayor of **London** introduced Europe's first daily congestion charge in February 2002. The scheme has successfully reduced traffic congestion by 30 % and CO₂ emissions within the charging zone are now 20 % lower than 2002 levels. With fewer cars on the roads, journey speeds of public transport have increased and more and more Londoners are now choosing to cycle to work. The extra revenue created has helped to improve public transport in London. Other initiatives of the Mayor of London designed to tackle climate change include the launch of the new London Climate Change Agency. In partnership with private sector firms, the Agency will deliver low and zero-carbon energy projects across London using the

very cleanest technologies and provide new economic development opportunities. The Mayor is also planning to introduce a Low Emission Zone, banning the most polluting lorries, coaches, buses and taxis from the streets of greater London by 2008.

In **Italy**, more than 350 local and provincial authorities have adopted and applied Local Agendas 21, and in 1999 they set up an association to extend and disseminate the approach and the results of implementing local integrated plans. Working on the basis of a set of indicators, each town or city has drawn up a strategy for reducing CO₂ emissions by cutting energy consumption and raising the awareness of various categories and target groups of citizens, including schools, promoting a shared environmental culture and carrying out schemes and information campaigns targeted at the short, medium and long term.

3.9 Energy services, rather than energy itself

Society must be encouraged to recognise that people do not want to consume energy itself, but want the services or benefits that energy can provide, such as warmth and lighting and private transport. Some of these benefits associated with energy can be established without energy itself by designing buildings to be warmed by the sun and allowing people to access the services they need without using cars.

The principle of 'contract energy management' should be more widely rolled out across the EU to ensure that all communities can access the energy savings that Energy Savings Companies (ESCO) can bring. Clients benefit from ESCO's provision of energy by having a modernised energy system without needing to invest in or manage them. ESCOs act not simply as energy providers but also to provide energy services such as energy efficiency measures. Local authorities play an indispensable role as trusted intermediaries for energy projects through arranging for the installation of energy efficient appliances and providing grants for energy efficiency improvements in municipal housing. Local authorities are ideally placed to extend the potential for energy savings by establishing ESCOs, or encouraging energy companies to become ESCOs themselves by installing packages of measures for householders and recoup the costs for energy savings. It is vital that the local or regional authority is involved to ensure that all aspects of the domestic and business market can access energy savings.

3.10 Using energy more efficiently

The EU must focus on getting more benefit per unit of the energy we do consume, such as using higher-efficiency appli-

ances, generating heat and power together, and insulating buildings to retain heat.

In 1990, **Leicester City Council (England)** set an objective to reduce consumption of energy and CO₂ emissions by 50 % by the year 2025. A central focus has been monitoring the energy used in the city through intelligent metering that feeds data back into the Council every 30 minutes from around the City. The Council has also established an Energy Centre providing a comprehensive energy service to all parts of the community, including the sale of efficient and renewable energy appliances. The Energy Centre has pioneered the development of low carbon technologies by promoting these technologies and acting as a liaison between customers and contractors. This has involved the training of local tradespeople in the installation of low carbon technologies.

3.11 Procuring renewable energy wherever possible

Local and regional authorities are responsible for 16 % of all GDP in Europe. Many authorities now specify some form of renewable energy for some or all of their consumption, and make it a criterion for the construction of new dwellings.

The **London Borough of Lewisham** has adopted a green energy procurement policy since 1999. By November 2000, 100 % renewable electricity was procured, and it became the third largest purchaser of green energy in Western Europe. The lack of stability in the supply of green electricity meant that when the second tender process was established in 2004, only 80 % of its electricity was renewable. Lewisham's aim was to assist in the creation of a market for renewable electricity and many local authorities and public sector bodies are now following suit.

3.12 Mainstreaming climate change and 'climate-proofing'

EU, national, regional and local policies should be 'climate-proofed' to ensure they are consistent with the threat of climate security. This could be achieved through the use of Regulatory Impact Assessments, but also by applying pressure on national governments to consider developing fiscal incentives towards more sustainable patterns of energy usage.

Middlesborough Borough Council (England) has developed an assessment procedure to identify the impacts of climate change across a range of the Council's services. A climate change impact assessment module was developed in cooperation with an NGO and has allowed all services within the Council to assess the potential impact of changing weather patterns on the services they deliver. As a result, from the 16 service areas that have now undertaken the assessment, there

have been changes to service provision including: increased resources to highways services in the event of floods; shading to be installed around municipal buildings to avoid overheating and excessive glare; and the re-grading of bituminous road surfacing to factor in additional heat loads likely to be experienced in the next 20 years.

3.13 *Community engagement through climate change*

The scale of the climate security challenge means that adaptation and mitigation of climate change will only have a real impact if it is tackled by all aspects of society, from local and regional government, to consumers and businesses. It will also require a full package of measures to ensure that we can make the most of the improved quality of life that tackling climate change can comprehensively deliver. Many of the climate change solutions that have been highlighted here will only work as part of an integrated package of measures. For instance, a large reduction in private car use would only be acceptable to most people if there were high quality local amenities and good, sustainable public transport. The impact of less private car use would lead to reduced traffic and the freer movement of goods and services, improving the flow of public transport, as experienced in the congestion charging zone in Central London. This in turn makes other forms of sustainable mobility, such as cycling, more attractive. To achieve such a 'virtuous circle' of improvement, all aspects of the community must be engaged.

The London Borough of Islington has developed a scheme of 'Energy Ambassadors' who are trained in energy efficiency and community engagement. They undertake visits with local residents, SMEs and schools, to highlight the Borough's energy usage and methods to reduce energy usage through the provision of energy health checks for buildings.

4. The Committee of the Regions' recommendations

The Committee of the Regions

4.1 **calls on** the Commission to recognise that climate change must be tackled through a portfolio approach, through cooperation between all spheres of government, in partnership with the private sector, healthcare, community and education groups, and with energy efficiency organisations;

4.2 **calls on** the Commission to recognise the unique role of local and regional government and to provide adequate resources for demonstration and dissemination projects and to

make this role overt within policy documents such as the future White Paper on Energy Efficiency;

4.3 **asks** that the EU commits to the further 60-80 % emissions reductions targets by 2050 agreed at the March 2005 European Council as a minimum, and ensure that this same level of ambition is reflected in international fora including the United Nations Framework Convention on Climate Change;

4.4 **welcomes** the emphasis on climate change within the current Presidency of the EU and the G8, and calls on the future Presidencies of the EU to continue this focus;

4.5 **encourages** the Commission and national governments to 'climate proof' their own policies and those of the World Trade Organisation and international financial institutions such as the World Bank;

4.6 **calls on** the Commission to undertake efforts to remove the most inefficient energy using products by raising the minimum permissible energy efficiency levels of appliances by 10 per cent or 20 per cent every few years in all categories where there is a significant difference in energy consumption between the best and worst;

4.7 **asks** the Commission to recognise that the significant growth in the provision of new dwellings that will be required to meet rising populations, especially in urban areas, provides a major opportunity to establish mandatory standards of energy efficiency in buildings much higher than the 2002 Energy Performance in Buildings Directive. This opportunity should not be missed. Buildings standards should also focus more on promoting the use of natural shade and ventilation to reduce the reliance on climate control;

4.8 **supports** the integration of climate change into water resource plans and management;

4.9 **asks** the Commission to work closely with the private sector to develop new forms of insurance that recognise and respond to climate change;

4.10 **asks** the Commission to ensure that local and regional authorities have greater and more uniform access to locally-meaningful real-time consumption data of contemporary validity to the lowest postcode/zipcode level whilst protecting the privacy of individual users. Without this information it is impossible for local and regional authorities to fully guide the move towards a low-carbon economy;

4.11 **calls for** the Commission to consider the contribution of local climate change strategies and actions to the Lisbon Strategy goals of jobs, growth and competitiveness, and establish stronger links between the Lisbon policy agenda and climate change policies;

4.12 **calls on** the Commission and national governments to establish a single communication campaign, in cooperation with local and regional authorities, to identify and communicate the urgency of the situation of climate change and the need for immediate action;

4.13 **appeals to** the Commission to build on existing work undertaken at the local and regional level about the gender and social inequalities of the impacts of climate change to ensure that women do not suffer the impacts of climate change disproportionately ⁽⁴⁾;

4.14 **supports** the proposal to use mainstream regional policy funding for sustainable development (and climate change);

4.15 **calls on** the Commission to promote strong links between the forthcoming Thematic Strategy on the Urban Environment and the Thematic Strategy on Air Quality to ensure a strong commitment to tackling climate change across all policy areas;

4.16 **calls on** the Council of Ministers to commit to higher and more long-term renewable energy targets to enable local decision-makers to drive forward local renewable energy capacity;

4.17 **calls on** the Commission to commit to working with local and regional authorities and their European networks to develop a strong vision for a low carbon future for different types of municipalities and geographies making the best use of existing technology and developing the necessary skills base to realise a truly low carbon future. This must be facilitated by the Commission through a stronger focus on exchange of practice from the local and regional level.

Brussels, 17 November 2005.

The President
of the Committee of the Regions
Peter STRAUB

⁽⁴⁾ According to recent research undertaken by Climate Alliance, www.klimabuendnis.org.

Outlook Report of the Committee of the Regions on the implementation of the Directive on the Landfill of Waste (1999/31/EC) at Regional and Local Level

(2006/C 115/21)

THE COMMITTEE OF THE REGIONS:

Having regard to the request of the European Commission of 10 December 2004 to draw up an outlook report on the Implementation of the Directive on the Landfill of Waste (1999/31 EC) at Regional and Local Level, under Article 265(1) of the Treaty establishing the European Community;

Having regard to the cooperation protocol of September 2001 between the European Commission and the Committee of the Regions, which encourages the Committee of the Regions 'to draw up strategic documents reviewing matters which the Commission regards as important; these "outlook reports" shall explore in greater depth problems in areas where the Committee of the Regions has the appropriate local information resources';

Having regard to its President's decision of 20 January 2005 to instruct its Commission for Sustainable Development to draw up an outlook report on this subject;

Having regard to the Council Directive 1999/31/EC of 26 April 1999 on the landfill of waste;

Having regard to the Report from the Commission to the Council and the European Parliament on the national strategies for the reduction of biodegradable waste going to landfills pursuant to Article 5(1) of Directive 1999/31/EC on the landfill of waste (COM(2005) 105 final);

Having regard to the Council Directive of 15 July 1975 on waste (75/442/EEC) (Waste Framework Directive) as amended by Directive 91/156/EEC, 91/692/EEC and by Decisions 76/431/EEC, 94/3/EC and 96/350/EC;

Having regard to its opinion on the Commission Communication towards a thematic strategy on the prevention and recycling of waste (COM(2003) 301 — CdR 239/2003 ⁽¹⁾);

Having regard to the results of the survey on the Implementation of the Directive on the Landfill of Waste (1999/31 EC) at Regional and Local Level commissioned by the Committee of the Regions ⁽²⁾;

Having regard to its draft outlook report (CdR 254/2005 rev. 1) adopted on 6 October 2005 by its Commission for sustainable development (rapporteur: Mr Wim van Gelder, Queen's Commissioner, Province of Zeeland (NL/EPP));

WHEREAS

- 1) over the last decades, the amount of waste generated in Europe has grown considerably. Waste prevention, waste treatment and disposal are among the main environmental challenges for the EU. Accordingly, the EU's Sixth Environment Action Programme identifies waste prevention and management as a top priority;
- 2) landfilling is still the predominant way of waste disposal in many parts of the EU. Landfills with low environmental standards often pose a threat to human health and the environment by polluting air, water and soil and contributing to global warming by generating greenhouse gases;
- 3) according to the so-called waste hierarchy, waste disposal should only be the last resort. Preference should be given to the prevention, re-use and recycling of waste;
- 4) the proximity principle and the goal of waste-disposal self-sufficiency at every level have been defined as cornerstones of EU waste policies,

unanimously adopted the following outlook report at its 62nd plenary session, held on 16 and 17 November 2005 (meeting of 17 November):

⁽¹⁾ OJ C 73, 23.3.2004, p. 63.

⁽²⁾ The study with the results of the survey will be published in the end of 2005. Almost 200 regional authorities from 23 Member States participated in the survey which took place in June/July 2005. Further details on the results of the survey can be found in the appendix (in English only).

1. Views of the Committee of the Regions

The Committee of the Regions

General remarks

1.1 **welcomes** the European Commission's request for the report as it is the first of its kind regarding the implementation of an EU Directive on environmental policy at regional and local level, thus deepening cooperation between the Commission and the Committee of the Regions;

1.2 **welcomes** the strong participation of regional and local authorities in its survey on the implementation of the Landfill Directive at regional and local level, which shows the importance of this Directive for the regional and local level;

1.3 **points out** that, on account of different demographic and geographic situations, different organisation structures and waste management systems in the Member States, their regions and municipalities, the picture of the implementation of the Landfill Directive at regional and local level in the EU-25 is diverse;

1.4 **underlines** that local and regional authorities in the EU-25 are responsible for the application of a significant part of the EU environmental policy of which waste management represents one of the most important aspects. In general, responsibilities for the granting of landfill permits, approval of landfill conditioning plans, closure procedures, control and inspection lie most often with regional authorities, while local authorities generally play a major role in the localisation of landfill sites and have responsibility for infrastructure for the collection of household waste. This highlights the need for close cooperation between all levels of government to implement the directive;

1.5 **highlights** that moving away from simple waste disposal towards more sustainable policies focusing on prevention, re-use, and recycling demands substantial efforts, requiring additional human and financial resources within regional and local authorities;

1.6 **concludes** that the effects of waste policies in general and policies on landfilling in particular are strongest felt at the local level and therefore requires a special involvement of local stakeholders. Local populations are consulted by the majority of regional and local authorities regarding the planned localisation of landfills and in the permitting procedure. While NGOs are consulted by about half of the authorities, local businesses are rarely involved;

Implementation efforts/current level of implementation

1.7 **considers** that, in most Member States, at national and/or regional level, significant efforts have been made to

transpose the Landfill Directive into national and/or regional legislation. However, a series of Member States did not respect the deadline ⁽³⁾ for the setting-up of a national strategy for the implementation of the reduction of biodegradable waste going to landfills thus delaying the achievement of the reduction targets;

1.8 **states** that the answers to the questionnaire and additional research have shown strong differences of the level of implementation in the EU. Many Member States, and accordingly a large number of local and regional authorities, are experiencing difficulties in complying with this directive, while others are adapting to its requirements without significant problems;

1.9 **points out** that, according to regional and local authorities, considerable efforts have been made to ensure that landfill sites comply with technical requirements. Further efforts will however be necessary in a series of Member States. A large majority of existing landfills are said to comply already with the requirements of the directive or to be upgraded by 2007, and that those not complying will then be closed down;

1.10 **notes** that existing landfills in new Member States at present generally have a lower compliance with the requirements of the Landfill Directive than landfills in old Member States, mainly due to the fact that there only is a short tradition of tackling waste problems and that national waste strategies have only recently been established;

1.11 **regrets** that, regarding the process of transposition and subsequent implementation in their respective Member States, the majority of local and regional authorities consider that they have not been informed or consulted sufficiently. There generally is a higher level of consultation in old Member States and a higher level of information in new Member States;

1.12 **welcomes** that the Landfill Directive played a role in increasing a transfer of responsibilities to regional and local authorities in dealing with landfills in several countries, especially in the new Member States, but **deplores** that these transfers have rarely been accompanied by a transfer of financial and human resources to fulfil the new tasks, thus placing additional burdens on regional and local authorities;

1.13 **affirms** that, also due to the implementation of the Landfill Directive, the amount of biodegradable waste sent to landfills has decreased. A greater decrease can be noted in areas where regional and local authorities had already put measures in place to reduce the amount of landfilled biodegradable waste before the Landfill Directive came into force, such as awareness-raising campaigns, the setting-up of separate collection infrastructures and statutory instruments (e.g. regulations on selective collection);

⁽³⁾ 16 July 2003 for the old Member States, 1 May 2004 for the new Member States.

1.14 **underlines** that the directive only prescribes targets for the diversion of waste *away* from landfilling, but does not set targets for the use of other waste treatment schemes, by e.g. setting targets for recycling as it has been, for example, in the Directive on waste of electrical and electronic equipment (WEE Directive);

Importance of landfill of waste

1.15 **reiterates** that there are great discrepancies within the EU regarding waste generation and treatment in general and the importance of landfilling in particular. Several Member States managed to decouple waste generation from economic growth, significantly reduced the amount of biodegradable waste going to landfills and already currently fulfil the future reduction targets set out in the directive. However, in other Member States, the generated amount of waste is steadily growing and landfilling is still predominant;

1.16 **points out** that in the future, a decrease in the importance of landfilling, at least for municipal waste, is to be expected throughout the EU. However, despite waste prevention and recycling initiatives, there will remain a need to dispose of non-combustible waste and non-recyclable residues and it is therefore expected that the landfill of waste will continue to have a role to play in the disposal chain;

Main implementation problems

1.17 **identifies** the following subjects as main problems which local and regional authorities have to face while implementing the Directive:

- a. *Meeting the targets for the reduction of biodegradable waste going to landfills:* Regional and local authorities, especially from Member States in which the national strategy for the reduction of biowaste has not yet or only recently been adopted, see this as a critical issue. This often corresponds with the lack of a developed market for the re-use of biodegradable waste in these countries. Moreover, a lack of effective tools for the reduction of biodegradable waste in national strategies is considered as a problem.
- b. *Design, operation and after-care of landfill sites:* The majority of the authorities consider design, operation and after-care to be difficult or difficult in some cases; after-care appearing to be the most difficult subject. The rigidity of technical requirements sometimes poses problems, because it does not leave room for specific adaptation to geological circumstances, innovative techniques or progressing knowledge.
- c. *Lack of funds and human resources:* Changing waste policies from mainly disposal to a more sustainable approach requires considerable financial and human resources. The

majority of regional and local authorities, in particular those from the new Member States and specifically while implementing the targets for biodegradable waste, regard the lack of these resources as a major problem.

- d. *Lack of public awareness:* Many regional and local authorities struggle to raise public awareness and motivate their citizens and businesses to cooperate in separated collection schemes.
- e. *Complexity of procedures:* As a result of the Landfill Directive, especially in countries without a formerly distinguished landfill policy, the procedures for permitting have become more complex and longer.
- f. *Fly-tipping:* Landfilling has often been a cheap way to dispose of waste. As landfill tariffs rise, fly-tipping often increases and requires strict counteraction.
- g. *Waste transports:* As a result of the Landfill Directive, many local landfill sites are being closed and new landfills serve larger areas. This often leads to an increase in transport which generates costs and has a negative impact on the environment. This problem can especially be felt in sparsely populated areas.
- h. *Lack of a level playing field:* Due to different time schedules for implementation, different environmental standards and disposal costs, and partially different definitions of recycling a level playing field between Member States (and sometimes also within one Member State) does not yet exist. As a consequence, there are often strong financial incentives to export — legally or illegally — waste to neighbouring countries, thus going against the proximity principle and the goal of waste-disposal self-sufficiency. Moreover, it also generates an increase in the transport of waste over long distances.
- i. *Danger of a too-narrow-approach:* There is a danger that the directive is giving an incentive for the reduction of municipal waste only, but neglects other waste categories where a reduction is also highly important, e.g. industrial waste.
- j. *Lack of guidelines:* It can be difficult to promote separate collection of biodegradable waste and establish a market for the re-use of such waste due to the inexistence of guidelines or references on this matter.

Costs and benefits

1.18 **concludes** that regional and local authorities report an increase of costs for the landfill of waste due to the implementation of the directive. However, the main burden is borne less by authorities than by landfill operators, citizens and businesses on whom operators pass on the cost increase;

1.19 **concludes** that only a minority of local and regional authorities received any specific funds partially or entirely covering the costs for the implementation of the Landfill Directive and that for those which received extra funds, the implementation of the directive in general appears to be less difficult;

1.20 **highlights** the positive environmental effect of the directive: in the perception of a large majority of regional and local authorities, the implementation of the directive has positive impacts on the environment. The positive effects regard the reduction of the landfill activity on surface water, groundwater, soil, air and human health. Furthermore, it can contribute to the reduction of greenhouse gases. Authorities who see little or no positive effect on the environment are often from Member States where legislation similar to the directive was already in place beforehand;

1.21 **points out** that, as a result of the implementation of the Landfill Directive, a reduction of the overall costs for the cleaning-up of landfill soil and groundwater in the future is expected;

1.22 **underlines** that a majority of local and regional authorities consider that the implementation of the Landfill Directive contributed to promoting more advanced landfilling technologies in comparison with the situation before implementation, therefore bringing about environmental and financial benefits, e.g. landfill gas recovery for energy production. However, the Directive does not leave room for the application of innovative techniques, thus promoting a standstill situation after the initial technological improvements;

1.23 **points out** that the implementation of the Landfill Directive, if it contributes to a diversification of waste treatment schemes, can help create new jobs in the waste sector;

1.24 **notes** that the large majority of regional and local authorities state that the tariff collected by the landfill operators entirely covers the landfill costs, thus fulfilling the requirements of the Landfill Directive; **warns** that the landfills where these requirements are not met and which are offering waste disposal at lower costs are likely to encourage waste exports. Moreover, low landfill tariffs do not provide enough incentive to dispose of waste in a more sustainable way;

1.25 **concludes** that steering of the waste (disposal) market with financial instruments, such as taxes on landfilling or other incentives, can stimulate the preferred route of disposal via alternative waste treatments;

1.26 **notes** that a majority of the Member States have a landfill tax in place and that the amount of tax differs widely. However, over a third of the regional and local authorities have not put into place a landfill tax or other financial incentives to

reduce the amount of biodegradable waste going to landfills. In the majority of the Member States where a landfill tax exists, it is assigned to general tax funds, but in some cases to specific environmental funds foreseen e.g. for promoting waste prevention and funding recycling schemes;

Success Factors:

1.27 **concludes** that the following success factors can be identified as being necessary for a successful implementation of the Landfill Directive:

- a. *A pro-active attitude:* It is apparent that certain developments on the implementation of what was to become the Landfill Directive in some Member States were initiated in the first half of the last decade, if not earlier. Due to this pro-active attitude, many regional and local authorities could comply relatively easily with the requirements on the set dates after the directive was transposed into national or regional legislation.
- b. *Placement of the implementation of the Directive in a broader context:* The implementation of the Directive should not be seen as an isolated policy measure. Waste disposal is a part of the management of material resources and has to be placed in this context at policy level. It is therefore important to develop integrated national, regional and local strategies which link it with other waste treatment schemes, but also with other policy areas, e.g. procurement and resource efficiency policy.
- c. *Giving regional and local authorities the means to fulfil their responsibilities:* Establishing new recycling and other alternative treatment schemes, setting up awareness-raising campaigns, upgrading landfills etc. requires knowledge and human and financial resources within regional and local authorities. A transfer of funds from higher levels of government or the possibility for authorities to introduce fiscal mechanisms is therefore often the prerequisite for meeting the targets of the Landfill Directive.
- d. *Cooperation of all levels of government and exchange of information:* As the task of putting the directive into practice in almost all Member States has to be fulfilled by different levels of government, a close cooperation between these levels is vital for a good implementation. This includes an exchange of knowledge on how the new, stricter requirements for the building, operation, closure and after-care of a landfill site can be met and how alternative treatment schemes can be put into place. Moreover, waste policy often has to overcome administrative borders of neighbouring municipalities and regions, e.g. when establishing common waste treatment facilities or recycling schemes.

- e. *Financial incentives*: As businesses mainly act according to economic logic, it is important to give incentives to reduce the amount of waste going to landfills by making landfilling more expensive, for example by means of a landfill tax.
- f. *Supporting alternatives*: To divert waste from going to landfills, waste holders need to be given economically viable waste treatment alternatives. Therefore, these alternatives, where inexistent or insufficient, have to be stimulated. To avoid an increase in waste transports, local solutions like home-composting or waste treatment facilities on company grounds have to be encouraged.
- g. *Combating fly-tipping*: Rising costs for waste treatment can lead to more illegal dumping. A combination of measures can prevent and discourage the disposal of waste in an illegal manner. These measures require, at least for a transitional period, that extra human resources are dedicated to this task.
- h. *Raising public awareness and stakeholders' consultation*: Active participation of citizens and businesses is indispensable for reducing the amount of waste being generated and land-filled. Therefore, communication campaigns and consultation of stakeholders, combined with effective infrastructure provisions, are necessary.

Best practices

1.28 **highlights** that numerous cases of best practice regarding the implementing the Landfill Directive exist throughout the EU. They concern innovative techniques as well as policy measures which have proved to be successful. Only a few are mentioned here:

a) Public awareness campaign

The **Devon Authorities Recycling Partnership** planned and implemented a six month county-wide waste awareness and education campaign. Following a bid, this local authority Partnership received £1.119M for a waste awareness/analysis campaign from the Department of Environment, Food and Rural Affairs (DEFRA).

The objectives of the campaign were:

- to increase the tonnage of recycled material, specifically by increasing the participation in recycling schemes and/or the quality and quantity of the material being put out for collection;
- to gather information on the usage of current recycling facilities and find out from the public why they do/do not

participate in recycling schemes that are available and to encourage them to participate;

- to use the information gathered to enable future publicity to be effective in raising public awareness.

The campaign consisted of four main parts: waste analysis, participation monitoring, doorstepping and media/education.

Key results of the campaign were:

- residents have positive feelings about recycling and want to participate;
- lack of participation is not due to apathy but largely to practical reasons such as no kerbside container, no transport facility, and no storage space;
- kerbside recycling is the most favoured method of recycling;
- kerbside recycling has seen a dramatic 31 % increase over the tonnage figures for the previous year;
- the growth in residual waste sent to landfill has been reduced to 0.88 % in 2002/03 as compared to 3.3 % in 2001/02;
- the public want to recycle cardboard and plastics and are looking for kerbside schemes to include these materials where they do not at present;
- television advertising has been shown to be the most effective media.

b) Combating fly-tipping

In the **City of Pezinok, Slovakia**, the closure of municipal landfills and higher landfill tariffs have encouraged fly-tipping.

Therefore, the following measures have been undertaken:

- enhance public awareness to overcome citizens' lack of information;
- improve environmental education in schools;
- set up an environmental police force and monitor closely how the public deals with its waste;
- give official bodies more powers to penalise those breaking the law on waste;
- increase penalties for individuals and companies, simplify sanctions procedures;
- place scrap iron collection points near landfills to cut waste put into landfills;

- place PET compactors near shops selling PET packaged goods;
- provide training for citizens in home composting;
- work with primary schools to organise collections of composite packaging;
- arrange payment for glass waste;
- increase tariffs for municipal waste;
- reduce tariffs for sorted waste.

c) Financial transfer for waste prevention and reduction projects

The **Italian Region Marche**, an Objective 2 area, has used EU Structural Funds for the implementation of its strategy to prevent and reduce the generation of municipal waste. This strategy was mainly put into practice by financing projects carried out at local level. Since there was a high level of participation of municipalities and good preliminary results, the Region has decided to continue this financing scheme after the EU funding had expired.

d) Landscaping of Landfill sites after closure

In the rather flat countryside of the Netherlands, Landfill sites, at 30 to 45 metres in height, stand out. For aesthetic purposes, special care is given to the landscaping of landfill sites. Furthermore, since space in the country is limited and therefore expensive, closed landfill sites are often given a recreative function. For this reason, and to raise the level of acceptance for landfill sites, a refurbishment is often carried out in the after-care phase.

An example of this is found in the former landfill site in the area of **Spaarnwoude**. After closure, this site was reconfigured into a recreational area containing the following facilities:

- indoor ski hall;
- mountaineering wall;
- hiking area;
- mountain biking route;
- sleigh ramp.

Furthermore, the area was planted with trees and bushes for a better fit into the surrounding area.

2. Recommendations

The Committee of the Regions

2.1 **recommends** to the Commission, the Member States and regional and local authorities to widely communicate the above-described success factors to support better implementation;

2.2 **suggests** to found an expert centre on which national, regional and local authorities, landfill operators, NGOs and other stakeholders can call on for information, advice on specific (technical and organisational) problems and exchange best practices and which can be given a function to contribute to put into practice the recommendations given in this report. It would be preferred if this expert centre were incorporated into an existing organisation as a new task;

2.3 **recommends** that innovative techniques and progressive knowledge are being reviewed periodically and communicated to stakeholders;

2.4 **recommends** to make the Landfill Directive a more integrated part of the EU waste policy, and to promote an integrated implementation rather than a sectoral one;

2.5 **appeals** to the Commission to facilitate, in particular via the upcoming strategy on waste prevention and recycling, the further development of recycling initiatives and, if appropriate, include supportive measures, especially in small Member States where the necessary economy of scale is harder to achieve;

2.6 **calls** on the Commission to make efforts in order to eliminate incentives for 'waste tourism' caused by different environmental standards of waste treatment/disposal between Member States and in order to accelerate the realisation of a level playing;

2.7 **calls for** a better coordination between national authorities responsible for landfill taxes. Naturally, in view of the considerable political sensitivity surrounding taxation in general, this would not necessarily involve the introduction of a Community-level harmonised landfill tax;

2.8 **recommends** to the Commission to closely monitor the implementation of the directive with studies and other pre-emptive work in order to help national, regional and local authorities complying with the requirements and to avoid infringement procedures. This includes assigning sufficient human resources to this task;

2.9 **invites** the Commission to examine if the decrease of biodegradable waste being landfilled has led to a shift towards measures which are more effective in reducing environmental impacts;

2.10 **calls on** the Commission to incorporate, when reviewing the Landfill Directive, more flexibility regarding:

- the requirements concerning the design and construction of landfill sites so they can be adjusted to local geological circumstances. This may be possible by means of incorporating the definition of the goal (a minimum protection level) rather than the means to that goal;
- innovative techniques in order to prevent a stand still situation where no use can be made from new developments;

2.11 **calls** on the Commission to include the regional and local dimension in the formulation of future European policy on waste management in general and the landfill of waste in particular;

2.12 **calls on** the Member States to ensure that their national strategies to reduce biowaste going to landfills do not only lead to diverting waste from being landfilled towards incineration, but also include measures which are more effective in reducing environmental impacts;

2.13 **calls on** the Member States to ensure that regional and local authorities are fully involved in the transposition measures regarding EU legislation when they carry, as with the Landfill directive, the main burden of putting it into practice;

2.14 **calls on** the Member States to ensure that transfer of responsibilities to regional and local authorities are accompanied by a transfer of resources;

2.15 **appeals** to the Member States to promote a close cooperation of all levels of government for the swift implementation of the directive;

2.16 **appeals** to regional and local authorities to fully involve all stakeholders in the decisions regarding landfills in particular and waste policy in general;

2.17 **offers** to play a significant partnering role in the consultations that are to accompany the further evaluation of the Landfill Directive in particular and waste policy in general.

Brussels, 17 November 2005.

The President
of the Committee of the Regions
Peter STRAUB
