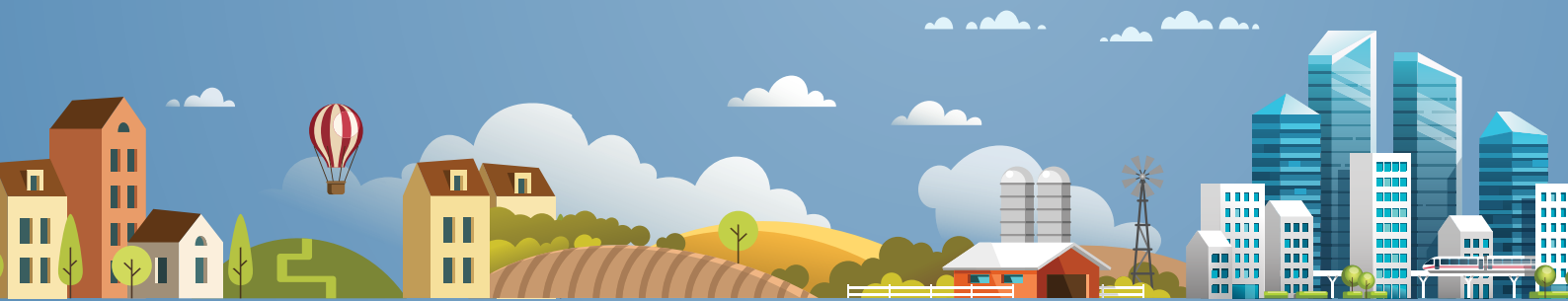




European Committee
of the Regions

Working together to bring the EU closer to its citizens



EU cities and regions' key proposals to renew the EU

2019-2024

Table of contents

	Foreword	3
I	Cities and regions are part of the EU's democratic foundation	4
	Regions and cities: the third dimension of the EU	5
	The European Committee of the Regions: the institutional voice of regions and cities since 1994	6
II	Three guiding principles for bringing the EU closer to the citizens	8
	Principle 1: "Active subsidiarity": involving cities and regions in the EU decision-making process	9
	Principle 2: Multilevel governance: bringing all levels to work together for the EU's future	10
	Principle 3: Permanent dialogue: shaping the EU's future with our citizens	11
III	Anchoring EU policies locally	12
	Making the Sustainable Development Goals the overarching development strategy for the European Union for all levels of government	13
	Building cohesion within our Union	13
	A social EU	13
	A strong cohesion policy in partnership with all levels of government	14
	Addressing the territorial divide through better urban/rural linkages	14
	Addressing demographic change and supporting our young people	15
	Fighting for a sustainable environment	16
	An ambitious roadmap towards a climate-neutral Europe	16
	The need to protect the European environment and natural resources	17
	The future of European agriculture	17
	Boosting research, innovation and digital transformation	18
	Ensuring a Digital Europe for all	18
	A dedicated policy for research and development with a strong link to the regions	19
	Towards a sustainable, inclusive and future-oriented transport policy in the EU	20
	A place-based European industrial and trade policy	20
	A European industrial policy strategy with a strong regional link	20
	A fair transparent and inclusive European trade policy	22
	Putting EU values into practice	22
	Putting human rights into practice at local and regional level	22
	Migration and integration of migrants and refugees	22
	Cooperation beyond the EU to support democracy and development	23
IV	Ensuring the necessary room for manoeuvre for cities and regions: a European budget that meets the EU's ambitions and uses flexibility to act and invest	25
	ANNEX Declaration from the 8th European Summit of Regions and Cities, 14-15 March 2019	28



Markku Markkula
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Foreword

The 2019 European elections have shaped the new political landscape of the EU in one of the largest democratic exercises on the planet. Regional and local leaders are looking forward to setting a new agenda for a sustainable Europe for the next five years, and this requires all levels of governance to be more involved in the EU's political life.

This document is based on the work carried out over the last five years by our 350 members, locally and regionally elected representatives. We work together across the whole range of Europe's regions and cities to ensure that the voices of our communities are heard.

Established 25 years ago under the Maastricht Treaty, the European Committee of the Regions has become a truly political assembly of local and regional representatives: through our members and other regional and local politicians we aim to strengthen the democratic foundations of the EU.

Our objective is to reinforce the European Union by involving regional and local authorities in the EU decision-making process, working closely with all levels of government and directly with citizens through a permanent dialogue. We want to anchor EU policies locally and make sure they are properly resourced.

Building on our work as ambassadors of Europe in regions, cities and municipalities, we are working with EU leaders, Members of the European Parliament and the European Commission to renew the European Union from the ground up.

I

***Cities and regions are part of the EU's
democratic foundation***

Regions and cities: the third dimension of the EU

"The state of the European Union is also and perhaps above all the state of its municipalities, its cities and its regions."

State of the European Union – the View of Region and Cities, October 2018

More than a million EU politicians are elected at local and regional level across all the Member States. There are over 90 000 local authorities, nearly 900 cities and 280 regions in the European Union. For instance, there are more than 500 000 local councillors in France alone, at least 220 000 in Germany and around 170 000 in Italy.

Regions and cities bring the EU's action closer to the citizens. They are responsible for the management of hundreds of thousands of projects, which are partly financed by EU programmes. For example, two-thirds of the 550 programmes financed under EU cohesion policy are managed at regional level. Every single day, new projects are adopted as part of these programmes, which aim to make regions and cities better places to live and work. By establishing links between them, the regions are forging social, economic and cultural ties which unite Europeans.

Regions and cities are a way of putting trust back into EU politics. In every Member State local and regional authorities are more trusted than national governments and in most countries they are more trusted than the EU as well.

The EU needs its cities and regions as much as they need the EU. Regions and cities are not just the building blocks of each individual Member State, they are the building blocks of the EU itself. The 8th Summit of Regions and Cities in March 2019 set out a 10-point declaration for the future of the EU based on building the EU from the ground up (see Annex). With regions and cities, the European Committee of the Regions aims to strengthen the local dimension of EU politics.



8th European Summit of Regions and Cities in Bucharest, March 2019

The European Committee of the Regions: the institutional voice of regions and cities since 1994

"The European Committee of the Regions is the EU's assembly of regional and local representatives.

We are a political assembly of holders of a regional or local electoral mandate serving the cause of European integration. Through our political legitimacy, we provide institutional representation for all the European Union's territorial areas, regions, cities and municipalities.

Our mission is to involve regional and local authorities in the European decision-making process and thus to encourage greater participation from our fellow citizens."

European Committee of the Regions mission statement

Set up in 1994 under the Maastricht Treaty, **the European Committee of the Regions is a political assembly of local and regional representatives composed of 350 full and 350 alternates members from all EU countries**, appointed by the Council of the European Union at the proposal of the Member States. All kinds of local and regional authorities are represented in the European Committee of the Regions – from the biggest cities to the smallest rural villages, to the metropolitan regions, from industrial innovation hubs to remote agricultural communities. Many regions have legislative powers. Many are in maritime and peripheral areas.

The European Committee of the Regions has **six commissions** which debate the latest EU initiatives, draw up legislative opinions and serve as forums for building consensus on key political issues:

- CIVEX (Citizenship, Asylum & Migration, Governance, Institutional and External Affairs); contact: civex@cor.europa.eu
- COTER (Territorial Cohesion Policy, Transport and EU Budget); contact: coter@cor.europa.eu
- ECON (Economic Policy, Single Market, Trade); contact: econ@cor.europa.eu
- ENVE (Environment, Climate change and Energy); contact: enve@cor.europa.eu
- NAT (Natural Resources, Agriculture, Health, Tourism); contact: nat@cor.europa.eu
- SEDEC (Social Policy, Education, Employment, Research and Culture); contact: sedec@cor.europa.eu

along with a Commission for Administrative and Financial Affairs (budget and discharge notably) contact: cafa-secretariat@cor.europa.eu

The European Committee of the Regions has **five Political Groups** affiliated to European political parties:

- Group of the European People's Party (EPP); contact: epp@cor.europa.eu
- Group of the Party of European Socialists (PES) ; contact: pes-group@cor.europa.eu
- Group of the Alliance of Liberals and Democrats for Europe (ALDE) ; contact: alde@cor.europa.eu
- Group of the European Conservatives and Reformists (ECR); contact: ecr@cor.europa.eu
- European Alliance Group (EA), contact: ea-secretariat@cor.europa.eu

The European Committee of the Regions' **National Delegations** are set up according to each Member States' internal territorial organisations and reflect their political and geographical balance among local and regional authorities. Furthermore interregional groups are set up as platforms to exchange views and create new ideas between local and regional authorities in the Member States and beyond on specific topics.

Working with the European Parliament, we are in continuous dialogue, we have built political alliances on issues ranging from the size of the future EU budget to the details of cohesion policy. Over the years we have deepened our cooperation, in particular with the Parliament's Committees on Regional Development (REGI), Transport and Tourism (TRAN); Civil Liberties, Justice and Home Affairs (LIBE); Agriculture and Rural Development (AGRI); Environment, Public Health and Food Safety (ENVI) ; Constitutional Affairs (AFCO), Economic and Monetary affairs (ECON) Industry, Research and Energy (ITRE), Budgets (BUDG) as well as with the European Parliamentary Research Service.

Working with the European Commission, we have notably supported the development of a new long-term EU strategy around the Sustainable Development Goals, ensured the participation of local and regional authorities in EU flagship initiatives (e.g. through the Covenant of Mayors) and been part of the design for a New Way of Working for the future, making "active subsidiarity" a practical reality. The European Committee of the Regions is also working closely with the European Commission on improving the way that European legislation is implemented on the ground.



Working with the European Council, and the EU Presidencies we have been conducting citizens' dialogues for over two years in order to rebuild trust in the EU. The results were presented alongside the Member States' citizens' consultations and the work of other EU Institutions in the field.

The European Committee of the Regions provides a common forum and focal point for approximately **350 offices representing regions, cities** as well as regional and local networks in Brussels.

Furthermore, the European Committee of the Regions interacts with associations of regions and cities at EU level – Assembly of European Regions, Association of European Border Regions, Conference of European Regional Legislative Assemblies, Council of European Municipalities and Regions, Conference of Peripheral and Maritime Regions and Eurocities - for example through the #CohesionAlliance, with its 9 principles for a stronger, more effective and more visible cohesion policy beyond 2020. This Alliance brings together more than 11 000 people and organisations, including sports associations, civil society associations and public and private businesses that are actively involved in using EU funds to improve the daily lives of citizens.



The European Committee of the Regions also organises yearly the **European Week of Regions and Cities**, a four-day event taking place in the second week of October, attended at average by 6,000 participants and 200 journalists, during which regions and cities showcase their capacity to create growth and jobs, implement European Union cohesion policy, and prove the importance of the local and regional level for good European governance.

II

Three guiding principles for bringing the EU closer to the citizens

PRINCIPLE 1:

“Active subsidiarity”: involving cities and regions in the EU decision- making process

“What is necessary is a new way of working to improve the current policymaking processes and to allow the Union to use its resources more efficiently. It will allow local and regional authorities and national parliaments to make a more effective contribution to policymaking, to the design of (new) legislation and to ensuring respect for the principles of subsidiarity and proportionality”.

Report on the Task Force on Subsidiarity, Proportionality and “Doing Less More Efficiently”, July 2018.

In order to **bridge the gap between the EU and its citizens, a new EU way of working is needed**, one that takes a constructive and inclusive approach towards designing EU legislation and effectively communicating its added value. Local and regional authorities are responsible for the implementation of the majority of EU laws and have valuable first-hand experience of applying EU legislation, in close contact with local businesses, social partners, civil society and citizens.

Without Europe’s regions and cities, any effort to produce legislation that brings real benefits to the people cannot be complete. The need for a renewed **bottom-up** approach to European decision-making has been a priority of the Task Force on Subsidiarity, Proportionality and “Doing Less More Efficiently” and was confirmed in the Commission Communication on The Principles of subsidiarity and proportionality: Strengthening their role in EU policymaking. Its value has been recognised by institutional, national and subnational actors across Europe.



CoR members of the Task Force on Subsidiarity and Proportionality and ‘Doing Less More Efficiently’, 2018

The European Committee of the Regions strongly promotes active subsidiarity, stressing the importance of engaging national, local and regional authorities at each phase of the EU decision-making process:

- to ensure the EU produces efficient laws, it is vital to raise awareness of the opportunities for local and regional authorities to provide input into the process and to ensure that they have the capacity to do so at the early stages of policymaking;
- the role of local and regional authorities needs to be significantly upgraded within the legislative cycle. This can be achieved through more developed political dialogue between the co-legislators and the institution representing local and regional authorities as well as by improving access to information;

- the availability of sub-national data on policy implementation across the EU needs to be increased in order to feed into EU policy design or revision. Initiatives such as the European Committee of the Region's pilot project for a network of Regional Hubs contributing to the review of policy implementation, are valuable in this regard;
- greater participation of all levels of government should be encouraged in the policy coordination stage, to increase legitimacy, ownership and proximity. Concerning the European Semester the European Committee of the Regions has called for the adoption of a **Code of Conduct for the involvement of local and regional authorities** along the lines of that adopted for cohesion policy.

PRINCIPLE 2:

Multilevel governance: bringing all levels to work together for the EU's future

"Local and regional democracy is an essential part of EU democracy. Multilevel governance is essential to ensure active and equal participation of all levels of government in a spirit of trust. This loyal cooperation between all levels is essential for the EU to be able to deliver on its objective of economic and social progress for its citizens wherever they live, in a fully accountable, efficient and transparent way".

Declaration of the 8th European Summit of Regions and Cities, March 2019

Coordinated action from European, national, regional and local levels is essential for the EU to be able to deliver on its objectives in a fully accountable, efficient and transparent way, based on trust and sincere cooperation between the different government levels. It also implies that, while respecting national frameworks, more decentralisation and a better division of powers need to be developed, as they are essential elements of good governance and help to increase transparency, accountability and the quality of policymaking. Greater participation of all levels of government should be encouraged in the policy coordination stage, to increase legitimacy, ownership and proximity.

The European Committee of the Regions has always been a supporter of a coordinated approach in shaping and implementing EU's policies, drawing up a European Union Charter on Multilevel Governance to encourage local and regional authorities all across Europe to become committed, fully-fledged partners in EU policymaking. The European Committee of the Regions considers that:

- multilevel governance is a **prerequisite for Europe to achieve its goals of solidarity, social and territorial cohesion and balanced and sustainable economic growth**, as it allows policy agendas and timelines of different levels of government to be effectively coordinated and integrated;
- multilevel governance should be incorporated **into all legislative and regulatory provisions** of policies with regional impact.
- the principle of multilevel governance is **inseparable from the fundamental principles of subsidiarity and proportionality**, and should be enshrined in an appropriate legal form, such as through the Inter-Institutional Agreement on Better Law-Making;
- the EU will be significantly strengthened the more elected representatives from the local and regional level understand the objectives, values and functions of the Union and its policies; therefore we reiterate our offer to work with the other Institutions to establish a programme that facilitates training and exchanges regarding EU policies between local and regional political representatives.



With Portugal's Prime Minister
António Costa, 2018

PRINCIPLE 3:

***Permanent
dialogue:
shaping the EU's
future with our
citizens***

"In the face of rising perceptions of a democratic deficit, consider ways of strengthening institutional linkages across national and EU institutions to provide for more integrated democratic representation, and continue involving EU citizens more meaningfully in drafting legislation at different levels".

THE EUROPEAN UNION: A PEOPLE-CENTRED AGENDA, An International Perspective, OECD, May 2019

Listening to the concerns of citizens and local and regional authorities and meeting their expectations is vital in order to increase the EU's democratic legitimacy and to bring Europe closer to its citizens.

Since 2016, the European Committee of the Regions has been engaged in the Reflecting on Europe initiative. The resulting citizens' dialogues involved over **200 regions** and cities and more than half the Committee members.

The final report accompanied the Opinion Reflecting on Europe: the voice of local and regional authorities to rebuild trust in the European Union (2018).



European Committee of the Regions Citizens' Dialogue in Athens

A permanent structured dialogue mechanism needs all EU institutions and Member States to work together and local and regional authorities to be involved. After the climax of the citizens' consultations and dialogues in the European Council in late 2018, the European Committee of the Regions, along with European Economic and Social Committee, was the first to make practical proposals for implementation during the 2019-2024 term.

- The European Committee of the Regions members call for a permanent system of citizens' dialogues/consultations with citizens extending beyond the periods leading up to the European elections, reaching those who are often ignored or not interested in consultative processes.
- These citizens' dialogues/consultations need to feed into the EU policymaking cycle on a regular basis and would complement the EU's representative decision-making structure. They should be seen as contributing to the implementation of Article 11 of the EU Treaty, allowing citizens' concerns and needs to influence the EU's agenda-setting and policymaking.
- The process should be focused on issues which can be solved through EU action and conceived as a permanent mechanism for change throughout the EU policy process. By giving feedback to citizens, the political work of the European Committee of the Regions members strengthens links with the grassroots and reinforces people's trust in EU action.

III

Anchoring EU policies locally

Based on almost 300 opinions adopted during its 2015-2020 term, the European Committee of the Regions is contributing a series of proposals to a number of EU policies and programmes to ensure that they support the efforts of local and regional authorities.

Making the Sustainable Development Goals the overarching development strategy for the European Union for all levels of government

Globalisation, climate and demographic change, the digital revolution and migration are among the challenges that are shaping how European citizens live and work now and in the foreseeable future.

Sustainable development, as defined in the UN 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs), must be at the core of the European strategy. No less than 65% of the 169 targets of the SDGs require the involvement of local and regional authorities for their achievement, and the participation of the private sector and civil society is clearly necessary. That is why the European Committee of the Regions proposes:

- **developing an overarching strategy** to coordinate the implementation of the SDGs between all levels of government and stakeholders. It should include a mixed top-down and bottom-up governance mechanism, which formally recognises the role of local and regional authorities in delivering a sustainable Europe;
- **mainstreaming the SDGs into all policies**, and setting quantified targets and tangible measures for 2030, as well as putting forward measures for monitoring and reviewing implementation.

Building cohesion within our Union

A social EU

A stronger EU social dimension can only be delivered in close partnership with Europe's cities and regions, given their competences in matters that affect daily life, such as childcare, care for the elderly and people with disabilities, education, social services and employment. That is why the European Committee of the Regions proposes:

- including a **social progress protocol** in the EU Treaties; putting social rights on a par with economic rights; bringing social targets of a binding nature into EU primary legislation;



- adding a **regional dimension to the social scoreboard**; the European Pillar of Social Rights is essential to alleviate the economic consequences of the ongoing transformation of European societies and labour markets. Since its implementation has a strong subnational component, the social scoreboard, which now reflects only national averages, should be reinforced with additional regional data;
- securing decent, transparent and predictable working conditions, combating precarious employment practices and opposing **zero hour contracts**, while strengthening the right to guaranteed working hours and more rights in connection with dismissal;
- promoting **work-life balance policies**, including family leave, as they contribute both to increasing women's employment rates of and to higher fertility rates;
- widening the concept of **Services of General Economic Interest** to include new social services, such as reception and integration of refugees and migrants, social housing, minimum income and digital infrastructure.

A strong cohesion policy in partnership with all levels of government

Cohesion policy is the most tangible EU policy promoting inclusion and solidarity between the people in the European Union. Therefore, a strong cohesion policy beyond 2020 will remain high on the agenda for Europe's cities and regions, and we propose:

- ensuring that cohesion policy has **adequate funding** at its disposal, which means that the share of the budget allocated to cohesion policy in the next Multiannual Financial Framework should remain the same;
- maintaining a strong **partnership principle** as part of a future cohesion policy based on a binding partnership agreement for all Member States and a reinforced Code of Conduct on Partnership;
- ensuring that the closer link between the future cohesion policy and the European Semester, which started with the 2019 Country Reports giving guidance on investments to be funded by cohesion policy funds, does not question the overarching goal of promoting economic, social and territorial cohesion;
- reinforcing the strategic impact of cohesion policy in terms of **tackling demographic challenges**;
- promoting the development of **integrated development strategies** at local and regional level by further developing instruments such as Community Lead Local Development and Integrated Territorial Investments;
- securing the overall concept of **economic, social and territorial cohesion** by keeping the European Agricultural Fund for Rural Development within the scope of the Common Provision Regulation in order to specifically address urban/rural linkages;
- using the **European Social Fund+** to deliver in particular the European Pillar of Social Rights at local and regional level by investing in social services and the social economy, skills and social inclusion;

- maintaining high **co-financing rates** for the local and regional level to ensure that projects can be carried out where there are needed;
- **rejecting macro-economic conditionalities for cohesion policy** as they are detrimental to the policy's key objective of supporting investment in Europe's cities and regions when it is needed most; and
- keeping a strong focus on **EU territorial cooperation** in the areas of cross-border, transnational and interregional cooperation, in order to promote cooperation and the exchange of knowledge between cities and regions throughout the EU and to overcome the existing obstacles in this field.

Addressing the territorial divide through better urban/rural linkages

Leaving no-one and no place behind is only possible with a strong commitment towards maintaining strong rural communities. To this end, urban/rural linkages are essential to prevent depopulation of rural areas, providing effective public services and improving job opportunities.

That is why the European Committee of the Regions proposes:

- complementing the GDP indicator with additional (i.e. social and sustainability) indicators when reallocating resources under the ESIF. The current GDP per capita (purchasing power parity) does not include social, territorial and environmental aspects in Europe's regions and does not give a full picture of their level of development;
- renewing the EU Territorial Agenda on the basis of the **European Territorial Reference Framework**;
- linking up the future **Territorial Agenda** with the ongoing work of the **EU Urban Agenda**, particularly with the thematic partnerships;
- promoting territorial instruments such as **Integrated Territorial Investment and Community-Led Local Development** to promote integrated and inclusive partnerships along functional areas;
- developing a **"rural agenda"** to implement the EU's territorial cohesion objective;
- ensuring that rural policies include a **strong element of rural/urban linkages**, without considering rural areas as urban hinterland;
- **strengthening the second pillar of the CAP** for the benefit of rural development and mainstreaming rural needs into all policy areas;
- **ensuring rural communities receive adequate financial and non-financial support** for implementing climate and energy policies.

Addressing demographic change and supporting our young people

Many of the "baby boomers" will retire during the next policy cycle of the European Union and the effects of demographic change are being felt more

and more in many EU regions, but in very different ways. That is why an overarching approach on demographic change is needed. At the same time, apart from the EU's ageing population, brain drain, caused by the inability of a given region to retain its workforce, exacerbates the effects of demographic change. The active involvement of young people is, in this respect, important for the inclusiveness and cohesion of our societies. That is why the European Committee of the Regions has put forward a number of proposals such as:

- launching a dedicated **EU Strategy on Demographic Change** in respect of the objective of economic, social and territorial cohesion in order to coordinate EU action to ensure synergies between relevant policies and maximise their positive impact on Europe's citizens, economy and innovation for the future;
- providing strong support for cities and regions via the **European Structural and Investment Funds**, to promote place-based strategies to cope with the impact of demographic change;
- giving all young people in the EU, regardless of their parents' financial situation, the opportunity to encounter and discover its diversity, culture, nature and people, by making full use of the new **DiscoverEU** programme, and also establishing public-private partnerships, particularly with partners from the mobility and tourism sector;
- increasing the **role of young people in the democratic process**, listening to their voices and hopes for the future, by facilitating their involvement in representative and participative democracy mechanisms at all levels;
- **increasing funding** for the new **Erasmus Programme**;
- establishing **closer links** between local and regional youth and labour market policies and the reforms of education and training systems, by taking into account the socio-economic and geographical characteristics of the respective countries and regions involved.

Fighting for a sustainable environment

An ambitious roadmap towards a climate-neutral Europe

Local and regional authorities are key in delivering on the Paris Agreement objectives, and nearly 8 000 across Europe have committed to ambitious targets to reduce greenhouse gas emissions and tackle climate change by participating in the Covenant of Mayors for Climate and Energy. To ensure this transition is inclusive, just and effective, the European Committee of the Regions proposes:

- ensuring **adequate engagement and empowerment of all levels of government** through **strong and efficient national Multilevel Climate and Energy Dialogues** and promoting the development of a system of locally determined contributions;
- managing energy transition at the closest level to citizens, and understanding local and regional characteristics and needs;
- showing more solidarity and developing a one-speed, sustainable energy transition while fostering economic development and social cohesion in Europe;
- setting a target to **eradicate energy poverty** in Europe and to ensure efficient monitoring of progress with effective indicators;
- **mainstreaming environment, energy and climate criteria** in the economic governance of the EU, starting with the European Semester;
- supporting regions and cities with adequate **funding, financial instruments and capacity building**. Supporting the development of regional strategies, including knowledge transfer and reskilling, channelling expertise and labour into low-carbon technologies and innovation;
- establishing an **EU observatory for climate neutrality transition** to map vulnerabilities, challenges and opportunities for regions and cities;
- ensuring **innovative approaches and preferential access** to the Cohesion Funds in regions affected by systemic changes (such as coal regions), in order to mitigate the negative social and economic aspects of the transition;
- harnessing the potential of **decentralised energy production** by prosumers, by ensuring regulatory certainty for small to large scale energy.



The need to protect the European environment and natural resources

High protection of the environment is an essential part of the transition to a low-carbon, climate-neutral, resource-efficient and bio-diverse economy, as highlighted in the “Planet” pillar of the Sustainable Development Goals. This transition is urgent and requires the development and implementation of EU environment, biodiversity and climate policies and legislation to ensure sustainability, health and quality of life for EU citizens. The European Committee of the Regions suggests a number of actions in the next EU term, such as:

- developing an **8th Environment Action Programme (EAP)** to ensure better policy integration, present an EU strategy to promote healthy living for all, and address the different transition challenges (energy transition, the circular economy, the mobility transition, the transition in food production and consumption and the transition from grey to green and blue infrastructure);
- continuing with **fitness checks**, evaluation and updating of existing environmental legislation, in particular on water, soil, noise and air quality, enhancing the Circular Economy, fostering sustainable production and consumption and addressing micro-plastics and emerging pollutants;
- **increasing efforts on the protection of natural habitats and species at local, regional, national, EU and global level**, promoting co-existence with conflict species, and ensuring the involvement of local and regional communities; as well as better involving people and businesses in the action plan for nature, aimed at improving the implementation of the Nature Directives and at boosting their contribution towards achieving the EU's biodiversity targets for 2020.

The future of European agriculture

Europe needs sustainable and fair agriculture in the years and decades to come, to ensure a stable supply of healthy, affordable and high-quality food while at the same time responding to the challenge of climate change and sustainable natural resource management. The European Committee of the Regions is ready to work together with the other institutions towards:

- building a Common Agricultural Policy that is **fair, sustainable and based on solidarity**;
- ensuring a **full convergence** of direct payments between Member States by 2027 at the latest;
- rejecting the possibility of transfer from the second to the first pillar and making sure the regions play a prominent role in the **governance of Strategic Plans**, including for the second pillar;
- taking into account a maximum of 50% of costs for employees alone when fixing the cap on direct payments;
- maintaining sustainable healthy soil across European regions as a prerequisite for independent European agriculture and food production;
- **promoting diversified** and local food production chains, ensuring that the EU internal market is adapted to more regional solutions for food supply;



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- **developing voluntary crisis management** tools based on the management of production volumes to avert crises in the sector;
- **making mandatory redistributive payments** with a minimum of 30% of the first pillar funds of the CAP to bring about a fairer distribution of public support;
- **setting quantified environmental targets** to be achieved by 2027 by all the Member States: each national Strategic Plan to meet the minimum threshold of 40% of the CAP's overall financial envelope contributing to environmental climate objectives;
- **safeguarding the central role** of European regions in the definition and implementation of agricultural and rural development policies and increasing their role in the EU decision-making process.



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Boosting research, innovation and digital transformation

Ensuring a Digital Europe for all

In the coming years, the EU will have to power the “digital revolution” by supporting cities and communities in their digital transformation through the multitude of local and regional initiatives to promote the benefits of the Digital Single Market, such as the Connecting Europe Facility initiative WiFi4EU. Five intervention areas are proposed which deliver such benefits to local economy, services and democracy:

- scaling up proven **digital solutions** in smaller settings and pilot projects supported by the relevant regional, national and European funds and programmes;
- **sharing and transferring** proven digital solutions and services by jointly establishing a repository of validated digital solutions, both for citizens and organisations;
- **monitoring and demonstrating benefits** of digital solutions and innovation in a consistent and comparable way across the EU through a set of meaningful indicators (DESI –Local) that can measure the progress made in achieving the Digital Single Market roll-out at local/regional level with the involvement of local and regional authorities;
- developing a series of **local dialogues on new digital solutions for local/regional digital services** combined with a “roadshow” of digital solutions to take place throughout the EU, in close collaboration with members of the European Committee of the Regions and working closely with the **Digital Innovation Hubs**, included in the Digital Europe Programme; Supporting the digital transition while managing the risks of data protection breaches and supporting a clear framework for **Artificial Intelligence**, with a common approach in order to boost investment, prepare for socio-economic changes and develop ethical guidelines;
- empowering citizens to cope with the digital transition by ensuring that they are **digitally literate** and have **access to digital infrastructure**, regardless of where they live.

A dedicated policy for research and development with a strong link to the regions

The transfer of innovation and knowledge produced by research and technological organisations and higher education to local and regional businesses remains one of the most important gaps and difficulties in terms of innovation and growth. Strengthening coordination between European, national, regional and local innovation policies brings clear benefits in terms of uptake of scientific discoveries. The European Committee of the Regions suggests a number of key actions such as:

- ensuring that local and regional authorities **participate fully in the strategic planning exercise** that will guide the implementation of Horizon Europe, also taking into account smart specialisation strategies. Local and regional authorities should have a place in the European Innovation Council Forum;
- addressing the **innovation gaps between regions** and, in particular, the issue of research infrastructures and renewal of research and scientific human potential locally, through simpler, clearer and more accessible rules for Horizon Europe, thus facilitating fair and transparent participation and distributing excellence more equally across the EU as a whole;
- enhancing open science and mobility of researchers, including in the digital field, and improving access to **cross-border** research infrastructure, **including via specific European Groupings of Territorial Cooperation (EGTCs)**.

Towards a sustainable, inclusive and future oriented transport policy in the EU

The future of mobility will need to take into account digitalisation and automatisation, as well as shared mobility systems, alternative fuels and modes of transport. To address the risks and opportunities that come with this process, all relevant public and private actors need to be involved. That is why the European Committee of the Regions suggests a number of key actions such as:

- making available **co-financing mechanisms and incentives for partnerships** with private operators of clean and alternative mobility systems for the transformation of the transport system and the associated



technological change, as local and regional authorities cannot finance this transformation alone;

- ensuring **that rural** areas also profit from clean and low-emission transport technology, which must not further widen the urban-rural divide;
- improving accessibility of all regions by addressing **missing links in transport infrastructure**.

A place-based European industrial and trade policy

A European industrial policy strategy with a strong regional link

The next European Industrial Policy strategy should create value for all EU regions, ensure that industry is resilient and territorially embedded, support the creation of high-quality jobs and boost the development of innovative SMEs and their integration in Global Value Chains. More needs to be done in the years to come to achieve this, and the European Committee of the Regions proposes:

- **Taking a medium-term perspective**, in order to respond to current and future challenges and opportunities in a global context and provide an enabling framework that allows European industry to boost its competitiveness and to achieve its transition towards a digitalised, data-driven, circular and climate-neutral industry;
- Having **a strong place-based approach** that recognises the centrality of regions and regional ecosystems for industrial transformation, and develops pan-European collaboration to achieve the scale and synergies that are essential for global competitiveness and to ensure territorial inclusiveness;
- **Setting up an EU structural support for Coal Regions in Transition: stimulating economic diversification and technological transition** in coal



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mining and carbon intensive regions through a holistic approach, focusing on infrastructure development, innovation, research and science, but also on enterprise and skills development, marketing, culture and tourism. While existing EU funds and programmes already support transition of coal and carbon-intensive regions, the complexity and urgency of the challenges demands further efforts and a **dedicated EU structural support** for Coal Regions in Transition and sufficient room of manoeuvre for the regions with regard to state aid policies.

A fair transparent and inclusive European trade policy

The European Committee of the Regions puts forward a number of proposals to better frame the future EU trade policy:

- **Taking the lead to overhaul the WTO**, since the rules-based multilateral trading system is instrumental in addressing unfair trading practices. Bring WTO rules at the service of the Sustainable Development Goals;
- Developing a trade policy that will ensure **SMEs' integration into global value chains**;
- Encouraging **cross-sectoral policy approaches** which would build resilient territories able to absorb trade shocks;
- Using systematically **territorial impact assessments** as an instrument for identifying and quantifying the possible asymmetric impact of trade deals on European regions and formulating sound, transparent and evidence-based trade policies;
- Ensuring the timely involvement and participation of the local and regional level in trade agreement negotiations by providing access to negotiation documents and representation in negotiation forums such as stakeholder groups.

Putting EU values into practice

Putting human rights into practice at local and regional level

All levels of governance are responsible for the implementation of fundamental rights. Local and regional authorities have a central role to play in many aspects of the protection, respect and promotion of fundamental rights. Local and regional authorities deliver services related to education, housing, health and social care, water supply and public order, which directly affect the enjoyment of human rights by individuals. Shared responsibilities in this field require close cooperation and coordination among authorities at national, regional and local level. The European Committee of the Regions proposes:

- promoting the development of an **effective mechanism for monitoring and enforcing respect for fundamental rights in the EU Member States**, which is a prerequisite for trust and solidarity;
- ensuring a **regular mechanism for consultation** and cooperation among all levels of governance in the planning, implementation and evaluation of activities in the field of promotion and protection of fundamental rights;
- making **use of international networks, exchange of good practices** with other cities or regions facing similar challenges, and engaging in existing projects and networks of cities, which can provide crucial support in developing or improving policies;

- **increasing the role of local and regional leaders** engaged in the promotion of fundamental rights in order to build knowledge and a common fundamental rights culture at local level;
- encouraging **close cooperation with academics, experts and human rights institutions**, because human rights actions cannot be effective without the active participation of all the stakeholders acting the field.

Migration and integration of migrants and refugees

The successful integration of migrants and refugees is of high importance for an EU that wants to strengthen social cohesion and promote democratic values. Local and regional authorities are at the forefront of reception and integration policies with many key responsibilities, such as providing housing, education and healthcare and access to the labour market, all of which have a direct impact on integration. However, more support is needed from the EU in terms of funding and facilitating exchange of best practices in the area of integration policies.

The CoR therefore proposes:

- building a **comprehensive EU migration policy**, including a reformed EU asylum system, a sustainable, stable, efficient and more integrated system based on solidarity and balanced responsibilities;
- setting consistent and ambitious policies to **facilitate legal migration and support integration**, by notably creating **new channels enabling legal migration** to take place in an ordered and safe way, and help to reduce the pressure related to irregular migration, including the further development of private sponsorship schemes and the establishment of a legal framework;
- ensuring the sustainability of the permanent resettlement framework, suggested as part of global asylum reform, and **avoiding unnecessary pressure on local authorities, by consulting** local and regional authorities on their availability, needs and limitations as regards the resettlement of people;
- adequate EU funding and support to the **Cities and Regions for Integration** initiative (launched in 2019), which aims to provide access to information and facilitate the exchange of good practices for cities and regions, and in particular for small and medium-sized municipalities.
- **better communication** at all levels on the **costs and benefits** of immigration and integration to avoid further polarisation of European society and manipulation with (dis-) information aimed at generating fear and mistrust;
- effective control of the EU's external borders and decisive measures to **combat human trafficking**;
- **tackling the root causes** of migration by fostering decentralised cooperation.

Cooperation beyond the EU to support democracy and development

Enhancing the institutional capacity of public authorities and **efficient public administration at local and regional level** should be a priority.

Through **territorial cooperation** and practical **capacity building** initiatives for enlargement and partner countries, carried out within its working groups (Working Group Turkey, Working Group Western Balkans, Ukraine Task Force)

and its joint political bodies (Joint Consultative Committees with Serbia, North Macedonia and Montenegro, the Euro-Mediterranean Regional and Local Assembly (ARLEM), and the Conference of the Regional and Local Authorities for the Eastern Partnership (CORLEAP)) as well as with the Nicosia Initiative for Libyan municipalities, the European Committee of the Regions promotes the concept of bottom-up cooperation and peer-to-peer capacity building, decentralisation to consolidate democracy, and the rule of law, uphold fundamental rights and accomplish sustainable local development. Going further, the CoR will foster the increased recognition given to local and regional authorities as active policymakers in developing stability and implementing the 2030 Agenda for Sustainable Development, including the Sustainable Development Goals, and the new European Consensus on Development.

For the next mandate of the EU, the European Committee of the Regions considers that:

- a strong commitment to EU enlargement is required to support the candidate and potential candidate countries' democratic stability and social and economic prosperity; the latter cannot be achieved without respect also at local level for fundamental rights, the rule of law, justice, respect for and the protection of minorities and good governance;
- providing adequate political, financial and technical support within the framework of **targeted and more effective partnerships** is needed to better accompany the reform process in partner countries, **with a view to consolidating local democracy and territorial development**;
- increasing the ownership of non-EU countries in developing **capacity-building for local and regional public administrations**. The Conference of Regional and Local Authorities for the Eastern Partnership has offered practical suggestions, including through bilateral projects on decentralisation, such as peer-to-peer cooperation, and in the reflection process for its deliverables beyond 2020;
- encouraging the public and the private sector in the EU's Mediterranean partner countries to work together in fostering local economic development. The Euro-Mediterranean Regional and Local Assembly **Young local entrepreneurship in the Mediterranean** award seeks to inspire local and regional authorities and potential young entrepreneurs alike, contributing to a positive perspective;
- building on the successful example of the **Nicosia Initiative** in Libya, which shows how city diplomacy and cooperation can bring **benefits even in very difficult circumstances**, building decentralised cooperation with a bottom-up approach;
- fostering recognition of city-to-city diplomacy and decentralised cooperation as tools that can be used by cities and regions to achieve the goals of EU development cooperation policies.

IV

Ensuring the necessary room for manoeuvre for cities and regions: a European budget that meets the EU's ambitions and uses flexibility to act and invest

"We will allow for the necessary room for manoeuvre at the various levels to strengthen Europe's innovation and growth potential".

Declaration of the leaders of 27 Member States and of the European Council, the European Parliament and the European Commission, 60th anniversary of the Rome Treaties

The quality of public services is a key determinant of trust in institutions as citizens assess governments from the perspective of their experience of service delivery. More than a third of all public expenditure and more than half of public investment are carried out at subnational level in the European Union.

The level of public investment in the EU remains too low to provide the right public infrastructure and services for closing the public investment gap - Total public investment was 3.7% of GDP in 2009 and 2.9% in 2018 (-22%); subnational investment was 2% in 2009 and 1.5% in 2018 (-25%) -.

The European Committee of the Regions therefore makes the following proposals:

- **the next Multiannual Financial Framework should represent at least 1.3% of EU27 Gross National Income and be adopted as soon as possible** to allow early planning and preparation of the funding programmes;
- the EU budget should not be seen as a trade-off between net payers and net receivers, but as a joint tool for achieving our common objectives by providing added value throughout Europe;
- additional tasks for the EU should go hand in hand with additional resources and with phasing-out of the rebates on national contributions;
- recentralisation of the European budget, particularly in a way which would undermine shared management programmes and place-based approaches, would jeopardise cohesion in the EU and must be avoided;
- **access of local and regional authorities to EU programmes and policies should be improved and further simplified**, and innovative funding (voucher) schemes such as Wifi4EU should be further promoted;
- ten years after the financial crisis, **fiscal space is needed to support public investments**, promoting local solutions by strengthening the principles of shared management based on partnership and multi-level governance. Therefore, **public co-financing of EU programmes should be excluded from the debt calculations** in the context of the Stability and Growth Pact;
- adopting a "golden rule" in the European Union that focuses on providing sufficient scope for effective public investment at local and regional level as well, by keeping long-term investment separate from current expenditure;
- users' experience of EU rules on public procurement at local and regional level should be sufficiently taken into account before the directives are revised.

However, fundamentally more needs to be done to address the financing challenges of local and regional authorities in the EU. For instance:

- regular monitoring of the state of play of fiscal decentralisation and subnational finance at EU level is needed to understand and take into account the financial room for manoeuvre of cities and regions in Europe;



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- a debate on effective fiscal decentralisation in the EU linked to the debate on the quality of public spending and good governance is required that also takes into account the need for additional capacity-building measures at local and regional level; and
- **EU financing instruments need to be better targeted towards the specific needs of LRAs** throughout the EU by complementing GDP with additional regional indicators aimed at defining the priority investment areas within an area more effectively.

ANNEX

Declaration from the 8th European Summit of Regions and Cities, 14-15 March 2019

Declaration from the 8th European Summit of Regions and Cities

Building the EU from the ground up with our regions and cities

The European Union, built on the principles of liberty, solidarity, democracy and respect for human rights, fundamental freedoms and the rule of law, has brought lasting peace and development to the people of Europe.

Europe is being transformed at an unprecedented speed by globalisation, by the digital revolution, climate, and demographic change. If we do not want European integration to become a reversible process, these transformations, which crystalize social, economic and territorial inequalities, have to be accompanied, shaped and regulated through a concentrated effort at all levels of government, in particular when one third of all public expenditure and more than half of public investment is carried out at the sub-national level.

Furthermore, trust in local and regional levels of governance is on average higher than trust in national government, and in most Member States it is also higher than trust in the EU. Against this background, the EU's cities and regions, and their elected representatives, provide proximity, trust and stability in the Union at a time when divergences and antagonisms are growing. This stability is vital to continue building a shared European future for the next generation.

We, European Union politicians elected at regional and local level, are convinced that the European Union needs its regions and cities as much as they need the European Union.

This declaration is our contribution to the preparation of the Strategic Agenda 2019-2024 to be outlined by the EU leaders in Sibiu on 9 May 2019.

Strengthening the democratic foundation of the European Union

1. Local and regional democracy is an essential part of EU democracy. Multilevel governance is essential to ensure the active and equal participation of all levels of government in a spirit of trust. This loyal cooperation between all levels is essential for the EU to be able to deliver on its objective of economic and social progress for its citizens wherever they live, and in a fully accountable, efficient and transparent way;
2. Applying the concept of "active subsidiarity" is crucial to allow decisions to reflect European added value and to be taken as close to citizens as possible in a fully accountable, efficient and transparent way;
3. While respecting national frameworks, more decentralisation and a better division of powers are essential elements of good governance because they increase transparency, accountability and quality of policy-making with a better engagement with citizens;
4. The link between the Union and its citizens should be reinforced. We support the demand for more channels of democratic participation. We actively support the launch of an EU permanent system of citizen's consultations;
5. It is vital to raise awareness amongst EU citizens, especially young people, about the European dimension of their identity and citizenship, in particular through education, culture and youth empowerment policies, in order to increase their feeling of belonging to the European project;

Anchoring the EU's action locally to build a better future for our citizens

6. Regions and cities are at the forefront of the implementation of the Sustainable Development Goals, which should become the EU's overarching long-term economic model, succeeding the Europe 2020 Strategy. Cities and regions should also be empowered to fully play their role in achieving the transition towards a carbon neutral and sustainable Europe;
7. The single market should be complemented by policies which guarantee the exercise of the single market's freedoms by everyone and guarantee fairness and social justice. The social dimension of the EU should be strengthened to allow social rights to be put on a par with economic rights. Successful European social inclusion policies and in particular the policies for integrating migrants are not possible if local and regional authorities are not provided with adequate means and direct access to appropriate EU funding;
8. Tackling the persistent economic, social and territorial disparities remains a major challenge for the future of the EU. Cohesion policy, notably through European territorial cooperation, has proven its added value for the EU and should be preserved beyond 2020 for all regions, based on the principles of a place-based approach, European partnerships, shared management and multilevel governance;
9. The level of public investment in the EU remains too low to provide the right public infrastructure and services. Closing the public investment gap is therefore crucial. The EU should allow necessary room for manoeuvre for local and regional authorities to support their investments;
10. EU leaders need to provide the European Union with an ambitious budget capable of withstanding the challenges ahead and enabling the design of lasting and sustainable EU policies. In a context of political, social and environmental urgency, we therefore call for a rapid agreement on the next multi-annual financial framework along the lines already set out by the European Parliament and the European Committee of the Regions.





European Committee of the Regions

Created in 1994, after the entry into force of the Maastricht Treaty, the European Committee of the Regions is the EU's assembly of 350 regional and local representatives from all 28 Member States, representing over 507 million Europeans. Its mission is to involve regional and local authorities and the communities they represent in the EU's decision-making process and to inform them about EU policies. The European Commission, the European Parliament and the Council consult the Committee in policy areas affecting regions and cities. It can appeal to the Court of Justice of the European Union if its rights are infringed or it believes that EU law infringes the subsidiarity principle or fails to respect regional or local powers.

Edited by the Directorate for Communication of the European Committee of the Regions

Brussels, June 2019 — CdR_3975

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