

COSLA response EU 2020 Consultation

- The **Convention of Scottish Local Authorities** (COSLA) is the representative voice of all Scottish Local Authorities both nationally and internationally. COSLA welcomes the opportunity to respond to the EU 2020 consultation.
- Over the last semester Scottish Councils and COSLA have undertaken extensive work in a review of cross-section of EU policies and dossiers in which Councils have an interest (from EU Public Services, Cohesion, Rural and Marine environment, Transport, Environment and Climate Change, Employment dossiers) culminating in a political declaration by the COSLA Convention on 23 October 2009 to the new European Commission, subsequently followed up with a joint statement to the new Commission agreed by the four UK national associations of Local Authorities as well as informing the European local government response put forward by our EU wide umbrella the CEMR.
- Drawing from the above work and understanding that President Barroso is making 2020 the key narrative of his second term, we would like to outline our key messages for the new Commission:

Establishing clear governance to make the new strategy effective:

1. The Convention of Scottish Local Authorities is a keen advocate of the position that European Union legislation should fully respect the local competences and autonomy of Councils in organising and providing local services.
2. COSLA also believes that EU involvement should take place only when it has clear EU Treaty competence (the principle of conferral), but also *only when* its actions can provide real EU added value;
3. COSLA strongly defends the **subsidiarity principle** whereby *“the Union shall act only if and in so far as the objectives of the proposed action cannot be sufficiently achieved by the Member States, either at central level or at regional and local level”* as well as the principle of proportionality. COSLA looks forward to participating in the Subsidiarity Early Warning Mechanism with the Scottish Parliament and UK Parliaments as well as the Committee of the Regions.
4. **COSLA calls on the European Commission to establish robust mechanisms of pre-legislative consultation to local stakeholders in matters that affect them directly.**
5. We advocate that the European Union should fully incorporate into its policy development and implementation process a **Multi-Level Governance ethos**, whereby Local, National and EU institutions work together on cross cutting issues We believe that the Scottish model of Single Outcome Agreements between the Scottish Councils and the Scottish Government intended to address common problems and establish mutual accountability could be helpful in the development of a wider European Union approach to similar areas of shared competency.
6. COSLA calls on the European Commission to fully implement the Protocol of Services of General Interest and in so doing enable local authorities to decide the best way of providing local services both individually and jointly. In true reflection of the protocol COSLA calls on the European Commission forthcoming initiatives as regards to public services provision and its relationship with EU Competition law to fully respect:

“- The essential role and the wide discretion of national, regional and local authorities in providing, commissioning and organising services of general economic interest as closely as possible to the needs of the users;

- The diversity between various services of general economic interest and the differences in the needs and preferences of users that may result from different geographical, social or cultural situations;

- A high level of quality, safety and affordability, equal treatment and the promotion of universal access and of user rights”.

7. We agree with the suggestions that EU funding needs to be made more performance driven. Furthermore we believe that failure to fully implement the **partnership principle** at the local level could actually prevent the funds from being fully effective. We would welcome suggestions for Single Strategic Framework allowing EU, National and Local authorities and resources to be pooled to address common problems of a given area. This should also help making EU support more flexible and adaptable over the financial period. We believe that the Scottish Single Outcome Agreements are a possible example of the way forward.
8. Finally on the governance aspect we would stress the need for EU2020 to properly inform and be informed by other EU strategies, particularly if it is intended that 2020 becomes the overarching EU Strategy. As expresses in several instances further below experience shows that there is great room of improvement on that front.

Reflecting political priorities in our public budgets

9. COSLA hopes that the forthcoming EU Budget Review provides an appropriate locus to establish the needs, size and ambitions of the EU budget for common EU-wide responses.
10. We have has long being advocating strong, consistent EU funding in which local communities are given the means to prosper and where the partnership principle, whereby Local Authorities are fully involved in the design and implementation of the programmes that affect them, is fully applied.
11. **We believe that the starting point for any decision on the future shape and reach of the EU budget needs to be taken on the basis of the multiple challenges that EU citizens and its communities face as starting point, and not on the other way around.**
12. COSLA have consistently supported a reasoned and sensible approach to the future of EU funding and we will continue doing so in the future. Therefore **we observe with some concern the evolution of the recent discussions taking place within and between the European Institutions over the future of EU funding.** We also note that Cohesion Policy is not highlighted in the EU 2020 paper.
13. Scottish Councils recognise that given the political and financial trends in the EU the next EU budgetary settlement for EU Cohesion policy is most likely to be equal or less than the current one.
14. We also acknowledge that should a reduction of funds be agreed in the future, priority should be given to the least developed regions’ of the new EU Member States (EU12) but support should also be available to “poor” territories in richer Member States.
15. COSLA agrees with the UK Government and other Member States that any future EU27 Cohesion funding should clearly demonstrate European Added Value. In so doing we believe that there are many local areas at sub regional level where domestic funding is not available or insufficient, and where there are either local pockets of multiple-deprivation challenges or structural handicaps that act as a drag on economic performance
16. However, COSLA joins forces with EU institutions such as the European Parliament and the

Committee of the Regions, together with our partners in the Local Authorities' European umbrella body CEMR to request an ambitious EU Territorial Cohesion policy across the whole of the EU.

17. Consequently we are worried about the emerging suggestions for a EU Cohesion Policy that would not be available to economically disadvantaged and with structural handicaps local areas across the EU for which EU support can be justified. It is worth pointing out that the new EU Lisbon Treaty explicitly enshrines Territorial Cohesion as a official Objective of the European Union.
18. COSLA strongly stresses the existence of pockets of deprivation and areas with structural handicaps at sub-regional and local level that need to be properly identified and supported by EU Cohesion Policy.
19. We support the introduction of additional indicators with a particular emphasis in the below NUTS II level both in order to better identify the territorial challenges but also, if consensus is reached, to better target EU funds to the local level. The Scottish Index of Multiple Deprivation and the Rurality index are examples of good practice that could be used elsewhere.
20. COSLA support work that favours a new Urban/Rural vision. In that regard it is very encouraging the growing work to develop Local Development Frameworks as lately outlined in the Kiruna paper¹, which highlighted that *"by being close to citizens, LDM helps to tailor actions to local needs and adds a local dimension to national policies"*.
21. Specifically on rural communities, support should remain available to all local areas of the EU where it can provide added value vis-à-vis national funding. EU Rural Development policy should address mainly socio-economic regeneration aspects; however an environmental dimension could be added, particularly as regards to adaptation to local climate impacts.
22. Consistent with the previous COSLA position, there should be more, not less, synergies between EU Rural Development Funding and EU Cohesion funding as to simplify access to funding to eligible rural communities. EU Rural Development funding should be directly targeted to local areas and where possible managed by them. If further devolution of CAP funding takes place, strong local partnership structures should be involved.
23. As regards to fishing communities, COSLA believes that as regards to the interests of Scottish Councils, the future CFP should ensure that the economic sustainability of these coastal communities must be one of the main focal points of the reform. The bottom-line is that coastal communities should not be worse off in financial terms and that access to funding should be possible in a simple and direct way.
24. COSLA believes that the new CFP needs to be made more effective, simpler and closer to the people who are directly affected. There needs to be a deeper 'regional dimension' based on clear principles and lines of accountability agreed EU-wide but with the regional and local level given further responsibility than is currently the case.

Recognising constraints and facing new challenges

25. **EU Territorial Cohesion is a key tool to reconcile 2020 as the post Lisbon competitiveness Strategy and the Gothenburg sustainable development agenda through its aim of securing a more balanced distribution of economic activity.**
26. Such range of territorially-minded EU policies can help to address long term EU challenges (demographic decline, migration, globalisation adjustment, climate change, etc), by coordinating

1 "Territorial Cohesion: Unleashing the Territorial Potential" Paper presented at the Kiruna Conference 10-11 December http://ec.europa.eu/regional_policy/consultation/terco/kiruna_20091211.pdf

economic development with other policies (transport, research, environmental policies, etc) and asymmetric shocks as well as provide a medium term policy certainty that goes beyond national and local financial cycles.

27. EU Territorial Cohesion and other territorially minded policies can help deliver the 2020 agenda throughout the territory of the EU and not just in existing “growth poles”. However 2020 cannot be allowed to become a means of diluting the treaty commitments to economic, social and territorial cohesion.
28. **COSLA sees with concern the emerging suggestions that EU funds outside cohesion be increased in size and number of funding streams.** We believe that this goes against the previous trend to ensure consolidation (and even reduction) of the EU funding streams and even the stated ambitions of the new Commission for a more focused approach with fewer goals and more critical mass. We are also very much concerned about any drive to move European Social Fund or Rural Development policies and programmes away from EU Cohesion Policy.
29. Furthermore, **the proliferation of sectoral policy EU funding streams will actually make it more difficult for smaller funding applicants such as Councils to access EU resources at a time when they are most needed.**
30. We still believe that the consolidation of EU funds, notably the Regional, Social and Rural, or its successor(s), needs to be pursued further rather than going in the opposite direction.
31. We believe that local communities are best served by directly targeting EU funds to local areas and that the future generation of EU funds should have a territorial dimension to enable them to reach the ground. We believe that the **“place-based approach”, as recommended in the Barca Report, should be the guiding principle for targeting EU funds.** In particular the idea of **Local Development Frameworks** is to be welcomed in order to tailor actions to local needs and add a local dimension to national and EU policies. It can spur entrepreneurship and innovation by encouraging initiative and promoting participation, ownership and empowerment of local actors.
32. COSLA believes that there is a wide scope left to improve local input, partnership and delivery in the structure and management of EU Funds.
33. Finally we do recognise that EIB-type loan-based instruments and financial engineering have a bigger role to play in the future, however we remain convinced that this cannot compensate or substitute for grant-based financial resources no longer available at local level where market failure is still evident. In such areas experience in Scotland suggests that loans/equity instruments will not invest unless there is also some core direct grant support also available as part of the incentive package.

Fully exploiting the single market

34. Similarly we believe that the creation of the EU Internal Market needs to continue being complemented with appropriate EU-wide support for addressing local impacts of internal market failures and provide responses for existing global challenges.
35. We believe that the organisation of **shared services provision among Local Authorities should be exempted from EU internal market law** when they solely concern the more efficient joint provision of local public services that would otherwise be provided internally in a less efficient way by the individual local authorities. Given their local nature they do not distort EU-wide competition. Therefore we welcome the European Court of Justice case-law that is supporting this view.
36. **EU Public Procurement legislation should be consolidated** and any current or forthcoming current proposals need to be made consistent with each other, ideally only one department within the European Commission should be responsible for all procurement proposals irrespective of the subject to ensure medium term predictability for local regulatory services.

37. Current or future requirements in **EU legislation on free provision of Services across the EU should be done in a proportionate fashion** as to avoid the multiplication of red tape and disproportionate requirements, let alone service quality criteria, being imposed on local councils

Creating a greener economy

38. COSLA supports EU initiatives on environmental and sustainability matters as this is a matter that often has cross-border implications and requires combined multi-national responses.
39. However we continue to stress the need for the EU to fully respect the principles of conferral, subsidiarity and proportionality – whereby the respect of local competences and roles on environmental matters, particularly those regarding spatial planning.
40. Regarding Climate Change, COSLA believes that that **Local Authorities are at the forefront of the challenge of mitigating and, crucially, of adapting to climate change** and therefore promotes the position that the EU climate change initiatives should support and be informed by the efforts at local level, both in terms of impacts, scenario planning, financial support and ensuing delivery of public services;
41. We strongly defend the view that adapting to Climate Change can only be achieved through Multi Level Governance approach, where the roles and responsibilities, political and financial, are clearly laid out between local, national and EU government and also between different policies, particularly the EU policies to avoid gaps, inconsistency and duplication of policy responses;
42. Similarly we would stress the need for **Local Authorities to be fully involved in the preparation and implementation of EU and National Renewable Energy Policy;**
43. COSLA would like to emphasize the need for European and National **institutions to financially and technically support local authorities to apply the ambitious EU energy performance and energy efficiency** measures and allow sufficient implementation time for them to do so.
44. We are keen to stress the need for the European Commission to develop **a consistent approach towards Green Public Procurement** that is consistent in all its legislative measures and fully respects the principle of subsidiarity, as well as allowing local flexibility and recognising the current financial pressures that Councils are currently facing;
45. COSLA continues to support the need for **EU Waste Legislation to take fully into account local needs** and contain provisions to ensure that Local Councils are financially supported to deliver the ambitious EU waste diversion, collection and recycling objectives; similarly, we wish to see local flexibility provisions being maintained in the **review of atmospheric emissions legislation.**
46. COSLA also hopes that the forthcoming revision of environmental legislation such as the **Noise Directive or the Habitats directive shall fully respect subsidiarity and take into account local circumstances**
47. We support the need for the economic and environmental sustainability of rural and coastal communities to be fully acknowledged and promoted in the further steps on **CAP and EU Common fisheries policy reforms.**

Empowering people in inclusive societies

48. **COSLA** has long been advocating that the European Union legislation to fully respect the local competences and autonomy of Councils in organising and providing local services.
49. **EU social legislation** needs to take fully into account, and indeed respect, the need for certain local services such as social care or fire and rescue services to be discretionary organised locally including the possibility of setting specific working time limits to ensure continuity of public services.

50. Similarly future requirements in **EU legislation on free provision of Health or other public Services across the EU should be done in a proportionate fashion** as to avoid the multiplication of red tape and disproportionate requirements being imposed on local councils
51. COSLA calls on the European Commission to fully respect the Lisbon Treaty Protocol of Services of General Interest, which stressed the need for the Commission to recognise *“the essential role and the wide discretion of national, regional and local authorities in providing, commissioning and organising services of general economic interest as closely as possible to the needs of the users”* in any European Commission forthcoming initiative as regards to public services provision and its relationship with EU Competition law.

Creating a connected economy

52. COSLA stresses that wherever local transport frameworks and solutions are already well developed, added value from any forthcoming European urban mobility proposal would be better achieved by supporting the development of existing structures. COSLA would not support any EU measure that would introduce mandatory local transport rules (planning, green zones, organisation of transport, etc);
53. **COSLA would like to stress the need for proper coordination and cross-referencing of the ongoing and forthcoming EU transport strategies** and initiatives coming from within the Commission Transport Directorate General but also between it and other Directorates such as Regional Policy and Maritime Affairs
54. While transport solutions should start at a local level, especially as regards to urban mobility, COSLA welcomes **EU support for local initiatives by the organisation of the exchange of best practice**. Likewise COSLA would support the continuation and further development of EU financial support for local innovative transport actions that otherwise could not be financed locally or nationally;
55. COSLA encourages a holistic approach whereby freight movement should be considered as well as passenger traffic. Likewise, economic development together with sustainable development provisions, including emissions and climate change, should be woven into any action plan to ensure outcomes on the ground are complementary to current local priorities;
56. COSLA welcomes the development of Intelligent Transport Systems (ITS) and technologies and its implementation at the local level. COSLA supports the EU action to facilitate this, provided it is technology neutral and it is limited to ensure that systems are interoperable across the EU, avoiding gaps and overlapping of systems. We also support the EU facilitation of the expansion of ITS across the EU, including financial support but only if local authorities retain the ability to define the content, timing and ambition of ITS deployment in their area;
57. We would stress the need that, in line with the principle of Territorial Cohesion, all regions of the EU, considered at least on a NUTS II basis, are able to be linked with the Trans European Transport Network;
58. Therefore we would demand that access to the TEN-T network via secondary links is ensured both at national and EU planning and financing stages of TEN-T deployment;
59. COSLA would like to emphasize the need that consistency is ensured between the EU transport initiatives TEN-T projects and the local and regional transport plans;
60. COSLA recognises the need for Member States, Devolved Administrations and Local Authorities to work in partnership in deciding, planning and financing transport infrastructure;
61. Given the geographic situation of Scotland, we would particularly encourage the development

within the TEN-T framework of 'motorways of the sea' essentially sea links for freight as a sustainable, energy efficient way of improving connectivity, particularly in the North Sea and Baltic Regions.

62. We believe that should a North Sea Strategy be developed over the coming years, the development of transport links across this area should be fully integrated in it.
63. Towards the next EU Budget Review, COSLA would express its hopes that EU transport financing is simplified and made fully consistent with national funding and that financial allocations correspond to the stated ambitions, and vice versa.

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