



**Committee of the Regions**

**CIVEX-VI/012**

**10th Commission meeting, 22 September 2016**

**DRAFT OPINION**

**Commission for Citizenship, Governance, Institutional and  
External Affairs**

**The REFIT Programme: the local and regional perspective**

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Rapporteur: **François Decoster** (FR/ALDE)  
Vice-President of Nord-Pas-de-Calais-Picardie Regional Council

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This document will be discussed at the meeting of the **Commission for Citizenship, Governance, Institutional and External Affairs** to be held **from 10 a.m. to 5 p.m. on 22 September 2016**. To allow time for translation, any amendments must be submitted through the online tool for tabling amendments (available on the Members' Portal: <http://cor.europa.eu/members>) **no later than 3 p.m. (Brussels time) on 2 September 2016**. A user guide is available on <http://toad.cor.europa.eu/CORHelp.aspx>.

Reference document

Letter from the European Commission of 13 January 2016

**Draft opinion of the Commission for Citizenship, Governance, Institutional and External Affairs – The REFIT Programme: the local and regional perspective**

**I. POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS

1. supports the European Commission's efforts to ensure that European policies better reflect the concerns of national, regional and local governments;
2. supports the view that better regulation is not simply about having less legislation at EU level, but also about determining the level where the intended objectives can be best achieved, as close to citizens as possible;
3. stresses that the effective application of the principle of subsidiarity is a key element of better regulation;
4. is mindful of the work of the High Level Group on Administrative Burdens (Stoiber Group), its final report and dissenting opinions;
5. welcomes the signature of the Interinstitutional Agreement on Better Law-Making by the Council, the Commission and the Parliament on 13 April 2016 and hopes that this new agreement will contribute to improving EU decision-making at all stages – planning, drafting, adoption, implementation and evaluation;
6. is concerned that it is not mentioned in the IIA on Better Law-Making in any context other than that of "stakeholders", despite the weight and mandate that the Treaty of Lisbon confers;
7. wishes to be involved in further initiatives on the interpretation and implementation of the new agreement so that its potential as an advisory body in the legislative cycle can be fully used;
8. welcomes the request from Commission vice-president Frans Timmermans for a "broader outlook opinion" that provides "additional suggestions on the requirements imposed by EU regulation and simpler ways to achieve the same or even better results";
9. welcomes the European Commission's policy-specific requests for the Committee's outlook opinions in areas such as the environment and agriculture, where local and regional authorities can identify burdens and give suggestions for improvement corresponding to their needs;

10. notes that this broader outlook opinion is an overview of the effects of regulation on local and regional authorities and encourages specific policy and sector-oriented analysis to identify bottlenecks and burdens;
11. welcomes the general approach of involving specifically regional and local actors in consultation related to better regulation; welcomes, in this regard, the "Dutch provinces for better EU regulation" report and draws attention to the bottlenecks that are identified and the specific solutions suggested, as well as the focus on policy objectives when searching for solutions;
12. urges the European Commission to examine the proposed solutions related to sectoral regulations, proportionality, cross-border bottlenecks, state aid and audit pressure;
13. recognises the specific role played by local and regional authorities in a range of areas affected substantially by EU regulation and their role as management authorities of EU funds;
14. believes that the responsibilities inherent in the work of local and regional authorities create opportunities to evaluate some substantial areas of regulatory frameworks where it can be seen that change is needed;
15. believes that all levels of governance must ensure that legislation is appropriate, effective and efficient and does not create unnecessary costs and burdens, while also protecting citizens, consumers, sustainability and the environment;
16. understands that the EU institutions must demonstrate the value of regulatory frameworks as well as the added value of EU legislation to all citizens while respecting the principles of subsidiarity and proportionality;
17. recognises that in the current economic climate, resources available to local and regional authorities have been significantly reduced and reiterates the increased need for greater simplification and recognition of the effect exerted by high costs, imposed due to excessively burdensome legislation, on already diminished resources;
18. appreciates that the reports and opinions previously adopted by the European Parliament, the EESC and the CoR have confirmed the importance of coordinated action by the EU in a spirit of partnership with national and EU institutions as well as local and regional authorities;
19. applauds the emphasis that local and regional authorities have placed on supporting citizens by means of EU programmes that are designed to help individuals and communities to overcome distress caused by long-standing economic problems and lack of opportunity;
20. notes that EU funding is important for many local and regional authorities to implement EU laws;

21. believes that regulatory frameworks and legislation are necessary but that they must be appropriate, effective and efficient. The value of regulation must be clear to citizens and not become an end in itself. Transparency and clarity of purpose are essential;
22. recognises that the accessibility of EU programmes and the required regulatory regimes can cause significant difficulties in relation to interpretation of legal frameworks, rules of implementation and reporting;
23. understands also that the audit regime causes many difficulties, not least in relation to long-term record-keeping for project sponsors;
24. welcomes the European Parliament Resolution on Regulatory Fitness and Performance Programme (REFIT): State of Play and Outlook<sup>1</sup> in which the important role played by the CoR as a political institution was endorsed and agrees that the REFIT Programme must not be used to undermine sustainability or any social, labour, environmental or consumer standards;
25. while supporting the aim of cutting red tape and removing unnecessary regulatory burdens, stresses that REFIT must not be taken as a pretext for lowering the level of ambition, in particular in fields such as the environment, food safety, health and consumer rights;
26. does not believe that this endorses the widespread use of "gold-plating", which must be addressed;
27. stresses the importance of taking into account, when evaluating legislation, both costs and benefits – societal, environmental and others – for citizens and the economy, as well as the so-called "cost of non-Europe"<sup>2</sup>, i.e. the cost entailed by the absence of common action at European level in a given sector;

#### *Specific recommendations*

28. urges the Commission and Member States to promote the development of digital methods and ICT tools, including eGovernment, to provide a common format and process for collecting the data required for monitoring and reporting needs;
29. highlights the importance of "fitness checks" that can identify overlaps and inconsistencies that have arisen over time from a range of objectives and new policy initiatives, in particular as regards reporting and compliance requirements;
30. underlines the need for a comprehensive inventory of reporting obligations introduced to comply with EU law;

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<sup>1</sup> P8\_TA(2016)0104.

<sup>2</sup> European Parliament's study on Mapping the Cost of Non-Europe, 2014-19.

### *Communication, consultation and language*

31. recognises that language and its use can be either a barrier or an invitation to participation; accessible language is a key component of legislative and regulatory change;
32. believes that inclusivity demands simple language, structures and regulations to ensure that the EU, its purpose, programmes, policies and practical help are accessible to all;
33. urges the European Commission to therefore simplify the language it uses and suggests that the use of technical language be kept to a minimum, in compliance with legal requirements;
34. believes that a more "user friendly" and consistent interpretation of EU rules and regulations including, for example, proportional audit requirements, more use of fixed rates, simplified applications, claims and reporting, and clearer interpretation of regulations (particularly state aid and procurement legislation) is required;
35. understands that the EU needs to devote appropriate attention to an active communication strategy designed to engage partners, sustain activity, and attract investment;
36. appreciates that current practice invites citizens to participate in consultations. However contributions by individual citizens are rare as most of the consultations are limited due to language accessibility and use of technical terms and contexts, and are therefore largely unwelcoming. As such, they are closed off from all but a few citizens with the skills and language that enable them to take part;
37. is of the view that citizen-based consultations should complement, not replace, structured public consultation, nor should they diminish the role of the relevant institutional bodies that are recognised in the Lisbon Treaty;

### *Programmes and funding: technical assistance, advice and reporting*

38. calls on the Commission to create a "one-stop-shop" for advice on regulation to ensure that applicants for EU funds are given timely, appropriate, unambiguous and clear advice;
39. suggests that the views of practitioners should be sought during the course of a programme period, so that improvements to the legislative and regulatory framework can be based on practical experience;
40. proposes a specific mechanism to use technical assistance funding to establish a legal team for each programme to which all applicants would have free access and that will provide robust and consistent advice regarding EU funding regulations so as to remove much of the uncertainty and liability currently placed on the final beneficiary;

41. believes that reporting requirements in individual policy areas must be appropriate and not excessive, in areas such as – but not limited to – food law;
42. proposes that reporting requirements for local and regional authorities be examined and that the methodology used be focused on reducing the burden of regulations for citizens and SMEs as well as for local and regional authorities;
43. proposes that management arrangements must create a clear separation between programme administration and project/programme delivery so as to avoid potential conflicts of interest and appraisal bias;
44. suggests maximising the size of "funding pots" allowing for a programme-based approach to delivery, whereby a number of related projects are combined and success is measured by headline outcomes rather than individual project outputs – in areas such as energy, to take just one potential example;
45. proposes exploring opportunities to develop and improve financial engineering models, including specialist VC funds for key sectors, more effective alignment of grant funding with JESSICA to stimulate the property investment market, and the possibility of a JASMINE-based microcredit scheme to support startups and small businesses;
46. suggests enhancing opportunities for match funding, in particular from the private sector, to ensure that financing is available to enable local and regional authorities to address local needs;
47. asks the Commission to consider a mechanism whereby unused funding can be returned to the Commission without penalty;
48. proposes a clear role for the partners in reporting and monitoring EU-funded programmes within the municipality, including a review of spending and outcomes and design of remedial action;

#### *Cohesion policy*

49. asks the European Commission to take further steps to simplify cohesion policy by taking into account the proposals of local and regional authorities as expressed in its opinion on *Simplification of ESIF from the perspective of Local and Regional Authorities*, rapporteur: Petr Osvald (CZ/PES)<sup>3</sup>;
50. recalls that the European Structural and Investment Funds (ESIF) are the EU's main tools for promoting territorial cohesion in all Member States and that their simplification is fundamental

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<sup>3</sup> CDR 8/2016.

to achieving the policy objectives; immediate improvements in the current programming period, as well as long-term simplification potentially leading to a substantial revision of the existing delivery mechanism and legislation, should be envisaged;

51. draws particular attention to the necessity of simplification, including legislative and non-legislative changes, in areas relating to auditing, reporting requirements and guidance, state aid, public procurement and gold-plating;
52. notes that simplification efforts require targeted cooperation between all relevant Commission services, notably DG REGIO, DG EMPL, DG COMP and DG GROW;

#### *Research and innovation*

53. calls for simplification of application and reporting processes for the research and innovation funds, in particular as regards auditing;

#### *Common Agricultural Policy and rural development*

54. stresses the recommendations of its opinion on *The simplification of the Common Agricultural Policy (CAP)* adopted in October 2015<sup>4</sup>;
55. is concerned that, in spite of the stated aims of the new CAP to reduce EU-level legislation, the Commission's regulatory output via delegated legislation has increased;
56. reiterates its call for more consistency and complementarity between the CAP and other EU policies, such as the environmental policy (and funds); greater consistency is most needed between the Rural Development Fund and the rest of the European Structural and Investment Funds jointly delivering a Common Strategic Framework based on the broad policy objectives of the Europe 2020 strategy;
57. believes that the CAP should be consistent with the goal of territorial cohesion enshrined in the Treaty of Lisbon and with the Juncker Investment Plan. By concentrating production, the CAP may increase territorial imbalances and contribute to the disappearance of many family businesses and, as a consequence, many public services in rural areas;

#### *Simplification for SMEs*

58. considers it to be very important to fully take the actual needs of actors in the regional and local business environment into account in the ongoing working process on better regulation for SMEs;

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<sup>4</sup> CDR 2798/2015.



59. notes that following a consultation of the winners of its "European Entrepreneurial Region" scheme, priority areas for simplification, or areas where the degree of simplification introduced through existing regulation is not yet sufficient, include the participation of SMEs in ERDF-funded projects, SMEs' access to public procurement, consumer rights and REACH. Reporting requirements for trade statistics (Intrastat) have also been identified as a priority for further action;
60. believes that action is needed in the area of administrative simplification for SMEs, especially concerning VAT;
61. calls for measures to be adopted to simplify access to public procurement for SMEs; is apprehensive that the degree of simplification that will be introduced through the new directives and the European Single Procurement Document may not yet be sufficient to ensure SME-friendly procurement rules;
62. emphasises that EU law governing state aid in relation to services of general economic interest (SGEIs) has become too detailed and too complex because of the multiplicity of secondary legislation and "soft law" texts relating to state aid. Further simplification will increase legal certainty, speed up the implementation of investment projects, ensure the timely provision of SGEIs, and boost growth and employment;
63. reiterates its call for the de minimis thresholds in the case of state aid to SGEIs, as well as for the threshold for exemption from the obligation (under Article 108(3) TFEU) to declare state aid in the form of a public service compensation granted to certain entities entrusted with the operation of SGEIs, to be increased, since these measures will lead to further simplification for local and regional authorities as well as for entities receiving compensation;

#### *Environment law*

64. draws attention to its opinion on *EU environment law: improving reporting and compliance* adopted in April 2016<sup>5</sup> and asks the European Commission and Member States to follow its recommendations in its fitness check of monitoring and reporting obligations in environment policy;
65. draws particular attention to the specific recommendations made in the opinion related to excessively burdensome audit and reporting requirements, and calls in particular for reporting tools to be automated and synergies across reporting obligations under different directives to be found; reiterates its suggestion to establish "implementation scoreboards" for additional directives in the area of environment law;

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<sup>5</sup> CDR 5660/2015.

66. supports the option of a horizontal EU directive, which would establish compliance assurance provisions across the EU environmental acquis, based on principles as mentioned in the CoR opinion referred to above;
67. reiterates that appropriate allocation of responsibilities and resources, and clear information flows between municipalities, regions and the national level with regard to Member States' environmental monitoring and reporting requirements, are needed in order to ensure that reports and indicators relating to the state of the environment are consistent, effective and reliable.

Brussels,

## II. PROCEDURE

<b>Title</b>	The REFIT Programme: the local and regional perspective
<b>Reference(s)</b>	European Commission's request letter
<b>Legal basis</b>	Outlook opinion (Art. 307(1))
<b>Procedural basis</b>	Consultation by the European Commission, Rule 41(a)
<b>Date of Council/EP referral/Date of Commission letter</b>	13 January 2016
<b>Date of Bureau/President's decision</b>	
<b>Commission responsible</b>	Commission for Citizenship, Governance, Institutional and External Affairs
<b>Rapporteur</b>	François Decoster (FR/ALDE)
<b>Analysis</b>	2 May 2016
<b>Discussed in commission</b>	23 June 2016
<b>Date adopted by commission</b>	23 June 2016
<b>Result of the vote in commission (majority, unanimity)</b>	
<b>Date adopted in plenary</b>	Scheduled for 10-12 October 2016
<b>Previous Committee opinions</b>	Opinion of the Committee of the Regions on <i>Smart Regulation</i> <sup>6</sup> Opinion of the Committee of the Regions on <i>Building a European culture of multilevel governance: Follow-up to the Committee of the Regions' White Paper</i> <sup>7</sup> Opinion of the Committee of the Regions on <i>EU Regulatory Fitness (REFIT)</i> <sup>8</sup> Opinion of the Committee of the Regions on <i>EU Agenda on Better Regulation</i>
<b>Date of subsidiarity monitoring consultation</b>	N/A

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<sup>6</sup> Opinion CDR 353/2010.

<sup>7</sup> Opinion CDR 273/2011.

<sup>8</sup> Opinion CDR 1389/2013.