

Association of Finnish Local and Regional Authorities

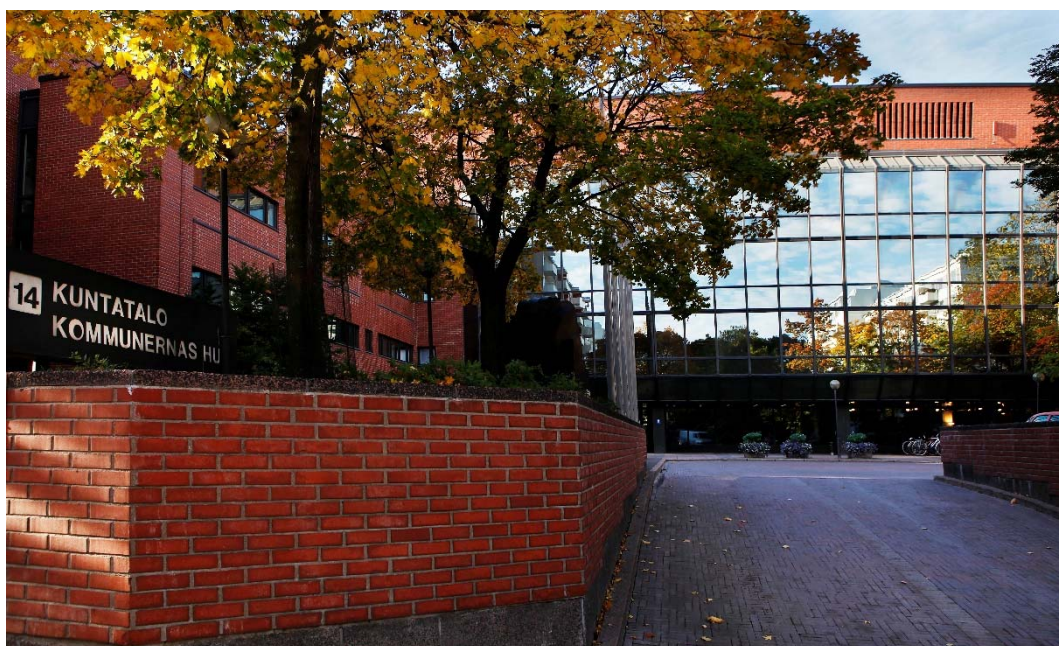
Key EU policy objectives and priorities



Helsinki, September 2016

Table of contents

Association of Finnish Local and Regional Authorities: Key EU policy objectives and priorities	3
The Association's EU policy priorities	4
1. Future of regional policy after 2020	5
2. EU Urban Agenda	6
3. EU economic governance	7
4. Integrated EU policy for the Arctic.....	9
5. Circular Economy Package	10
6. Energy Union Package	12
7. Next Steps for a Sustainable European Future	12
8. Implementation of Digital Single Market Strategy	13
9. Better management of migration	14
10. Labour Mobility Package	15
13. Value-Added Tax Action Plan	16
14. Anti-Tax Avoidance	17
15. Pillar of Social Rights.....	18
16. New start for working parents	18
17. Skills Agenda for Europe	20
18. Implementation of the European Agenda on Security	20



Association of Finnish Local and Regional Authorities: Key EU policy objectives and priorities

Europe and the European Union are facing a plethora of challenges. Recently, the EU has confronted a series of crises originating from outside the European borders, for example the refugee crisis and a changing foreign and security policy environment. The Brexit negotiations will challenge the Union to redefine its position on European integration. The EU will also have to pay increasingly more attention to maintaining its credibility. A failure of one or more Member States to implement commonly agreed policies would raise problems.

At the same time, the EU is being developed internally based on the extensive strategic priorities set out by Juncker's Commission: the Investment plan for Europe, the Digital Single Market, the Energy Union, the European Agenda on Security, the European Agenda on Migration, the Capital Markets Union, the Action Plan for Corporate Taxation, and a Deeper Economic and Monetary Union. The new EU initiatives and legislative projects are often described in fairly general terms. This means that their real impact on local authorities will not usually be known until a more detailed Commission proposal is available.

Many of the EU's initiatives have an impact on the work of Finnish local and regional authorities. According to a report issued by the Association of Finnish Local and Regional Authorities in 2014, about 60 per cent of the municipalities' functions or decisions are influenced by the EU.

Together with other Nordic local government associations, its umbrella organisation CEMR and other stakeholders, the Association influences the views of the European Commission, the Council, the Parliament and the Committee of the Regions on EU legislative processes. The importance of Nordic cooperation is highlighted when dealing with matters related to the core principles of our welfare system.

The Association of Finnish Local and Regional Authorities maintains an overview of European Union activities pertaining to local government, informs the Finnish municipalities of EU matters important for their work and influences EU decision-making. The Association's EU lobbying seeks to ensure that the directives, regulations

and other EU legislation are congruent with the functions of local and regional governments and do not impose any additional burden on them.

The Association's EU policy priorities

- 1) Future of regional policy after 2020
- 2) EU Urban Agenda
- 3) EU economic governance
- 4) Integrated EU policy for the Arctic
- 5) Circular Economy Package
- 6) Energy Union Package
- 7) Next Steps for a Sustainable European Future
- 8) Implementation of Digital Single Market Strategy
- 9) Better management of migration
- 10) Labour Mobility Package
- 11) Value-Added Tax Action Plan
- 12) Anti-Tax Avoidance
- 13) Pillar of Social Rights
- 14) New start for working parents
- 15) Skills Agenda for Europe
- 16) Implementation of the European Security Strategy



1. Future of regional policy after 2020

One of the key EU priorities is the future of regional policy after the current programming period 2014–2020. A mid-term review of the current Multiannual Financial Framework (MFF) will be conducted by the end of 2016 to determine how to better target funding on the priorities. Although focusing on the review of the MFF for 2014–2020, the initiative is linked to the preparations for the programming period 2020+.

The review will look for ways to further orientate the EU budget towards results and simplify the applicable rules e.g. for the European Structural and Investment Funds (ESIF) and the Common Agricultural Policy (CAP). Moreover, it will explore the scope for further simplification under Horizon 2020 funding.

For local and regional authorities, early expression of views on the form and content of future Cohesion policy and broad cooperation between Finnish local, regional and national actors can best ensure favourable financing from the Cohesion Fund to Finland also in the future. The work towards this end and preparation of a common position should start already in 2016.

The Association of Finnish Local and Regional Authorities is of the opinion that cohesion policy should play an active role in developing the EU's competitiveness in the programming period beginning in 2021. Cohesion policy should be applied across Europe. Local and regional levels have a pivotal role in implementing the policy.

The objectives for the new programming period should be simplification and flexibility of programme administration and structures. Particularly those Member States where the volume of Structural fund financing is low in relation to regional economy should have their administrative burden reduced. Local and regional authorities should be trusted as experts in their own community's and region's strengths and development needs.

Smart specialisation, the central theme of the current programming period 2014–2020, should provide a basis for future development. The experience gained from the use of new instruments, such as Joint Action Plan, Community Led Local Development and Integrated Territorial Investments, should be carefully evaluated.

Matters that should be given visibility on the future agenda of regional policy include the communication defining European Union policy for the Arctic, published in spring 2016, the action in the Baltic Sea Region, and the sparsely populated North. The local and regional perspectives should be considered also in agricultural policy and rural development.



2. EU Urban Agenda

The objective of the Urban Agenda is to promote urban policy in the European Union, to give cities opportunities to participate in EU policy shaping and to make their voices heard. The Agenda will involve cities more closely in the overall development of the Union and make them the drivers of delivering EU 2020 goals. Further, a national implementation of urban policy will enable learning and knowledge transfer between Member States and cities.

This is not the first time that the EU is offering cities an opportunity for peer learning in different networks. The URBACT programme is one such example, but it has not adequately explored the best practices of national urban politicians or effective strategy-level practices. The EU Urban Agenda is now taking a step towards a systematic exchange of policy experiences and the development of policy practices for the chosen themes.

The thematic priorities are:

1. Jobs and skills in the local economy
2. Digital transition
3. Innovative and responsible public procurement
4. Urban mobility
5. Inclusion of migrants and refugees
6. Urban poverty

-
7. Housing
 8. Sustainable use of land and Nature-Based solutions
 9. Circular economy
 10. Climate adaptation
 11. Energy transition
 12. Urban air quality

In May 2016, the so-called Pact of Amsterdam was approved. It contains the operational framework for the EU Urban Agenda and lays out the key principles for cooperation.

In analysing urban policy practices at European, national and regional levels and identifying best practices for a national urban policy, it must be ensured that the main responsibility for urban policy remains with the Member States. The EU complements Member State actions and efforts. At the core of the Urban Agenda is a shared process increasing the understanding of the best policy solutions for the urban environment. This understanding can then be used to influence politicians at EU and national level.



3. EU economic governance

Over the past years, the EU has significantly increased its regulation of public finances, now constituting an extensive set of mutually supporting, partially overlapping regulations and governance. One such example is the European Semester, the

European Commission's annual monitoring of Member States' public finances, including local government finances.

The European Semester is organised in two parts: in autumn, the European Commission undertakes an analysis of EU Member States' public budgets, and in spring, it issues country-specific recommendations. In Finland, EU governance of local and regional economies has been implemented with a new local government finances programme, which provides an estimate of the trend in local government finances. The first local government finances programme in its current form was published on 14 April 2016.

On 18 May 2016, the Commission published its recommendations for Finland as part of the European Semester. The Commission recommends that Finland take action in 2016 and 2017 to implement budgetary adjustment and to ensure effective implementation of the administrative reforms with a view to increasing cost-effectiveness of social and health services.



In the opinion of the Association of Finnish Local and Regional Authorities, there is a need for EU level monitoring and supervision of public finances. Strong and sustainable public finances can best be ensured by addressing unfavourable developments at the earliest stage possible.

However, the Association has emphasised that the role of the country-specific recommendations should be clarified. The ex-ante coordination

of national budgets conducted by the Commission every autumn must not restrict the budgetary powers of local governments.

The Association of Finnish Local and Regional Authorities has pointed out problems with judging the balance of local government finances based on the Stability and Growth Pact's deficit and debt criteria under the framework of the European Semester. The financial result as provided by local authorities' financial statements deviates substantially from the figures reported to Eurostat by Statistics Finland. The main issue is municipal investments, which in local authority accounting are written off as expenses over time, whereas Eurostat's so-called EDP deficit refers to a mechanically calculated annual total revenue less total expenditure.

In December 2015, the Association's European umbrella organisation CEMR issued a position paper "Reviving local public investments - Flexibility is needed in the existing rules of the Stability and Growth Pact". CEMR's key message to local and regional authorities is not to completely suspend investments because of EU regulation, but to make well-reasoned investments also in a time of economic difficulties.

4. Integrated EU policy for the Arctic

In April 2016, the Commission adopted its third communication on Integrated EU policy for the Arctic region. The two previous communications were issued in 2008 and in 2012. This latest communication follows the previous guidelines on climate and the environment, sustainable development and regional cooperation. In its communication, the Commission proposes a future integrated EU Arctic policy in three priority areas: Climate Change and Safeguarding the Arctic Environment; Sustainable Development in and around the Arctic; and International Cooperation on Arctic Issues.



The Communication provides a comprehensive picture of the EU's action in the Arctic. Although sustainable development continues to be at the centre of EU Arctic Dimension policy, there is more and more talk about adaptation. Account must be taken of both the traditional livelihoods of those living in the region and the impact of economic development on the Arctic's fragile environment. For coordination of the goals and resources for the Arctic, it is important to promote broad-based cooperation involving local and regional levels. The key themes are objectives and measures for: mitigating and adapting to climate change, a sustainable use of natural resources and the use of specialised know-how in the Arctic.

The Association of Finnish Local and Regional Authorities welcomes the Communication's strong emphasis on a need for enhanced coordination of matters related to the Arctic. We find it important that the Commission recognises the need to closely involve local and regional authorities in the work of the proposed European Arctic stakeholder forum. However, the forum is intended as temporary and will have a limited agenda, which is to identify key investment and research priorities for EU funds before the end of 2017. This raises the question whether it will adequately serve the local and regional level interests.

The topics of interest for municipalities and regions in Finland and elsewhere in Europe include sustainable use of natural resources, promotion and productisation of innovation, and the opportunities offered by digitalisation for the maintenance and development of local livelihoods, skills and culture. The Association of Finnish Local and Regional Authorities stresses that the future delivery of cohesion policy should continue to offer a variety of funding instruments for the development of the Arctic region.

5. Circular Economy Package

The aim of the Circular Economy Package is to address economic and environmental concerns by maximizing efficiency in the use of resources, covering the whole value chain (including sustainable consumption, production, waste management) and through innovation, thereby enabling the development of new markets and business models. The package will consist of a broad action plan, including actions on monitoring effective progress, and a waste proposal with long-term targets. In 2016, concrete measures to promote the Circular Economy Package have focused on waste management directives. The Commission's only legislative action as part of the package has been to amend waste management directives concurrently with its action plan.

The Association of Finnish Local and Regional Authorities welcomes in principle the implementation of actions promoting circular economy and the move away from a linear economy. It is very important to take into

account all parts of the economic cycle and of the management of the overall impact. Municipal action, such as climate strategies and green public procurement, must be supported, and municipalities should be encouraged to take green action on a voluntary basis. The domestic and EU legislation should be compatible with these actions and their implementation must not be limited or impeded by regulation.

The Association of Finnish Local and Regional Authorities welcomes the goals set out in the Commission's roadmap and work programme to extend the focus of actions to include, as well as waste management, the Integrated Product Policy and a market for the re-use of materials. We also welcome the Commission's plan to address problems with attaining the targets that have been previously set. The Association of Finnish Local and Regional Authorities supports solutions that are more sensitive than before to the differences between Member States, their challenges and opportunities for reaching the goals of circular economy and waste management. Measures should be taken to alleviate the administrative burden, for example by way of simplifying the reporting and permitting procedures. The Association further supports the idea of promoting circular economy through innovation.

In the further negotiations on the Circular Economy Package, the European Parliament and the Council need to take account of local authority views in formulating their positions. This is essential for creating a circular economy model that will work well for European society. In the context of amending the directives on waste, it should be kept in mind that the purpose of public waste management is to ensure equal and cost-effective management of waste and to prevent any danger and damage to health and the environment from waste and waste management. A growth in recycling should thus be driven by market demand and promote an economic model that is genuinely accomplishing these goals. Actions taken should not lead to a recycling system that is of low quality and expensive for local residents.



6. Energy Union Package

The Energy Union package is composed of legislative proposals on electricity market design and the regulatory framework, including the review of the Agency for the Cooperation of Energy Regulators (ACER), and the revision of the Regulation on security of electricity supply; and the revision of the Decision on inter-governmental agreements.

The package also includes the effort sharing decision and integration of the Land Use, Land-Use Change and Forestry sector (LULUCF) into the 2030 climate framework; a renewable energy package (REFIT), including sustainability criteria for biomass, and an energy efficiency package, including energy efficiency for buildings (REFIT). In early 2016, an EU Strategy on Heating and Cooling was adopted.

The Energy Union strategy is one of the Commission's flagship projects. The Association of Finnish Local and Regional Authorities closely follows the progress of the Energy Union and the related initiatives in the EU, bringing the perspectives of local authorities to the preparation process. Energy issues are important for local authorities, because they and their energy companies are major energy producers. Moreover, local authorities are big energy consumers. Energy solutions are part of urban and transport planning and municipalities' public procurement.



7. Next Steps for a Sustainable European Future

"Next Steps for a Sustainable European Future" is a new initiative that will set out a new approach to ensure Europe's economic growth and social and environmental sustainability beyond the 2020 timeframe, taking into account the Europe 2020 review and the internal and external implementation of the United Nations Sustainable Development Goals. The Commission emphasises that action must be taken soon.

The Sustainable Development Goals 2030 focuses on economic and social sustainability. Environmentally sustainable future will be shaped through measures such as the Circular Economy Package. The

Commission initiative stresses the need to target the resources towards green and inclusive growth. The initiative on a Sustainable European Future also brings up the social dimension of the EU. The Association of Finnish Local and Regional Authorities supports the broad lines set out in the Commission's initiative.

8. Implementation of Digital Single Market Strategy

One of the EU's key priorities is the Digital Single Market. The purpose is to integrate national markets into one single market. The Digital Single Market Strategy will be taken forward with a number of actions.

On 19 April 2016, the Commission launched an eGovernment Action Plan for 2016–2020, putting forward 20 measures to accelerate the digital transformation of government. The Commission's aim is that the Action Plan will serve as a catalyst to coordinate public sector modernisation efforts and resources in the field of eGovernment.

The Commission considers that the digital services of public administrations are not yet available seamlessly for the citizens and enterprises within the EU. The Action Plan's purpose is to create a long-term vision of principles in which the Member States can anchor their own strategies and actions.

With the eGovernment Action Plan, the Commission will support Member States in the development of cross-border eHealth services; accelerate the transition to full e-procurement, eSignatures and the "once-only principle" in public procurement; and set up a pilot project with administrations that will apply the once-only principle for businesses across borders.

A number of other initiatives were launched along with the Action Plan, including the European Cloud Initiative and the initiative on Digitising European Industry.

The Digital Single Market Strategy has many impacts on the environment in which local authorities operate. Areas of relevance to local authorities include open data, certified cloud services, eHealth services, e-procurement, traffic planning, smart metering in the energy sector, copyright laws, data protection and electronic archiving. However, the strategy is strongly focused on businesses and consumers, and the role of public administration as service organiser and provider is mostly dealt with in a separate section on eGovernment.

The Association of Finnish Local and Regional Authorities calls for a better use of Digital Single Market opportunities. The strategy's implementation must take explicit account of the views of local authorities, because the services that according to the Commission will

be digitalised are at the core of municipal service provision: social and health services, the health sector, the education sector and culture.

9. Better management of migration

The Commission believes that addressing the refugee crisis and managing the migratory pressure on the EU's external borders is the most pressing priority the Union faces today. The instability, wars and poverty in regions neighbouring the EU require that these issues remain high on the agenda in the coming years.

The European refugee crisis was an impetus behind the Better Migration Management initiative, and the crisis is also reflected in an initiative to improve the operating conditions of the European border agency Frontex. The European Agenda on Migration is aimed at enhancing legal migration channels in order to attract skilled workers to the EU. The EU will improve cooperation with non-EU countries in promoting legal immigration and tackling illegal immigration and trafficking in human beings. The Commission emphasises that to address the crisis the EU needs to fundamentally rethink the way it manages its common external border and the European asylum system.

The initiative on Better Migration Management has two dimensions:

- 1) Legal migration: a Communication and further legislative measures including extension of the Blue Card approach;
- 2) Asylum and refugees: a proposal for a structured system on resettlement of refugees and revision of the Dublin system on asylum.

In June 2016, the Commission issued a Communication on a European Agenda for the Integration of Third-Country Nationals. Although the competence on integration lies primarily with the Member States, in its action plan the Commission proposes a common policy framework to assist Member States in integrating third-country nationals. Moreover, the Commission intends to strengthen EU financial support to Member States under the Asylum, Migration and Integration Fund so they can improve their integration measures in areas such as education, access to labour market, availability of basic public services and promotion of inclusion. The Commission will monitor the implementation of measures outlined in the action plan and propose additional measures where necessary.

In July 2016, the Commission presented proposals to complete the reform of the Common European Asylum System, with a view to moving towards a fully efficient, fair and humane asylum policy, one which can function effectively both in times of normal and in times of high migratory pressure. To this end, a common and harmonised set of rules at EU level will be created for the asylum system.

The Association of Finnish Local and Regional Authorities supports EU measures to promote labour migration. Integration and permit

procedures related to recruiting third country nationals are matters that should remain within national competence also in the future. The Association of Finnish Local and Regional Authorities emphasises that Finland should provide high-quality international protection for those who need it. In Finland, the state has the main responsibility for immigration policy, including the policy on refugees, but local authorities too have an important role in helping Finland fulfil its humanitarian responsibilities. It is important that the municipalities can use EU funding for integration measures.



10. Labour Mobility Package

The Labour Mobility Package consists of a Communication on labour mobility, a targeted revision of the Directive on the posting of workers, and the revision of Regulations on social security coordination. The initiative will strengthen the European Job Mobility Portal (EURES) and the cooperation between employment services, with a view to supporting labour mobility and tackling abuse. The Labour Mobility Package will likely include proposals on social security for young people and on the European Qualifications Framework (EQF).

Finland does not support a harmonisation of Member States' employment and social policy structures and practices. Because of the large differences between Member States, uniform practices would not deliver the desired result. Finland does not support a definition of legally binding minimum standards for different benefits or services across the EU.

Finland's residence-based social security system differs from the systems of other European countries which can be defined as involving

an economic activity. The Labour Mobility Package must be closely monitored from the perspective of social security coordination.

The European Qualifications Framework (EQF) facilitates the recognition of qualifications and competences and the identification and validation of non-formal and informal learning. National implementation of EQF is linked to employment and local authorities' role as employer. Cross-sectoral cooperation is essential for taking account of the local authority views on education. The Association of Finnish Local and Regional Authorities brings the education and skills needs of municipalities to the negotiations and work groups conducted with stakeholders, ministries — especially the Ministry of Education and Culture — and the National Board of Education.

13. Value-Added Tax Action Plan

On 7 April 2016, the Commission adopted an action plan to reform the EU's Value-Added-Tax system, setting out actions to improve the system. The action plan aims at delivering efficient and fraud-proof VAT regimes, and includes initiatives on VAT rates (REFIT) and a proposal on VAT for electronic commerce (REFIT) in the context of the Digital Single Market Strategy, and a Communication setting out the definitive VAT regime (REFIT).

The action plan does not include any particular proposals for a revision of the VAT rules on the public sector, which can be considered a positive signal from the Commission.

A VAT development strategy published by the Commission in December 2011 proposed that all public services, including education, social welfare and health services, should be made subject to VAT in the long term. In 2014, the Commission organised a public consultation on five different options for reforming public sector VAT rules. The consultation elicited a very wide response from the European local government sector. The Association of Finnish Local and Regional Authorities and its European umbrella organisation CEMR took a very critical approach to changing the VAT treatment of public sector bodies.

The Commission appears to have now assessed the need for reforming public sector VAT rules and concluded that the VAT treatment of public and private sector bodies is principally neutral at EU level. That much can be gathered that there is no acute need for change. The action plan merely states that the Commission has reviewed the public sector VAT, but does not propose any further action in this respect.



14. Anti-Tax Avoidance

On 28 January 2016, the Commission adopted an extensive anti-tax avoidance package proposing a range of measures against corporate tax avoidance, for example a new Anti-Tax Avoidance Directive with legally-binding measures, such as limitations to the deductibility of interest.

On 12 April 2016, the European Commission issued a proposal to amend the Accounting Directive to require large multinationals to publish a report disclosing information about the EU country where they make their profits and where they pay their tax. This country-by-country reporting would be required from multinationals with global revenues exceeding EUR 750 million a year.

The Association of Finnish Local and Regional Authorities supports the Commission's proposal. This year, Finnish municipalities receive an estimated EUR 1.3 billion in corporation tax revenue, which will be used to finance municipal services.

The Association of Finnish Local and Regional Authorities has on several previous occasions welcomed a country-by-country based reporting of tax and profit information as a way of tackling tax avoidance and aggressive tax practices. It is a positive sign that the companies are obliged to report on their activities outside the EU as well, and especially in the so-called tax haven countries. Moreover, the country-by-country reporting is one of the best means of preventing harmful tax evasion in the respect that it does not pose a heavy administrative burden on companies.

As for now, the Commission's proposal is limited to the very largest companies. It would be desirable to lower the reporting threshold in the future and extend the reporting requirement to a larger group of big companies, as the EUR 750 million annual threshold can be considered as quite high.

15. Pillar of Social Rights

The Pillar of Social Rights is part of the work undertaken by the Commission for a deeper and fairer Economic and Monetary Union (EMU). The Commission will pursue two complementary work strands to establish the pillar: firstly, modernising existing social policy legislation to take account of today's work environment; and secondly, identifying social benchmarks built on best practices in the Member States with a view to upwards convergence, in particular in the euro area, as regards the functioning of the labour market, skills and social protection.

On 8 March 2016, the European Commission put forward a first preliminary outline of what should become the European Pillar of Social Rights. It defines a number of main principles for supporting well-functioning and fair labour markets and welfare systems within the euro area. The Commission is now gathering views on the content of the Pillar through a public consultation, to be concluded by 31 December 2016. A final proposal for the Pillar is scheduled for early 2017. The Commission's preliminary outline is structured around three headings and 20 sub-headings.

The Pillar of Social Rights is aimed at modernising existing legislation, where appropriate, and defining common principles and a reference framework for promotion of convergence in Member States' employment and social performance. It is the Association's objective that the EU's economic competitiveness, the well-being of its citizens and social justice be developed on an equal basis.

The Association of Finnish Local and Regional Authorities points out that the Pillar is not intended as a legally binding document, but more of a reference and part of the development of the Economic and Monetary Union. Most of its content has already become a reality in Finland. Because of the Pillar's unclear legal nature, its quite far-reaching proposals raise concerns.

16. New start for working parents

The New start for working parents initiative will be implemented by launching a set of legislative and non-legislative measures to better address the challenges of work-life balance faced by working parents and to support the participation of women in the

labour market. Similarly regarding other dependants, the goal is a more equal division between men and women of caring responsibilities and unpaid domestic work. The women-on-boards directive is due to be adopted in 2016, and the Commission continues to take practical action to promote gender equality.



Practical action is defined in more detail in the Strategic engagement for gender equality 2016–2019, issued by the Commission in December 2015. The strategy focuses on the following priority areas: increasing female labour-market participation and the equal economic independence of women and men; reducing the gender pay, earnings and pension gaps and thus fighting poverty among women; promoting equality between women and men in decision-making; combating gender-based violence and protecting and supporting victims; and promoting gender equality and women's rights across the world. Special attention will be paid to the role of men, dismantling gender stereotypes and reducing multiple discrimination of immigrants, for example. Key to the strategy is the promotion of equality between men and women in all EU activities.

The Finnish legislation supports women in reconciling work and family life. Local government employers do not welcome new benefits, because already now the employers are incurring major costs and they are required to make special arrangements. Finland grants many benefits which are more generous than elsewhere in Europe. If new EU regulations are introduced, their interpretation could lead to an extension of the benefits in the Finnish system, making employing people even more costly. The EU should allow for national variations in this matter. However, if preparation for legislation begins, all regulatory projects should see to it that the cost to employers for family leaves is reduced, and this would apply to both direct and indirect costs.

The Association of Finnish Local and Regional Authorities and KT Local Government Employers welcome the practical action proposed by Commission strategy to promote gender equality with a more equal sharing of care responsibilities between women and men, to tackle the gender segregation of the labour market and to end violence against women. However, EU-wide binding legislation should not be enacted.

17. Skills Agenda for Europe

The Agenda aims at promoting skills development, including the mutual recognition of qualifications, supporting vocational training and higher education and reaping the full potential of digital jobs.

Identification and recognition of skills is essential at all levels of education, as it provides a basis for tailoring studies to individuals' needs. This will accelerate transition to working life, reduce overlapping education and training, and put education resources into meaningful use. The European Qualifications Framework (EQF) facilitates the recognition of qualifications and competences and the identification and validation of non-formal and informal learning. EQF's national implementation is linked to employment and local authorities' role as employer.

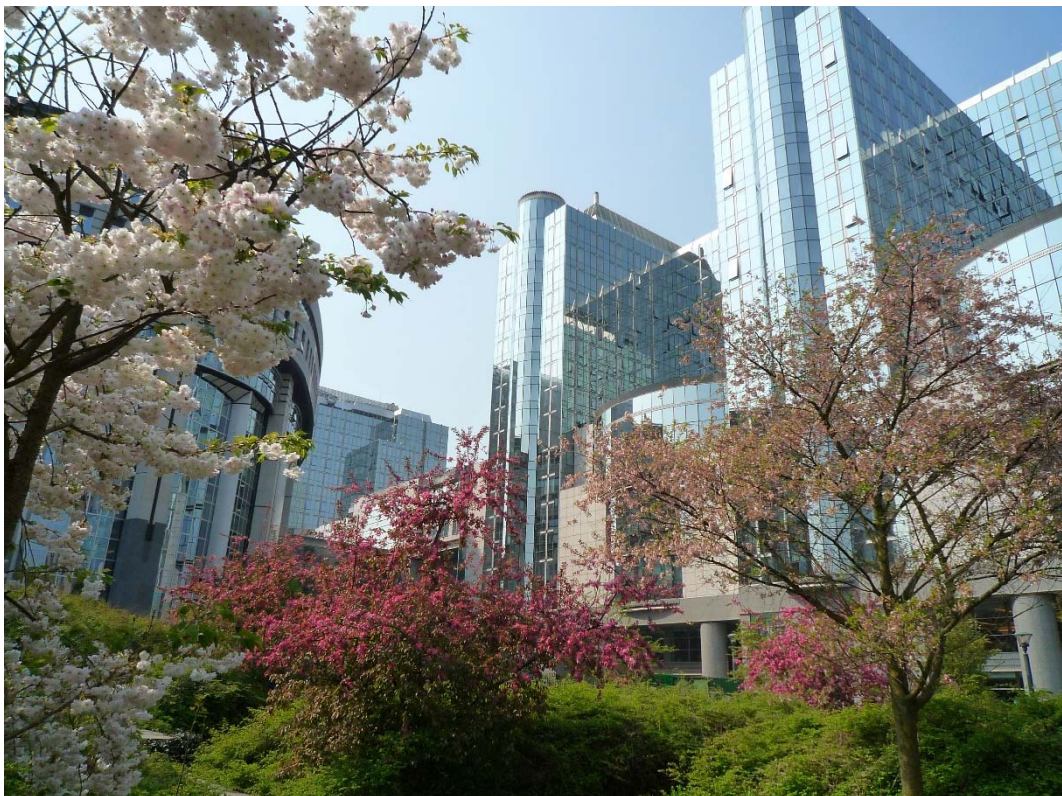
Tapping into the full potential of digital workplaces requires a modernisation of work and service processes, and related skills development in municipalities and in vocational and higher level education in different fields of study. Right now it is important to swiftly identify the skills of immigrants in order to start integration measures as early as possible.

18. Implementation of the European Agenda on Security

The European Agenda on Security for the period 2015–2020 was adopted on 28 April 2015, with a view to supporting Member States' cooperation and exchange of information in the fight against terrorism, organised crime and cybercrime. Actions to implement the European Agenda on Security include a proposal to amend the Framework Decision on terrorism, improved rules on firearms and a proposal on combatting fraud and counterfeiting on non-cash means of payment.

The responsibility for ensuring internal security is still first and foremost with the Member State; however, the greatest challenge is posed by cross-border security. The European Agenda on Security includes measures across a spectrum of policy sectors from justice and home affairs to financial affairs, transport and the environment. The EU supports its Member States in countering radicalisation.

The European Agenda on Security refers to cooperation between EU institutions, Member States, EU agencies and the civil society. For local authorities, monitoring of the Agenda is important especially in terms of preventing terrorism and radicalisation. Social exclusion, poverty and unemployment cause radicalisation and the problems associated with it are often seen at local and regional level. The Association of Finnish Local and Regional Authorities finds it important that municipalities and regions be given a prominent role in the Agenda's implementation.



Association of Finnish Local and Regional Authorities, 10 September 2016

Erja Horttanainen

Henrik Rainio

Anu Wikman-Immonen

Experts from the Association of Finnish Local and Regional Authorities and KT Local Government Employers