

Association of Finnish Local and Regional Authorities: Key targets and lobbying priorities in the EU



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Association of Finnish Local and Regional Authorities: Key targets and lobbying priorities in the EU 2018

The European Union has its eyes firmly on the future. The next European Parliamentary elections will be held in June 2019, and 2018 is the last full year of the current term of office. Great Britain's decision in 2016 to leave the EU triggered a need to reflect on the future of the EU after Brexit. The Commission published a White Paper on the Future of Europe on 1 March 2017. It has also drawn up many thematic documents as a basis for discussions on the future. Now in early 2018, the Brexit process has moved to the second phase of negotiations. Although the timetable for these difficult negotiations is tight, the Commission states firmly that a new Europe of 27 will emerge on 30 March 2019.

The Association's EU lobbying priorities largely draw on Commission work programme published in the given year. The title of the work programme for 2018 is 'An agenda for a more united, stronger and more democratic Europe', and it contains a range of measures. The programme puts forward legislative proposals to complete Juncker Commission's work in priority policy areas. The Commission is planning to present 26 new initiatives. These initiatives relate to areas such as employment and growth, the Digital Single Market, energy and climate policy, the Economic and Monetary Union, social justice and migration.

In its work programme, the Commission also outlines visions for Europe's future up to 2025, with the aim of developing the Union's structures and processes. Such visions include further enhancing subsidiarity, proportionality, better regulation and the rule of law. For the unity of Europe, it is important that the Member States should be capable of political cooperation and debate based on common values, despite their differences. More attention will need to be paid to respecting Europe's common values.

It will be interesting to see how the debate on institutional proposals proceeds. Proposals have been made to increase the number of Council decisions taken by qualified majority voting, to combine the Commission and Council presidencies, and to possibly establish a new European Minister of Economy and Finance. The Member States are di-

vided in their views on many of these issues, which is not likely to increase unity. Substantial deepening of EU cooperation would weaken national competence, which is something not every Member State is ready for.

The work programme for 2018 also includes longer-term plans for developing some EU policy areas. The Commission is planning to draft a reflection paper on sustainable development, a communication on future energy and climate policy and an initiative to strengthen the enforcement of the rule of law in the European Union. In enlargement policy, the aim is to move forward with Serbia and Montenegro and adopt a strategy for finalising their accession process.

One document that will strongly guide the future of the EU is the Commission's Multi-annual Financial Framework (MFF) to be published in late spring 2018. It is a financial planning instrument directing the EU's actions in the coming years. The EU's activities as a whole will be affected by the gap that will be left by the UK's departure. This may call for a very critical review of the Union's current activities. There will not only be less money available, but also a host of new areas of spending. Funding is needed for the EU's common security and defence policy and immigration policy, so developing the new framework is by no means an easy task. Consideration must be given to which activities to pursue and how to finance them. Several contributors to the debate have brought up the option of increasing Member State contributions to ensure adequate funding.

A reduction of divergences between the Member States will help deliver a more united EU and make the Union a stronger global actor. A small country dependent on export, Finland has always had to adjust to the developments outside its borders. By actively participating in the debate on Europe's future Finland can influence its own future development. The Union's common measures to promote competitiveness, sustainable growth and employment increase local vitality and the well-being of citizens.

The Association's lobbying in the EU

The Association of Finnish Local and Regional Authorities maintains an overview of European Union activities pertaining to local and regional governments, informs the Finnish municipalities of EU matters important for their work and influences EU decision-making. Through its EU lobbying efforts, the Association 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. According to a report issued by the Association in 2014, the EU influences about 60 per cent of the municipalities' functions or decisions.

Together with other Nordic local government associations, its umbrella organisation CEMR (Council of European Municipalities and Regions) 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.

EU Multiannual Financial Framework

The European Commission will make a proposal for the next Multiannual Financial Framework (MFF) in May this year. The upcoming MFF negotiations will be exceptionally difficult. The financial framework must address the current challenges, while also taking account of the UK's departure from the EU. Europe's greatest challenges besides the Brexit negotiations are immigration, internal and external security and defence. The continuation of Europe 2020 Strategy — i.e. the common targets and priorities to be set for the EU's operation in the next programming period — is being debated based on the Commission's reflections on the EU's future.

The MFF negotiations also include a debate over the degree of European integration in issues such as climate, stronger economic integration, an enhanced internal Market, trade policy, defence, social dimension and a deeper integration which allows EU countries to integrate at different levels (variable geometry).

The Commission's reflection paper on the future of EU finances presents five possible scenarios. In the first scenario, the EU carries on implementing its current reform agenda. The second scenario proposes doing less together, focusing on internal market functioning and on much higher use of financial instruments and loans instead of direct aid. There is no financing for new priorities. In the third scenario, some Member States do more together, and new priorities are financed by certain Member States only. The fourth scenario introduces the idea of radical redesign of cooperation, which means focusing on priorities with very high added value to the EU. The fifth, and final, scenario means doing much more together and substantially increasing the EU budget. It is unlikely that any of these scenarios will be realised as such.

Key targets for the next MFF period include streamlining administration, reducing and simplifying regulation and increasing flexibility. These are some of the most important goals for the local and regional levels as well.

The net contributors, Finland included, oppose the idea of stepping in to fill the gap left in the EU budget following the UK's withdrawal. Reductions to the EU's budget mean that the pressure for spending cuts is directed at the biggest policy areas: agriculture and cohesion policy. Local authorities welcome Finland's opinion that the financial framework should continue to promote economic growth, employment and skills development. It is also important to invest in research and young people. The EU's current financial framework's largest categories of expenditure – cohesion policy, agricultural policy and rural policy — are important policy areas for Finnish municipalities. Should their share be reduced, it would inevitably have a negative impact on local authorities, as there would be less money available for EU development and investment. In the

light of a possible reduction of the budgetary framework, it is important to simplify and reform the funding system to ensure that the aforementioned policy areas will continue to provide comprehensive support for Finnish development activities as part of a European-wide agenda.

Finland should seek to receive the largest possible receipts in the next MFF programming period and participate actively in reforming the content of the key policy areas. Keeping Finland competitive requires increasing the vitality of the country's all regions by building on their own strengths and the strategies of smart specialisation. Adequate cohesion policy receipts for Finland ensure continuity of regional development across the country.

The EU's common agricultural policy instrument, the European Agricultural Fund for Rural Development (EAFRD), aims at sustainable development, economic development and better quality of life in rural areas. The financial instrument includes direct payments to farmers and programmed aid to agriculture (in areas such as the environment and animal welfare) and nationally co-financed rural development aid for projects and enterprises, including local rural development under the Leader initiative. They all contribute to the competitiveness and income of farms, vitality of rural areas, rural entrepreneurship and employment, and environmental protection.

In terms of Finnish food production and security of supplies, funding from EAFRD should be available not only in the form of direct payments but also for developing the entire food chain and other entrepreneurial activity and vitality across the country, taking account of the specific strengths of each region.

Future of cohesion policy after 2020

The future of cohesion policy is one of the central themes for the EU programming period starting in 2021. Since the signing of the Maastricht Treaty in 1992, a fundamental principle of the European Union's operation has been economic, social and territorial cohesion. Cohesion policy has been the best means of realising the common European goals at the local level. In the current programming period 2014–2020, Finland receives EU Structural Funds (i.e. the European Regional Development Fund, ERDF, and the European Social Fund, ESF) to deliver the objectives of EU cohesion policy. The EU's programmes for external border cooperation (ENI CBC) constitute an efficient and valid instrument for financing EU-Russia cooperation, and should be continued also in the next programming period.

The Commission has started preparations for the next programming period starting in 2021. We must address together the challenges posed by climate change, refugee flows, problems of a global economy, internal and external security, ageing populations and growing inequality. There is also mounting pressure for cohesion policy re-

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form. In May 2018, the Commission will submit its proposal for the EU's next Multiannual Financial Framework (MFF). The proposals for a regulation governing the next programming period are likewise to be issued during 2018.

The implementation of cohesion policy through sources such Structural Funds has stimulated growth and increased employment and social cohesion both locally and regionally. Continuation of cohesion policy has been strongly supported in different forums of debate. It may be possible to fill some of the gap left by Brexit in the upcoming MFF; nevertheless, the overall cohesion policy budget is forecast to contract. During the current programming period, Finland receives about EUR 1.5 billion for increasing its competitiveness and promoting innovation, employment and social inclusion. The amount decreased by about 27 per cent from the previous term 2007–2013. The EU Structural Funds are one of Finland's most important means of promoting regional development.

In this situation, Finland should set clear targets for the reform of cohesion policy content and the criteria for funds allocation. The implementation of cohesion policy should support the promotion of vitality across the country's all regions. This requires that Finland's receipts from the funds remain as high as possible in the forthcoming programming period.

The Association's key objectives for cohesion policy relate to geographic coverage, content, and efficient and smooth implementation.

The Association of Finnish Local and Regional Authorities believes that cohesion policy should continue to play an active role in developing the EU's competitiveness in the programming period beginning in 2021. The policy should be applied across Europe. Local and regional levels will continue to have a pivotal role in implementing cohesion policy in the future. The geographical themes central to Finnish municipalities and regions are the special circumstances of sparsely populated areas of the North, the potential of the Arctic, cooperation in the Baltic Sea Region and cross-border cooperation with Russia.

Cohesion policy should continue to promote competitiveness, skills development, extensive innovation and employment. Smart specialisation, the central theme of the current programming period 2014–2020, should continue to be part of future development. The implementation of cohesion policy will need to be more sensitive to local and regional circumstances and needs in the future. Effectiveness should be high on the policy development agenda, and programming work needs flexibility.

The objectives for the new programming period should be simplification and flexibility of programme administration and structures. Particularly the Member States with a low volume of financing for regional economy should have their administrative burden reduced. The work to coordinate the provisions on the European Structural and Investment Funds, both across the funds and with the

provisions on the European Agricultural Fund for Rural Development, should be continued.

Development needs of TEN-T network and the future of Connecting Europe Facility

The TEN-T network has a dual-layer structure comprising a core network and a comprehensive network. The core network is scheduled for completion by the end of 2030, and the comprehensive network by the end of 2050. There are currently nine core network corridors in Europe, and two of them, the Scandinavian-Mediterranean and the North Sea-Baltic Corridors, extend to southern Finland. The national goal is to have the main railway line (and highway 4) that stretches to the town of Tornio in Lapland added to the North Sea-Baltic core network corridor and to make it eligible for funding under the Connecting Europe Facility (CEF).

The Association of Finnish Local and Regional Authorities wishes to draw attention to the TEN-T networks and the role of CEF in their funding as part of the forthcoming EU Multiannual Financial Framework. During this programming period, the CEF is financing projects that will fill the missing links in Europe's energy, transport and digital backbone.

The CEF supports the aim to link all of Europe, including its northernmost parts, to the EU market; therefore, its funding in the forthcoming EU programming period should be secured. Finland should develop its transport network on a long term basis beyond government terms. This would also allow for a more efficient application for funding for transport investments from financial instruments such as the CEF. An examination of the TEN-T network's scope is to take place in 2023, and now is the time Finland should start preparing for it.

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 further aims to involve cities more closely in the Union's overall development and make them the drivers of delivering EU 2020 goals. 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. The importance of the EU Urban Agenda lies in its being a step on the road towards a systematic exchange of policy experiences and the development of policy practices for the chosen themes.

The Urban Agenda aims for a multi-level approach and an urban dimension in better regulation, better funding and better knowledge.

The existing partnerships have been launched in three steps and they cover 12 themes:

1. Digital transition
2. Innovative and responsible public procurement
3. Urban mobility
4. Inclusion of migrants and refugees
5. Urban poverty
6. Housing
7. Sustainable use of land and nature-based solutions
8. Circular economy
9. Climate adaptation
10. Jobs and skills in local economy
11. Energy transition
12. Urban air quality

In early 2018, the Commission will explore the need and interest for launching new thematic partnerships besides/after the present 12 partnerships. The officially proposed themes are safety of urban public spaces and urban cultural heritage.

The Association of Finnish Local and Regional Authorities believes that when identifying best practices for national and EU-level urban policy, it must be ensured that the main responsibility for the policy remains with the Member States. The EU complements Member State action 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. At the end of 2017, member cities of urban agenda networks gave feedback that not all networks delivered the urban agenda objective to develop EU policy practices. On the contrary, there were signs that the networks focused their activities on peer learning and exchange of experiences between cities. In such cases, the Urban Agenda does not provide the benefits expected, but is limited to replicating what the URBACT network is already doing, exchanging experiences. The Association of Finnish Local and Regional Authorities monitors the progress of the Urban Agenda and underlines the importance of delivering the Agenda's original objectives.

Integrated EU policy for the Arctic

In April 2016, the Commission and the High Representative of the Union for Foreign Affairs and Security Policy adopted a communication on Integrated EU policy for the Arctic. This new communication, the third, follows the previous guidelines on climate and the environment, sustainable development and regional cooperation. In its com-

munication, 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 European Parliament resolution of 16 March 2017 pays attention to preserving the Arctic's vulnerable ecosystem and to the rights of indigenous peoples. The Parliament has also recognised the importance of continuous and sufficient funding for the Northern sparsely populated areas, because it can tackle permanent handicaps such as sparse population, harsh climate conditions and long distances. The Parliament also calls on the Commission to continue and reinforce the use of Horizon 2020 and other funding programmes for the purpose of studying the Arctic. The Parliament underlines the importance of good accessibility of the Arctic region to the TEN-T network.

Finland is holding the Arctic Council chairmanship from 2017 to 2019. The term will culminate in the foreign ministers' meeting in spring 2019. During its chairmanship, Finland should bring forward local and regional views on the Arctic's opportunities and development needs.

The Association of Finnish Local and Regional Authorities welcomes the strong emphasis on a need for enhanced coordination of matters related to the Arctic expressed in both the Commission's communication and the Parliament's conclusions. We find it important that local and regional levels are closely involved in the work of the proposed European Arctic stakeholder forum. Local and regional authorities should be involved in the key programmes and projects supporting regional cooperation, transport connections and sustainable economic development in the Arctic. They can make use of the Barents region cooperation model and the experiences gained from cross-border cooperation in the north.

The role of the Arctic cities should not be overlooked. Investments into city infrastructures and energy efficiency on the one hand, and solutions required for the population's services especially in the sparsely populated areas on the other hand, give rise to new entrepreneurial activities.

The topics of interest for municipalities and regions in Finland and elsewhere in Europe include sustainable use of natural resources, well-functioning communications and transport connections, promotion of innovation, productisation, and the opportunities offered by digitalisation for the maintenance and development of local livelihoods, skills and culture. It is similarly important to use the expertise of the Arctic's indigenous peoples, participate in their decision-making and reconcile the views of different parties at both national and regional level.

Circular Economy Action Plan

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 and waste management. A further aim is to enable the development of new markets and business models through innovation. The package consists of a broad action plan, including measures to monitor progress, and a waste proposal. The waste proposal sets targets up until the year 2035. The revision of the directives on waste was one of few concrete legislative proposals that the Commission issued concurrently with its action plan in December 2015. The EU reached an agreement on the future amendments to and goals of the directives on waste at the very end of 2017.

In 2018, the Commission will deliver further on the Circular Economy Action Plan by finalising and enforcing the directives on waste in the EU. It is estimated that this will take place in summer 2018. After that, each Member State will start preparing for the directives' implementation. As part of the Circular Economy Action Plan's measures on water, the Commission is going to draft a proposal for a Regulation on minimum quality requirements for reused water and to revise the Drinking Water Directive. As part of the action plan, the Commission published a mini-package on circular economy in early 2018. The package includes a strategy on plastics use, reuse and recycling, addresses the initiative on legal, technical or practical bottlenecks at the interface of chemical, product and waste legislation, and updates a monitoring framework for the circular economy.

The Association of Finnish Local and Regional Authorities welcomes in principle the implementation of measures 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 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 welcomes the goals set out in the Commission's roadmap and work programme to extend the focus of action from waste management to the Integrated Product Policy and a market for the re-use of materials, and to clarify the interfaces between sectoral laws. We also welcome the Commission's plan to address the problems with achieving the previously set targets.

Waste management

The revision of the directives on waste sets new targets for recycling. By 2025, the level of municipal waste recycling will increase to 55%, by 2030, to 60%, and by

2035, to 65%. New higher targets will also be set for recycling packaging waste. The countries that have made least progress may be granted additional time to reach the targets. It has been agreed that in order to harmonise statistics, only one uniform method for calculating the recycling target will be used. The EU's definition of municipal waste is quite broad and corresponds relatively well to the definition used in Finland. EU-wide minimum requirements for producer responsibility schemes have also been agreed upon. Separate collection of waste must be made more efficient. As of 2024, it will become mandatory to organise separate collection of bio-waste either in properties or area collection points. What is more, separate collection for textile waste will become mandatory from the start of 2025.

The Association of Finnish Local and Regional Authorities supports solutions that are more sensitive than before to the differences between the Member States and their challenges and opportunities for reaching the goals of circular economy and waste management. The administrative burden of Member States and local authorities in collecting monitoring data for different measures should not be increased. Attention should be directed to simplifying the reporting and permitting procedures.

The Association finds it important that local authority views be considered in the finalisation and implementation of the waste directives for creation of an efficient waste management system and a circular economy model that will work well for European society. In the context of implementing 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. Action taken should not lead to a recycling system that is of low quality and expensive for local residents.

Strategy on plastics use, reuse and recycling

On 16 January 2018, the Commission published a strategy on plastics use, reuse and recycling. The strategy's aim is to advance measures that will help achieve a circular lifecycle for plastics and reduce damage to the environment from plastics. Its key objectives include increasing the reusability of plastic products and recovery of discarded plastic, preventing the generation of micro-plastics and their entering the environment, and curbing plastic littering.

The Association of Finnish Local and Regional Authorities recognises both the advantages and environmental harm related to the production and use of plastics. The development of plastic products has provided useful solutions for many industry sectors. At the same time, plastics production and use and waste management are not sustainable in all respects. Local authorities use large volumes of plastic products in

many areas from infrastructure to consumer products. Through their waste management and guidance they also influence the extent to which consumers' plastic products are recovered. Local authorities contribute to the sustainability of production and operations of enterprises through their procurement, environmental education and the projects promoting circular economy. The implementation of the plastics strategy thus influences local authority operations and economy.

The Association of Finnish Local and Regional Authorities is closely following the strategy's implementation and influencing it where necessary. The Association believes that the advantages of reuse and recycling of plastics and other areas of circular economy should always be balanced against the health and environmental impacts and the energy required. The outcome must be overall positive while taking account of the national and local circumstances. Moreover, in the development of plastic products reuse and the waste management supporting it, the focus should be on products for which there is market pull.

Reused water and drinking water

The Commission is planning a legislative proposal on minimum requirements for reused water, for example for irrigation and groundwater recharge.

The Association of Finnish Local and Regional Authorities is in favour of laying down minimum requirements regarding the reuse of water. However, in the Association's view Member States should not be obliged to reuse water; instead, the focus should be on the quality of reused water in the regions that suffer from severe water shortages.

The revision of the Drinking Water Directive focuses mainly on the following: construction products that come into contact with water, modernisation of the reporting processes, integration into the investigations laid down by the Water Framework Directive, the list of parameters to be investigated, the pricing of water, and the right to water for the socially excluded. The Association of Finnish Local and Regional Authorities monitors the reform's progress and influences the process. The aim is to safeguard the operating conditions for municipal water management and to ensure healthy and safe water for household use also in the future.

Resilient Energy Union with a forward-looking climate change policy

The implementation of the Energy Union Strategy: EU Energy Winter Package 'Clean Energy for All Europeans' will be continued in 2018.

The Commission will continue to deliver on the Energy Union Strategy in 2018. On 30 November 2016, it published a comprehensive package of communications and directive proposals aimed at managing the modernisation of the economy by placing energy efficiency first, pursuing an ambitious goal to become world number one in renewable energies and providing a fair deal to consumers. The directive proposals and communications relate to the revision of the Renewable Energy Directive and sustainability standards for bioenergy; reviews of the Energy Efficiency and Energy Performance of Buildings directives; the package on the design of the electricity market and the governance rules for the Energy Union. The EU Energy Winter Package is set to reduce European greenhouse gas emissions by 40 per cent by 2030. The Commission also proposes a 30 per cent binding energy efficiency target for 2030. Finland will be required to reduce greenhouse gas emissions produced by sectors not covered by the emissions trading system by 39 per cent.

An initiative to accelerate clean energy innovation will support the research and market uptake of technological innovation needed for energy efficiency and renewables to meet the decarbonisation goals set by the Paris Agreement and the EU's 2030 targets. The Commission states that all its Energy Union related legislative proposals presented in 2015 and 2016 need to be addressed as a priority by the Parliament and Council. These include the above-mentioned energy sector package, the security of gas supply package, the EU emissions trading system and related rules on effort-sharing and landuse and forestry.

In 2018, the Commission will launch two initiatives with a 2025 perspective. A sustainable European future will be discussed in the reflection paper 'Towards a Sustainable Europe by 2030, on the follow-up to the UN Sustainable Development Goals, including on the Paris Agreement on Climate Change'. The Commission will also draw up a communication on the future of EU energy and climate policy. The Association of Finnish Local and Regional Authorities is monitoring the impacts of these initiatives on municipalities and regions

Many local authorities are already taking decisive action to mitigate climate change and adapt to its impacts. Addressing energy issues is a key means of reducing emissions in municipalities. Municipal energy companies are main energy producers. At the same time, local authorities are major energy consumers. Energy solutions are part of local authorities' long-term urban and transport planning, and they have an effect on the daily activities of local residents and businesses. The energy issue is in many ways relevant to public procurement.

The Association of Finnish Local and Regional Authorities continues monitoring the delivery of the Winter Package in the EU, bringing the perspectives of local authorities to the consideration of the directive proposals and initiatives. The Association's main focus is on the review of the both energy efficiency directives and the treatment of renewable energies. The parliamentary review of the directive proposals will be completed in early 2018. The consideration by

the Commission, the Council and the Parliament is estimated to take place towards the end of 2018.

Digital Single Market

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 the 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. The once-only principle means that data needs to be supplied to the public authorities only once.

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 Commission's proposal on a Single Digital Gateway is part of delivering on the Digital Single Market Strategy. It ensures centralised access for EU citizens and businesses to all the information necessary when using their rights to mobility in the EU. The Single Digital Gateway seeks to secure full access to online procedures in a non-discriminatory way (if a procedure is available for a national of a specific Member State, it should also be accessible to users from other Member States). It also imposes on the Member States an obligation to create full online access to the most important and most often used procedures. The initiative includes a strong incentive to the Member States to adopt ambitious cross-border and national e-government strategies, so that EU citizens and businesses could benefit fully from the available technological developments.

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 in the Commission's view will benefit most from digitalisation are at the core of municipal service provision: social and health services, the health sector, the education sector and culture.

European Pillar of Social Rights

The Commission presented the European Pillar of Social Rights as a Commission Recommendation, which became effective as of 26 April 2017. The European Parliament, the Council and the Commission signed the joint proclamation of the European Pillar of Social Rights at the Gothenburg Social Summit in November 2017.

The aim of the Pillar of Social Rights is a deeper and fairer Economic and Monetary Union (EMU). The Pillar was developed for the euro area, but can be applied to other EU Member States if they want to join in. The 20 principles enshrined in the Pillar promote citizens' equal opportunities and access to the labour market, fair working conditions and social protection and inclusion. The European Pillar of Social Rights does not extend the Union's powers and tasks defined in the Treaties. The social dimension's importance for building Europe's future has been recognised, and the European heads of state give their firm support to the Pillar as part of the future of Europe.

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 through either binding directives or recommendations; and secondly, establishing a social scoreboard to track trends and performances across EU countries in 12 areas and to assess progress for the EU as a whole. The scoreboard is one of the instruments used for assessing performance and issuing country-specific recommendations within the European Semester of economic policy coordination.

The Commission is implementing the principles of the Pillar of Social Rights through a social fairness package. In addition to the preparations initiated earlier, the Commission's 2018 work programme includes the following: a proposal to establish a European Labour Authority; an initiative on access to social protection for atypical self-employed workers; an initiative on a European Social Security Number that could be used across policy areas where appropriate; and a REFIT revision of the Written Statement Directive establishing the employer's obligation to inform employees of the conditions applicable to the contract or employment relationship.

In a best-case scenario, the European Pillar of Social Rights will allow dissemination of information and best practices not only between the Member States, but also between regional and local governments. The Pillar of Social Rights should not be legally binding, nor should it limit the right of Member States to define the fundamental principles of their own social security systems. Many of the objectives set for the Pillar can only be achieved in areas that fall within national competence. The Member States are structurally and culturally very different, and the measures required to promote social rights differ from one country to the next. In the establishment of the European Pillar of Social Rights, care should be taken that various steering mechanisms or other measures do not lead to overstepping the boundaries of EU competence.

Economic policy has undergone notable changes over a relatively short period of time; it is too early to assess whether these changes have removed imbalances in public finances or promoted economic growth. It is therefore crucial to appraise the impacts of action so far taken and to take corrective measures before making new decisions on deepening economic integration. A transparent cost-effectiveness assessment should be part of planning any new measures.

The Association has set the objective that the EU's economic competitiveness, the well-being of its citizens and social justice will be developed on an equal basis. We consider it highly important that the European Pillar of Social Rights should apply to all Member States equally, not only to the euro area countries. It is somewhat artificial to link the Pillar of Social Rights to the Economic and Monetary Union; instead, the two could be considered as separate instruments for further developing the Union. In the present situation, after Britain's referendum, the EU must stay unified. The divide between euro and non-euro countries must not be widened.

The Pillar of Social Rights does not cover immigration and asylum issues, despite the fact that they pose a considerable social challenge for today's Europe. A failure in the integration process would be a loss to both the host society and the immigrants, and its social and financial consequences could be severe.

Education policy

The European education policy of the future is guided by an ambitious, shared agenda for how to use culture and learning as a driver for unity. Common education policy goals also improve student and labour market mobility between countries. International mobility and exchange of students, teachers and teacher training students and that of the staff of early childhood education and care and sports and youth services play an important role in the internationalisation of local authorities. It encourages peer learning and facilitates the use of other countries' best practices in one's own

country and municipality. Education brings competences, knowledge and skills that help us adapt to the fast-changing world, develop a sense of European identity, understand other cultures and acquire the skills needed in a mobile, multicultural and increasingly more digitalised society. Education plays a central role in society, giving us the skills we need to be active members of our increasingly more complex society. Education also promotes digital transformation and reinforces skills required in a digital society. It is a prerequisite for innovation. Education policy creates a framework and opportunities for participation in society.

The EU needs to examine, which common procedures provide added value and ensure that no new barriers to international mobility are created.

An education policy that covers the entire educational system is an essential element of society at both European and Member State level. The Finnish system of education is built around the principle of independent decision-making by local authorities. Each organisation, education provider, school and educational institution has far-reaching independence and a right to make decisions on their own activities within the framework of the municipality's decisions. Municipalities also exercise ownership control over the universities of applied sciences. Education policy measures are targeted at maintaining and increasing the vitality of municipalities and regions based on their own strengths and smart specialisation.

The Association's EU lobbying priority in education policy is to ensure national, regional and municipal decision-making powers. Education should continue to be funded and organised for the most part by local authorities. The EU's policy outlines and decisions should leave scope for retaining the special characteristics of national educational systems. For instance, there is no reason to harmonise qualifications across Europe.

Cooperation in education and training should continue to aim to establish, support and monitor common, ambitious education policy objectives while also respecting the diversity of national educational systems. Cooperation should be improved without establishing new structures or administrative obligations burdening the Member States and local authorities.

The main competence on education policy lies with the Member States, and this is why the EU's education policy measures are often strategies or recommendations. The EU's main channels of influence in the area of education are probably various funding programmes. Among them especially the Erasmus+ programme, and adequate funding for it, have become important in making Europe more open and international. The Erasmus+ programme plays a prominent role at all levels of education.

The Association of Finnish Local and Regional Authorities supports a balanced development of the Erasmus+ programme and facilitates the distribution of information on funding opportunities to local authorities. The programme's integral components are lifelong learning and youth and sports, which makes it

necessary to increase cross-sectoral cooperation and to develop structures for it. The EU's education programmes should support the acquisition of a variety of skills and the optimisation of European human capital. This promotes well-being in society and among local residents, and improves employability, competitiveness and skills. The Association underlines the importance of securing sufficient funding for the Erasmus+ programme and not making funding cuts to the programme in the future.

The Association stresses that education policy and the associated initiatives should cover all levels of education starting from early childhood education and care. European cooperation in education and training should cover, for example, qualitative monitoring of access to employment, the attractiveness of vocational and higher education and updating the framework of key competences. In addition, it should draw attention to the importance of language skills and global competency in future working life and the broader cultural and social dimension of education and training. Special attention should be paid to transitions between jobs and the skills and competencies needed in such situations.

The Association of Finnish Local and Regional Authorities believes that the decision-making power on education should remain with the Member States.

The EU programmes should continue to have a lifelong learning perspective at their core. This is important for maintaining and updating working life skills as Europe's population ages.

Vocational education and training

According to the Commission's work programme 2018, the European Union still needs to deal with the legacy of the financial crisis and translate higher growth into new jobs, fairness and new opportunities for all. The Commission has laid the groundwork for dealing with this challenge, for example with the European Skills Agenda. The New Skills Agenda for Europe was launched in 2016. The Commission believes that the EU now needs to move this agenda forward at Member States' and regional level with the support of the European Social Fund, paying particular attention to basic skills and to digital skills.

In delivering a more united, stronger and more democratic Union, vocational education and training (VET) is likely to emerge as a topic in political debate both at the Union level and nationally in the Member States during the upcoming presidencies.

VET can address many challenges, but it is important to identify the issues where it can offer a real solution. To give an example, VET cannot address structural problems in the economy or create a high number of new jobs.

The Association of Finnish Local and Regional Authorities finds it important that the EU understands and gives recognition to Finland's vocational education system, where the education and training is funded and organised for the most part by local authorities. As a representative of local authorities and municipal vocational education providers, the Association participates, whenever possible, in seminars, networking events and consultations organised by the EU.

Under the subsidiary principle, each Member State makes decisions on its own education policy. VET is organised under the Commission's Directorate-General for Employment, Social Affairs and Inclusion (DG EMPL), whereas in Finland VET and some of the labour force training fall under the remit of the Ministry of Education and Culture.

Although VET is a key instrument for employment policy and, to some extent, social policy, it comes under the national education policy. This means that decisions on VET matters should be taken at national level. National decision-making needs to ensure that the national education funding and structures support cooperation between general upper secondary education and vocational education and training. This is particularly important in sparsely populated regions for securing the availability and accessibility of upper secondary education.

The Association of Finnish Local and Regional Authorities stresses that VET is part of the national system of education and competence development for citizens irrespective of the administrative branch whose remit it falls under. The best outcome in improving a population's vocational skills can be achieved through seamless cooperation between different administrative branches.

On-the-job learning — apprenticeships — school-based VET — training agreement

The EU and its Member States have seen apprenticeships as a panacea for the development of vocational education and training. However, the concept of apprenticeship varies from one Member State to the next. What is more, school-based VET does not only mean learning in school, but may include more training in a workplace than actual apprenticeships.

Apprenticeship is based on a master-journeyman model, where a skilled person imparts his knowledge and skills to an apprentice. So generally speaking, apprenticeships train people in the skills that they need in today's working life. Yet, the EU and national governments emphasise that work is changing rapidly and workers must keep pace with the changing demands. Apprenticeships provide limited opportunities for acquiring the new kind of knowledge and skills required by future jobs.

The Member States differ greatly as to their economic and business structures and their population and workforce numbers. In Finland, even regions have different needs and opportunities for organising VET.

The Association of Finnish Local and Regional Authorities finds it important that the focus should move away from apprenticeship training to a new way of combining learning in different learning environments: educational institutions' workshops, virtual and simulated environments, online studying, on-the-job learning. The goal would be to provide students with the best possible general and vocational skills for both today's and tomorrow's working life.

The VET qualifications system and VET content must meet local and regional workplace needs and provide opportunities for lifelong learning.

Towards a new policy on migration

In the Commission's view, the EU is on track in implementing the European Agenda on Migration launched in 2015. The Agenda's purpose is to improve migration management across Europe. The EU is delivering the goal to protect the Union's borders and pursue a responsible migration policy.

Managing migration flows whilst ensuring that those who seek refuge always find safe haven here is still a challenge. The Commission will continue the efforts initiated in previous years to bring direct support to refugees and their integration in host communities in Europe and in third countries. It is a long-standing practice to address the root causes of migration and to promote economic and social opportunities in the countries of origin. The Migration Partnership Framework will be essential to delivering results.

The Commission has made many 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. The aim is to apply the same rules across the EU. The EU also seeks to take more effective action on returning people who do not have the right to be in the EU.

The EU wants to share out among the Member States the responsibility of managing the situation of asylum seekers. Since 2015, Member States have accepted asylum applicants relocated from Italy and Greece. This temporary scheme of relocation transfers is now coming to an end. Finland has fulfilled its part of the scheme.

The EU wants to introduce effective legal pathways to European Union territory. Finland supports the Union's efforts to manage migration better and contributes to the

development of a common asylum and migration policy. Finland considers the reception of quota refugees a good way to promote immigration by legal means.

The EU also wishes to develop legal immigration to bridge demographic and workforce gaps. The Finnish Government has drawn up a migration policy programme aimed at advancing work-related migration.

The Commission grants financial support to the 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.

With growing work-based and humanitarian immigration, Finland is becoming increasingly more multicultural. Many Finnish municipalities have residents from a variety of linguistic and cultural backgrounds. 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 refugee and asylum policy, but local authorities too have an important role in helping Finland fulfil its humanitarian responsibilities and integrating immigrants. Local authorities also have an important role in promoting the participation and non-discrimination of immigrants.

It is important that local authorities can use EU funding for integration measures. 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.

Equality between women and men and non-discrimination in the EU

The European principles of freedom, democracy and rule of law are an integral part of the European way of life. EU membership also stands for equal treatment and sharing of the Union's common values. These values are respect for human dignity, human rights, gender equality and non-discrimination, participation and respect for pluralism of opinion.

Promoting equality between women and men in the EU

Gender equality is one of the fundamental principles of European Union law. The EU's aim is to ensure equal opportunities and treatment for women and men and to combat any form of gender-based discrimination. The EU's Strategic engagement for gender equality 2016–2019 defines the priorities and key actions. The priorities are

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- 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.

A combination of legislative and non-legislative action and funding instruments will be used to achieve the objectives under each priority. A gender-equality perspective will be integrated into all EU activities, funding programmes and the preparation of the next financing period. The aim is also to improve monitoring and evaluation and to continue cooperation with Member States and different stakeholders and disseminate best practices. Across all priority areas, attention will be paid to the role of men and to dismantling gender stereotypes and promoting non-discriminatory gender roles. In the strategy's implementation, close attention will be paid to the specific needs of disadvantaged groups, including single mothers and older, migrant, Roma and disabled women.

A topical issue in 2018 is the Commission's new action plan for tackling the gender pay gap (2017–2019), published on 20 November 2017. The action plan includes both policy action and an assessment of the need for legal provisions. At the same time, the Commission published its report on the implementation of the Pay Transparency Recommendation.

Equality between women and men and promotion of equal rights and opportunities for all are set out in the Pillar of Social Rights. The Pillar's key objectives include gender equality in working life and work and family life balance. As part of promoting social protection and inclusion, the Pillar emphasises affordable and good quality childcare and opportunities for children from disadvantaged backgrounds. The Union wants to guarantee women and men equal opportunities to acquire pension rights. In the context of the Pillar of Social Rights, the Commission also presented a proposal for a directive on improving work-life balance. The Commission will publish in spring 2018 a communication on the Pillar's implementation.

A new social scoreboard will be used within the European Semester in the future. It includes an equality dimension, but lacks a cross-cutting approach to it. The European Institute for Gender Equality, EIGE, monitors progress in gender equality across the EU by using a gender equality index. The latest index was published in 2017. The Commission issues its annual equality report usually in March.

The EU signed the Council of Europe Convention on preventing and combating violence against women and domestic violence (Istanbul Convention) in 2017. Finland ratified the convention in 2015. Its implementation in 2018 will be supported through the EU Rights, Equality and Citizenship Programme, REC. Other REC Programme calls for proposals on equality will open in 2018.

The Association of Finnish Local and Regional Authorities welcomes EU objectives for promoting gender equality, for example a more equal sharing of caring responsibilities between women and men and fighting poverty among women. The Association emphasises that promotion of gender equality should be resolved at a national level and new EU-level legislation should not be enacted. In fact, some parts of the Finnish legislation are more advanced than European legislation.

The Association of Finnish Local and Regional Authorities is pleased that social well-being has been given greater prominence within the European Semester. Promotion of gender equality should be part of this development, and the gender aspect should be a cross-cutting theme across the social scoreboard used in economic governance. The Association welcomes the EU's support for achieving equality and for implementing the Council of Europe Convention on preventing and combating violence against women and domestic violence.

We encourage Finnish municipalities and counties to promote gender equality with the help of the European Charter for Equality of Women and Men in Local Life. The Charter was produced at the initiative of the Council of European Municipalities and Regions, CEMR, in 2006. It considers the promotion of gender equality and reduction of multiple discrimination from many angles. The Charter covers local and regional governments' democratic accountability and decision-making, services, the employer role, prevention of gender-based violence and sustainable development. The Charter is in line with EU laws and policies and with Finnish laws, but it is not a piece of EU legislation.

Promotion of equality in the EU

The Non-Discrimination Act states that no one may be discriminated against on the basis of age, origin, nationality, language, religion, belief, opinion, political activity, trade union activity, family relationships, state of health, disability, sexual orientation or other personal characteristics. In addition to direct and indirect discrimination, the following constitute discrimination under the Act: harassment, denial of reasonable accommodation as well as an instruction or order to discriminate.

The Commission's priorities for promotion of equality are set out in the EU Citizenship Report 2017: Strengthening Citizens' Rights in a Union of Democratic Change.

The goal is to conclude the negotiations on the proposed Horizontal Anti-Discrimination Directive, which has been in preparation for a long time now. The directive would broaden the scope of the equality directives (the Directive establishing a general framework for equal treatment in occupation and employment and the Directive implementing the principle of equal treatment between persons irrespective of racial or ethnic origin). The European Accessibility Act, which is well under way, deals primarily with accessibility requirements of services. The Directive on the accessibility of the

websites and mobile applications of public sector bodies entered into force in late 2016, and the national implementation is in progress.

The Commission is committed to promoting equality and non-discrimination for lesbian, gay, bisexual, trans, and intersex (LGBTI) people. It has put forward a list of actions to be implemented in 2016–2019 across all policy areas relevant for LGBTI people: non-discrimination, education, employment, health, asylum, hate speech/hate crime, enlargement and foreign policy. In 2018, the Commission will prepare a report on the implementation of the list of actions in the Member States.

Efforts are made to improve the economic and social integration of Roma in the EU, for example in the framework of the Europe 2020 Strategy dialogues.

A key priority for the Commission both under the 2020 Digital Agenda and the Digital Single Market Strategy is to boost connectivity for all EU citizens, and especially for the disabled and the aged. The EU finds it important that online services for citizens be accompanied by default by safety nets for EU citizens in vulnerable situations.

The EU will continue to support Member States' equality policies under the EU Rights, Equality and Citizenship Programme, REC.

Equality of treatment and opportunities regarding employment, social protection, education, and access to goods and services are important principles of the Pillar of Social Rights.

The Association of Finnish Local and Regional Authorities welcomes the promotion of equality among EU citizens. The objectives should be implemented primarily at national level. The Finnish Non-discrimination Act is already comprehensive as such and applies to all entities included in local authority corporations, in their role as employers, public authorities and services and education providers.

The Association of Finnish Local and Regional Authorities is developing municipal equality planning for the promotion of equality and non-discrimination under the Rainbow Rights project funded by the EU's REC programme. The project will produce a report and develop together with local authorities criteria for good equality planning especially from the perspective of implementation. In 2018, the project will also draw up a best practices guide for municipalities to help them implement and monitor equality planning.

Implementation of Economic and Monetary Union

The Commission's work programme 2018 includes a statement on further developing Europe's Economic and Monetary Union (EMU). The key steps were published already

in late 2017. The overall aim is to enhance the EMU's unity, efficiency and democratic accountability by 2025.

On 6 December 2017, the Commission proposed a roadmap for action and several concrete measures to deepen the EMU. The Commission put forward proposals to establish a European Monetary Fund (EMF), a post of a European Minister of Economy and Finance, new financial instruments, and changes to the legislation on the EU's economic governance.

Over the past years, the Commission has drawn up already several corresponding policy guidelines for the development of the EMU. The underlying idea has been to deepen the EMU, but the level and content of the proposed measures have varied. The Member States have generally had reservations about the Commission's plans for the deepening of the EMU in the long run. This has led to a situation where it is difficult to reflect on realistic development options. For example, employment policy and taxation have been incorporated into the proposals to varying degrees. Similarly, opinions are strongly divided on the extension of the EU institutions' powers.

The Association of Finnish Local and Regional Authorities welcomes the overall aim of the Economic and Monetary Union. We also believe that development of the EMU should be carried on in good economic times, not only during acute financial crises.

In the Association's opinion, there is not yet a clear overall picture of the EMU's future. It is therefore crucial to take small, clearly defined and realistic steps towards developing the EMU. It is desirable that the Commission and Member States find a consensus in the further development of the Economic and Monetary Union.

The Association welcomes generally the measures proposed for safeguarding the stability of the EU and the euro area. The Treaty on Stability, Coordination and Governance can be integrated into the Union legal framework; however, in this context it would have to be considered how to calculate public sector investments correctly in the EU economic rules.

The debate on the establishment of a European Monetary Fund or a new European Minister of Economy and Finance has only just begun. The next step is to have a rich and high-quality debate on these matters. No binding decisions to establish them should be issued during the current term of the European Commission and Parliament. Any decisions should be postponed until after the 2019 European Parliamentary elections.

Capital Markets Union

The Capital Markets Union is a cornerstone of the Commission's growth strategy (jobs, growth, investments and competitiveness) and as such important to Finnish local authorities. However, there is a need for taking better account of the specific national characteristics of the capital markets and investments, even though the Capital Markets Union in itself enables a greater diversification of investments and sharing of the associated risk.

The Association of Finnish Local and Regional Authorities holds a mainly positive view of the creation and goals of the Capital Markets Union. For efficient and competitive financial preparedness of the local government sector, the financial markets need to diversify and function better. An integrated capital market functions more efficiently and provides more opportunities for investment and financing. Diverse sources of finance lead to better availability of financing and lower financial costs. The Association considers it justifiable to create conditions for setting up new innovative financial models and alternatives.

We welcome measures to enhance the operations and efficiency of the European System of Financial Supervision within the Capital Markets Union initiative. However, the Association has great reservations about possible elements of joint liability, such as Eurobonds.

Banking Union

The European Banking Union consists of the Single Supervisory Mechanism, the Single European Resolution Mechanism, and the harmonisation of national deposit guarantee schemes.

The aim is to bring stability to the financial markets, to weaken the link between banks and governments and to promote fair competition. The key factor is the implementation of investor bail-in. This means that the costs of possible banking crises will be primarily borne by banks' owners and creditors, and secondarily through the banks' joint liability using the Single Resolution Fund.

A properly implemented and supervised Banking Union improves the financial markets' functionality, stability and competitiveness, which are of primary importance in the financing of municipal investments and, consequently, in achieving financial goals.

The Association of Finnish Local and Regional Authorities supports the Banking Union and believes that it will provide more stability to the euro area financial market. In addition, single supervision and a single rulebook will promote fair competition.

The Association is not in favour of the proposed European Deposit Insurance Scheme, because neither possibilities nor need for it exists at the moment. The harmonisation of national deposit guarantee schemes is, however, a justified goal. In the Association's opinion, the Finnish Deposit Guarantee Fund's assets must only be used to cover the depositors of Finnish banks.

The Association also believes that it is important to minimise the use of joint liabilities in the Single Resolution Mechanism. Crisis response measures should be primarily financed through investor bail-in. The threshold for the use of the Single Resolution Fund should be high.

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