

# **The Association of Finnish Local and Regional Authorities (AFLRA): EU lobbying priorities for 2021**

**The steering committee of the AFLRA Board, 28 January 2021**



# The programme of the von der Leyen Commission for 2019–2024

## The Commission's six priorities

- 1. A European Green Deal
  - 2. A Europe fit for the digital age
  - 3. An Economy that Works for People
  - 4. A stronger Europe in the world
  - 5. Promoting our European way of life
  - 6. A New Push for European Democracy
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- The Commission annually publishes a work programme, which includes legislative and strategic initiatives to implement the priorities.

# European Commission work programme 2021

## ‘A Union of vitality in a world of fragility’

- The AFLRA annually sets out its EU lobbying priorities on the basis of its strategy and the European Commission’s work programme.
- The priorities guide the AFLRA’s EU lobbying efforts both in Finland and in Brussels.
- In defining its priorities, the AFLRA also takes account of national needs and focuses on some of the work programme’s priorities.
- The Commission’s work programme sets out 44 initiatives with several subheadings.
- The expected publication of each initiative is notified in advance on a quarterly basis (Q1/2021– Q4/2021).

# **AFLRA EU lobbying priorities for 2021**

- 1. The EU programming period 2021–2027 — a focus on recovery and new growth**
- 2. EU urban policy — cities promote vitality and drive forward the economy**
- 3. A European Green Deal**
- 4. A Europe fit for the digital age**
- 5. Action Plan for the European Pillar of Social Rights**

# 1. EU programming period 2021–2027

The Recovery and Resilience Facility, a response to the Covid-19 crisis – background:

- The Recovery and Resilience Facility (RRF) is part of the more wide-ranging Next Generation EU recovery instrument. The other instruments under Next Generation EU are: REACT-EU, Horizon Europe, InvestEU, the rural development funds, the Just Transition Fund (JTF) and rescEU.
- The Sustainable Growth Programme for Finland focuses on recovery from the Covid-19 crisis and on laying the foundation for new growth. Cities and municipalities play a crucial role in delivering the programme's objectives.

Person in charge: Annukka Mäkinen

# 1. EU programming period 2021–2027

The AFLRA's lobbying objectives for recovery and new growth:

- It is important for local authorities that investments are made that support energy transition, climate action and accessibility, while also promoting innovation, the use of digitalisation, employment and skills development.
- Local and regional actors should be involved in decisions concerning projects that support the reforms.
- Programming should get underway as early in 2021 as possible to support the recovery efforts. National governments should be prepared to take a financial risk in the funding of project activities.

# 1. EU programming period 2021–2027

The AFLRA's lobbying objectives at the start of the programming period:

- In the pursuit of a greener and lower-carbon Europe, it is important to ensure that climate and circular economy action can be continued at the local and regional levels.
- We do our share to ensure that local authorities will continue to be involved in the delivery of regional and structural policy objectives. The role of local government in the management of local economic and employment policies and regional climate action is closely linked to the implementation of the recovery measures.
- It should be possible to use EU funding also for the promotion of employment, social fairness, gender equality and non-discrimination, and for the integration of immigrants.

# Estimated timeline for 2021:

- Finland's recovery and resilience plan: a draft plan in early February, the final plan to be submitted to the Commission by the end of April
- More detailed decisions on the first instalment of the funding to be made in 2021 in connection with the first supplementary budget in March
- REACT EU – a quick response to the damage suffered: an indicative distribution of funds to regions in January; application rounds start in February-March; the first funding decisions in April; the first projects to start in May-June
- Inventive and competent Finland 2021–2027: The finalisation of the draft programme in January; the hearing in February; EU regulations in May; the programme to be adopted by the Commission in July-August; national programming starts in September



## 2. Urban policy

### Background:

- In cities, people's social environments come together, making networking easier for companies and employees.
- This creates conditions for economic growth, export and the development of digital products.
- Affordable housing, growing inequality and long-term investments are examples of issues that should be taken account of in economic policy coordination across the European Union.

Persons in charge: José Valanta, Henrik Lönnqvist

## 2. Urban policy

The AFLRA's lobbying objectives:

- The creation and financing of sustainable transport systems in urban areas is an important development target.
- Urban issues concern the entire functional urban region.
- The EU Urban Agenda and the renewal of the Leipzig Charter on Sustainable European Cities are worthy of support from the point of view of Finnish cities.

# 3. A European Green Deal

1. The Energy Efficiency Directive (Q4/2021, Vesa Peltola)
2. Circular economy package (Q4/2021, Tuulia Innala)
3. Biodiversity and toxic-free environment package (Q2, Miira Riipinen)
4. Sustainable and smart mobility (Q3, Johanna Vilkuna, Alina Koskela)
5. Trans-European transport network (Q3, Johanna Vilkuna, Alina Koskela)

# A European Green Deal

## Background

The AFLRA's lobbying activities focus on the new initiatives set out in the Commission's work programme:

- The Commission will overhaul the climate and energy legislation to align with the target to reduce emissions by at least 55 per cent by 2030, as compared to 1990 levels. The revision of the Energy Efficiency Directive is of crucial importance for local authorities.
- In 2021, the Commission will continue the implementation of the circular economy action plan, examining eco-design, sustainable products and, in particular, circular electronics.

# A European Green Deal

## Background

- The Commission's toxic-free environment package and biodiversity strategy have a substantial impact on environmental action by local authorities. According to the strategy, all cities and municipalities with over 20,000 inhabitants should draft a 'greening' plan by the end of 2021.
- Regional differences should be considered in a shift to sustainable and smart mobility. The Directive on Intelligent Transport Systems is to be revised in 2021.
- The extension of the European TEN-T core network corridor from Helsinki via Tornio to Luleå in Sweden is of paramount importance for Finland's connections. This will strengthen the Arctic Dimension and increase the number of projects eligible for EU aid.

# The Energy Efficiency Directive

- The amendment of Article 5 of the Energy Efficiency Directive is especially relevant to the local government sector, because it could mean that the current requirement to annually make energy efficient renovations to at least 3 percent of central government buildings is extended to include local government buildings.
- The proposal is problematic for Finland's divergent local authorities and their effective climate action and should thus be opposed as such together with the national government.
- The other directives to be revised under the Fit for 55 package with significance to the local government sector include the Energy Performance of Buildings Directive (EPBD), the Directive on the promotion of the use of energy from renewable sources (RED II), the Energy Tax Directive, and the Directive on the deployment of alternative fuels infrastructure. It is also necessary to monitor the other initiatives in the package.

# Circular economy package

- Taking account of the local government perspective in the package's implementation is vital for a creation of a circular economy model that will work well for the European society at large.
- Waste management should be developed keeping in mind the purpose of public waste management, which is to ensure equal and cost-effective municipal waste management and to prevent any hazard to and harmful effects on health and the environment from waste and waste management.
- The overall responsibility for the development and implementation of municipal waste management must remain with public authorities.
- Especially in making changes to producer responsibility for packaging waste, the pivotal role of local government in the management of waste generated in dwellings should be taken into account, and local authorities should be ensured sufficient authority. Otherwise, there is a risk of moving towards a sub-optimising and inefficient circular economy model.

# Biodiversity and toxic-free environment package

- In the AFLRA's opinion, it is important to recognise in the implementation of the biodiversity strategy that local authorities have a versatile role in delivering biodiversity targets. At the same time, it should be ensured that local authorities have opportunities for reconciling other land use needs with the biodiversity targets.
- Stronger incentives to encourage nature conservation in local authorities should be put in place to enable a range of extensive, locally acceptable nature conservation actions especially outside conservation areas.
- Biodiversity issues should be considered together with climate issues in the implementation of the biodiversity strategy. The aim should be to mainstream nature conservation. The wellbeing impacts of biodiversity in a Europe that is being rapidly urbanised should be examined as a specific issue.



# Biodiversity and toxic-free environment package

- A clean environment sets a backdrop for the basic services provided by local authorities, the well-being of local residents and the livelihoods dependent on a clean environment.
- In the future, more efforts should be concentrated on an efficient implementation and development of current legislation.
- In countries such as Finland, support for implementation should be provided for local authorities, because they have considerable responsibility for the implementation and monitoring of environmental regulations.
- The needs of local authorities and the specific circumstances of cities, municipalities and regions should be taken account of in the preparation and implementation of the zero-pollution action plan. The action plan should not lead to overregulation jeopardising the essential services produced by local authorities, for example affordable and comprehensive water services, which improve the state of the environment.

# Sustainable and smart mobility

- Overly detailed regulation at the European level should be avoided. Local and regional public sector actors should have discretion to determine the most cost-effective solutions suitable for local circumstances.
- The Directive on Intelligent Transport Systems is to be revised in 2021. The multimodal ticketing initiative included in the directive should promote sustainable and seamless mobility within the EU.
- For local authorities, key to the initiative's implementation is an equal obligation of the public and private sectors to share data. What is more, local and regional authorities should retain the means and opportunities for guiding mobility towards sustainability goals.
- It is important to ensure that urban regions can continue to pursue integrated development of their public transport systems in line with the EU Regulation on public passenger transport services.

# Trans-European transport network

- The extension of the European TEN-T core network corridor from Helsinki via Tornio to Luleå, and from Stockholm up north to Oulu and from there on to Narvik is of paramount importance for the development of Finland's transport connections. This will strengthen the Arctic Dimension and increase the number of projects eligible for EU aid.
- New nodes and urban nodes will be determined in connection with the core network corridor's extension. Finland should play an active role in the planning process.
- The goal must be to maximise the receipts from the EU in the 2021–2027 programme period through a larger number of projects eligible for EU funding. Major rail transport projects should be covered by the funding for urban nodes.
- It is important to actively promote Finland's rail projects, but also Rail Baltica, a key new project to connect Finland to the EU's main market areas.

## 4. A Europe fit for the digital age

### Background:

- The aim of the Europe's digital decade initiative is to make digitalisation work for people and enterprises in the EU and support the target to make Europe carbon-neutral by 2050. (Q1)
- The Commission wants to guide the public sector towards making increased use of digitalisation and new technologies such as artificial intelligence.
- The initiatives will impact the management, sharing and storage of data; electronic and digital services in various sectors (e.g. health services); cybersecurity; and digital skills and education.

## 4. A Europe fit for the digital age

The AFLRA's lobbying objectives:

- Regulatory development to promote digital transformation must not slow down the achievement of digitalisation objectives in frontrunner countries.
- Local authorities need support for the implementation of the changes.
- The digital levy initiative should ensure that public digital services produced by local authorities are not subject to tax and the tax burden of local authorities will not thus increase.
- Persons in charge: Hanna Menna, Alina Koskela, Jari Vaine

# 5. Action Plan for the European Pillar of Social Rights

## Background:

- The Commission will put forward an action plan to ensure a full implementation of the European Pillar of Social Rights.
- The action plan will be the Commission's key instrument to contribute to socio-economic recovery and resilience in the medium and long-term, with a view to enhancing social fairness of the digital and green transitions.
- Fair economy package (Q1)

Person in charge: Tarja Myllärinen

# 5. Action Plan for the European Pillar of Social Rights

The AFLRA's lobbying objectives:

- Special attention will be paid to the division of competences between the EU and its Member States. The key is to retain national competences in line with the principle of subsidiarity.
- The AFLRA stresses that the European Pillar of Social Rights enables dissemination of information and best practices between regional and local governments as well as between Member States.
- The promotion of a wellbeing economy was one of Finland's main objectives during its Council Presidency. The key message is that besides having intrinsic value, human wellbeing is crucial for the EU's economic growth, productivity and long-term sustainability of public finances, and for a stable European society.

# The AFLRA also seeks to influence these Commission initiatives:

## Capital Markets Union and Banking Union (Q3–Q4)

Person in charge: Jari Vaine

## Follow-up initiatives under the new pact on migration and asylum (Q2)

Person in charge: Anu Wikman-Immonen

## The Arctic strategy (Q4)

Person in charge: Annukka Mäkinen

## Long-term vision for rural areas (Q2)

Persons in charge: Taina Väre, Annukka Mäkinen

## European health data space (Q4)

Person in charge: Tarja Myllärinen

## Follow-up to the European Education Area and the updated skills agenda (Q4)

Person in charge: Hannele Salminen

## EU strategy on the rights of the child (Q1)

Persons in charge: Tarja Myllärinen, Maria Salenius, Jarkko Lahtinen

## EU disability strategy (Q1)

Person in charge: Tarja Myllärinen

## Preventing and combatting gender-based violence (Q4)

Person in charge: Maria Salenius