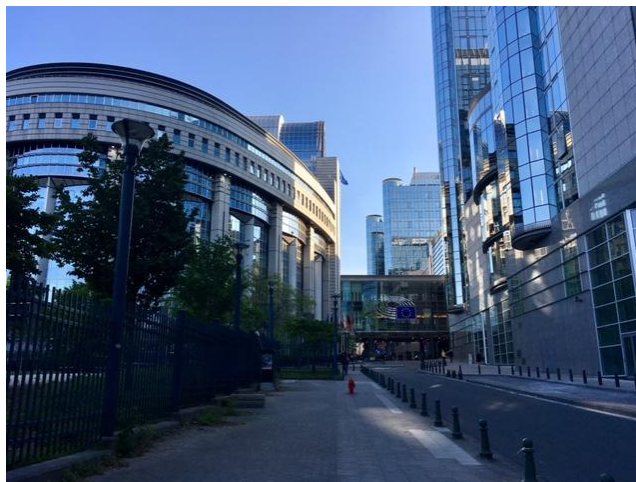


Association of Finnish Local and Regional Authorities: Key targets and lobbying priorities in the EU 2018



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 migration, internal and external security and defence.

Key targets for the new MFF period include streamlining administration, reducing regulation and increasing flexibility. They are important for local and regional levels as well. 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. In terms of Finnish food production and security of supplies, funding from the EU's common agricultural policy instrument, EAFRD, should be available not only in the form of direct payments but also for developing entrepreneurial activity across the country.

Future of cohesion policy after 2020

The Commission has started preparations for the programming period starting in 2021. We must address together the challenges posed by climate change, refugee flows, a global economy, security, ageing populations and growing inequality. It may be possible to fill some of the gap left by Brexit in the upcoming EU Multiannual Financial Framework; nevertheless, the overall budget of cohesion policy is forecast to contract. 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 promote competitiveness, skills development, extensive innovation, employment and smart specialisation. The aim must be to simplify programme architecture. 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 European Agricultural Fund for Rural Development, should be continued.

Development needs of TEN-T network

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. 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). Funding for the CEF must be secured in the forthcoming EU programming period, because the instrument supports the aim to link all of Europe, including its northernmost parts, to the EU market.

Urban Agenda

The objective of the Urban Agenda is to promote urban policy in the European Union and to give cities opportunities to participate in EU policy shaping. The Urban Agenda aims for a multi-level approach and an urban dimension in better regulation, better funding and better knowledge. The Urban Agenda is delivered by thematic partnership networks. 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 urban policy remains with the Member States. The EU complements Member State action and efforts.

EU policy for the Arctic

The Commission has proposed a future 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. Sustainable use of resources, well-functioning communications and transport connections, promotion of innovation, productisation and digitalisation are key targets for the Finnish municipalities and regions as well. Investments into the Arctic's urban infrastructure and energy efficiency projects on the one hand, and the population's services especially in the sparsely populated areas on the other hand, give rise to new entrepreneurial activities. It is similarly important to use the expertise of the Arctic's indigenous peoples and participate in their decision-making also nationally and regionally.

Energy Union and climate change policy

The Commission will continue to deliver on the Energy Union Strategy in 2018. The Commission's initiatives 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. Many local authorities are taking decisive action to mitigate climate change and adapt to its impacts. 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. The energy issue is also relevant to public procurement. The Association's main focus is on the review of the both energy efficiency directives and the treatment of renewable energies. In 2018, the Commission will launch two initiatives with a 2025 perspective. The initiatives relate to a sustainable European future and EU energy and climate framework. The Association of Finnish Local and Regional Authorities is monitoring the impacts of these initiatives on municipalities and regions.

Circular economy

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 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. 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 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. The advantages of reuse and recycling of plastics should always be balanced against the health and environmental impacts and the energy required.



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, the Member States should not be obliged to reuse water. 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, the pricing of water, and the right to water for the socially excluded. 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.

Digital Single Market

The purpose of the Digital Single Market is to integrate national markets into one single market. 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 aim of the Pillar of Social Rights is a deeper and fairer Economic and Monetary Union. 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 Association of Finnish Local and Regional Authorities 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. In a best-case scenario, the Pillar of Social Rights will allow dissemination of information and best practices between Member States and 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. Care should be taken that various steering mechanisms do not lead to overstepping the boundaries of EU competence.

Education policy and vocational education and training

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 and student and labour market mobility. The Association of Finnish Local and Regional Authorities emphasises that education should continue to be funded and organised for the most part by local authorities. The EU's policy outlines and decisions should take into account the distinctive features of the national education systems. For instance, there is no reason to harmonise qualifications across Europe. 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 is emerging as a topic in political debate both in the EU and the Member States. Vocational education and training can address many challenges, but it 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 Finland's vocational education system, where education and training is funded and organised for the most part by local authorities. The EU and its Member States have strongly highlighted the role of apprenticeships in vocational education and training. The Association believes that it is important to combine in a new way learning in different learning environments to provide students with the best possible general and vocational skills.

European Agenda on Migration

The purpose of the European Agenda on Migration is to improve migration management across Europe. The Commission's aim is to move towards a fully efficient, fair and humane asylum policy. The EU also wishes to develop immigration to bridge demographic and workforce gaps. The goal is to introduce effective legal pathways to European Union territory. Local authorities play a pivotal role in integrating immigrants. They also promote the participation and non-discrimination of immigrants. It is necessary 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.

Promoting non-discrimination and equality between women and men in the EU

The EU's priorities for promoting gender equality include: increasing female labour-market participation; reducing the gender pay, earnings and pension gaps and thus fighting poverty among women; promoting equality between women and men in decision-making; and combating gender-based violence. A topical issue in 2018 is the Commission's action plan for tackling the gender pay gap. Key objectives of the pillar of social rights include gender equality in working life and work and family life balance. The Association of Finnish Local and Regional Authorities welcomes EU objectives for promoting gender equality, for example a more equal sharing of caring responsibilities and fighting poverty among women. Gender equality should be promoted at a national level and new EU-level legislation should not be enacted.

The Commission's proposals for a Horizontal Anti-Discrimination Directive and a European Accessibility Act are pending. The Directive on the accessibility of the websites and mobile applications of public sector bodies entered into force in 2016. The Commission is committed to promoting non-discrimination among gender and sexual minorities. Another key priority is to boost connectivity for the disabled and the aged. The Association of Finnish Local and Regional Authorities welcomes the measures to promote 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.

Implementation of Economic and Monetary Union

The Commission's aim is to enhance the unity, efficiency and democratic accountability of Europe's Economic and Monetary Union (EMU) by 2025. The Commission puts forward proposals to establish a European Monetary Fund (EMF), a new post of a European Minister of Economy and Finance, new kind of financial instruments, and changes to the legislation on the EU's economic governance. Over the past years, the Commission has drawn up several corresponding policy guidelines for the development of the EMU. The Member States have

generally had reservations about the Commission's plans. The Association of Finnish Local and Regional Authorities welcomes the overall aim of the Economic and Monetary Union. However, as the big picture remains blurred, it is crucial to take small, clearly defined and realistic steps towards developing the EMU. No binding decisions to establish a European Monetary Fund or a new European Minister of Economy and Finance should be taken at this stage.

The Association of Finnish Local and Regional Authorities welcomes most goals set for the Capital Markets Union. For efficient and competitive financial preparedness of the local government sector, the financial markets need to diversify and function better. The Association has great reservations about possible elements of joint liability, such as Eurobonds. 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.

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