



Ministry of the Interior and
Kingdom Relations



**Study on the European Commission Work Programme
2013: Highlighting potential impacts
Schloss Gracht 12 February 2013**

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Executive Summary

The Work Programme of the European Commission 2013 is analysed in this document, in three groups of policy areas:

- 1. Environment, Energy and Climate Change:** adaptation to climate change, climate and energy framework, thematic strategy on air pollution, waste policy.
- 2. Regional Policy:** the Common Strategic Framework Funds for 2014-2020 and the partnership agreements
- 3. Single Market:** e-invoicing in the field of public procurement and access for regulated professions;

These groups have been selected by the Steering Committee of the High Level Network on Governance and the EU, because they appear to have potential important impacts for the regional and local level and the internal coordination mechanisms within the Member States.

EIPA has been commissioned by the Group to provide scientific input on the chosen dossiers, in order to identify at an early stage those aspects with an impact on local and regional governance. The Group intends a coordinated work to feed into the knowledge sharing and awareness rising needed to feed into the construction of the analysed policies.

The block Environment, is broad and presents clear areas of work for the Group. Especially climate change and air pollution are in a policy making moment which allows efficient HLG work. E invoicing and access to Regulated Professions (in the block Internal Market) are also relevant and in an adequate policy phase for the Group.

- The EU strategy on adaptation to Climate change foresees soft law mechanisms. RLA's will be directly affected by this strategy which is foreseen to be launched in March this year. Potential costs of adaptation to the strategy will be known after the Impact assessment which is conducted now.
- As of the new energy framework for the period up to 2030, it intends to provide long term perspective on how the EU will move ahead from its 2020 climate and energy target. It allows the group to get ready well in advance by monitoring the initiative well in advance.
- Regarding both Air Pollution and waste legislation, there will be a revision this year touching upon sensitive items for the regional and local level. In the case of Air pollution, until March the second round of consultations will be running and therefore still open to potential contributions.

The other two analysed blocks, regional policy and internal market, present also interesting elements, and both could be closely monitored by the Group in the upcoming months. Nevertheless, the Common Strategic Framework Funds for 2014-2020 and the partnership agreements are already in the phase of implementation and therefore the ex ante influence would not be possible anymore. On the contrary the dossier on Internal Market, both related to e-invoicing in the field of public procurement and access for regulated professions, are at an early stage and it is recommended to make a follow up of those policy fields.

Introduction

EIPA Barcelona has been assigned to perform an analysis of the Work Programme of the European Commission for 2013.

After members of the High Level Group (HLG) had screened the Commission Work Programme for 2013 and highlighted the priority policy dossiers which have an impact at regional and local level, a shortlist of priority dossiers was forwarded to EIPA. The dossiers have been grouped by policy areas, and in some occasions analyzed in packages.

During a meeting with the representatives of the Netherlands and the Chair of the Steering Committee, EIPA provided its preliminary scientific input of the dossiers that were listed and highlighted the most relevant policy fields as regards both their impact on Local and Regional Authorities (LRAs) as well as the feasibility for any sort of deeper analysis at this stage of the policy making process during 2013.

EIPA inputs presented in this report, aim at giving a general overview on the content and potential impact of the measures selected for scrutiny. It places the potential role of the HLG within the context of its mission statement. In order to provide an advice on whether one or several of the chosen dossiers might be of interest for the group. In this sense, the phase of the policy making cycle in which the initiative stands has been given a high importance.

Mission statement

The High Level Meeting on Governance and the EU (HLM) is the informal governmental platform for dialogue and knowledge-sharing on how Member States deal with administrative (multilevel) governance of the European policy making. The group is formed by the central ministries responsible for regional and local affairs. It aims to identify at the early stage “new” policy areas with an impact on local and regional governance, and convey a coordinated opinion within the group to feed into the construction of both the national positioning process and the Commission impact assessments.

As a result, the dossiers that have been selected are from policy fields with expected impacts on local and regional government that require active participation and coordination among the MS, combined with good partnership with their regional and local levels in order to profit from the opportunities of different consultation processes, legislative revisions, public hearings etc., which directly affect the daily life of citizens.

Methodology

Based on desk research and in agreement with the contractors, EIPA groups the selected dossiers in three main policy areas, making the research in three distinct blocks. For the 2013 Commission Work Programme the selected blocks have been:

4. **Environment, Energy and Climate Change:** adaptation to climate change, climate and energy framework, thematic strategy on air pollution, waste policy.
5. **Regional Policy:** the Common Strategic Framework Funds for 2014-2020 and the partnership agreements
6. **Single Market:** e-invoicing in the field of public procurement and access for regulated professions;

For each one of them, a common list of indicators has been used, and a common grid of analysis followed. We herewith present the indicators, and the grid.

Indicators

A. The general indicators to be taken into consideration are

1. Affecting multilevel governance (MLG -no exclusive competence)
2. Legislative / non-legislative measure
3. Upcoming / ongoing

B. At a second stage we have prepared a more concrete detail analysis. We have started by justifying why this field/sector has a great importance for local and regional level

1. Do local and regional authorities (LRAs) have competences in the field?
2. Have the Committee of the Regions (CoR) and the Economic and Social Committee (ECOSOC) been consulted in this policy field? Have they published an opinion?
3. Does that imply any administrative burden for LRAs?
4. Will LRAs have to implement those policies?
5. Does an initiative provide with political opportunities for decentralisation and the application of the proximity principle?

C. Then continue by justifying why those policy measures may have an impact on the local and regional level

1. Is this a legislative or non-legislative measure?
2. Is this imminent or for later?
3. Does this measure imply national (and regional) transposition?
4. Does this measure foresee cross-border cooperation, instruments such as European Groupings of Territorial Cooperation (EGTC), partnership contracts...?
5. Is this measure likely to have an impact on administrative settings and coordination mechanisms (local administrative burden)?
6. Is this measure likely to have impact competitiveness between European regions?
7. Is this measure likely to foresee implementation at the local and regional level?

8. May this measure have an impact on mobility of people?
9. May this measure have an impact on local and regional funding? On the finance of the LRAs?

D. What's the legal extent of the measure? How constraining is the measure?

Is the measure legislative or non-legislative?

Is it a regulation or a directive? (If this is a directive, the Member State (MS) enjoys more freedom in its implementation)

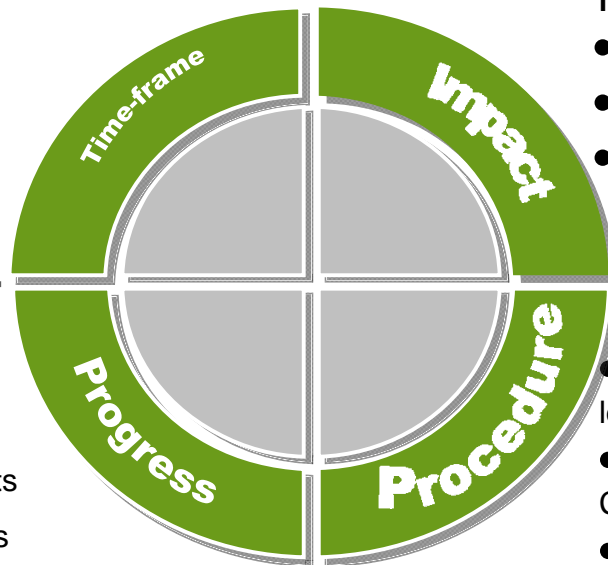
Is the CoR consulted during the legislative process?

4. Time constraints

- Imminent measure
- Set deadlines or timeframes

3. Decision-making progress

- Roadmap
- Impact assessments
- Public consultations



1. Role of LRAs

- Subsidiarity
- Role in implementation
- Potential costs.

2. Formal procedures

- Legislative / Non-legislative
- Consultations with the CoR
- Opinion of the CoR.

Grid of analysis

Role of LRAs	Subsidiarity	
	Role of LRAs in the implementation	
	LRAs directly affected	
	Potential costs and burden impacts	
Formal procedure	Legislative measure	
	Mandatory consultation of the CoR	
	Opinion of the CoR	
Progress of the initiative	IA carried out	
	Public consultation	
	Roadmap published	
Time constraints	Imminent measure	

The list of priority dossiers 2013

European Commission Work Programme 2013 - Part II – ANNEX I				
Nº	Title	Type	Description of scope of objectives	Origin
07	Country-specific negotiation mandates for the Common Strategic Framework Funds for the period 2014-2020	N-L	In the view of the adoption of the partnership agreements, these documents will shape the priorities in member States for public investment during the next seven years	ALL
15	Initiative on E-invoicing in the field of public procurement	L	This initiative would eliminate the fragmentation of the Internal Market by promoting the use of B2G e-invoicing in the public sector and enhancing the interoperability of national e-invoicing systems. It would help to reduce the operational costs of enterprises and the procurement costs of public authorities by fostering the automation of procedures related to invoicing. (Q2 2013)	ALL
20	Access to regulated professions	N-L	Take stock of recent developments in Member States in the area of regulated professions and to devise a methodology for facilitating the mutual evaluation exercise foreseen in the proposal modernising the Professional Qualification Directive. The mutual evaluation foreseen in the proposal will focus on restrictions (qualifications and reserved activities).	ALL
37	EU's Strategy on adaptation to climate change	L N-L	To contribute effectively to a more climate-resilient Europe. This means enhancing the preparedness and capacity to respond to the advert impacts of climate change of the EU, its Member States and regions.	ALL
38	New climate and energy framework for the period up to 2030	L N-L	<ul style="list-style-type: none"> - To meet 80-95% GHG emission reduction objective in 2050 compared to 1990; - To foster long term competitiveness, security of supply and sustainability; - To provide a long-term perspective for investments until 2030. 	ALL

39	Review of the Thematic Strategy on air pollution and associated legislation	L	The initiative will assess the implementation and achievements of current air pollution and air quality policies and will include legislative proposals to revise the NEC Directive and other air quality legislation as appropriate in order to deliver enhanced protection from the impacts of air pollution for human health and the natural environment whilst contributing to Europe 2020.	NL
40	Review of Waste Policy and Legislation	L	This initiative will review key targets in EU waste legislation (in line with the review clauses in the Waste Framework Directive, the Landfill Directive and the Packaging Directive) and carry out ex-post evaluation of waste stream directive, including ways to enhance coherence between them.	ALL

European Commission Work Programme 2013 - Part II – ANNEX II				
15	Initiative on E-invoicing in the field of public procurement	L N-L	Reduce time and costs associated with invoicing in the field of public procurement for businesses.	ALL

Research blocks

- 1. Environment, Energy and Climate Change:** adaptation to climate change, climate and energy framework, thematic strategy on air pollution, waste policy.
- 2. Regional Policy:** the Common Strategic Framework Funds for 2014-2020 and the partnership agreements
- 3. Single Market:** e-invoicing in the field of public procurement and access for regulated professions;

Environment, Energy and Climate Change

Environment, Energy and Climate Change
37. EU's Strategy on adaptation to climate change
38. New climate and energy framework for the period up to 2030
39. Review of the Thematic strategy on air pollution and associated legislation
40. Review of waste policy legislation

The recent initiatives of the Commission has emphasised an integrated approach of combating and minimising adverse impacts of the environmental and climate change. In this regard, the selected policy dossiers were combined in a broad research block – Environment, Energy and Climate Change. Even though, the proposed initiatives set some specific target and objectives, most of the upcoming changes are in line with the agenda Europe 2020 and its broad objective of green and low-carbon economy and sustainable environment and natural resources.

During 2012 the most pressing issue was the inclusion of the European emissions trading schemes on foreign airlines. In November the decision was postponed for one year for international flights. Furthermore, the Commission has decided not to include maritime shipping emissions in the EU Emissions Trading System¹ for the time being. However, if no international solution for both aviation and maritime sector is reached, the Commission will have to review the legislation on Emissions Trading System. Another critical point was the Commission's proposal to delay the allocation of a number of emission allowances in order to raise the flagging price of carbon. However, the resistance from Poland and some MEPs will bring the discussion into 2013. These issues have heated up the debates on the Commission's initiative to revise the EU climate energy package.

Furthermore, the Commission has announced its priority objectives in the new Environment Action Programme to 2020 (MEMO/12/908), where it emphasises a particular significance of the EU Adoption Strategy and the Climate and Energy package. This programme will provide an overarching framework and will complement the existing initiatives.

EU's Strategy on Adaptation to Climate Change

Background

The initiative builds upon the White Paper "Adapting to climate change: Towards a European framework for action" (COM (2009) 147 final) adopted on the 1st of April 2009. The White Paper anticipates the development of a comprehensive EU adaptation strategy by 2013. The strategy relates to the implementation of the post of the Europe 2020 Strategy and in particular to the resource efficiency flagship as well as to the implementation of the post 2013 Multiannual Financial Framework. The White paper contains over 33 actions, which are being currently implemented. A corresponding "Joint Action Plan" has been drawn up and is frequently

¹ More information on the EU Emissions Trading System on the web-site of DG Climate Change. Retrieved from http://ec.europa.eu/clima/policies/ets/index_en.htm

updated and discussed with other relevant services. Furthermore, some countries have already established national adaptation strategies (Denmark, Finland, Germany, the Netherlands, Spain, Sweden and the United Kingdom).²

The adaptation strategy is linked to many other issues on the environmental agenda, such as sustainable land use, urban environment, sustainable food, protecting water and maritime environment. It represents a rather broad objective to boost growth in the green sector and stimulate climate adaptation initiatives and studies. It is indicated that mitigation efforts to limit the impacts of climate change, even with the most ambitious emission reduction plans, would not lead to significant reduction in temperature increases. In this regard, the EU Adaptation Strategy, which is due to be adopted in 2013, should provide a comprehensive approach to climate change adaptation. The main objective is to stimulate the development of adaptation policies at national, regional and local level by facilitating the exchange of good practices and co-ordination and increasing knowledge on climate change impacts, vulnerability and adaptation.

Identified problems

1. Knowledge gaps on addressing the adverse effects of climate change
2. Several EU policies will be affected by adverse effects of climate change and will need to be adapted to those negative effects.
3. There is a need for awareness raising and for supporting Member States actions. Transboundary issues are also not addressed adequately. Consequently, unprepared Member States could face significant economic and social issues, which could have spill over effects on other Member States. National adaptation strategies would also help Member States make the best use of related funds.
4. The private sector is not yet fully delivering the right products and services to help private agents in increasing their resilience to climate risks.

Objectives

The general objective of the initiative is to make Europe more climate resilient and to do so at lowest possible cost. Four specific objectives have been identified:

- i. **Building a stronger knowledge base:** the EU adaptation strategy should improve the understanding of adaptation, improve and widen the knowledge base, where knowledge gaps have been identified, and enhance dissemination of relevant information.
- ii. **Facilitating cooperation:** the new strategy should support and facilitate exchange between Member States, regions, cities and all other relevant stakeholders.
- iii. **Mainstreaming climate adaptation:** the strategy should develop a more consistent and comprehensive approach of integrating climate adaptation considerations into policies at EU level.
- iv. **Public and private action on adaptation:** the EU adaptation strategy should capture the respective potential of the public and private sectors in strengthening adaptive strategy.

² More information on national adaptation strategies could be found on the web-site of the DG Climate Action: http://ec.europa.eu/clima/policies/adaptation/documentation_en.htm

Public consultations

The Commission organised the public consultation on the Preparation of the EU Adaptation Strategy from the 21st of May to the 20th of August 2012. The Commission received 161 contributions to the public consultation from businesses, national or regional governmental institutions, private individuals and research institutes.³

The result of the conducted public consultation has revealed that the most pressing issues of climate change include biodiversity loss and degradation of ecosystem services, water, river flooding, heat waves and food production. A specific attention of improving Europe's resilience to adverse effects of climate change was given to agriculture, energy, natural conservation, water management, cities and forestry. The potential of the actions to improve the use of EU funding for climate change adaptation project is evaluated as medium, though the majority estimates the strategy as highly potential. There is a significant support for increasing direct funding for adaptation-related research and projects, trainings and awareness raising campaign and other supporting activities. The participants of the public consultation have suggested including in the initiative some support for organising pan-European or regional discussions fora on climate adaptation, sharing experiences and good practices, providing a direct support to targeted dissemination and awareness-raising campaigns. Furthermore, it was acknowledged that the main adverse impact of climate change is usually encountered on the local and regional scale. To facilitate the work of local and regional authorities the respondents have suggested that the EU should provide some guidance on developing climate risk assessments and enhance awareness about actual and potential climate change risks at local, regional and sectoral level. In the section on the further needed actions, the respondents have advocated for the development of guidelines on national strategies and action plans and the review of existing EU legislation, such as horizontal directives and regulations. In addressing financial issues, the importance of developing public-private partnerships was highlighted.

The Committee of the Regions in its Opinion on the White Paper on Adapting to Climate Change (5-7 October 2009) and in the Opinions on regional-specific approaches to climate change in coastal and mountainous areas (8-10 October 2012) has continuously advocated for a territorial specific approach in the climate adaptation strategy, including a special acknowledgement of the vulnerability of coastal and mountainous regions. The CoR has required the recognition of the role of municipalities, cities and regions as key actors in implementing adaptation strategies. In this regard, the CoR has insisted on formulating a more detailed strategy that could be applied at the regional and local level. Furthermore, it was proposed to create a Climate Change Monitoring Platform for local and regional authorities, based on the successful model of the Covenant of Mayors. The CoR has emphasised that financial constraints constitute the main barrier to climate adaptation. The financial means that are provided by the EU and the Member States are insufficient to tackle the problem at local and regional level. More resources to the sub-national level should be provided for a successful implementation of adaptation strategies. It was underlined that a cost-benefit analysis of individual measures must be carried out and that the cost associated with measures to combat and adapt to climate change must be reasonable.

³ European Commission. Results on the public consultation on the Preparation of the EU Adaptation Strategy: <http://ec.europa.eu/yourvoice/ipm/forms/dispatch?userstate=DisplayPublishedResults&form=AdaptStrategy>

Moreover, the main criticism of the adaptation strategy mentions the absence of any define sector-specific targets for reducing emission of the air transport and maritime sector.

Potential impacts

The main issue of the adaptation strategy to climate change is its financial impact. The estimated direct costs to the state budget of gradual climate change is approximately € 15 billion a year, not including the far more serious impacts from extreme events and indirect effects through ramifications on the economy.⁴ Based on the case study of Germany, the indirect effect of climate change on public costs will amount to 87% of all public costs. Thus, the current studies evaluate that yearly average costs can be around €60 billion a year, i.e. 1% of total public expenditure for the EU, and not be evenly distributed territorially. For the extreme events of floods and other natural disasters as the result of insufficient adaptation the expected costs are significantly higher.

Therefore, the potential financial impacts of the Strategy on adaptation to climate change have two different perspectives. On the one side, the proposed mechanism is very limited in financial means, which are planned for research, studies, awareness raising campaigns and other events, facilitating knowledge and climate adaptation plans at different levels. In this regard, the local and regional authorities should rely on the already available means on implementing climate adaptation strategies. On the other side, the aim to enhance cooperation with and between Member States, regions, cities and other relevant stakeholders will be financially sufficiently supported by the proposed actions. Since the strategy is built on the success of CLIMATE-ADAPT online platform⁵, the access to information on adaptation strategies (adaptation support tool) at all levels and dissemination of best practices could decrease potential costs of adaptation strategies at local and regional levels. Further analysis of potential financial impact for the local and regional level could be estimated after the analysis of impact assessments that are currently conducted.

Overall, it must be emphasised that the proposed initiative employs soft law mechanisms of adaptation to climate change. It is expected that there will be not legal binding mechanisms. The main emphasis would be on the countries with less binding mechanisms of climate adaptation. Furthermore, the strategy will facilitate the dissemination of best practices in new Member States. However, it is debatable whether the proposed means will help to achieve the set goals of adapting to climate change.

⁴ Centre for European Policy Studies (CEPS) and Centre for European Economic Research (ZEW). (2010). the Fiscal Implications of Climate Change Adaptation. External Studies for DG Economic and Financial Affairs. Retrieved from: http://ec.europa.eu/economy_finance/publications/external_studies/ex_study1_en.htm.

⁵ For more information on CLIMATE ADAPT, please visit the web-site

Conclusion

Role of LRAs	Subsidiarity	Yes
	Role of LRAs in the implementation	Yes
	LRAs directly affected	It is indicated in the roadmap that national, regional and local authorities will be affected by the initiative
	Potential costs and burden impacts	Potential administrative and economic burden.
Formal procedure	Legislative measure	No
	Mandatory consultation of the CoR	Yes
	Opinion of the CoR	CoR's Opinion on the White Paper (5-7 October 2009) CoR's Opinion on regional-specific approaches to climate change: - mountainous regions (8-10 October 2012) - coastal regions (8-10 October 2012)
Progress of the initiative	IA carried out	Only impact assessment on the White Paper on adapting to climate change has been carried out
	Public consultation	Public consultation was conducted from 21 May 2012 to 20 August 2012. The results of the public consultation have been published
	Roadmap published	The roadmap was published in September 2012
Time constraints	Imminent measure	The adoption of the Strategy is expected in March 2013

Suggested follow-up

In view of the Mission statement of the HLG, the policy making cycle and the relevance of the potential impacts, this dossier is of high relevance for the group. Although the role of RLA's in the preparation of the strategy itself is limited, the implementation impacts seem to be potentially high:

- 1) It is advisable to follow the results of the impact assessment on the Strategy on adaptation to climate change, which is currently conducted – The HLG platform will be updated regularly on this dossier.
- 2) Conduct cost-benefit analysis of planned activities and estimate whether the proposed actions will require any additional resources at the local and regional levels

New climate and energy framework for the period up to 2030

Background

A new climate and energy framework for the period up to 2030 will be built on the progress of the existing climate and energy package, and it will integrate long-term commitment and targets to combat climate change. The climate and energy package is a set of binding legislation, which was agreed in December 2008. It aims to ensure that the EU meets “20-20-20” climate and energy targets and addresses two key points: lower costs of meeting 20% and 30% GHG emission reduction targets and to reduced risk of carbon leakage. The package included the commitment to low-carbon economy, actions promoting “green” growth and jobs and energy efficiency. The climate and energy package comprises four pieces of complementary legislation contributing to “20-20-20” objectives: review of the EU Emissions Trading System, national targets for non-ETS emissions, national renewable energy targets and carbon capture and storage.

Even though the Commission has not published a roadmap of the initiative, it is expected that the initiative will have impact on emission allowances in the EU Emissions Trading System as well as the inclusion of foreign airlines into Emissions Trading System in case no international agreement will be achieved. Furthermore, the initiative will also foster new targets in renewable energy. However, the recent conclusion of the Council on renewable energy⁶ has emphasised that the proposed actions of the Commission should include non-binding guidance on the further improvement of national support schemes. The Council pointed out that the proposed guidance on renewable energy the difference of national circumstances of Member States in terms of their potential to use renewable energy sources and develop energy infrastructure.⁷

Objectives

It is essential to start preparing the 2030 policy framework, as most current investment decisions focus beyond 2020. The Commission Work Programme for 2013 indicates that next year the Commission will be working on proposals to provide a long-term perspective on how the EU will move ahead from its 2020 climate and energy targets. A new climate and energy framework for the period up to 2030 will set a target of 80-95% greenhouse gas emission reduction objective in 2050 and aim at fostering long-term competitiveness, security of supply and sustainability.

The proposal for a new climate and energy framework for the period up to 2040 will be built on “Energy Roadmap 2050”, “Energy 2020”, the Directive 2012/27/EU on energy efficiency and a commitment to renewable energy. The initiative on a new climate and energy framework has set the following objectives:

- To meet 80-95% GHG emission reduction objective in 2050 compared to 1990;

⁶ Council of the European Union. (3 December 2012). Council conclusions on Renewable Energy. 3204th Transport, Telecommunication and Energy Council meeting. Retrieved from:

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/trans/133950.pdf

⁷ Ibid.

- To foster long term competitiveness, security of supply and sustainability;
- To provide a long-term perspective for investments until 2030.

Conclusion

Role of RLA's	Subsidiarity	Yes
	Role of LRAs in the implementation	Yes, but the main focus is on the national targets
	LRAs directly affected	Yes
	Potential costs and burden impacts	To be determined
Formal procedure	Legislative measure	Legislative and non-legislative
	Mandatory consultation of the CoR	No
	Opinion of the CoR	No
Progress of the initiative	IA carried out	No
	Public consultation	No
	Roadmap published	No
Time constraints	Imminent measure	To be determined

Suggested follow-up

We are still at an early stage of the dossier. Nevertheless and in close connection with the dossiers of the "Environment package", it is advisable to follow it closely – The HLG platform will be updated regularly on this dossier.

Review of the Thematic Strategy on Air Pollution and Associated Legislation

Background

The Thematic Strategy on Air Pollution (COM (2005) 446) was adopted in 2005 with interim objectives for health and environment to be attained by 2020. These objectives fell well short of the long-term targets of the 6th Environmental Action Programme. The 2005 Air Thematic Strategy was accompanied by a proposal to merge and update the main body of legislation on ambient air quality, which establishes health-based standards and targets. The new Air Quality Directive 2008/50/EC (on ambient air quality and cleaner air for Europe) merged most of the existing legislation on air quality and introduced a range of binding and non-binding objectives.

The College of Commissioners gave a mandate for a review in January 2011, recognising the pressing need for action to improve air quality. The mandate focused on a number of immediate measures plus a requirement for a comprehensive review of EU's air policy by 2013. Some of the immediate measures have been completed, such as the revision of the Directive on sulphur content of bunker fuels and the revision of the UNECE Gothenburg Protocol. For the review of air pollution policy, the Commission is currently conducting a broad consultation process with the organisation of a series of Stakeholder Expert Groups (the 5th Stakeholder Expert Group is scheduled on 15 March 2013)

Objectives

- To identify reasons and propose solutions for persistent problems of non-compliance, in particular nitrogen dioxide and ozone;
- To assess the need for setting new, long-term objectives on the basis of the latest evidence, in particular national emission ceilings and particulate matter standards.
- To evaluate the need for additional emission control measures in certain sectors, in particular road (vehicle emissions) and non-road transport shipping, agriculture, small installations, households and others.
- To strengthen synergies and manage potential trade-offs with other related policies, in particular climate change mitigation.

Proposed actions

The Commission undertakes a review of the air quality legislation in 2013 that will encompass:

1. The Strategy
2. Tightening up EU policy on reducing pollution at source, strengthening the objectives on fine particulate matter (PM_{2.5}) as already foreseen by the Review article in Directive 2008/50/EC on Ambient Air Quality.
3. Combining the revised version of the directives on ambient air quality and cleaner air for Europe (2008/50/EC and 2004/107/EC) and the revised version of the directive on national emission ceilings (Directive 2001/81/EC) into one directive.
4. A revision of the National Emission Ceilings Directive 2001/81/EC taking into account the need to implement the recent agreement on the Convention on Long Range and Transboundary Air Pollution (CLRTAP) on emission ceilings for 2020 and 2030 and more cuts in emission.

5. Possible measures to reduce further air emission from key sources and pollutants, including transport, industrial and domestic combustion, agriculture and etc.

In addition, along with the Review, the evaluation of the 2005 Thematic Strategy on Air Pollution and of the Ambient Air Quality Directive 2008/50/EC will be completed in 2013.

The Commission will also propose new measures to tackle particular pollutant or sources, for example, controls on emission of nitrogen oxides and on the issue of pollution from ships in EU sea areas and the reduction of nitrogen emission (ammonia and nitrogen oxides) from agriculture.

Identified problems

1. Non-compliance of Member States with their emission obligations for 2010 under the national emission ceilings directive (NEC Directive). The reasons for this non-compliance must be addressed including the effectiveness of EU legislation controlling key sources of emission such as vehicles.
2. There is a need for a new approach to tackling the issues of ozone-related health impacts.
3. Ammonia emissions from agriculture are a main contributor to the eutrophication problems, which cause a dense growth of plant life and death of animal life from a lack of oxygen.
4. The links between climate change and air pollution policies are not optimised so as to take advantage of the short-term climate mitigation potential of very important air pollutants – black carbon and methane.

Impact assessments

The initiative will use the recent impact assessments for related policy initiatives such as the 2050 Low Carbon Economy Roadmap, the 2011 White Paper on Transport, and the 2050 Energy Roadmap

Public consultations

The Commission has foreseen two rounds of public consultation. The first online consultation, on the scope of the review, was launched on the 30th of June 2011. The second online consultation, which is conducted from 10 December 2012 to 4 March 2013, on the policy options for the review of the EU Thematic Strategy on Air Pollution and related policies is divided in two parts – a short questionnaire for the general public and a longer section for experts and practitioners.

The first round of online consultations was a part of the current review of the EU's air policies. The Commission conducted three surveys in 2011 focusing on the air quality Directive 2008/50/EC on ambient air quality and cleaner air for Europe (the "Air Quality Directive") and 2004/107/EC on arsenic, cadmium, mercury, nickel and polycyclic aromatic hydrocarbons in ambient air (the "Fourth Daughter Directive"). These three surveys used parallel questionnaires for the EU Stakeholder Expert Group on the Air Review (40 contributions out of 75 members), experts and practitioners (250 replies) and citizens (599 responses).

The local and regional authorities were a part of the EU Stakeholders Expert Group. The main response from the local authorities was the issue of the coherence of the air quality directives with related policies and legislation, particularly between air quality standards and emission

reductions under EU legislation. Stakeholders have underlined that the Commission should in the evaluation of non-compliance with air quality standards take into account that national, regional and local authorities have little control of Europe-wide emission measures and Transboundary air pollution. In this regard, it is instrumental to consider some flexibility arrangements, such as time extensions for several years. Stakeholders mentioned that further research for the identification of the most harmful fractions of particulate matter is needed in order to detect which fractions is more health relevant and to anticipate possible standards.

Another suggestion concerns the improvement and harmonization of air quality assessment. Stakeholders propose a more prominent role for modelling, making it more specific than the current one. However, it was underlined that modelling should be non-mandatory. Many other suggestions included knowledge raising activities, such as exchange of best practices in assessment, management and other practices to improve air quality plans in Member States.

There are different views regarding the overall ambition level to be aimed in the revision of the directive. The representatives of local and regional authorities have advocated for a higher level of ambition regarding health protection and stricter levels of standards, since the proposed targets will not be enough to achieve the established goals.

Stakeholders have emphasized that air quality and climate change measures are in many respects synergetic (reductions of emissions, energy savings, the promotion of renewable energy sources and etc.). From this perspective, the Commission should formulate a balanced approach that will address both of the issues.

Furthermore, several stakeholders have recommended regulating further sources that are not yet well covered by current air quality legislation, particularly agriculture and ammonia emissions, small scale biomass burning, non-road machinery and shipping.

Several Member States also favour reducing the burden of implementation by simplifying air quality assessment and reporting procedures. There are divided views on time extensions and other derogations. However, some stakeholders regard that it is highly important to keep the flexibility for locations where limit values cannot be met.

Overall, it was concluded that further research is needed, particularly regarding the health risks of pollutants and new techniques, e.g. relating to emission reductions and for better metrics for air quality objectives. It was emphasised that further involvement of the Stakeholders Expert Group members will require high transparency and timely provision of information.

Opinion of the Committee of the Regions

The outlook opinion on Review of EU Air Quality and Emissions Policy was adopted by the CoR on the 3rd of May 2012 (CdR 329/2011). The opinion is consistent with available data on air pollution and very detailed in its contribution to the initiative of the Commission. The most important aspects that are underlined by the CoR include multilevel governance, an integrated approach and the practical implementation of EU legislation in Europe's regions and cities.

The Committee of the Regions has observed that due to a lack of ambition in EU source-based policy and an absence of national measures much burden has been placed on local and regional authorities. Most importantly, in the practical implementation of EU legislation local and regional

authorities face three types of obstacles: limited influence, limited options and limited policy freedom. The CoR has emphasised that individual local and regional authorities have only a spatially limited influence on improving local air quality. Local and regional policy concentrates on reducing emissions from local sources, while a large part of local concentrations of fine PM₁₀ and PM_{2.5} particulates and ozone is caused by cross-border and trans-regional emissions. Moreover, local and regional authorities can take almost no effective measures based on the nature of the sources.

The obstacle of the limited policy freedom is based on the fact that local and regional authorities could not introduce any binding or complementary measures for stricter air quality control. For example, Member States have developed a national air quality plan, and most have opted not to take an integrated approach to air quality that is binding on all levels of government. Furthermore, in a number of Member States low-emission zones cannot be introduced by local authorities but only by the national government.

Consequently, the CoR has stressed that a multilevel approach is required, in which each level of government (European, national, regional and local) must take responsibility and adopt the measures, which can and must be adopted by the relevant level. It was pointed out that local and regional authorities are partly dependent on source-based measures at national and international level to reduce emission.

Furthermore, the CoR has noted that the ambitiousness of the revised directive must be closely aligned with the national emission ceilings and EU emission policy (source-based policy). In this regard, combining the air quality directives (2008/50/EC and 2004/107/EC) with the revised version of the directive on national emission ceilings (2001/81/EC) would help to align the different levels of ambition.

Conclusion

Role of LRAs	Subsidiarity	Yes
	Role of LRAs in the implementation	Yes
	LRAs directly affected	Yes
	Potential costs and burden impacts	To be determined (potential economic and administrative burden)
Formal procedure	Legislative measure	Yes
	Mandatory consultation of the CoR	No, optional (Strategy) Yes (new directive)
	Opinion of the CoR	Yes (CdR 329/2011 fin) on the Review of EU Air Quality and Emission Policy (3-4 May 2012)
Progress of the initiative	IA carried out	No, the impact assessment on the Thematic Strategy on Air Pollution is currently being conducted and will be completed by early 2013.
	Public consultation	First public consultation was launched in 30 June 2012, the result has been published; Second public consultation are conducted from 10 December 2012 to 4 March 2013
	Roadmap published	The roadmap was published in October 2012
Time constraints	Imminent measure	The strategy is expected to be revised in the course of 2013

Suggested follow-up

The topic is high in the agenda and ready for revision in 2013. The policy cycle is still at the policy making moment. Since it includes very concrete proposals touching on sensitive items for RLA's it would be advisable

- To follow a close analysis and participate in the second round of consultation until 4th of March 2013 and review the results of the consultation
 - To follow the results of the Impact assessment on the strategy, which is currently carried out
- For this purpose, the HLG platform will be updated regularly on this dossier.

Review of Waste Policy Legislation

Background

Waste Framework Directive (Directive 2008/98/EC) of 19 November 2008 on waste and repealing the Directive 2006/12/EC on waste, hazardous waste Directive 91/689/EEC and the Waste Oils Directive 75/439/EEC. It sets the basic concepts and a definition, related to waste management, and requires that Member States shall establish Waste Prevention Programmes not later than 12 December 2013. These programmes shall be evaluated at least every sixth year and revised as appropriate. The programmes shall be integrated either into waste management plans or into other environmental policy programmes, or shall function as separate programmes. Member States shall determine appropriate specific benchmarks for waste prevention measures to monitor and assess the progress. The indicators for waste prevention measures may be adopted by the Commission in accordance with the Comitology procedure. It also obliges the Commission to create a system for sharing information and best practice regarding waste prevention and develop guidelines to assist Member States in the preparation of the programmes.

The Directive introduces the “polluter pays principle” and the “extended producer responsibility”. It induces two new recycling and recovery targets to be achieved by 2020: 50 % preparing for re-use and recycling of certain waste materials from households and other origin similar to households, and 70% preparing for re-use, recycling and other recovery of construction and demolition waste.

There has also been some progress in the EU to tackle challenges related to waste and unsustainable use of natural resources. Member States have increased waste management and recycling efforts and some are global leaders in waste recycling technology. However, these achievements are not equally spread amongst sectors and countries, and several waste streams continue to grow. On average only 40% of solid waste in the EU is re-used or recycled, with the rest going to landfill or incineration.

A guidance document (Waste Prevention – Handbook: Guidelines on Waste prevention programmes, October 2012) has been prepared to support Member States when developing Waste Prevention Programmes.

Objectives

The initiative will review key targets in EU waste legislation (in line with the review clauses in the Waste Framework Directive, the Landfill Directive and the Packaging Directive) and carry out an ex-post evaluation of waste stream directives, including ways to enhance coherence between them.

Potential impact

It is expected that the ex-post evaluation could reveal the sectors and waste streams that are currently increasing. From this perspective, some waste streams will be reviewed, and new initiatives will set new targets corresponding to other successful waste streams. Furthermore, it could be expected that a potential review of the Waste Framework Directive will propose a long-

term objectives and provide a more coherent framework for the existing waste legislation. It must be acknowledged that the review of the waste policy legislation is of very high concern for local and regional authorities, which are the main implementing actors. Even though, there is no available information on the Commission's plans, this dossier should be closely monitored during 2013-2014.

Conclusion

Role of LRAs	Subsidiarity	Yes
	Role of LRAs in the implementation	Yes
	LRAs directly affected	Yes
	Potential costs and burden impacts	To be determined, potential financial burden
Formal procedure	Legislative measure	Yes
	Mandatory consultation of the CoR	Yes
	Opinion of the CoR	Not published
Progress of the initiative	IA carried out	No
	Public consultation	No
	Roadmap published	No
Time constraints	Imminent measure	No

Suggested follow –up

The dossier on the review of waste policy legislation is of a high concern for local and regional authorities. However, this dossier is at the very early stage (no roadmap or planned actions have been published)

- Further information on actions is needed to determine any potential impact for local and regional authorities
- The assessment of this dossier might be less urgent.
- The HLG Platform will be updated regarding this dossier

Regional Policy

The Common Strategic Framework Funds for 2014-2020 and the partnership agreements

Background

The Commission presented its proposals for a Regulation laying down common provisions on the ERDF, the ESF, the CF, the EAFRD, and the EMFF (*The CSF Funds*)⁸ and general provisions on cohesion policy funds on 6 October 2011 (COM (2011) 615 final). These proposals have been named Common Provisions Regulation (CPR) and foresee the adoption of a common strategic framework (CSF) which “translates the objectives of the Union into key actions for the CSF funds in order to provide clearer strategic direction to the programming process at the level of MS and regions”.

Common Strategic Framework

The Commission proposal (CPR) set out the objectives and content of the CSF (arts 10-11) and foresaw that the CSF would be adopted by the Commission as a delegated act (art 12). But both the Council and the REGI Committee of the European Parliament asked for the CSF to be adopted as an annex to the regulation and not as a delegated act.

In order to facilitate the discussion the Commission published a Staff Working Document on 14 March 2012, setting out the main elements of the CSF (SWD (2012) 61). But both the Council and the EP maintained their position, considering the CSF as an essential element of the legislative act since it expresses political choices on the fundamental aspects of cohesion policy. They proposed amendments to the initial Commission proposal, and an impact assessment has been carried out for the original legislative proposals.

In view of this the Commission presented its amended legislative proposal on 11 September 2012 (COM (2012) 496 final) which splits the elements of the CSF between a new annex (Annex I) to the CPR and a delegated act.⁹

In the meanwhile the Committee of the Regions published a series of Opinions on the General Regulation on the Funds covered by the CSF (CdR 4/2012 fin in May 2012) and a draft Opinion on the CSF, analyzing the mentioned SWD (2012) 61 .

The legislative proposal is under discussion by the EP and the Council following the co decision procedure.

The amended legislative proposal

The amended legislative proposal splits the elements of the CSF between a new annex (Annex I) to the CPR and a delegated act.

⁸ European Commission (2011) Proposal for a Regulation of the European Parliament and of the Council of 6 October 2011 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development, and the European Maritime and Fisheries Fund, covered by the Common Strategic Framework & COM 2012 (496 (amended))

⁹ The Commission maintains however that all elements whether included in the annex or in a delegated act remains non essential elements for the purpose of article 290 of the TFEU and can thus be amended through a delegated act. The essential elements are contained in arts 10-11.

Four sections of the new annex:

- Means to achieve coherence and consistency with the economic policies of the MS and the Union
- Coordination mechanisms among CSF Funds and with other relevant Union policies and instruments
- Horizontal principles and cross cutting policy objectives
- Arrangements to address territorial challenges

Two sections in the delegated act:

- sections on indicative actions of high European added value and corresponding principles for delivery
- Priorities for cooperation

(All these sections build on the Commission staff working document n with the necessary legal adaptations).

It should enable a better combination of various funds to maximize the impact of EU investments. National and regional authorities will use this framework as the basis for drafting their 'Partnership Contracts' with the Commission, committing themselves to meeting Europe's growth and jobs targets for 2020.

The CSF reflects the Commission's principles of:

- a more effective policy focusing resources on a certain number of priorities which will be geared more closely to Europe's objectives of growth and employment;
- the introduction of conditions before European aid is granted and of incentive measures for those programmes which make the greatest contribution to the objectives of the Europe 2020 strategy;
- Higher simplification, particularly by defining a core set of rules in common with the rural development policy and the common fisheries policy, which will help to reduce the administrative burden, especially on small firms.

Budgetary implications

The Commission proposal states that the proposal has no budgetary implications. And informs that the availability of new data and macro economic forecast together with the accession of the Republic of Croatia will result however in changes in the cohesion envelope.

The content of the proposed Regulation

The amended proposal for regulation consists of three parts:

- Recitals and definitions
- Rules applicable to all CSF Funds
- Rules applicable only to ERDF, ESF, and the CF (the "Funds")

It establishes among others, the need to sign partnership contracts (treated in the following paragraphs), that the CSF Funds should focus on a limited number of strategic objectives, for which the CSF is established to achieve coherence and consistency with the economic policies;

the establishment of ex-ante conditional ties, subject to the Commission power to suspend payments or apply financial corrections.

It also states that in order to fulfil the principle of territorial cohesion, local development strategies should be set up., and financial instruments used.

Monitoring becomes an important question, with high reporting requirements, and ex-ante, during and ex-post evaluations. The Commission should prepare a strategy report on progress in 2017 and 2019.

Macroeconomic conditionality in the Regulation

Making the Commission budget dependent on economic governance has been called macroeconomic conditionality. But the idea of making all CSF expenditures dependant on MS performance under EU economic governance procedures has its shortcomings¹⁰. First the Commission gains a strong discretionary power in this matter, with limited involvement of the Council.

Various MS as well as the CoR during the Multiannual financial frameworks negotiations raised the voice on the incoherence in the level of responsibility”: Introducing macroeconomic conditionality in cohesion policy would imply that the prospective victim of the cuts would be different from the level of government responsible for economic policy decisions. This is because local governments are beneficiaries of most of the CFS funding, while it is most often the central government that is accountable for economic and fiscal policies.

Furthermore a more balanced approach between sanctions and incentives should be pursued.

The partnership contracts (PC)

In May 2012 the European Parliament DG for internal policies, published a briefing analysing how the PC can be implemented regarding issues of MLG and how flexibility in the EU cohesion policy can be guaranteed.

From the Member State perspective, this new contract is probably perceived as challenging milestone as it requires more elements of policy coordination than before. It is a provision that involves the Member State on submitting the contract together with the programmes only three months after the Common Strategic Framework is agreed at the Union level. The major additional requirements are the integrated approaches regarding both territorial development and regions most affected by poverty, as well as the introduction of ex-ante conditional ties, that is, the need for strategies and plans on major EU Cohesion Policy issues and explicit statement towards actions to be taken to comply with major EU Directives.

¹⁰ Pawel Tokarski and “Stijn Verhelst - European Policy Brief, number 3, November 2013: “Macroeconomic conditionality in cohesion policy: Added Value or unnecessary burden?”

The role of local and regional authorities will largely depend on the administrative system of the Member States, being determining factors the degree of decentralisation, the existence of different systems of fiscal equalisation and the overall importance of EU funding in the development agenda. Partnership is a good opportunity to focus on capacity building among the different levels of administration.

Multilevel governance will be highly affected as the measure touches upon not only the financing elements of regional funds but also on its strategic and policy matters. The European Parliament, DG internal policies, published in May 2012 a note on “The partnership Contracts – how to implement multilevel governance and to guarantee flexibility of cohesion policy”. It analyses the Draft Regulation under discussion, the experiences from the current period regarding MLG and policy coordination in programming and implementing.

The CoR has an ad hoc Committee following the 2014-2020 negotiations.

RLA’s will presumably be highly involved in the process: in fact, the Common Strategic Framework 2014-2020, foresees for its implementation the full involvement of local and regional actors in the negotiations of the partnership agreements

Code of conduct

The Commission published in 2012 a staff working document on the partnership principle and the elements for a European Code of Conduct on partnership. This document was removed by the Council from the negotiation box. The EESC expressed its disappointment that the proposed Code of Conduct has been deleted from the Commission's proposal by the Council, and regards this as a direct attack on the partnership principle.

The Code should be adopted by the European Commission as a delegated act as soon as the Common Provision Regulation enters into force. It explores the type of partners to be selected, how to involve them in the preparation of the programming documents, and during the implementation phase and evaluation phase

The Committee of the Regions published its Opinion on the Code of Conduct in November 2012, asking for a better hierarchy of the partners, (regional and local entities should not be treated like the non governmental sector) for full respect of the principles of subsidiarity and proportionality, as well as take into consideration the specificities and differences among the territories.

In preparing the partnership contracts the MS and regions need to programme the CSF Funds taking into account the most the “Country specific recommendations. These country specific recommendations relevant for the CFS are those of a long term nature addressed by multiannual investment strategies. They are tailored to the particular issues the Member State is facing and cover a broad range of topics: the state of public finances, reforms of pension systems, measures to create jobs and to fight unemployment, education and innovation challenges, etc. The Country Specific Recommendations are prepared for each country in response to the annual National Reform Programme. The European Commission proposes that Country Specific Recommendations are taken into account in the preparation of cohesion policy programmes.

Public Consultations

A public consultation was held between November 2010 and January 2011 to help shape the future policy and prepare legislative proposals. Representatives of the EU institutions, Member States, regions, economic and social partners, NGOs and academics discussed the orientations for the future at the Fifth Cohesion Forum in January 2011.

Evaluations of previous periods of regional funding provide important lessons for the future of the policy. Studies have been carried out on issues relating to the future of cohesion policy.

Discussions with Member States experts and the relevant actors from the Commission and the other EU institutions were held since 2009. In particular, the High Level Group reflecting on future cohesion policy, an informal expert platform established in 2009, supported the work of the Commission in developing the future directions of cohesion policy. In addition, a specific Task Force was set up in 2010 to discuss the various aspects of conditionality relevant for cohesion policy.

Timing

The major milestones in the process towards the Common Strategic framework (CSF) and the subsequent elaboration of the partnership contracts are:¹¹

- The adoption of the financial perspective 2014-2020
- which allows the adoption of the CSF
- Programming work runs in parallel with the partnership contracts and coordination mechanisms have become essential under the present time constraints

Delays in achieving political agreement on the cohesion legislative package are having a negative impact on preparations for the 2014-2020 programming period.

Conclusion

The Common Strategic Framework Funds for 2014-2020 and the partnership agreements are of major relevance. Although still under discussion by the European Parliament and Council the lines are pretty well defined in the Commission proposal and staff working document.

The partnership contracts are multilevel governance tool that needs to be exploited in all its potentialities.

Reporting requirements and constant monitoring will bring up new administrative challenges to the States, regions and cities, and the adequate coordination mechanisms will impede that the Commission makes use of its powers of retention of Funds.

In the actual period of crisis, the following of the practical implementation of the Partnership agreements becomes of importance for the group. Nevertheless the policy phase is at a stage which does not allow much influence anymore.

¹¹ European Parliament, DG internal policies, "The partnership Contracts – how to implement multilevel governance and to guarantee flexibility of cohesion policy"

Role of LRAs	Subsidiarity	Yes (but no for the delegated act)
	Role of LRAs in the implementation	Yes
	LRAs directly affected	Yes
	Potential costs and burden impacts	Yes
Formal procedure	Legislative measure	Yes
	Mandatory consultation of the CoR	Yes
	Opinion of the CoR	Yes
Progress of the initiative	IA carried out	Yes (to the initial proposal)
	Public consultation	Yes
	Roadmap published	-
Time constraints	Imminent measure	Yes

Suggested follow-up

The policy dossier is of high relevance for the RLA's and it is advisable to follow the decision making process and the actual discussions at Council and EP level. It could also be pertinent to conduct preparatory actions to ensure preparedness regarding the partnership agreements requirements. This can be done via the HLG Platform and other means.

Regarding the potential role of the HLG, consideration needs to be made to the policy phase in which this dossier is, not allowing too much room for manoeuvre anymore.

Single Market

E-invoicing in the field of public procurement

Background

After the Informal Competitiveness Council of February 2012, Member States have called for measures to promote e-invoicing and confirmed their support for additional measures, which would facilitate the transition to e-invoicing, in the European Council Conclusions (EUCO 76/12) of June 2012¹². The European Parliament called for making e-invoicing compulsory in public procurement by 2016 in the Resolution on a competitive digital single market (2011/2178 (INI))¹³ adopted in April 2012. In response, the European Commission has planned to prepare an initiative on promoting the use of e-invoicing in the EU and to consider ways of overcoming the barriers created by the lack of interoperability between the national e-invoicing systems in the field of public procurement. The Commission has indicated that in the view of the decision of several Member States to make e-invoicing mandatory for their public procurement, the extension of this requirement to all public procurement in the EU is one of the options under consideration. Furthermore, taking into account that public authorities are the largest purchasers in the EU, they could act as a driving force for the broader take-up of e-invoicing in Europe – in the B2G sector initially, but, through spill-over effects, potentially also in the B2B sector.

As a part of preparatory works, the Commission has launched a public consultation on public procurement e-invoicing from 22 October 2012 until 14 January 2013. The consultation seeks to gather information on the existing use of e-invoicing and opinions on the planned initiative of the EU in this area.

The Commission has indicated in the Roadmap on e-invoicing in public procurement¹⁴ that a planned initiative is consistent with the overall Commission policy and is a logical follow-up of several existing Commission initiatives. “A Digital Agenda for Europe” (COM (2010)245) sets the objective of achieving a single digital market, calling for removing the regulatory and technical barriers which prevent mass adoption of e-invoicing. In addition, the Communication “Reshaping the benefits of electronic invoicing for Europe” (COM (2010)712) presents the goal of making e-invoicing the predominant method of public procurement by 2020 and “A strategy for e-procurement” (COM (2012)179) which states a “straight through e-procurement” as an ultimate goal. Lastly, the initiative is a logical follow of the “Council Directive on the common system of value added tax as regards the rules on invoicing” (2010/45/EU).

¹² European Council (EUCO 76/12). Conclusions 28/29 June 2012. Brussels, 29 June. Retrieved from: http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ec/131388.pdf

¹³ European Parliament (2011/2178 (INI)). Competitive digital single market – eGovernment as a spearhead, adopted on 4 April 2012. Retrieved from <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+REPORT+A7-2012-0083+0+DOC+XML+V0//EN>

¹⁴ European Commission. (October 2012). Roadmap on e-invoicing in public procurement. Retrieved from: http://ec.europa.eu/governance/impact/planned_ia/docs/2013_markt_015_e_invoicing_public_procurement_en.pdf

Identified problems

There are two main problems that the Commission addresses in the Roadmap on e-invoicing in public procurement:

1. Multiple standards in e-invoicing imposed by Member States. There is a multiplicity of required standards that e-invoicing must comply with, resulting in additional complexity and costs across the Single Market. This leads to a lack of interoperability between e-invoicing networks and generates unnecessary additional costs.
2. Predominance of paper-based invoicing. The current use of public resources in procurement is less than optimal; paper based invoicing predominates in the EU, generating higher transaction costs for contracting authorities and creating inefficient manual invoicing procedures. Considering the inefficiency of maintaining two separate invoicing systems, making e-invoicing the primary form of invoicing in public procurement has a lot of potential.

Objectives

The main objective of the initiative is to eliminate the fragmentation of the Single Market by promoting the use of e-invoicing in public procurement and enhancing the interoperability of national e-invoicing systems. Also, this action will lead to a reduction of the operating costs of enterprises and the procurement costs of public authorities as the automation of procedures would facilitate cross-border invoicing transactions.

Policy Options

The translation of the stated objectives foreseen by the Commission Roadmap into policy action is not clear yet. A number of options are being considered:

1. **No action.** With no action by the EU, there is a significant risk that national e-invoicing in public procurement remains fragmented.
2. **Soft law.** The general approach would lead to a Commission recommendation or communication setting up a benchmark system or urging a self-regulatory initiative to define a common standard. The Commission would recommend the promotion of e-invoicing in public procurement in the Member States. To a certain extent, this has been done by the Commission's 2010 Communication on e-invoicing (COM(2010)712), but there is no guarantee that Member States will take up the recommendations and, also, the chosen solutions might not have any impact on the current lack of interoperability.
3. **Legislative act.** A legislative act would consider various methods of promoting the take-up of e-invoicing in public procurement, including the possibility of making it mandatory. The Commission believes the legislative approach is the most effective to reach the objectives because of its coercive nature. However, it acknowledges that it might face resistance from the Member States and service providers.
4. **Mixed approach,** based on 2. And 3. A combination of a strong stimulus of the legislative act on the use of e-invoicing in public procurement with a more flexible approach on ensuring interoperability.

Public Consultation

The Commission opened a consultation process (22/10/2012 – 14/01/2013) inviting contributions from public authorities, citizens, enterprises and organisations with the objective of gathering views and information on the use of electronic invoicing in public procurement and the perceived need for EU action. Input is also sought as to the most appropriate solutions to promote the uptake of B2B e-invoicing and to enhance interoperability between the various national and proprietary systems.

Potential impacts

The e-invoicing initiative affects Multilevel Governance as it affects all public administrations. Therefore, there is a need for intrastate coordination between the stakeholders. It is an ongoing legislative process. The Council and the European Parliament have to issue their proposal in order to pursue the policy action; but both are recognised to agree on the strategic position of the Commission. Implementation will require coordination between levels of government to adjust public procurement operability and regulation.

It can also affect indirectly in terms of VAT collection, as the initiative follows the logic of the Directive 2010/45/EU on the matter. Therefore, in fiscally decentralised countries the effect can be even more important.

The initiative is likely to have an impact on competitiveness between European regions. As the [European Multi-stakeholder Forum report](#)¹⁵ shows, the levels of implementation of e-invoicing vary depending on different territories in the European Union. In this sense, the countries that are ahead on this matter can have a comparative advantage during the first years of the implementation of the initiative, as they will be more adapted to the new scenario.

As a result, the potential impacts refer mainly to legal and administrative burdens. Regarding implementation and further consolidation, the impact will depend on the current development of e-invoicing.

¹⁵ European Multi-stake forum on e-invoicing:
http://ec.europa.eu/internal_market/payments/docs/einvoicing/activity1-2012_09_26_en.pdf

Role of LRAs	Subsidiarity	Yes
	Role of LRAs in the implementation	Yes
	LRAs directly affected	It is indicated in the roadmap that national, regional and local authorities are among the main stakeholders affected by the initiative.
	Potential costs and burden impacts	Implementation costs spread across central and regional administrations. Expected long-term reduction of administrative burdens.
Formal procedure	Legislative measure	Yes
	Mandatory consultation of the CoR	No
	Opinion of the CoR	No
Progress of the initiative	IA carried out	Ongoing since August 2012.
	Public consultation	Public consultation was conducted from 22 October 2012 to 14 January 2013.
	Roadmap published	Roadmap is published in October 2012.
Time constraints	Imminent measure	No, the final measure is foreseen for the mid-2016

Suggested follow-up

This dossier is at a very early stage. The decision on best policy option is still pending, although there seems to be a consensus among European institutions to forward a proposal on the matter but taking Member States into account.

Regarding the policy cycle of this dossier it is advisable to

- Ensure a follow-up by the HLM via the Platform and by other means.
- It could be advisable to deepen on the different requirements to be proposed by the EC which will have an impact on MS multilevel governance

Regulated professions

Background

The current EU system for recognition of professional qualifications is regulated by the Directive 2005/36/EC, which was transposed into national legislation of Member States on 20 October 2007. On 19 December 2011, the Commission has adopted a legislative proposal (COM (2011) 883 final) for modernising Directive 2005/36/EC. This modernisation is one of the twelve levels of growth set out in the Single Market act and aims at further facilitating mobility of professionals across the EU. The legislative proposal of the Commission for amending Directive 2005/36/EC on the recognition of professional qualifications is awaiting the first reading in the European Parliament.

In the legislative proposal of the Commission (COM (2011) 883 final), there is a provision (Article 59) that foresees a mutual evaluation exercise on regulated professions. This mutual evaluation should be carried out by the end of the transposition period of a new directive, regulating the recognition of professional qualifications. The preliminary period of conducting a mutual evaluation exercise is planned for early 2015 with the follow-up of the Commission not before 2016. Moreover, in the Communication (COM (2012) 261) on the implementation of the Services Directive, issued on 8 June 2012, the Commission has stated that it will present a communication on the preparation of the transparency and mutual evaluation exercise with Member States in 2013 after the adoption of the legislative proposal for a new directive on the recognition of professional qualifications.

Identified problems

The regulation of professions is highly heterogeneous across the EU. There are differences on the scope of reserved activities and in the level of qualifications required. In some cases, the restrictions imposed on the access to professional activities may be unnecessary or disproportionate, acting as barriers to the mobility of professionals and integrations of the services market.

Objectives of the Communication

The objective of a communication on mutual evaluation exercise with Member States is to analyse the recent developments in Member States on regulated professions, including the progress made on following the [country specific recommendations](#) issued in 2012¹⁶. The communication will present a consistent methodology, which should simplify the mutual evaluation process. In addition, the outcome of the mutual evaluation should lead to a reduction of administrative burden for national authorities and professionals.

¹⁶ European Commission country specific macroeconomic recommendations:
http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index_en.htm

Public Consultation

No public consultation as such will take place. The Regulated Profession Database, maintained by the Commission, provides the list of the professions regulated in Member States. An external [study](#)¹⁷ was carried out in January 2012. Further information will need to be gathered regarding the regulation of the professions at the national level and on-going reforms on this area. Lastly, workshops may be organised early spring 2013 with representatives of the professions at EU level. In this case, Member States reforming regulated professions would be invited to present their initiatives.

Potential impacts

The planned communication of the Commission concerns the organization of a mutual evaluation exercise of the regulated profession, which is planned in the legislative proposal for a Directive, awaiting the first reading in the Parliament. As a result, the communication on a mutual evaluation exercise is not an imminent measure with an immediate foreseeable impact.

The control of the regulated professions is a competency of the central administration for most of Member States. According to the cited Regulated Profession Database, in the EU only the federal states and the United Kingdom have some regions and professions that are specifically regulated by the sub national level.

Conclusion

Role of LRAs	Subsidiarity	No
	Role of LRAs in the implementation	No
	LRAs directly affected	No
	Potential costs and burden impacts	Mainly legal and administrative costs
Formal procedure	Legislative measure	No (for the planned Communication)
	Mandatory consultation of the CoR	No
	Opinion of the CoR	No
Progress of the initiative	IA carried out	No
	Public consultation	Not planned. Gathering of information and possibility of a Workshop in 2013.
	Roadmap published	Yes
Time constraints	Imminent measure	No, the communication on conducting a mutual evaluation exercise is

¹⁷ Centre for Strategy & Evaluation Services, 'Study to provide an inventory of reserves of activities linked to professional qualification requirements in 13 Member States & assessing their economic impact'. http://ec.europa.eu/internal_market/qualifications/docs/news/20120214-report_en.pdf

		planned to be adopted in 2013, the review of the exercise is planned for 2016.
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Suggested follow up

The objective of this dossier is to analyse the recent developments in Member States on regulated professions, including the progress made on following the country specific recommendations issued in 2012; and to provide guidance and a methodology for facilitating the mutual evaluation exercise. Although at an early stage, it is interesting for the HLG to follow it up closely. The mutual evaluation should be carried out by the end of the transposition period of the modernisation of the Directive in early 2015 with follow-up of the Commission not before 2016. This follow up can be performed via the HLG Platform and by other means.

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