



Better regulation

Cities contributing to effective EU policy making

September 2015

Europe's future lies in our cities, drivers of sustainable economic development and frontline managers of climate action and social inclusion. Cities are where the main challenges and opportunities in Europe come together and where policies in areas such as employment, social inclusion, culture, environment, mobility, energy and economic development are likely to have the biggest impact.

Most of the European Commission's ten political priorities, such as jobs, growth, digital, energy, climate change, migration and democratic change, have a strong urban dimension. There is no EU competence on urban development. Nevertheless, a variety of EU initiatives have an impact, directly or indirectly, on cities.

Local and regional authorities, including cities, are responsible for implementing around 70% of EU legislation. As the level of government closest to citizens and home to 75% of the population, cities connect EU strategies and legislation with the local level, providing the basis for the democratic legitimacy in Europe. Serving citizens and business and restoring their confidence in government is a shared responsibility of all public authorities.

We fully support the objectives of the EU agenda for better regulation to ensure that EU measures are evidence based, well-designed and deliver tangible measures that respond to the real needs on the ground. The proposals included in the communication 'Better regulation for better results' could be strengthened significantly with a greater emphasis on the role of cities in the EU and by taking into account the key elements on the growing debate on an EU urban agenda. This includes:

- **Moving from consultations to collaboration and co-creation, building genuine partnerships:** The Commission's ambitions to consult more and listen better are welcome. As EURO CITIES, we participate in the Commission's public consultations when they concern policy development that will have a direct or indirect impact on cities. We look forward to a much more systematic use of public consultations and in particular welcome the increased transparency around delegated acts. Public consultations cannot be a stand alone measure if the Commission's ambition to better listen is to be achieved. City experts are ready to work directly with the Commission to ensure that the needs and implications on the ground are fully understood when new legislative measures likely to have an impact on cities are being developed. There are already some good examples for involving cities
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directly in Commission expert working groups, notably on environmental issues. This working method should be generally applied.

- **An urban dimension to impact assessments:** Assessment of likely environmental, social and economic impacts of forthcoming proposals is essential to prepare an effective implementation. However, the impacts in all three areas are often multiplied in our cities. Air pollution is higher in cities than elsewhere, and most of Europe's CO₂ emissions are generated in cities. Poverty and unemployment is higher in certain areas of our cities compared to regional and national averages. At the same time, economic growth is often stronger and innovation happens faster. It is in and with cities that the EU's strategic objectives will be delivered and where EU policies and programmes are likely to have the greatest impact. For impact assessments to provide an adequate estimate of the likely implications of new EU initiatives, they must take into account the specificities of urban areas. The Committee of the Regions should have a clear role in implementing a method for a stronger territorial impact assessment of new proposals in EU's regions and cities. Also, members of the new Regulatory Scrutiny Board should have expertise on sustainable integrated urban development to be able to ensure the quality of the impact assessments at this level.
- **Improve implementation from the ground:** The Commission should include cities and regions directly alongside member states in the collaboration on how best to ensure compliance with EU legislation. Local and regional expertise is crucial to identify effective solutions for better implementing EU legislation, as implementation happens mostly at these levels of governance. In addition, the Commission must ensure better coordination of legislation at EU level. For instance, the challenge for cities in meeting EU air quality requirements is well known, with some 20 member states currently in various stages of infringement procedures. City authorities fully support the level of protection established in EU legislation on air quality. However, with inadequate measures to reduce vehicle emissions and weak limitations on national emissions it will not be possible for cities to meet the requirements on local air quality. EU policies across different sectors should be mutually reinforcing, not mutually undermining. Better policy coordination at EU level, as well as better use of local and regional expertise, are therefore essential to better regulation.
- **Cities on board at the REFIT Platform:** This new platform is an interesting initiative, opening a direct dialogue between the Commission, all levels of governance and a broader group of stakeholders on implementation and improving EU legislation. Cities should be directly represented on the platform, ensuring an adequate comprehension of what works on the ground and what doesn't from an urban perspective. The initial thematic proposals on barriers to digitisation or innovation are welcome. Both have a strong urban dimension and link to the work on smart cities at EU level. EU competition rules should also be reviewed with a much stronger focus on the principle of subsidiarity. A critical revision of the Almunia-package is needed in order to bring state aid provisions in line with the

right of cities to locally define and deliver services of general interest. Additional themes to consider could be the current challenges related to EU asylum and immigration policies, where the legislative framework no longer matches the situation on the ground.

An EU urban agenda must provide a strategic framework for:

- empowering cities to deliver the Europe 2020 objectives for a smart, sustainable and inclusive Europe
- promoting a joined-up approach to policy making
- engaging cities directly and alongside member states in EU policy development

It should take a practical and concrete approach, reflecting urban priorities on the ground and developing partnerships across all levels of government.

There is a clear connection between the EU urban agenda and the better regulation initiative. We look forward to a constructive dialogue with the European institutions on how to move towards 'Better regulation for better results' through an effective EU urban agenda.