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CEMR

Conseil des Communes
et Régions d'Europe
Council of European
Municipalities and Regions

ANNUAL REPORT 2004



Annual report 2004

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2004:

Europe gives itself a new dimension

2004 will long be remembered as a milestone year in the development of the European Union – and not least for local and regional government.

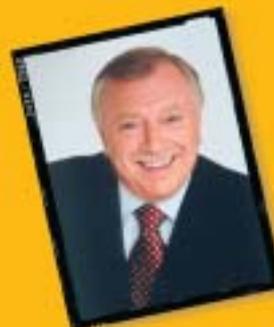
In May came the biggest ever enlargement, with the 10 new Member States bringing the total EU population up to 450 million. The impact of enlargement is enormous, of course, for municipalities and regions in the new Member States, who have to implement all of the Union's rules and laws that apply at local and regional level. CEMR has worked with its members from the new member states, for example in the Brno seminar in April, and through our LOGON network.

The signing in Rome of the Treaty Establishing a Constitution for Europe was the culmination of what we in CEMR have worked for tirelessly over the last 2 years, a real Constitution for Europe which gives a strong role and place to local and regional government. We have obtained most of the goals we set ourselves at the outset – the first ever formal recognition of local and regional self-government in the EU's formal texts, an inclusion of the role of local and regional government in the application of the subsidiarity principle, stronger requirements to consult our associations, and to take into account the local and regional impact of new legislation.

2004 also saw other key changes a new European Commission, and the election of a new Parliament. Despite this, the year was also an active one for us on the legislative and policy fronts, with several new proposals affecting our public services (including state aids and public-private partnerships), and in particular the launch by the Commission of its proposals for the future of cohesion policy and structural funds – proposals to which, for the most part, we have given our strong support.

Towards the end of 2004, CEMR renewed its political mandates. As a fitting symbol of CEMR's commitment to the EU, our Policy Committee met in Maastricht. This was Valéry Giscard d'Estaing's final meeting as CEMR's President, having reached the end of his mandate. As his successor, I would like to thank him for his achievements as CEMR's President. Indeed, for the 8 years between 1997 and 2004, Valéry Giscard d'Estaing really embodied CEMR, lending it his political weight. In order to let the voice of regional and local government become more influential.

As CEMR's new President, I commit myself to continue his efforts. Local and regional governments have a key role in informing citizens of European issues, including on the content of the European Constitution. And we need to pay more and more attention to the EU's legislation, which impacts on us so profoundly. 2005 will be another hectic year, with public services, the environment, the Lisbon Agenda, and structural funds all requiring our active involvement.



*Michael Häupl,
CEMR President
Mayor and Governor of Vienna*

Political structure



President

Valéry Giscard d'Estaing



President

Dr Michael Häupl
*Mayor and Governor of Vienna;
President of the Association
of Austrian municipalities*



First Vice-President

Heinrich Hoffschulte



First Vice-President

Wim Deetman
Mayor of The Hague



Executive President

Dr Michael Häupl
*Mayor and Governor of Vienna;
President of the Association
of Austrian municipalities*



Executive President

Bärbel Dieckmann
Mayor of Bonn



Executive President

Hans Van der Sluijs
Mayor of Maarssen



Executive President

Oldrich Vlasak
Member of the European Parliament



Executive President

Walter Veltroni
Mayor of Rome



Executive President

Walter Veltroni
Mayor of Rome



Emeritus President

Valéry Giscard d'Estaing



CEMR

and the future of Europe: the year of many changes

2004 was a key year for the European Union: enlargement, the adoption of the European Constitution, the elections for the European Parliament and the nomination of a new European Commission took place within a few months... They were all of importance to the Council of European Municipalities and Regions.

The **European Constitution**, first: 2004 saw the culmination of two years of CEMR's work; two years spent, firstly, ensuring that the Convention on the future of Europe take into account Europe's local and regional government's interests, and secondly promoting the Constitution as signed by Europe's heads of states and governments. In December 2004, CEMR's Policy Committee in Maastricht adopted a political statement on the Constitution. In this statement, it welcomed the fact that, for the first time ever, the EU has explicitly recognised local and regional self-government as elements of national identities. The Policy Committee welcomed other points such as the widened definition of the principle of subsidiarity to include local and regional government, and the right for the Committee of the Regions to go to the European Court of Justice in certain cases.

CEMR's first vice-president, Heinrich Hoffschulte, spoke at the conference of the Committee of the Regions' commission for constitutional affairs and governance, in Berlin, on 27 May 2004. Heinrich Hoffschulte insisted on the fact that, for local and regional governments, the principle of proportionality is as important as subsidiarity.

THE IMPACT OF THE ENLARGEMENT ON LOCAL AND REGIONAL GOVERNMENT

On 23 April, CEMR and the Union of Czech towns and municipalities (SMO) organised a seminar on "**The impact of EU accession on towns and municipalities**", in Brno. Over one hundred representatives of local governments from candidate countries attended. The seminar ended with the signing, by Czech Prime minister Vladimir Spidla and SMO president Oldrich Vlasak, of a cooperation agreement. Under the terms of the agreement, the Czech national government will consult its towns and municipalities on all issues that concern them.

The following month, in May 2004, CEMR organised a working meeting with the presidents of its member associations from new Member States, in Strasbourg. The meeting coincided with the session of the Congress of Local and Regional Authorities (CLRAE) of the Council of Europe. Participants to the meeting expressed their priorities and their expectations from CEMR with regard to enlargement.

CEMR's LOGON network (which aims at helping local governments from candidate countries prepare for EU accession) met twice in 2004. In April 2004, LOGON organised a study visit to Brussels for its members from candidate countries. The delegation spent one day at CEMR's headquarters.

LOGON's second meeting in 2004 was in Prague, in the Autumn. There, CEMR's head of communication gave a lecture on **information strategies** at the local level. As a follow-up to that presentation, each association from candidate countries was sent a questionnaire on their specific communication needs. CEMR will organize further communication workshops in 2005, based on the replies to the questionnaire, to help its associations improve their communication with their own members.

CEMR'S CONTRIBUTION TO EUROPEAN ELECTIONS

The Council of European Municipalities and Regions promoted the June European elections. On 13 May, CEMR published a **local and regional government manifesto** aimed at all of Europe's political parties and European Parliament candidates. The manifesto expressed local and regional governments' concerns and priorities on themes such as the European Constitution, public services, cohesion policy...

Also, at its Dublin meeting on 31 May, CEMR's executive bureau called on European citizens to vote on European election's day. That call also urged local and regional governments to take measures to ensure a high turn-out.

FOR A STRUCTURED DIALOGUE BETWEEN THE EUROPEAN COMMISSION AND LOCAL AND REGIONAL GOVERNMENT

Some 70% of EU legislation is implemented in our towns and regions. This is why establishing a **systematic dialogue between the European Commission and the associations of European local and regional government** is a priority. For years, CEMR pressed for the setting-up of such a dialogue; eventually, in early 2004 the European Commission accepted to launch it. The first meeting took place in Brussels, on 10 May. The European Commission President, Romano Prodi, and the EU Commissioner for Regional policy, Jacques Barrot attended. CEMR's first vice-president Heinrich Hoffschulte stressed the need for an effective consultation of local and regional associations on all issues relevant to local and regional government.

Throughout 2004, CEMR was active within the platform of European associations of local and regional governments. In June 2004, the platform sent a letter to the President of the European Commission, in which it listed its proposals on how the dialogue could be conducted. The members of the platform insisted on the need for the dialogue to be a genuine two-way communication process. CEMR called for meetings to take place, within the structured dialogue, between the local and regional associations, and European Commissioners in charge of issues of interest for Europe's towns and regions.

CEMR has always worked on building closer ties between the EU institutions and the towns and regions of Europe. CEMR promoted several European Commission initiatives aimed at Europe's citizens, such as **Europe direct** (a free phone number enabling European citizens to ask any questions related to the EU or to EU legislation). CEMR also encouraged its members to relay information on **1,000 debates on Europe**, a European Commission initiative to help municipalities organize debates on the European Constitution.

50 YEARS OF LOCAL LIBERTIES

On 16 January 2004, CEMR celebrated the **50th anniversary of the European Charter of municipal liberties** by organizing a seminar in Versailles (The charter was drafted by CEMR and served as a template for the Council of Europe's European charter of local self-government, adopted in 1985). In the course of the seminar, France's minister for local liberties, Patrick Devedjian, announced that the French government had begun the ratification process of the charter. CEMR president and chair of the Convention on the future of Europe, Valéry Giscard d'Estaing, also attended the seminar. He explained to more than 120 mayors and councillors the stakes and the achievements of the Convention.

At the Versailles seminar, CEMR presented proposals on new concepts of local self-government that could be added as "protocols" to the European Charter of local self-government. Subsequently, CEMR secretary general, Jeremy Smith, attended the meeting of independent experts of the Congress of Local and Regional Authorities of Europe, on 11 October. And on 9 November, CEMR's working group on the new concepts of local self-government met in Paris. Both meetings focused on the future of the charter (which celebrates its 20th anniversary in 2005).

Finally, at its Maastricht meeting in December 2004, CEMR's Policy Committee adopted a resolution on the 50th anniversary of the charter of local liberties.

TOWN TWINNING: BUILDING A "BOTTOM-UP EUROPE"

Since its foundation in 1951, CEMR has been Europe's main vehicle for town twinning; this is due to CEMR's commitment to a Europe close to its citizens. CEMR's 2004 priority in the field of town twinning was to support the new EU programme on "active European citizenship". This programme includes the European Commission's budget line for town twinning.

At the end of 2003 and beginning of 2004, CEMR lobbied the European Parliament, while its members lobbied their respective national governments, in order to see the **new legal framework for town twinning** adopted. This framework covers the 2004-2006 period. The Council adopted the programme on 26 January 2004.

The **annual consultation meeting of CEMR's twinning officers** with the European Commission took place in Brussels on 19 April. João Vale de Almeida, Director at DG Education and Culture, expressed his satisfaction with the close cooperation between CEMR and the European Commission.

On 5 and 6 April, the working group on twinning met in Dublin. It approved a report on the theme of the **role of town twinning in 21st century**. CEMR's national secretary generals and directors debated the report at their meeting in Budapest on 23 and 24 September. Also at the Dublin seminar, a training session for town twinning officers was organised, chaired by an external expert. The methodology used at that session was the subject of a publication that is available to national associations of local and regional government.

A second seminar was held, this time in Riga, on 29 and 30 November. Its theme was **The role of town twinning in European active citizenship**. The aim of the seminar was to discuss how town twinning can contribute to active citizenship. The future of the town twinning programme was discussed together with representatives of the European Commission. Representatives from the Baltic states took part in a round table on twinning in the new Member States.

2

Public Services and procurement: local and regional government in the front line

In terms of European legislation, 2004 was in particular the year of public services and procurement. These are subjects of vital importance for local and regional governments, since the EU rules in these areas affect the way that most services are organised and delivered, and in many cases set down compulsory regulations. CEMR does not have a single view as to whether services are best delivered by the private sector, by mixed public-private bodies, or by the public authority itself. What unites us is our view that this should be the free choice of the local or regional government itself, as part of the principle of local and regional self-government.

PUBLIC PROCUREMENT AND PUBLIC PRIVATE PARTNERSHIPS (PPPs)

In January 2004, the new Public Procurement directives were finally adopted, modernising and in some respects simplifying the legal code to be followed by public authorities. CEMR had for some years lobbied to ensure that the new directive was reasonably flexible for local and regional authorities, including the power to take environmental and social considerations into account in drawing up specifications and assessing tenders.

In April 2004, the European Commission launched its Green Paper on PPPs, whose main purpose was to examine whether PPPs should come more directly inside the scope of the Public Procurement directive, in particular, service concessions (under which the service provider itself charges the end user of the service) which so far are excluded from the EU procurement rules. The Commission identified two types of PPP – contractual PPPs (where the public authority contracts with a private company for the work to be done) and institutionalised PPPs (mixed public-private legal entities).

In May, the Working Group on Public Services and Procurement discussed the implications of the White Paper, including a debate with a representative of the Commission.

The key points of CEMR's response to the Green Paper, in September 2004 include:

- There is a need for a wider debate about the pros and cons of PPPs, not just the legal rules
- CEMR opposes the idea of bringing service concessions inside the EU public procurement regime, since these concessions require a more flexible approach;
- As regards mixed public-private legal entities, CEMR opposes any requirement to tender out a service where the local authority wishes to allocate a task to a company which it wholly owns, or a mixed entity which it controls

- CEMR opposes attempts to prevent local governments allocating service tasks to inter-communal legal entities without compulsory tendering of the service
- It is essential to avoid “double tendering” situations, by permitting authorities to invite tenders to carry out a defined service by using a public-private company only.

On 29-30 September, UNICE (the European employers’ association) organised a conference on public procurement in Oslo. CEMR was represented by its Secretary-General, Jeremy Smith. His intervention related in particular to the “in-house” issue, arguing that local governments must have the right to deliver services within their area through legal entities which they own or control, without the duty to tender the service.

STATE AIDS AND PUBLIC SERVICE COMPENSATION – THE “MONTI PACKAGE”

In 2003, the European Court of Justice gave its landmark judgement in the Altmark case. This held that the provision of financial compensation by a public authority to a service provider does not constitute state aid if a number of conditions are met – in particular, if the basis of compensation is clearly set out in advance, if the public service obligations are clearly specified, and if the costs involved are reasonable when compared to other well-run undertakings of a similar nature.

This left many cases in doubt as to whether they did, or not, constitute state aid. So the Commission brought forward proposals in 2004, known as the Monti package (after Commissioner Monti) which proposed to exclude public authorities from the duty to report small-scale state aids of this kind, and (for larger levels of compensation) to define such compensations as being compatible with the internal market rules if they met the laid down rules.

On 9 September, CEMR published its response to the Monti package, in which it welcomed the Commission’s objective to increase legal certainty for services of general economic interest. We argued that “pure” compensation for carrying out public service tasks should not be considered as state aid, but recognised that there should be transparency as to the compensation involved. We proposed that the Commission consult us further with a view to issuing guidance on how to meet the Altmark criteria. CEMR also called, in this context, for a clear distinction between Services of General Economic Interest (SGEIs), to which the EU competition and internal market rules apply, and non-economic Services of General Interest, which are not within the scope of the EU Treaties.

SERVICES OF GENERAL INTEREST

In 2003, the Commission had published its Green Paper on Services of General Interest, to which CEMR had responded. In January 2004, CEMR welcomed the adoption by the European Parliament of the Herzog report on the Green Paper, which on a number of key issues came to similar conclusions to our own. In particular, it argued that local governments should have the power to decide how to deliver services, and they should have the right to run services in-house without tendering. It also called for a definition of a border-line between SGEIs and non-economic SGIs.

In May 2005 the Commission published its White Paper on SGIs, following up the debate started via the Green Paper. This White Paper included the proposals in the pipeline on a range of issues including PPPs, the Monti package, etc. The White Paper was debated by the Working Group on Public Services and Procurement at its September 2004 meeting, and a CEMR response is due in early 2005. In the course of this meeting, a first debate also took place with a representative of the Commission in relation to the draft Services Directive (the so-called Bolkenstein Directive).

On 21 October, Jeremy Smith addressed the conference on “Priority Actions on SGIs” organised by the think-tank Confrontations Europe at the European Parliament, emphasizing again the key CEMR issues – a better division between economic and non-economic SGIs, opposition to compulsory tendering for local authority-controlled companies, and acceptance that pure public service compensation does not constitute state aid.

In December 2004, on the occasion of its Policy Committee meeting in Maastricht, CEMR adopted a policy declaration on public service in Europe. It insisted on the necessity to allow local and regional governments to freely decide on the means of organising, financing and delivering the public services for which they are responsible, as well as on the need to better distinguish SGIs and SGEIs.

3

Sustainable development, the environment, energy

THE URBAN DIMENSION OF SUSTAINABLE DEVELOPMENT

2004 was an important year in terms of sustainable development, due in particular to the European Commission's communication on **thematic strategy on urban environment**. In April, CEMR responded to the communication by broadly welcoming it while expressing concern on several points. One of these was the Commission's proposal to make environmental plans compulsory for towns above 100,000 inhabitants. These constraints imposed by the EU would duplicate existing measures in place in many towns, without adding any value. The conclusions of the Environment Council meeting of 14 October 2004 broadly reflected CEMR's views.

Between 9 and 11 June 2004, CEMR organised, in association with the town of Aalborg (Denmark) and ICLEI, the **fourth European conference on sustainable cities, Aalborg+10**. Some 1,000 representatives of local government from over 45 countries attended. The main outcome of the conference was the adoption of a final declaration, the Aalborg commitments. They provide a common framework for the development of

local sustainability objectives, and constitute a flexible tool. The "commitments" ask signatory local governments to draw up a list of qualitative and quantitative targets to implement the principles of sustainability as adopted in the original Aalborg charter.

The Aalborg conference also saw over 100 local governments sign up to the commitments while many others announced their intention to follow suit shortly. CEMR played a central role in the coordination and organization of the event. CEMR's Environment committee discussed the Aalborg commitments at its meeting in April.

CEMR has been a partner of the **TISSUE project** since early 2004. The project aims at developing indicators and tools to assess the efficiency of the thematic strategy on urban environment. CEMR's main task is to represent the interest of local government, to ensure that the project reflects the wishes, expectations and needs of local government in the field of urban indicators. Thus, CEMR organorganised 3 TISSUE workshops for the benefit of representatives of local government.



CEMR also contributed to the Commission's consultation on the mid-term evaluation of the **EU sustainable development strategy**. The strategy should be presented to the 2005 Spring European Council. CEMR's Environment committee debated this issue at its meeting at CEMR's headquarters in Brussels, in April 2004.

On 4 and 5 October 2004, CEMR's Environment committee met in Tallinn, in Estonia. Delegates studied several thematic strategies (on sustainable exploitation of natural resources, on waste prevention and management, on the urban environment...). A working visit was organised: delegates visited a water treatment plant that provides drinking water to Tallinn.

ENVIRONMENT ISSUES

CEMR actively contributed to the preparation of the Commission's communication **Towards a thematic strategy for soil protection**. CEMR took part in the Commission's consultative forum, and in several sub-groups to draft the strategy. The **directive on environmental responsibility** was adopted by the Council in March 2004. CEMR lobbied the conciliation committee in order to reduce the impact of the directive on local and regional government.

CEMR also pressed the European Parliament to improve the draft **directive on batteries**. CEMR was involved in the Council's working group, and presented its position on behalf of municipalities, towns and regions. CEMR welcome the Commission's idea to regulate the management of discarded batteries and accumulators, as well as the introduction of minimum criteria for the collection and treatment of empty batteries. However, it expressed serious doubts on several points, especially on the fact that some 70% of cadmium batteries would escape the ban on cadmium.

Still on the pollution issue, CEMR responded to the draft revision of the regulation on **waste shipment**. CEMR believes that the revised regulation will have to bring greater clarity in the classification of waste management operations. It also calls for allowing such shipment only if the environmental benefits generated by the recovery process outweigh the environmental costs incurred in the transport and treatment of this waste. CEMR was also firmly against the proposed setting-up of monitoring of a "municipal waste circuit", calling it too expensive and without any benefit to the environment.

Lastly, CEMR was involved in the launch of **Local Evaluation 21**, on 21 April 2004. Local Evaluation 21 is the follow-up tool to a research project in which some 150 European local

governments took part, in the framework of Local Agenda 21. It consists of a database of local experiences of the municipalities involved in the project.

ENERGY: A MATTER OF IMPORTANCE TO ALL LOCAL GOVERNMENTS

CEMR's Energy network adopted draft **policy guidelines and its work programme** at its 19 October 2004 meeting in Brussels. The members of the network also discussed their future cooperation with the European Commission, and examined the follow-up to the first conference of municipal energy managers (Stuttgart, 1-2 July 2004) that was organised with the support of CEMR.

CEMR lobbied the European Parliament on the European Commission's draft directive on **Energy efficiency in end uses and energy services**. CEMR broadly supports the main aims of the directive, however, it is against the proposed obligation for the public sector to save at least 1.5% energy a year, on the ground that any obligation should apply equally to the private sector.

CEMR secretary general spoke at the European Commission's "Managenergy" conference, in Brussels, on 21 October. Jeremy Smith focused his contribution on the need for local government to become more involved in energy issues.

The Energy network also agreed to help the European Commission develop a database of energy experts from local and regional government, and from associations focusing on policies and on energy.

Towards the end of 2004, CEMR started preparing a **Guide on energy issues**, in collaboration with Energie-Cités. The guide aims at making local governments more aware of energy issues. It should be published in 2005.



4

[Regional Policy and transport]

Expected to come out at the end of 2003, the European Commission's third report on Cohesion Policy (covering the 2007-2013 period) was released in early 2004. To highlight the importance of this report, CEMR organised the **Forum on Cohesion**, in Brussels, on 23 February 2004. The forum was held jointly with the Association of European Border Regions, the Conference of Peripheral Maritime Regions and EUROCITIES. Some 400 participants heard EU Commissioner Michel Barnier present the Commission's proposals on Cohesion Policy. They called for a strong support for the future cohesion policy to enable rural and urban zones to tackle their problems, to achieve sustainable development and to improve their citizens' life conditions. CEMR has worked to influence the European Parliament's **resolution on the European Commission's third report on economic and social Cohesion**. CEMR's proposals on the Hatzidakis report focused on the need to stress local and regional government's important role in Cohesion Policy. Furthermore, at its 3 November meeting, CEMR's working group on Cohesion Policy agreed on a draft response to the Commission's proposal on the regulations for the future of Cohesion policy.

CEMR was represented by its first vice-president, Heinrich Hoffschulte and by vice-president Louis Le Pensec at the **European Commission's Forum on Cohesion**, in Brussels, on 10 and 11 May. The event gathered over 1,000 participants

from over 20 European countries. They agreed that in future, Cohesion Policy must be more decentralised, more targeted and simpler.

CEMR also adopted a position on the European Commission's draft **regulations on structural funds and rural development**. At its meeting in December 2004, CEMR's Policy Committee approved the text and issued a political statement that was circulated in EU circles. In it, CEMR expresses its deep concerns on the negotiations on the Union's financial perspectives, and insists on the need to guarantee sufficient resources for the EU to implement its fundamental policies. The Commission's proposal (the budget of the future Cohesion policy should be 0.46% of the EU GNP) is the minimum acceptable to CEMR.

The Council of European Municipalities and Regions was also involved in the regional representations' Open Days, in Brussels (27-30 September). This joint European Commission / Committee of the Regions initiative gathered over 70 regional representation offices in Brussels, to reflect on the future Regional policy. CEMR was represented by the President of Union of Belgian Towns and Municipalities, Willy Taminiaux. CEMR's stand was prominently displayed throughout the event.



TRANSPORT IN OUR TOWNS, CITIES AND REGIONS

In early March, CEMR issued its position on the **European Commission's Eurovignette draft directive**, ahead of the European Parliament's vote on this issue. CEMR expressed its support to the Commission's proposal, but was against the amendments to make the directive applicable to all tolls. The proposed toll rate would considerably limit local government's freedom to set their own urban toll schemes. On a more general level, CEMR wishes for the directive to express the need to consult relevant local and regional governments.

CEMR's Transport Committee met in Bologna (Italy) on 22 October. It adopted its **manifesto on sustainable mobility**. The manifesto calls for sustainable mobility policies to be at the core of the actions of the EU, of Member States and of local and regional government. It also states the need to improve public transport and to promote alternative mobility solutions to the use of private vehicles. The manifesto also calls for the setting-up of a transport policy via consultations of local and regional governments, national governments, the European Commission and all interested stakeholders. The manifesto will be published early in 2005.

Participants in the Bologna meeting also debated the transport aspect of the **thematic strategy on urban environment** (see "Environment", page 9). Members of the Transport Committee said they were not opposed to a EU framework as long as the principle of subsidiarity is respected and that measures are not compulsory.

5

[Employment, social affairs, equal opportunities]

As a whole, local and regional government is the biggest employer in Europe. This is why one of CEMR's working groups is called the Employer's platform, defending the interests of local and regional governments as employers. Early 2004, CEMR became an **official partner of the sectoral social dialogue committee for local and regional administrations**, launched by the European Commission on 13 January 2004. Throughout the year, CEMR was involved in exchanges on the practical working of the committee; CEMR also informed and consulted its members on the various themes addressed by the committee.

CEMR, the European Public Service Union (EPSU) and the European Centre of Enterprises with Public Participation and of Enterprises of General Economic Interest (CEEP) organised a **conference on social dialogue in European hospitals** on 2 and 3 February, in Brussels. The main themes of the conference were recruitment, identifying needs in terms of qualifications, and the impact of ageing of our society on the health sector. Over 100 delegates from some 20 countries attended the event.

CEMR also reacted to the **Commission's proposal on working time**. In its position, issued on 7 July 2004, CEMR calls for the definition of working time to be clarified to avoid

any interpretation that might have adverse effects on local and regional government. This is especially the case in sectors where staff take rest periods at the work place (hospital staff, firefighters...).

EMPLOYMENT AT LOCAL AND REGIONAL LEVELS

CEMR secretary general, Jeremy Smith, sent an open letter to the European Council on 25 March. He explained CEMR's reaction to the **Commission's report on the implementation of the Lisbon Agenda**. CEMR reiterated its commitment to the objectives of the Lisbon Agenda, but urged the Council to give itself the means to implement that strategy. CEMR also recalled that the active involvement of local and regional government, at all stages of the implementation of the Lisbon Agenda, is crucial.

CEMR organised a seminar "**EQUAL: challenges for local government**" in Brussels, on 19 March 2004. EQUAL is an EU initiative aiming at developing new means to fight discrimination and promote equality at work. The seminar brought together experts in the field of equal opportunities from all over Europe. Participants agreed that EQUAL is a good tool but that there remain problems in the management of the initiative and in communication.

On 15 June 2004, CEMR co-organised a seminar on **the impact of the entrepreneurial city on local and regional authorities**. Participants adopted several conclusions, including the fact that the presentation of specific cases in the course of the seminar showed that local and regional government can play an active role in promoting entrepreneurship, local and regional governments can draw inspiration from each other, and emphasizing that entrepreneurship is a full element of the Lisbon Agenda.

CEMR also co-organised a **European workshop on local employment indicators and benchmarking local employment policies**, on 7/8 June, in Offenbach am Main (Germany). It was perceived as a successful test for exchanging best practice.

Similarly, CEMR published its position on the **European Commission's Green Paper on entrepreneurship in Europe**, on 7 September 2004. CEMR highlighted the important role of local and regional government in developing entrepreneurship in Europe, due to the fact that they are close to citizens and to their problems, they are able to mobilize the "social capital", and that they can combine several policies to stimulate entrepreneurship. CEMR also calls for the recognition of the horizontal dimension of entrepreneurship since it covers several policies of local government such as economic development, employment, education, social services... CEMR called for a better use of benchmarking and of best practice, adding that local government networks and their associations are the best tool to organize such exchanges of experience.

Towards the end of 2004, CEMR prepared and disseminated a questionnaire to assess the depth of the involvement of social partners from local and regional government in the **European strategy for employment (ESE)** and national action plans (NAP). Replies to the questionnaire are being gathered.

SOCIAL AFFAIRS: INCLUSION IN OUR TOWNS AND REGIONS

CEMR is a member of the European Public Social Platform (EPSP); in 2004 it attended the regular meetings of the platform with the European Commission, as well as seminars that addressed the issues of the implementation of national action plans for social inclusion, and of social inclusion in the new Member States.

EPSP organised three **seminars on social inclusion in an enlarged Europe**. The first seminar took place in Copenhagen on 4 May 2004; it focused on problems encountered in Nordic countries. The second took place in Bratislava (Slovakia), on 29/30 September, and was more specifically aimed at EU's new Member States. That seminar aimed at promoting national

action plans for social inclusion in the new Member States, at gathering concrete examples from central Europe, and at identifying the main problems and current trends in the field of social inclusion. The third seminar was held in Rome, in December; it was geared towards Southern Europe. That last seminar provided an opportunity for exchanges of experiences on the content and the effectiveness of national action plans in the region. CEMR secretary general, Jeremy Smith, spoke at this seminar.

The Council of European Municipalities and Regions was involved in the **European round table on poverty and social exclusion**, in Rotterdam, from 17 to 19 October 2004. The chair of CEMR's working group on Employment and Social policy, Mathias Schulze-Böing, issued a call for an integrated policy approach on the local level, to promote employment. He also chaired the workshop on the rural dimension of poverty.

EQUAL OPPORTUNITIES:

STARTING IN OUR COMMUNES AND TOWNS

For CEMR, 2004 in the field of equal opportunities was above all the year of the **A European town for equality between men and women** project. It consisted in producing a catalogue of good practices in Europe, and its aim was to design a "virtual town for equality" that would become a model for European local governments. At a CEMR seminar in Paris, on 7/8 May, participants agreed that much remains to be done to create a real "town for equality". A European Commission's report echoed their views by saying that progress towards sex equality is still too slow.

CEMR's women elected at local or regional level attended the "Women in the decision making process" workshop held during the **founding congress of United Cities and Local Government (UCLG)**, the new worldwide local government organization. CEMR's delegation asked for women to be better represented in UCLG executive bodies.

In September 2004, CEMR's working group on Equal Opportunities had a fringe meeting during the **World urban forum** in Barcelona. The main points were the project on gender equality in towns, and the activities of the Committee of women elected representatives of local and regional authorities.

Still in September, CEMR issued its position on the European Commission's **Green Paper on equality and non discrimination in an enlarged EU**. CEMR states that fighting discrimination must be one of the EU's priorities, that the European Commission needs to make the necessary financial resources available for equality to become a reality. It adds that a female-male equilibrium in the decision-making process at all levels must be one of the Commission's priorities.

REGIONAL COMPETENCES:

THE PROJECT TO BOOST EMPLOYMENT IS COMPLETED

"Regional competences" is a EU-funded programme. It aims to develop tools that help identify existing skills amongst job-seekers and the needs of organizations, in order to improve human resources in our regions.

Within that programme, CEMR organised a round table (*Towards the Lisbon Agenda – Developing regional intellectual capital*) at its Brussels office, on 19 November. Around ten European countries were represented by mayors, academics and businesspeople.

The final conference was held in Florence (Italy), on 15 September. CEMR was represented by the chair of its working group on Employment and Social Affairs, Matthias Schulze-Böing.

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Information Society and e-Government

CEMR's **ELANET** network (European Local Authorities' telematic Network) focuses on information society at local and regional levels. It completed several projects in 2004.

The **Three Roses** project (Three Regional Operating networks on Strategic Electronic Scenarios) came to its end in 2004. The aim of the project was to set up an adequate roadmap for any research project initiated within the European Commission's 6th framework programme for research and technological development. It focuses on the use by local government of open software in e-government, e-business and educational processes. It ended with a report on legal aspects of free/open source software, and with concrete guidelines for local government on the best moment and ways to use open source software as an e-government tool.

Another important achievement for CEMR in the field of information society was the **final conference of the PRELUDE project** (Promoting European Local and Regional Sustainability in the Digital Economy), on 13/14 March 2004, in Ennis (Ireland). PRELUDE was supported by CEMR and aimed at helping local and regional innovation through information and communication technologies. The results of the project were presented at its final conference; they include 9 clusters of European projects on innovation, led by 9 participating regions, by ELANET and by the eris@ network. PRELUDE also produced thematic guides on e-government, on on-line education, cybercommunities, and on e-transport. A learning template was developed and a Prelude web portal was created.

Through its ELANET network, CEMR actively supported the **8th annual conference of "Cities on Internet"** that was held in Zakopane (Poland), on 24 June 2004. The conference gave European local and regional government an opportunity to present their progress in research, technology and innovation. ELANET organised two workshops: one on the challenges of free/open source software, specifically from practical and legal aspects; and another on Prelude, to present its 9 clusters' results.

In October, CEMR, in cooperation with ELANET, relaunched its working group on Information Society and e-Government. Its objectives were defined and fields of activities identified.

Finally, ELANET took part in the consultation process to draft the 2005-2006 e-government work programme of IST (Information Society Technologies); it also produced a report on the legal aspects of authorizing FLOSS (Free/Libre and Open Source software).

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An enlarged

[Europe,]

open to the world



The founding congress of the new world organization United Cities and Local Governments, took place in Paris between 2 and 5 May 2004. The new organization is the result of the merging of the World Federation of United Cities (FMCU) with the International Union of Local Authorities (IULA). CEMR played an essential role in the unification process and the organisation of the Paris Congress, and is now UCLG's European section. Some 3,000 local and

regional representatives attended the congress at which UCLG's world council elected as co-presidents the mayors of Paris, Bertrand Delanoë, of Tshwane (South Africa) Smangaliso Mkhathshwa, and of São Paulo, Marta Suplicy.

An important UCLG and CEMR delegation played an active role in the World urban forum organised by UN-Habitat, in Barcelona, in September. CEMR's first vice-president and its secretary general both spoke at the forum.

The United Nations Advisory Committee of Local Authorities (UNACLA) met during the urban forum. CEMR was represented by first vice-president Heinrich Hoffschulte. He and secretary general Jeremy Smith also took part in the group of experts set up by UN-Habitat to draft guidelines on decentralisation and strengthening of local authorities. These guidelines aim to assist all countries and are due to be considered for adoption by the Governing Council of UN-Habitat at its Spring 2005 meeting.

CEMR's North/South Cooperation network met in Brussels on 2/3 February. Several member associations presented their activities in this field. Participants discussed the way to strengthen local government's role in the EU's policies on North/South cooperation, including cooperation with the Middle East. The meeting also gave delegates the opportunity to work on themes on which national associations have experiences to share. Representatives from the European Commission and the Parliament took part in the meeting.

Throughout 2004, CEMR lobbied the European Commission and the Parliament to raise their awareness of the network's objectives. At meetings with representatives from both institutions, CEMR noted their interest for this initiative.

CEMR also contributed to the European Parliament's reports on the future of European policy for North/South cooperation, mainly the reports on the legislation of development policy beyond 2006, and on the budgetary line for decentralised cooperation.

Lastly, CEMR played an active role at the Forum of European local government, hosted by the Greater London Authority, on 15 October 2004. CEMR secretary general, Jeremy Smith, spoke on the influence of local government within the European Union.



photo: European Commission

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Communication aspects

CEMR's new website was launched in January 2004 (www.ccre.org). The website is primarily aimed at CEMR's member associations and, beyond them, at local and regional governments as well as at others with an interest in Europe's local and regional dimension. It does not limit itself to reporting CEMR's activities; the new website covers local and regional news with a European dimension: events, best practice, European legislation... Throughout 2004, visitors statistics continued to rise, peaking at 9,000 visits for the month of November.

2004 also saw CEMR create a new graphic design charter. This charter will be applied to all visual materials: letterhead, envelopes, publications, business cards... in order to provide CEMR with a strong visual identity.

At the request of several member associations, CEMR's secretariat initiated a series of communication seminars, starting in Prague, in September 2004. These are tailored to the needs of local government in new member States and candidate countries, following a questionnaire designed to identify these needs. The first communication seminar is due to take place at the LOGON meeting in Bratislava, in February 2005.

Towards the end of the year, CEMR started working on an Extranet site (a "CEMR members only" website enabling them to communicate among themselves on working documents). The Extranet site should be in place during 2005.

[Annexes]

CEMR's

meetings in 2004

JANUARY

- 12 **Brussels**
Employers' Platform
- 13 **Brussels**
Sectoral social dialogue committee in local/regional government.
Plenary meeting to launch the sectoral social dialogue committee in local and regional government with EPSU
- 16 **Versailles**
Seminar "50 years since the Charter of Versailles... what gains, what perspectives for local self-government?"

FEBRUARY

- 2-3 **Brussels**
Network for North/South local government cooperation
- 17-18 **Frankfurt**
Secretaries General and Directors
- 23 **Brussels**
Forum on cohesion policy

MARCH

- 18 **Brussels**
Working group on employment and social policy
- 19 **Brussels**
Seminar on "EQUAL" – challenges for local authorities
- 29-30 **Valencia**
Sub-working meeting on the CEMR project "Equality in European towns"

APRIL

- 5-6 **Dublin**
Working group on twinning
- 19 **Brussels**
Environment committee
- 22 **Brno**
Seminar on "Exchange of experience on EU accession impact on municipalities"

MAY

- 7-8 **Paris**
2nd seminar for the CEMR project "Equality in European towns"
- 13-14 **Ennis**
Conference "the PRELUDE challenge: clustering digital innovation in EU regions" (ELANET)
- 17 **Brussels**
Joint meeting of the Public Procurement network and ad hoc working group on services of general interest
- 24 **Strasbourg**
Meeting of the Presidents of the national associations of the new EU member countries
- 28 **Brussels**
Transport Committee
- 31 **Dublin**
Executive Bureau

JUNE

- 8 **Brussels**
Employers' Platform
- 9-11 **Aalborg**
"Aalborg + 10" Conference
- 15 **Brussels**
Seminar on entrepreneurship
- 22 **Brussels**
TISSUE workshop (urban indicators to support EU thematic strategy on urban environment)
- 24 **Zakopane**
Zakopane Conference – ELANET meeting with new member States' associations to enhance the cooperation on information society + Prelude workshop

SEPTEMBER

- 9-10 **Oslo**
Steering committee meeting of ELANET
- 14-15 **Barcelona**
Sub-working group on the "equality in European towns" CEMR project
- 20 **Paris**
Financial Management Committee
- 23-24 **Budapest**
Secretaries General and Directors
- 27-28 **Brussels**
PRELUDE steering committee meeting with the 20 regions

OCTOBER

- 4-5 **Tallinn**
Environment Committee
- 11 **Brussels**
Consultation meeting of the European Commission with the CEMR network of twinning coordinators
- 13 **Brussels**
Policy group on information society and e-government
- 19 **Brussels**
Network on energy issues
- 22 **Bologna**
Transport Committee

NOVEMBER

- 3 **Brussels**
Cohesion policy working group
- 8 **Paris**
Working group for the programme of the Innsbruck General Assembly
- 9 **Paris**
Working group on new concepts of local self-government
- 16 **Brussels**
Employers' Platform
- 17 **Brussels**
Plenary of sectoral social dialogue committee in local and regional government and the Presidents of the European associations
- 19 **Brussels**
Regional Competence Final Event "Towards the Lisbon Agenda: developing regional competence through human resource management"
- 29 **Londres**
Final Workshop "TISSUE" project - Trends and indicators for monitoring the EU thematic-strategy on the urban environment
- 29-30 **Riga**
Working group on twinning

DECEMBER

- 3 **Brussels**
Working group on public services and procurement
- 13-14 **Maastricht**
Policy Committee

The Council of European Municipalities and Regions (CEMR) is a non-profit association. It is the broadest association of local and regional government in Europe.

Its members are national associations of local and regional governments from over thirty European countries.

The main aim of CEMR is to promote a strong, united Europe based on local and regional self-government and democracy; a Europe in which decisions are taken as closely as possible to its citizens, in line with the principle of subsidiarity.

CEMR's work covers a wide range of themes, including public services, transport, regional policy, the environment, equal opportunities...

CEMR is also active on the international stage. It is the European section of the world organisation of cities and municipalities, United Cities and Local Governments (UCLG).

CEMR'S ACTIVITIES

Influencing European legislation

EU legislation – in fields such as the environment, public procurement, structural funds, state aids and competition law - has a huge impact on local and regional government across Europe. Influencing European laws is thus one of CEMR's key activities. Working closely with its national associations, CEMR draws up policy positions, which form the basis of responses to the European Commission, especially through its dialogue and consultation processes, and for lobbying the Parliament and the Council of Ministers, e.g. via specific amendments.

Shaping the future of Europe

CEMR works for a Europe that respects the principle of subsidiarity and local and regional self-governance, a Europe in which all spheres of government (local, regional, national, EU) work together as partners. CEMR has campaigned for a European Constitution that recognizes the role of municipalities, towns and regions; it has also helped local and regional governments from new EU member states to prepare for accession to the EU.

Exchanging information and experience

Taken together, localities and regions constitute a well of experience in their domains of competences (social welfare, economic development, environment, transport...). CEMR's role is to facilitate the flow of information on these experiences, to spread ideas and skills to all its members. To achieve this, CEMR organises working groups, seminars and conferences that enable its members to meet and discuss their concerns and ideas.

Supporting town twinning

CEMR has created the concept of European town twinning, which stems from the idea that a peaceful and successful Europe can be best built at its base, by its citizens. Today, there are over 30,000 town twinings across Europe, and support for this unique movement remains one of CEMR's priorities – in particular, by co-ordinating the work of twinning officers. CEMR works closely with the European Commission (DG Culture and Education) and the Parliament to ensure necessary financial and policy support for the twinning movement.

Strengthening local and regional government in the world

CEMR is the European section of the world organisation of towns and municipalities, United Cities and Local Governments (UCLG). Within UCLG, the Council of European Municipalities and Regions promotes democracy, local self-government and exchange of experience across the world. It also promotes North-South co-operation and capacity-building.

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*CEMR thanks the European Commission
for its financial support*



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