

**DIALOGUE BETWEEN THE EUROPEAN COMMISSION AND THE EUROPEAN AND  
NATIONAL MUNICIPAL ASSOCIATIONS AND REGIONAL ASSOCIATIONS**

**7th December 2006 – Brussels**

**Council of European Municipalities and Regions (CEMR)**

Dear President Barroso,  
Ladies and Gentlemen,

On behalf of the Council of European Municipalities and Regions, representing the national associations of regional and local government in 36 countries, I would like to thank you for this opportunity to express our view on the Commission's work programme 2007.

We share the view expressed in the introduction to the work programme on the importance of the 50<sup>th</sup> anniversary of the Treaties of Rome in 2007, and believe that the European Union has an ever more important role to play in tackling the major global issues. CEMR therefore welcomes the fact that globalisation and its challenges will be in the focus of the policy agenda of the European Commission. We also wish to ensure that in any future institutional settlement, the gains achieved for local and regional government in the Constitution are maintained and strengthened.

In the chapter on **Prosperity**, the work programme presents a number of initiatives that aim to promote and modernise the European economy in order to increase growth and jobs. We welcome the emphasis given in this context to the role of local and regional level in stimulating innovation and economic change.

Let me just address shortly some aspects of the prosperity part of the work programme before going a bit more into detail on the review of the single market.

On the integration of migrants, we would like to encourage the European institutions and the Member States to recognise the positive role that migrants can play in the economy and society. CEMR's policy committee recently adopted a declaration on the role of local and regional governments in relation to migration, in which we expressed our view that all levels of government need to cooperate in order to successfully manage inward migration.

CEMER fully supports the European Commission's proposals on energy and to tackle climate change. However, we are concerned that sustainable cities and towns – stressed by the European Council in its revision of the sustainable development strategy, adopted this year in June – seem to be no longer on your agenda.

Now a few comments on the announced the review of the single market in 2007.

Mr President, you explained in your presentation of the work programme to the European Parliament on 14 November, that Europe's leaders have agreed to put globalisation at the centre of its policy

agenda. CEMR would like to encourage you to concentrate on aspects that aim to increase Europe's competitiveness in global markets. This means a concentration on the relevant industries and sectors.

We are concerned that in the recent past, the European Commission's services have interpreted the rules of the internal market in ways that have not really followed this objective. Investigating service provisions of purely local dimension and without substantial impact on cross-border trade should not be an issue for the EU administration. The same is valid for inter-local government cooperation or "in-house" delivery, for which we would like the European Commission to take a more sensible and pragmatic approach. For instance last year, commissioner Nellie Kroes presented a proposal on state aid and the compensation payments for the provision of public services, which avoided unnecessary bureaucracy for local and regional government. The college of the Commissioners accepted her proposal, which represents a step into the right direction: towards a focus on macroeconomic problems of real relevance to the internal market. This would correspond with your recently launched initiative to reduce administrative costs and administrative burdens in the European Union, which we welcome.

Finally we note that the Commission will address health services and social services of general interest. CEMR agrees that these services – which are not generally of a commercial character - are of the utmost importance, but we will need to scrutinise very carefully the proposals to be put forward in these very sensitive areas. Their relationship to the internal market requires a better analysis than in the recent Communication on Social Services of General Interest. We are concerned that, to date, the principles of local and regional self-government have not always taken into consideration in the debate on public services and the internal market.

Mr President, we would appreciate if one of the meetings in the structured dialogue next year could be with Commissioner McCreevy to discuss these issues in a more detailed way.

To summarise my questions to you, Mr President, in the context of this dialogue:

- What approach does the Commission intend to take in its review on the internal market in relation to public services and would you support a more pragmatic solution for local services, including protection of inter-local government cooperation?
- Would you please pass on our request for a structured dialogue meeting with Commissioner McCreevy to discuss these issues in depth?

I thank you for your attention.