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COMMITTEE OF THE REGIONS

PLENARY SESSION OF MAY 2017

75th REPORT

N°	TITLE	REFERENCES
SG		
1.	**Improving the governance of the European Semester: a Code of Conduct for the involvement of local and regional authorities** Rapporteur: Rob JONKMAN (NL/ECR)	COR-2016-05386-00-00-PAC-TRA ECON-VI/019 Own-initiative opinion
DG REGIO		
2.	**The Future of Cohesion Policy beyond 2020** Rapporteur: Michael SCHNEIDER (DE/EPP)	COR-2016-01814-00-00-PAC-TRA COTER-VI/015 Own-initiative opinion
3.	**Health in cities: the common good** Rapporteur: Roberto PELLA (IT/EPP)	COR-2016-06620-00-00-PAC-TRA NAT-VI/016 Own-initiative opinion
4.	**Entrepreneurship on Islands: contributing towards territorial cohesion** Rapporteur: Marie-Antoinette MAUPERTUIS (FR/EA)	COR-2017-00019-00-01-PAC-TRA COTER-VI/022
DG EAC		
5.	**Investing in Europe's youth and the European Solidarity Corps** Rapporteur: Paweł GRZYBOWSKI (PL/ECR)	COR-2017-00851-00-01-PAC-TRA SEDEC-VI/023 Own-initiative opinion

DG GROW		
6.	**Social innovation as a new tool for addressing societal challenges** Rapporteur: Marcelle HENDRICKX (NL/ALDE)	COR-2016-06945-00-01-PAC-TRA SEDEC-VI/020 Own-initiative opinion
DG BUDG		
7.	**Financial rules applicable to the general budget of the Union** Rapporteur: Michiel RIJSBERMAN (NL/ALDE)	COR-2016-05838-00-00-PAC-TRA COTER-VI/020
DG RTD		
8.	**The Local and Regional dimension of the Bioeconomy and the role of cities and regions** Rapporteur: Katrin BUDDE (DE/PES)	COR-2017-00044-00-01-PAC-TRA SEDEC-VI/022 Own-initiative opinion
DG NEAR		
9.	**2016 Communication on EU Enlargement Policy** Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions Rapporteur: Rait PIHELGAS (EE/ALDE)	COM(2016) 715 final COR-2017-00093-00-01-PAC-TRA CIVEX-VI/018 Own-initiative opinion
DG MARE		
10.	**A new stage in the European policy on blue growth** Rapporteur: Christophe Clergeau (FR/PES)	COR-2016-06622-00-00-PAC-TRA NAT-VI/019 Own-initiative opinion

N°1 Improving the governance of the European Semester: a Code of Conduct for the involvement of local and regional authorities (own-initiative opinion) COR 2016/5386 – ECON-VI/019 123rd Plenary Session - May 2017 Rapporteur: Mr Rob JONKMAN (NL/ECR) SG – Vice-President DOMBROVSKIS	
Points of the Committee of the Regions opinion considered essential	**Commission position**
The Committee of the Regions stresses that the local and regional authorities – in spite of their broad powers and competences, their role in the implementation of over 40% of the Country-specific recommendations and their responsibility for over 50% of public investment – are insufficiently involved in the European Semester, notably in the design and implementation of the National Reform Programmes.	The European Commission agrees that Member States should make every effort to maximise the involvement of all concerned stakeholders in the European Semester process. This should include regions and local authorities. The question is how this can best be achieved, building on and improving existing practices. One of the objectives of the streamlined European Semester has been to encourage more ownership of the process and the country-specific recommendations by the Member States. This will also help in improving the implementation rate. Such ownership should go beyond the national administrations and include the social partners, non-governmental organisations, specific interest groups and the regions and local authorities. The European Commission actively encourages Member States to ensure that stakeholders are fully involved and that their views are fully taken into account in the national discussions on the European Semester, for example on the preparation of national reform programmes and the design and implementation of structural reforms.

	Member States are free to organise their internal consultation processes in the way that they consider to be the most appropriate. Much depends on the administrative and constitutional set-up in each Member State, and the Commission is carefully respecting the principle of subsidiarity in this respect. The European Commission recognises that regional and local authorities play a key role in implementing measures relevant for growth and jobs. The European Commission has made its own efforts to reach out to them and other stakeholders during the European Semester. One of the jobs of the European Semester Officers in the capitals of the Member States is to explain the processes and engage stakeholders in closer dialogue. At the political level, Vice-President Dombrovskis and other members of the College conduct every year a series of visits to the Member States to discuss the content of the country reports before the country-specific recommendations are prepared. This is the opportunity for the European Commission to hear the views of stakeholders, including regions and local authorities.
The Committee of the Regions regrets that the European Semester builds on analyses that do not systematically account for a territorial differentiation of challenges and opportunities within Member States.	The European Commission analysis carried out in the context of economic governance does take into account the regional (and even local) dimension insofar as it is of macroeconomic relevance.
The Committee of the Regions proposes a Code of Conduct to give a territorial dimension to the European Semester.	The European Commission made proposals on how to further increase the effective democratic legitimacy, ownership and accountability of the

	European Semester process. This was set out in its Communication on Steps towards Completing Economic and Monetary Union[1], as a follow-up to the Five Presidents' report[2]. The European Commission has repeatedly stressed that, in spite of positive developments in the recent past, there is room for wider dialogue with and better involvement of the different levels of the Member States, not only regarding Parliaments and official authorities, but also social partners. Yet, the European Commission does not believe that it is necessary to establish a code of conduct on the matter. Focus should be on using and developing further existing good practices in the Member States on the involvement of regions and local authorities in the European Semester. In this respect, the European Commission would welcome any feedback from the Committee of the Regions on what it considers to be good – or bad – practice currently operated by the Member States.
The Committee of the Regions notes that the Code of Conduct should take into account the relevant experience of the European code of conduct on partnership.	The Code of Conduct on partnership was adopted as a European Commission delegated regulation on the basis of the so-called 'Common Provisions Regulation' governing the European structural and investment funds[3]. It therefore has a clear legal basis. This would not be the case for a

[1] COM(2015) 600 final.

[2] https://ec.europa.eu/commission/sites/beta-political/files/5-presidents-report_en.pdf.

[3] Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 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 and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006, OJ L 347, 20.12.2013.

	code of conduct on the European Semester. The idea of establishing a binding code of conduct on the European Semester would therefore mean that a number of legal questions at both European and national level would have to be considered carefully.
The Committee of the Regions stresses that the European Semester does not live up to its promises, as is shown by both poor implementation of the Country Specific Recommendations and weak ownership at country level.	In recent years, at the height of the crisis as well as in the current context of moderate recovery, the European Semester has proven instrumental to foster, guide, accompany and support reform processes in Member States and improve the economic and social performance. During 2017, the European Commission has integrated a multiannual perspective on the implementation of past country-specific recommendations. Overall, the main message is that the implementation of reforms takes time, but looking back several years the commitment of Member States to actively pursue structural reforms is confirmed. Seen from today's perspective, two out of three recommended reform steps have seen important progress since 2011, confirming that reforms are being implemented. Progress is recorded for a large majority of reforms, but the pace and the depth of reform implementation by Member States vary. In particular, reform progress has been the highest in the policy areas that concern “fiscal policy and fiscal governance” as well as in “financial services”. Significant measures have also been taken in many countries to improve the sustainability

	of the pension systems. Examples of success stories include the 'Work Ability' reform in Estonia, the 'Competitiveness Pact' in Finland, the 'Start-up Act' in Italy, the 'making-work-pay' measures in Malta or the Research and Development tax incentives in Poland. They are all measures adopted by Member States, in line with the analysis or the Country Specific Recommendations formulated under the European Semester.
The Committee of the Regions considers that the transition to a new European strategic framework succeeding the Europe 2020 strategy would be an appropriate juncture for reforming the governance of the European Semester.	The Europe 2020 strategy remains valid. For the time being, the European Commission will continue to implement the strategy, which has also provided a basis for the multiannual financial framework and the European Structural and Investment Funds. The European Commission will make the best use of the Europe 2020 strategy by improving its implementation and monitoring in the context of the European Semester. At the same time, building on its recent Communication on "Next steps for a sustainable European future"[4], the European Commission has started a reflection for developing a longer term vision going beyond the horizon of the year 2020.

[4] COM(2016) 739 final.

N°2 The Future of Cohesion Policy beyond 2020 (own-initiative opinion) CoR 2016/1814 - COTER-VI/015 123rd Plenary Session – May 2017 Rapporteur: Mr Michael SCHNEIDER (DE/EPP) DG REGIO – Commissioner CREȚU	
Points of the Committee of the Regions opinion considered essential	**Commission position**
The recommendations included under points 13-16, 19-20, 23-24, 32-33, 41-43, 48, 53, 57, 61,63, 70,72, 74,78 and 80 include a number of relevant points calling for reflection in the context of the post-2020 preparatory work.	The European Commission welcomes the Committee of the Regions' own-initiative opinion which is contributing to the ongoing reflection on the preparation of the post-2020 Multiannual Financial Framework which was launched with the publication of the White Paper on the Future of Europe[5] in March 2017. Taking into account the ongoing reflection process, the European Commission cannot give at this point a detailed response to the opinion of the Committee of the Regions. The European Commission, however welcomes different suggestions presented in the Committee of Regions' opinion that could contribute to the Cohesion Policy funds' simplification, flexibility, performance-orientation, delivery of European Union value added and better alignment with the European priorities - which are exactly the main principles guiding the Commission's internal preparatory process. The reflection process initiated by the White Paper for the Future of Europe and built on by the series of reflection papers will feed into preparing the proposal for the next Multiannual Financial Framework for a European Union of 27, which the European Commission intends to present around the middle of 2018. Following the presentation

[5] https://ec.europa.eu/commission/sites/beta-political/files/white_paper_on_the_future_of_europe_en.pdf.

	of the reflection papers on the Social Dimension of Europe, on Harnessing Globalisation, and on the Deepening of the Economic and Monetary Union, and especially the reflection paper on the Future of European Union Finances, discussions will continue. The preparatory process will be based on a broad range of inputs and exchanges. The 7th Cohesion Forum at the end of June 2017 brought an excellent debate on the future orientations of the Cohesion Policy. The internal reflection process of the European Commission is still ongoing. The proposals for the legislative framework for the next programming period will follow the Multiannual Financial Framework proposals that President Juncker announced for May 2018 in his 2017 State of the Union speech.

N°3 Health in cities: the common good (own-initiative opinion) COR 2016/6620 – NAT-VI/016 123rd Plenary Session - May 2017 Rapporteur: Mr Roberto PELLA (IT/EPP) DG REGIO – Commissioner CREȚU	
Points of the Committee of the Regions opinion considered essential	**Commission position**
11. The Committee of the Regions urges that health and the definition of health be included in the New Urban Agenda, which would launch a new culture of joint planning that can contribute to ensuring that spatial planning promotes health and provides supportive environments for health.	The activities of the Urban Agenda for the European Union are coordinated by the Director-General meeting on Urban Matters. The European Commission participates in the Partnerships organised around the priorities themes.
13. The Committee of the Regions calls for the pursuit of policies to integrate health and social care and improve the social, economic and environmental fabric of deprived or disadvantaged neighborhoods by adopting measures based on means testing.	Local authorities are invited to focus on better access to social care and healthcare in their sustainable urban development strategies and the corresponding actions, also funded by the European Structural and Investment Funds.
16. The Committee of the Regions thinks it would be good, as a social inclusion priority, to strengthen health promotion, prevention and social/health integration policies for migrants, including the use of cultural mediators present in the city (e.g. Re-Health[6]).	In the context of the urban policy making (including the sustainable urban development strategies), local authorities are invited to identify measures to improve access to social and healthcare services, reinforcing health promotion. At the same time, cultural mediators should not replace healthcare professionals (doctors, nurses, etc.), taking into account shortage of service providers in some deprived urban neighbourhoods across Europe.
43. The Committee of the Regions	The European Commission will

[6] Run in collaboration with the International Organisation for Migration: http://re-health.eea.iom.int/.

proposes working with the European Commission to examine tangible ways to invite regional and local administrations to participate in networks such as Smart Cities or the Covenant of Mayors or in health prevention and promotion networks promoted by the World Health Organization (World Health Organization Healthy Cities Network, World Health Organization Healthy Ageing Task Force, World Health Organization Age-Friendly Cities Project, World Health Organization Regions for Health Network, Schools for Health in Europe Network, etc.), in key areas of the flagship Resource Efficient Europe[7] initiative, such as biodiversity and land use, waste and water management or air pollution. This could be done in order to achieve a new form of leadership from regional and local decision-makers that brings areas closer together and makes the most of their assets.	explore ways to promote and reinforce health prevention and promotion under the umbrella of the Urban Agenda for the European Union (Smart Cities, Covenant of Mayors, Urban Innovative Actions). Health prevention and promotion might be also emphasized in the course of the public feedback procedure, which has been launched for Action Plans of three partnerships (Urban Poverty, Inclusion of migrants and refugees, Housing) of the Urban Agenda for the European Union.

[7] CdR140/2011.

N°4	Entrepreneurship on Islands: contributing towards territorial cohesion COR 2017/0019 - COTER-VI/022 123rd Plenary Session - May 2017 Rapporteur: Ms Marie-Antoinette MAUPERTUIS (FR/EA) DG REGIO – Commissioner CREȚU
Points of the Committee of the Regions opinion considered essential	**Commission position**
2. The Committee of the Regions recalls the European Union's undertaking to promote economic, social and territorial cohesion as set out in Article 174 of the Treaty on the Functioning of the European Union (TFEU). 3. The Committee of the Regions recalls that Article 174 TFEU states that island regions are in need of particular attention from the European Union, which shall aim to reduce disparities between the levels of development of the various regions within and between Member States.	It has to be emphasised that the provisions in the TFEU do not necessarily mean the automatic attribution of additional financial support from the European Union. Elements like good governance, integrated territorial development concepts, and making the best use of the region's own territorial capital are crucial elements of a successful territorial cohesion.
6. The Committee of the Regions stresses that these island regions have geographic, economic, demographic and social features that are unique to them (in comparison with mainland regions) and are shared across the various islands. These features throw up unique challenges when implementing European policies that affect them. 7. The Committee of the Regions emphasises that these three parameters create territorial, economic and social handicaps, as recognised in Article 174 TFEU, which hinder both the fair integration of islands in the single market, as well as the complete	Instead of developing compensation schemes for unique challenges, islands should be helped to develop their comparative and competitive advantages. Under the concept of territorial cohesion, Member States and regions, during the discussions with the European Commission concerning their Partnership Agreements and operational programmes for 2014-2020, had to take under consideration the specificities and potential of islands and ensure that their proposals were territorially balanced and were tackling disparities for islands and archipelagos[8].

[8] In implementing Article 174 of the TFEU, the Common Provisions Regulation (EU) No. 1303/2013 ("CPR") stipulates (Article 10 and Annex I on the Common Strategic Framework) that Member States shall take account of geographic or demographic features and take steps to address the specific territorial challenges of each region to unlock their specific development potential, thereby also helping them to achieve smart, sustainable and

territorial integration of island populations.	Additionally, geographical specificity in itself does not necessarily constitute a problem. Statistics suggest that the territories with specific geographical and/or demographic features are far from being homogeneous in socio-economic terms. Therefore, a one-size-fits-all approach (e.g. a general island and/or mountain policy) does not seem appropriate. The challenge we face in this respect is rather to strengthen the support from all relevant European Union policies, allowing these territories to make value of their potential and to limit the effects of their constraints.
10. The Committee of the Regions recalls that many island economies have implemented growth strategies based on harnessing economic, social, cultural and natural assets, such as: – a subsistence economy, enabling people to be assured of a measure of wellbeing, especially in times of crisis; – the export of niche products guaranteeing the island's place in markets with high added value; – various forms of tourism, beyond solely mass tourism; – green energy initiatives, demonstrating the ability of small island communities to bring about an energy transition; – harnessing "geostrategic" rents that are	In 2014-2020 Smart Specialisation Strategies and new tools envisaged by the Common Provisions Regulation[9] such as Integrated Territorial Investment (ITI) and Community-led local development (CLLD) support integrated territorial development strategies. Member States could use these tools to support islands and to address the specific local needs. Recently, the Directorate-General for Regional Policy identified from the mapping of the integrated strategies that even in Member States that are not usually associated with island specificities such as Germany, there are two strategies targeting islands[10]. This shows that the Common Provisions

inclusive growth in the most efficient way. This was already taken into account during the discussions with all the Member States.

[9] Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 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 and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006, OJ L 347, 20.12.2013.

[10] Islands of Amrum and Helgoland in the North Sea.

not affected by the constraints of small size or remoteness (scientific observatory, etc.);	Regulation and the Fund-specific regulations for 2014-2020 allow for targeted action.
– the development of the new "green" and "blue" sectors of the economy, along with the development of new curricular content that provides the training required in these sectors.	2014-2020 Operational Programmes submitted by Member States and Regions may target certain islands, or they may include specific strategic priorities addressing the development of islands, or islands may benefit from programmes covering the whole territory or specific parts of a Member State. Special territorial provisions in Operational Programmes for islands can take different forms: - through specific Operational Programmes targeting certain islands (Greece, Italy, France, Finland), or - through particular strategic priorities within programmes addressing the development of islands (Portugal), or - to islands benefitting from programmes covering the whole country or adjacent regions (United Kingdom, Estonia, Greece, and Sweden); - in addition, the POSEI scheme provides an annual support for agricultural production in the outermost regions amounting to EUR 653 million for the three Member States concerned, financed by the European Agricultural Guarantee Fund. - finally, the Rural Development Programmes financed by the European Agricultural Fund for Rural Development, amounting to EUR 1493 million for the whole programming period 2014-20 in the

	outermost regions, are contributing to the territorial development of the outermost regions as well as in modernising agricultural production, improving the competitiveness of the agri-food sector and diversifying to the third sector, including tourism and energy.
13. The Committee of the Regions encourages the European Union institutions and Member States to pay closer attention to maintaining a free market in individual sectors in island regions while ensuring that market failures are addressed.	The European Commission is very vigilant on issues regarding cartels and maintaining a free market in individual sectors. If there are issues that island communities wish to report, the Commission services are always available and, if they receive adequate and substantiated information, further investigation and action will be pursued as in all similar cases.
15. The Committee of the Regions underlines, however, the different types of additional costs borne by island entrepreneurs, precisely because of their island location (raw materials, provision of services, logistics, etc.) which ultimately constrain the competitiveness of products and services.	The additional costs borne by island entrepreneurs due to additional transport costs can be an offset, producing goods which have distinctiveness, allowing for sufficient profit margins. The value of products is enhanced thanks to the recognition of quality symbols and cultural references in the global arena of goods and services. Cohesion Policy provides funding and training to island entrepreneurs towards this end.
16. The Committee of the Regions emphasises that even when the products are competitive and of good quality, entrepreneurs are faced with a lack of Research and Development capacities, technology tailored to islands, appropriate arrangements for financing their activities, and qualified workers due to high emigration, especially where the resident	This is at the core of smart specialisation strategies and such type of issues could also be addressed via an Integrated Territorial Investment or a Community-Led Local Development strategy or special territorial provisions in Operational Programmes (see also next point).

population is small.	
17. The Committee of the Regions welcomes, therefore, the steps taken at European Union level in these areas, but urges tailored measures to be put in place in order to improve basic conditions, enabling islands to contribute to inclusive growth within the European Union. This means that any European Union policy that aims to promote entrepreneurship must take into account islands' specific characteristics and challenges if it is to be fair and effective.	Under Annex I of the European Maritime and Fisheries Fund[11], operations located in the remote Greek Islands and in the Croatian islands of Dugi Otok, Vis, Mljet and Lastovo may benefit from an increase by 35% of public aid intensity over the general rule of 50%. Through rural development programmes, the European Agricultural Fund for Rural Development assists islands suffering from natural, demographic and economic disadvantages via investment measures, support for diversifying economic activities, support for knowledge transfer and information actions, and by compensating farmers for natural and other specific constraints (Area of Natural Constraints payments). Rural development programmes may give higher aid intensity - up to 75% - for investments in less developed regions, outermost regions, and on smaller Aegean island both in agriculture and forestry. In order to mitigate the specific constraints resulting from the level of development, the remoteness and insularity, the European Agricultural Fund for Rural Development contributions can go up to 85% of the eligible public expenditure in less developed regions, in outermost regions and in the smaller Aegean islands,

[11] Regulation (EU) No 508/2014 of the European Parliament and of the Council of 15 May 2014 on the European Maritime and Fisheries Fund and repealing Council Regulations (EC) No 2328/2003, (EC) No 861/2006, (EC) No 1198/2006 and (EC) No 791/2007 and Regulation (EU) No 1255/2011 of the European Parliament and of the Council

	within the meaning of Regulation (EU) No 229/2013[12].
18. The Committee of the Regions recognises the essential importance of Cohesion Policy in terms of achieving balanced regional development within the European Union: it is the most appropriate policy for tackling development gaps between islands and other European regions; it stresses, however, the fact that island regions do not enjoy special status in Cohesion Policy in its current form.	The European Commission does not share this opinion. In 2014-2020, Cohesion Policy islands benefit from derogation to the thematic concentration requirements under the European Regional Development Fund, and have more flexibility to determine investments taking into account their needs, accruing to Articles 4 and 10 of the Regulation (EU) No 1301/2013 on the European Regional Development Fund[13] and Article 121 of the Common Provisions Regulation. The specific needs are reflected in the current approach where many of the islands are classified as part of a less developed region and as such benefit from the most favourable treatment regarding support from the European Structural and Investment Funds. Article 121 of the Common Provisions Regulation also mentions that the co-financing rate from the funds to a priority axis may be adjusted to take account of, amongst other things, island Member States eligible under the Cohesion Fund, and other islands, except those on which the capital of a Member State is situated, or which have a fixed link to the mainland. In practical terms this could result in having a call to support small and medium-sized enterprises in islands with a differentiated co-financing rate.

[12] Regulation (EU) No 229/2013 of the European Parliament and of the Council of 13 March 2013 laying down specific measures for agriculture in favour of the smaller Aegean islands and repealing Council Regulation (EC) No 1405/2006, OJ L 78, 20.3.2013.

[13] Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006, OJ L 347, 20.12.2013.

	The monitoring committee of a programme where representatives of small and medium-sized enterprise associations participate could also approve, among the selection criteria, island-related ones to help the selection of small and medium-sized enterprise proposals from islands. The role of European Territorial Cooperation programmes is also important for island regions (and outermost regions, sparsely populated regions and mountain and rural areas), and European Territorial Cooperation programmes are an important tool for strengthening their cooperation and integration. Regulation (EU) No 1302/2013 on a European grouping of territorial cooperation for local and regional authorities[14] allows the islands of various Member States and non-Member States to create a joint legal entity enabling them to pursue a common goal and to give them access to European Union funding, while lightening the administrative burden that such cooperation would normally entail. Moreover, in order to recognise the challenges posed by the situation of island Member States and the remoteness of certain parts of the Union, Malta and Cyprus received, during Multiannual Financial Framework negotiations, an additional envelope of EUR 150 000 000 and EUR 200 000 000 respectively.
19. The Committee of the Regions draws	Outermost regions are covered by a

[14] Regulation (EU) No 1302/2013 of the European Parliament and of the Council of 17 December 2013 amending Regulation (EC) No 1082/2006 on a European grouping of territorial cooperation (EGTC) as regards the clarification, simplification and improvement of the establishment and functioning of such groupings, OJ L 347, 20.12.2013.

attention, furthermore, to the characteristics of the outermost regions (of which eight are islands) which face serious problems that are aggravated by their specific constraints as recognised in primary law and that impact on their economic and social development. These should be taken into account.	different article of the Treaty (Article 349 TFEU) which recognises their specific constraints, and many specific measures are foreseen for them in various policy domains.
20. The Committee of the Regions recommends, therefore, that islands should be a particular focus of post-2020 Cohesion Policy, pursuant to Articles 174 and 175 TFEU. A first step towards achieving this goal would be to add islands as an additional category in the proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No 1059/2003 as regards the territorial typologies (Tercet)[15].	Statistics suggest that the territories with specific geographical and/or demographic features are far from being homogeneous in socio-economic terms. Therefore, a one-size-fits-all approach (e.g. a general island and/or mountain policy) does not make much sense. The challenge faced in this respect is rather to strengthen the support from all relevant European Union policies, allowing these territories to make value of their potentials and to limit the effects of their constraints. Identifying islands and gathering data for them is challenging; some of them are only a small part of a NUTS-3 region[16] (or of a local administrative unit) which has most of its population on the mainland. The planned publication by Eurostat of a more grid-based database after the next census will help in this regard.
21. The Committee of the Regions recommends setting up a one-stop shop for islands ("Island Desk") within the Directorate-General for Regional Policy at the European Commission, as suggested by the European Parliament in its Resolution of 4 February 2016, as island stakeholders (businesses and communities) are currently unable to discern all European Union	On 1 December 2009, the European Commission created the Inter-Service Group on Territorial Cohesion comprising representatives of various Directorates-General. One of the main tasks of this group is to take a thorough look at the way the various sectoral policies of the European Union are addressing the challenges which

[15] COM(2016) 788 final.
[16] Nomenclature of Territorial Units for Statistics – Level 3.

instruments and funding opportunities, which are widely scattered across Directorates-General and are subject to multiple regulations.	territories with specific geographical features are facing, and develop policy options for tackling these issues.
22. The Committee of the Regions welcomes the Urban Innovative Actions initiative and, with this example in mind, suggests setting up a website and European initiatives dedicated to networking European Union islands so as to enable experiences to be shared and administrative engineering and innovation to be pooled.	Based on staff and financial resources limitations, it seems unlikely that the European Commission can launch a similar programme like Urban Innovative Actions for islands. Urban Innovative Actions targets cities, since 75% of the population lives in cities, and it has a very limited budget of EUR 350 million for seven years. To come with a similar programme for the 3% of the European Union population would not be possible considering the cost – benefit ratio. Best practices for islands could be gathered and presented via the Inforegio website[17].
24. The Committee of the Regions notes, however, that the small size of many island projects means that very small enterprises and local island communities seem in practice to be unable to access European Fund for Strategic Investments financing and European Investment Bank loans; therefore it recommends developing technical assistance programmes specifically tailored to islands so as to raise awareness about European Union funding instruments and to make them easier to access.	A number of island projects have already benefitted from European Fund for Strategic Investments support (e.g. multi-sector investments in French overseas departments, bus transit systems in Gran Canaria, etc.). In addition to the funds for Technical Assistance available under the Operational Programmes, the European Commission has furthermore provided for advisory and support mechanisms that could be used: i.e. the European Investment Advisory Hub, FI-Compass, Helena, REGIO TAIEX Peer to Peer, etc.
25. The Committee of the Regions calls on the European Commission and the European Investment Bank to consider whether the technical assistance provided by the Joint Assistance to Support Projects in	Island projects could be bundled together. The European Investment Advisory Hub can provide technical assistance to projects irrespective of their size.

[17] http://ec.europa.eu/regional_policy/en/.

European Regions (Jaspers) could be expanded to benefit islands and adapted to smaller scale projects.	
27. The Committee of the Regions proposes the establishment of a system of operating assistance for island businesses to offset higher transport costs; given the guidelines on regional aid and the General Block Exemption Regulation[18], approval and exemption for such aid should be the same as for the outermost regions and sparsely populated areas. 44. The Committee of the Regions highlights the importance of state aid in addressing the challenges created by the small size, remoteness and isolation of the European Union's island regions. These natural and permanent characteristics constrain the effectiveness and organisation of various sectors that are strategically important for islands, such as transport, energy and digital connectivity. 48. The Committee of the Regions stresses that, as island markets are often small and remote, mainland businesses are rather reluctant to supply goods or services there, which constitutes a real obstacle to island consumers' and businesses' access to the competitive benefits of the Single Market. This is particularly true for transport connections and energy supply, in terms of key sectors for island businesses to be competitive. The Committee of the Regions recommends, therefore, that these sectors be able to benefit from exemptions regarding state aid in the case of islands.	State aid regulations allow the granting of aid to promote the economic development of certain areas. This concerns – amongst others – islands, mountains and low density regions provided that they meet certain conditions. European Union State aid rules, as recently modified with the amendment of the General Block Exemption Regulation, make generous provision for the granting of aid to promote the development of ports, airports and energy supply in these regions. The degree to which these possibilities are taken up depends first and foremost on the national and regional authorities. State aid for the development of less favoured regions is mentioned in Article 107(3)(a) and (c) of the TFEU as one of the categories of aid that can be exempted from the Treaty ban on State aid. Article 107(3)(a) and (c) allow aid to be used to facilitate the development of certain areas, where this does not significantly affect competition. 'Category a' regions are areas with a Gross Domestic Product per head below 75% of the European Union average. This category of regions includes the outermost regions and many of the EU's islands regions (e.g. Sicily, Crete, North Aegean islands, etc).

[18] Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty Text with EEA relevance, OJ L 187, 26.6.2014.

	'Category c' regions - according to the 2014 Sixth Report on Economic, Social and Territorial cohesion[19], the areas concerned include those regions with Gross Domestic Product per head below the European Union-25 average; those with unemployment over 15% higher than the national average; or those undergoing major structural change or in serious relative decline; as well as regions with low population density; islands with a population of 5 000 or less; regions similarly isolated geographically; and regions neighbouring 'category a' regions, where the standard of living is abnormally low or where there is serious underemployment. However, according to the same Report, aid in 'category c' regions totalled around EUR 2.9 billion in 2011 (i.e. just over a quarter of that in 'category a' regions) and was down by 39% from 2008. Article 349 TFEU calls for a special treatment of the Outermost regions under State aid rules to enable Member States to compensate businesses in these regions for the extra costs they have to bear as a result of the handicaps they face due to their outermost location. The Treaty does not have similar provisions for the other islands regions in the European Union.
29. The Committee of the Regions emphasises the importance of increasing the share of public intervention in projects that are part of European Union programmes and making private intervention more attractive,	Article 121 of the Common Provision Regulation also indicates that the co-financing rate from the funds to a priority axis may be adjusted to take account of, amongst others, island

[19] http://ec.europa.eu/regional_policy/sources/docoffic/official/reports/cohesion6/6cr_en.pdf.

where these projects create jobs and wealth on the island while also being environmentally sustainable.	Member States eligible under the Cohesion Fund, and other islands, except those on which the capital of a Member State is situated, or which have a fixed link to the mainland. In practical terms this could result in having a call to support small and medium-sized enterprises in islands with a differentiated co-financing rate.
30. The Committee of the Regions stresses that many obstacles that are specific to island development are not captured by using per capita Gross Domestic Product as an indicator; it therefore suggests broadening the range of complementary indicators used in the context of Cohesion Policy in order to more accurately determine islands' socio-economic circumstances and attractiveness. 31. The Committee of the Regions suggests the Regional Competitiveness Index and the accessibility index as indicators that could be used, but recommends further research to find other indicators enabling the additional costs faced by islands to be fully documented. The Committee of the Regions calls for the European Commission to carry out comparative studies on the performance of island businesses in relation to their counterparts on the mainland, even when the mainland consists solely of an island Member State.	Gross Domestic Product per capita proves to be highly correlated with many of the factors influencing development. It remains the main indicator for development used worldwide. Moreover, in order to determine financial allocations under Cohesion Policy, criteria other than Gross Domestic Product are already used such as the level of unemployment, the employment rate and population density to name but three.
33. The Committee of the Regions acknowledges the usefulness of the annual report on European small and medium-sized enterprises produced by the Directorate-General for Internal Market, Industry, Entrepreneurship and small and medium-sized enterprises; however, the Committee of the Regions calls for future reports to include regional data in order to better understand	The European Observation Network for Territorial Development and Cohesion is currently working on a research project to determine the concentration of small and medium-sized enterprises on NUTS 3 level.

the challenges faced by island small and medium-sized enterprises, as well as their success/failure rate in relation to their counterparts on the mainland.	
34. The Committee of the Regions acknowledges the usefulness of tools such as Territorial Impact Analysis when assessing the impact of European policies on island regions, and suggests applying an "island" clause as part of the European Commission's impact assessment procedure in order to forecast the potentially burdensome effect such policies can have on islands.	Island-related implications are analysed under the Territorial Impact Analysis (tool box 29 of the Better Regulation Guidelines[20]) and therefore there is no need to apply an island clause as part of European Union impact assessment.
35. The Committee of the Regions notes that whilst the use of Smart Specialisation Strategies as an ex-ante conditionality when allocating European Structural and Investment Funds can contribute towards the development of strategies at a national and regional level, the specific nature of island economies require tailor made solutions; in this regard the over-reliance on one particular sector or one single activity may result in a high risk of economic monoculture and the perverse economic impact that it entails ("Dutch disease").	Smart Specialisation Strategies are appropriate for island economies. In fact, not only tourism but also agro-food, culture and other activities can help boost innovative island entrepreneurial development.
36. The Committee of the Regions considers that the European Commission should give particular consideration to smart diversification or conversion initiatives, such as mass tourism to sustainable tourism, the development of creative industries, the integration of information and communication technologies into traditional activities, and targeted marketing that raises the profile of island resources.	Member States and regions are first and foremost responsible for their development strategies. The European Commission is advising, and presenting data, analysis and arguments to make sure that sustainable tourism can be fostered instead of mass tourism, integration of information and communication technologies into traditional activities etc.
37. The Committee of the Regions calls for efforts to boost policies aimed at raising	Commission is not in a position to influence the choices of metropolitan

[20] https://ec.europa.eu/info/sites/info/files/better-regulation-toolbox-2015_0.pdf.

the awareness of the citizens of European Union Member States of opportunities for tourism within the Community, and encourages the establishment of a stronger network of links between areas of the EU, enabling residents of the EU's metropolitan areas to holiday in island regions with natural attractions;	areas citizens where to spend holidays.
38. The Committee of the Regions stresses the importance of the partnership principle, as set out in Article 5 of the Common Provisions Regulation, in order to define territories' needs with regard to the strategic planning of Cohesion Policy ("bottom-up approach"). To this end, the Committee of the Regions calls on the European Commission to include the effective implementation of the European Code of Conduct on Partnership as an ex-ante conditionality in its legislative proposal for post-2020 Cohesion Policy.	The European Commission considers that the effective application of the partnership principle is of key importance. Nevertheless, applying this principle through conditionalities may be counterproductive. The system of conditionalities will need to be designed carefully in order to provide for a simplified system relying more on positive incentives. As a matter of principle, ex-ante conditionalities under Cohesion Policy would need to be linked to areas where Cohesion Policy intervenes. The above elements are without prejudice to any future European Commission legislative proposal.
40. The Committee of the Regions stresses the need to involve local and regional authorities in defining national and European policies that affect them so as to bring regulatory frameworks governing intervention into line with islands' specific needs, in accordance with the principle of subsidiarity.	This is possible via participation of local and regional authorities in public consultations organised by the European Commission for all legislative proposals.
42. The Committee of the Regions acknowledges the efforts made by the European Commission to support entrepreneurs via programmes such as the European Union Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME)	The European Union Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME) and Horizon 2020 are specifically designed to foster excellence. Under Cohesion Policy there are many possibilities to have

and InnovFin (European Union Finance for Innovators), within the framework of the Entrepreneurship 2020 Action Plan and Horizon 2020 in the field of innovation and the work on the Capital Markets Union. However, the Committee of the Regions believes that the territorial dimension (and islands in particular) needs to be incorporated into these programmes and plans.	support programmes for island small and medium-sized enterprises.
41. The Committee of the Regions welcomes the funding possibilities offered by the Connecting Europe Facility (CEF), to the extent that they apply to islands; it notes, however, that motorways of the sea (MoS) financing is focused on core and large-scale networks, and can neglect connections between islands and regional centres or between islands and other islands. The Committee of the Regions proposes, therefore, that specific financing for islands should be earmarked within the overall motorways of the sea financial envelope. 45. The Committee of the Regions recalls that reliable internal and external transport infrastructure and organisation – at a comparable cost to the mainland – are necessary if an island is to develop and be economically competitive. 46. The Committee of the Regions suggests that the eligibility criteria governing aid for infrastructure and transport networks (construction, modernisation, equipment) should be less stringent for islands, in order to enable the most effective possible interface with the mainland transport system and the best possible integration with the	The Structural Funds may also offer assistance for transport facilities that will serve the connectivity of the islands between them and the mainland but projects have to be part of the respective National Strategic Transport Plan one of the ex ante conditionalities for 2014-2020. Structural Funds could also contribute to the acquisition of (new) ferryboats destined to serve the islands concerned, but this possibility is subject to various conditions. It would not be able to directly subsidise the operation of such lines except for Outermost regions in the framework of their specific additional allocation. The Cohesion Fund/ Connecting Europe Facility can co-finance port facilities on islands as long as they are part of the Trans-European Transport Networks. The Structural Funds cannot be used to give direct support to the cost of maritime transport[21], i.e. in the form of subsidies for ferryboat tickets or freight transport, as this is incompatible with

[21] EU Regulation 3577/92(maritime cabotage), applying the principle of freedom to provide maritime transport services within the Member States, thus allows Member States to organise public services to ensure regular connections with island territories. However, the Regulation does not provide for any particular obligation in the matter, leaving this to the discretionary powers of the Member States.

European area and market. 47. The Committee of the Regions calls for this aid to facilitate inter-island connections in the case of archipelagos, or intra-island connections in the case of mountainous islands, and for it to promote investment in low-carbon modes of transport (Liquefied Natural Gas (LNG) carriers, stations for electric cars, etc.).	the scope of the European Regional Development Fund, except for the outermost regions.
50. The Committee of the Regions supports the flexibility that is currently used with regard to schemes enabling islands to benefit from specific tax incentives or a reduced corporate tax rate in order to offset the additional costs caused by being an island, and hopes that this flexibility will continue. The Committee of the Regions advocates using a system of incentives for innovation and investment to boost production and – going beyond local consumption – to promote exports.	National taxation issues are not a European Union competence. However, incentives for innovation are possible under European Structural and Investment Funds provided they are in line with State aid rules.
51. The Committee of the Regions welcomes the fact that the European Commission intends to include a chapter on islands in the next report on cohesion. The Committee of the Regions urges the European Commission to use this chapter to show how the recommendations set out in this opinion will be implemented.	The next Cohesion report will assess the situation in all NUTS-3 regions within the European Union, including those consisting of islands. It will cover the recent trends, the current situation and look at the future.

N°5 Investing in Europe's youth and the European Solidarity Corps (own-initiative opinion) COR 2017/0851 – SEDEC-VI/023 123rd Plenary Session – May 2017 Rapporteur: Mr Pawel GRZYBOWSKI (PL/ECR) DG EAC – Commissioner NAVRACSICS	
Points of the Committee of the Regions opinion considered essential	**Commission position**
6. The Committee of the Regions reiterates that ensuring equal opportunities, promoting social inclusion and improving the competitiveness of young people on the labour market, while fostering youth participation and ownership of their educational and career path, the strengthening of youth work, non-discrimination and intercultural understanding, should remain the key objectives of the European Union's youth policy; the Committee of the Regions points out, in this regard, that access to transportation facilities and access to information are also important factors in enabling equality of opportunities, and this needs to be taken into account.	The European Union's Youth Strategy (2010-2018) will remain focused on creating more and equal opportunities for all young people in education and in the labour market; and promoting active citizenship, social inclusion and solidarity of all young people. To prepare for the European Union's priorities in youth after 2018, the European Commission is currently consulting all stakeholders on the review of the European Union Youth Strategy.
7. The Committee of the Regions is in favour of an integrated incentive for active partnership at all government and local and regional authority levels that are responsible for working with young people and youth organisations.	The Youth Strategy encourages Member States to work across fields and governance levels to meet the needs of youth. Cooperation at different levels of governance within Member States is, in accordance with subsidiarity, a matter for each Member State to decide.
8. The Committee of the Regions is also convinced that measures are needed to ensure a better start for young people in their working life, by investing in their technical knowledge and behavioural skills, and professional and social interaction, skills and experience as well	The European Commission works with Member States within the Strategic Framework for Education and Training 2020 in order to help them reform their education and training systems to make them fit for the new requirements of the labour market and new societal challenges.

as helping them to enter the labour market, by creating their own work or by recruiting them to jobs matching their profile or investing in a model which fosters opportunities to retrain, opening the door to new work opportunities.	In this context, on 30 May 2017, the European Commission adopted a Communication on school development and excellent teaching for a great start in life[22] and a Communication on a renewed European Union agenda for higher education[23]. The European Vocational Education and Training policy addresses the need to equip young people with labour market relevant skills as well as with transversal key competences that may help them throughout their life as workers and citizens. The second edition of the European Vocational Skills Week, planned for 20 to 24 November 2017, showcases excellence and attractiveness in Vocational Education and Training to raise awareness, among young people and their families in particular, of the opportunities offered by Vocational Education and Training to develop skills for employability and fulfilling lives. The European Commission has just adopted a proposal for a Council Recommendation on a European Framework for Quality and Effective Apprenticeships[24], to support national reforms. The Framework is based on a common understanding of elements that contribute to good quality apprenticeships, taking into account the diversity of Vocational Education and Training systems in Member States. Apprenticeships have proven to be the most successful approach to facilitate young people entering the labour market

[22] COM(2017) 248 final.
[23] COM(2017) 247 final.
[24] COM(2017) 563 final.

	in jobs matching their profiles. The recent European Commission proposal for a Council Recommendation on tracking graduates[25], covering Vocational Education and Training as well as higher education, aims at improving the relevance of the supply of Vocational Education and Training opportunities, monitoring the results of the various pathways.
12. The Committee of the Regions considers it is particularly troubling that very many young people's education does not correspond to the challenges of the contemporary labour market and that there is insufficient support for developing entrepreneurial projects, innovation and research, as changes made to Member States' education systems are not keeping up with dynamic economic and social developments. Many young people therefore enter the labour market unprepared to meet social and personal expectations	In June 2016, the European Commission launched the New Skills Agenda for Europe, centred around three work strands: i) improving the quality and relevance of skills formation; ii) making skills and qualifications more visible and comparable; and iii) improving skills intelligence and information for better career choices. The Skills Agenda stressed the need for cooperation among many players, including national governments, regions, local authorities, social partners, businesses and employers, workers, and civil society, in order to address skills challenges and keep pace with the fast-changing needs of the labour market and the society. In May 2017, the European Commission adopted initiatives for high quality, inclusive, future-oriented education under the Investing in Youth package The package consists of new initiatives on school development and a renewed agenda on higher education, and it also includes a proposal on graduate tracking to help Member States collect information on what graduates do after their studies.
17. The Committee of the Regions	The European Commission's recently

[25] COM(2017) 249 final.

welcomes the scope of the measures carried out under the Youth Employment Initiative, the European Social Fund and the European Regional Development Fund. The Committee of the Regions expects that the upcoming revision of the Multiannual Financial Framework will continue paying due attention beyond 2020 to the European Union's multiple social challenges, including education, youth employment and social inclusion, and that it will pay particular attention to the least favoured regions, as outlined in Article 174 TFEU.	announced the European Pillar of Social Rights[26], and the series of Reflection Papers, including on the Social Dimension of the European Union and on Harnessing globalisation, all highlight the need to address Europe's social challenges. These reflections were the starting point for debates on the future of Europe, and will feed into discussions on the post-2020 Multiannual Financial Framework.
21. The Committee of the Regions also emphasises that the European Commission's efforts to guarantee high-quality vocational education, and the establishment of training systems to help young people enter the labour market, should also factor in the issue of young people's acquisition of knowledge and (especially practical) skills by means of participation in contexts of non-formal and informal education. The Committee of the Regions is also convinced that it is important to adopt uniform validation systems which enable the transferable skills gained through non-formal education to be recognised and formalised, and to work to ensure that the labour market recognises the value of such skills alongside formal educational qualifications.	The relevance of valuing and recognising skills developed through non-formal and informal settings, from work environment to youth work or life experience, is at the core of the 2012 Council Recommendation on validation of non-formal and informal learning[27]. It has been actively pursued by the European Commission and has helped design and implement European tools. One of the key actions under the 2016 New Skills Agenda is for instance the Council Recommendation on the European Qualifications Framework for lifelong learning and repealing the Recommendation of the European Parliament and of the Council of 23 April 2008 on the establishment of the European Qualifications Framework for lifelong learning (adoption on 22 May 2017)[28]. As concerns Vocational Education and Training in particular, the European Credit Transfer System for Vocational Education and Training (the

[26] COM(2017) 250 final.
[27] Council Recommendation of 20 December 2012 on the validation of non-formal and informal learning, OJ L 398, 22.12.2012.
[28] OJ L 189, 15.6.2017.

	European Credit System For Vocational Education and Training) promotes the concept and practice of qualifications composed of small sets of learning outcomes, facilitating the validation of skills acquired outside formal systems.
22. The Committee of the Regions particularly welcomes the fact that the European Commission acknowledges the importance of the Erasmus+ Programme as one of the most important instruments for developing young people's international activity and providing them with educational and personal skills training, as well as shaping their awareness of Europe and the global market. The Committee of the Regions welcomes the international activity of all of the key players involved in promoting this exchange, including the schools and vocational training institutes; it emphasises the need to develop this programme even more intensively, including by increasing the funds available under the programme within the existing budgetary framework. At the same time, the Committee of the Regions points out that strengthening the role of higher education establishments and tertiary sector bodies (which are directly responsible for implementing this programme) must be one of the ways to enhance the impact of mobility and (formal and informal) training instruments under Erasmus+. The Committee of the Regions therefore recommends those solutions that will enable higher education establishments and non-governmental organisations to design even more effective tools so as to	The European Commission agrees that the Erasmus+ Programme and its predecessor programmes have been a huge success story across Europe for 30 years. The wide participation of all stakeholders (individuals, learning institutions, organisations, programme management bodies, public bodies) in the 30th anniversary celebrations of the Programme gives testimony to the Programme's popularity and especially its success in providing young people with life changing learning experiences. The European Commission is finalising the mid-term review of the Erasmus+ Programme which involves a wide stakeholder consultation. The results of the evaluation, which will be published in January 2018, will be taken into account in the preparation of the proposal for the post-2020 programme. The scope and the size of the future Programme will be discussed in the framework of the European Commission's proposal on the next Multi-annual Financial Framework (MFF). The tertiary sector and its outreach activities to organisations outside the academic sphere will continue playing its due role in the future, as was also underlined in the Commission Communication of 30 May 2017 on a renewed EU agenda for higher education[29].

[29] COM(2017) 247 final.

develop international mobility and training instruments.	
23. The Committee of the Regions welcomes the idea of establishing a European Solidarity Corps and greatly appreciates the modern way of recruiting people interested in the activities offered by the European Solidarity Corps, based on registration via a dedicated website. It should be possible to complement this means of registration with other tools that ensure and facilitate the participation of all young people, especially those in the most vulnerable situations. This method should serve to disseminate the ideas of the European Solidarity Corps, especially the importance of solidarity as the principal value that binds the European community together. The Committee of the Regions also stresses the need to find solutions that will ensure that young people can join the European Solidarity Corps regardless of their socioeconomic situation and level of training. Solutions must also be found to enable young people with limited access to the internet to take part in the European Solidarity Corps.	The types of activity under the European Solidarity Corps have been designed in a way to help disadvantaged young people participate in the Corps by providing opportunities for short-term projects, group activities and/or activities in young people's local environments. Based on the experience of the youth chapter of the Erasmus+ Programme and its "Inclusion and Diversity Strategy", organisations participating in the European Solidarity Corps will be supported in developing inclusion projects. Specific information and communication efforts will be undertaken to bring more of those organisations, which are specialised in dealing with and involving disadvantaged young people, on board the European Solidarity Corps. The European Solidarity Corps website is designed to adapt easily for use in different specialist browsers used by people with additional needs.
24. The Committee of the Regions calls on the European Commission to swiftly establish the legal basis of the European Solidarity Corps and to propose a sustainable way to finance it beyond 2017 so as to avoid overburdening existing funding programmes such as Erasmus+ and to be able to respond to the expectations of a fast growing number of young people applying to join the European Solidarity Corps.	The European Commission submitted its proposal for a Regulation of the European Parliament and of the Council laying down the legal framework of the European Solidarity Corps on 30 May 2017 including its proposals for financial provisions[30].

[30] COM(2017) 262 final.

25. The Committee of the Regions points out that this initiative must not create any undue red tape for young people willing to participate and should involve existing youth organisations in the Member States, as well as existing institutions – especially at local, supra-local and regional level – that are responsible for youth policy and supporting youth organisations.	The proposed Regulation suggests that the European Solidarity Corps builds on existing management structures and experience. Youth organisations at all levels have been involved in preparing the legal basis and will continue to be involved in its implementation.
26. The Committee of the Regions draws attention to the need to promote the European Solidarity Corps by putting in place an administrative system that would simplify participation in volunteering activities, both for participants and for civil society organisations.	The European Commission is aware of the need for continued programme simplification and is looking into simplifying the administrative procedures related to the European Solidarity Corps.
27. The Committee of the Regions emphasises that the two strands of the European Solidarity Corps (volunteering and occupational) should be complementary but clearly demarcated in order to be able to implement the necessary mechanisms to prevent undeclared employment; at the same time, the European Solidarity Corps should not be used for replacing paid jobs with unpaid volunteering.	The two strands of the European Solidarity Corps as well as their concepts are clearly delineated. The European Commission is aware of the importance of avoiding job substitution and will monitor this aspect closely. All organisations participating in the European Solidarity Corps need to receive a Quality Label, which is attributed to those organisations which can show that their placements are not linked to job substitution. In addition, all placements are limited in time to a maximum of 12 months and need to comply with national legislation.
28. The Committee of the Regions points out that the European Solidarity Corps Charter should lay special emphasis on the practical dimension of European solidarity: forging lasting ties between the societies that make up the European community while	The European Solidarity Corps Charter describes the practical steps organisations are required to follow when running European Solidarity Corps projects. The proposed Regulation and its mission statement and principles put a specific focus on shared European values, the

strengthening the sense of European identity.	inclusiveness of the European Solidarity Corps and the European Union Charter of Fundamental Rights.
29. The Committee of the Regions welcomes the emphasis on the benefits of interregional and cross-border cooperation, but underlines that the European Solidarity Corps must also focus on local volunteering. A large majority of voluntary work takes place where volunteers live. Focusing on this type of voluntary work that benefits local communities can help to build a more robust job market, prevent social exclusion and counteract migration from rural to urban areas.	All European Solidarity Corps placements can be implemented as cross-border or in-country activities. In addition, the European Solidarity Corps introduces so-called "solidarity projects" which allow young people to design and implement their own projects for the benefit of their local communities.
30. The Committee of the Regions expresses its support for the European Solidarity Corps' goal to help those who are in need. Local communities' needs and expectations should be an important criterion when evaluating the quality of projects.	All activities under the European Solidarity Corps will have to be related to solidarity and will be closely linked to the needs of local communities.
31. The Committee of the Regions draws attention to the need to develop a common framework for cooperation between the European Solidarity Corps and the United Nations Volunteers programme, the United States Peace Corps, and other similar organisations.	In the initial phase of the European Solidarity Corps, its scope will be limited to European Union Member States with the possibility for bilateral agreements with other countries. Synergies with comparable programmes at international level will be sought, whenever appropriate, especially as regards the visibility of other programmes young European Union citizens might be interested in.
32. The Committee of the Regions stresses that the European Solidarity Corps' activities need to be designed so as to enable the existing potential of youth organisations in Europe, and the voluntary work they carry out, to be	The European Commission has widely consulted with youth organisations when drafting the proposal and they will continue to be involved in the implementation of the European Solidarity Corps.

harnessed. The Committee of the Regions notes that involving youth organisations active within European countries and thereby encouraging them to work with the European Solidarity Corps will be a key factor for the European Solidarity Corps' success. Furthermore, the Committee of the Regions stresses the need to recognise the extremely important role of the experience accumulated over several decades by European youth organisations in the fields of volunteer management and community development - and to make use of this knowledge base - when drawing up the European Solidarity Corps' strategy.	The European Commission agrees that youth organisations are a key factor for the success of the European Solidarity Corps. It intends to build the Corps on the structures and quality criteria developed over the past decades.
33. The Committee of the Regions stresses the need to establish tools to monitor and support the young people participating in order to ensure the quality of the activities offered by the European Solidarity Corps, and also to ensure the young people are trained and prepared for their participation in the various activities offered by the Corps. Furthermore, hosting organisations involved in the occupational strand, especially regarding internships and apprenticeships, should follow the principles and standards such as those outlined in the European Quality Charter on Internships and Apprenticeships in order to guarantee quality jobs placements.	The monitoring of the European Solidarity Corps will be based on an extensive analysis of the quantitative and qualitative outcomes of the European Solidarity Corps at all levels - individuals, participating organisations and Information Technology systems. The European Commission continues to ensure the quality of activities through training prior, during and after the placements. Participants will receive a certificate after their placement. In defining the quality criteria, existing schemes such as the European Quality Charter on Internships and Apprenticeships will be duly taken into account.
34. The future relationship between the European Solidarity Corps and the European Voluntary Service also needs to be clarified in order to avoid overlaps and ensure continuity and efficiency as regards the opportunities provided by the European Union.	In its proposal for a Regulation laying down the legal framework of the European Solidarity Corps, the European Commission suggests moving volunteering activities involving European Union Member States only and the related budget from the European

	Voluntary Service to the European Solidarity Corps. What will remain in the European Voluntary Service is volunteering activities and the related budget involving non-European Union Programme countries (former Yugoslav Republic of Macedonia, Iceland, Liechtenstein, Norway, Turkey) and other Partner Countries.
35. The Committee of the Regions points out that the establishment of the European Solidarity Corps should also be accompanied by the development of a system to recognise the skills acquired through European Solidarity Corps voluntary work, both in the public and private sectors and in higher education institutions. Such skills are a component of informal education, something which is currently not reflected in a proper system of official certification of qualifications.	To ensure the impact of the European Solidarity Corps on the young participants' educational, social, civic and professional development, the European Commission will pay particular attention to validate knowledge, skills and competences acquired through their participation in the European Solidarity Corps. This is in line with the 2012 Council Recommendation on the validation of non-formal and informal learning[31]. The European Commission considers, for example, continuing using instruments like Youthpass in this context.
36. The Committee of the Regions emphasises that enabling young people to acquire additional skills by means of work and volunteering benefits both the public and private sectors, as it enhances young people's employability, creating a more competitive talent pool for them to hire from; in this connection, the Committee of the Regions calls for cooperation with the private sector so as to explore how the skills acquired can better match the needs of the labour market.	There is strong evidence that volunteering contributes to young people's employability as, for example, outlined in the European Voluntary Service Impact Study[32]. As the European Solidarity Corps offers a mix of volunteering, traineeship and job placements and as it is open to any public or private entity, including businesses, that have been attributed the quality label of the European Solidarity Corps, the European Solidarity Corps will strengthen synergies and exchange of experience among the various players - enterprises, public bodies, non-

[31] OJ C 398, 22.12.2012.
[32] https://ec.europa.eu/youth/news/20170606-impact-assessment-european-voluntary-service-published_en.

	governmental organisations – at all levels.

N°6	Social innovation as a new tool for addressing societal challenges (own-initiative opinion) COR 2016/6945 – SEDEC-VI/020 123rd Plenary Session - May 2017 Rapporteur: Ms Marcelle HENDRICKX (NL/ALDE) DG GROW – Commissioner BIEŃKOWSKA

Points of the Committee of the Regions opinion considered essential	**Commission position**
14. The Committee of the Regions welcomes the European Commission's recognition of the importance of social innovation, and in particular the potential of the Social Innovation Community Portal and the annual European Social Innovation Competition. The Committee of the Regions would stress that social innovation is not just about economic growth and creating jobs. It is important that social innovation be acknowledged and recognised as a resource that should be used in different policy areas, including in combating poverty and economic exclusion, which can improve quality of life for people in Europe.	The European Commission shares the view that social innovation is one of the potential sources of jobs and growth. Moreover, social innovation is also an important tool to tackle big social challenges, including poverty or economic exclusion.
15. Indeed, successful social innovation projects ensure complementarity between reinforcing social inclusion and solidarity, and creating growth and jobs. The Committee of the Regions therefore insists on the need to mainstream social innovation into local and regional development strategies.	According to Regulation (EU) No 1303/2013[33], the relevant ex-ante conditionalities under thematic Objectives 1 and 9, require: a) the existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well-

[33] Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 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 and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006, OJ L 347, 20.12.2013.

	performing national or regional research and innovation systems (1.1); and b) the existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market (9.1), respectively. The Member States have therefore, the opportunity to include social innovation into their national/regional smart specialisation or social inclusion strategies.
17. For successful social innovation not to be shared and just to remain local is a missed opportunity. Innovation often begins locally and on a small scale, but can be useful and applicable to people throughout Europe. In order to use the potential of social innovation to the full, an environment is needed which allows it to be scaled up and publicised.	The European Commission supports social innovation. For this reason the European Commission organises since 2012 the European Social Innovation Competition, which helps to scale up social innovation projects and raises awareness throughout Europe. Moreover, since 2016, the European Commission co-finances the Social Innovation Community. The Social Innovation Community helps to deepen the knowledge and capacity of the social innovation networks to act and grow, and supports public decision-makers and other stakeholders to work with social innovators more effectively in solving public challenges. The Social Innovation Community is built on lessons learnt from the Seventh Framework Programme for Research and Technological Development (FP7) projects, Transition and Benisi, focussing especially on scaling social enterprises. It also takes into account the experience of the European Commission's Social Innovation Europe pilot online platform. In addition, on 27 November 2017, the first Social Innovation Inducement

	Prize on improving the mobility of older people will be launched by the European Commission under Horizon 2020. The aim is to mobilize the solver's community around this challenge in order to provide older people with innovative mobility solutions that meet their specific needs, thus helping them to combat social exclusion and support independent living.
19. Steps must be taken to simplify the Cohesion Policy and to cut back the red tape associated with it in order to exploit the full potential of such innovation. The current complexity and scale of the regulatory framework puts applicants off. The Committee of the Regions has repeatedly called on the European Union Institutions to properly simplify the legislative package for Cohesion Policy.	The Communication on Smart Specialisation proposes a set of concrete measures to improve the regulatory framework related to smart specialisation and use of European Union support. The regulations for 2014-2020 include a set of common rules for all European Structural and Investment Funds, the extended use of simplified cost options and the move towards e-cohesion. However, the European Commission is aware that there is still a lot to be done. That is why the European Commission has set up a High Level Group monitoring simplification for beneficiaries. The high level, independent experts already provided valuable recommendations on simplified cost options, e-governance, financial instruments, access of small and medium-sized enterprises to European Union financing, gold-plating and cross-cutting audit issues. The group is analysing the implementation of simplification opportunities in Member States and regions and is making recommendations for further simplification measures for 2014-2020 and on the way forward for post-2020.

	The European Commission has made its 'Omnibus' proposal to facilitate the combination of European Union instruments with European Structural and Investment Funds in this context.
22. The Committee of the Regions highlights that social innovation can successfully be taken forward through, inter alia, the social economy. It would point out in this respect that social economy initiatives, being based on cooperation and civic engagement among the individuals who make up communities, contribute to boosting social, economic and territorial cohesion and to raising the level of trust throughout the European Union. It is therefore essential to support social innovation also through unlocking the potential of the social economy by improving access to various forms of financing and by tapping sufficient financial resources at local, regional, national and European Union levels.	The European Commission agrees on the importance of social economy. As mentioned in the GECES ("Groupe d'Experts de la Commission sur l'Entrepreneuriat Social") report that was endorsed in October 2016[34], social innovation is a key element of social economy. Therefore, the European Commission stimulates the development of a business environment conducive to social economy enterprises to emerge, consolidate and thrive. Since January 2017, the European Commission is implementing dedicated actions to facilitate access to finance, access to markets, create better framework conditions and boost social innovation for such enterprises.
23. The Committee of the Regions recognises the importance of innovation for the European Union to be able to offer Europeans the best education possible and enough jobs, face the challenges of today and ensure that people continue to enjoy a high level of well-being and a good quality of life. Against this background, the Committee of the Regions would stress the importance of the Innovation Union initiative for making the European Union more innovation-friendly, enabling it to turn good ideas into products and services	The European Commission introduced the 'innovation principle' to ensure that whenever policy or regulatory decisions are under consideration the impact on innovation as a driver for jobs and growth should be assessed and addressed. This principle is implemented in five pilot legislative initiatives in the Commission Work Programme 2017, identified by the Task Force on Innovation Principle. Furthermore, the ongoing Innovation Deals pilot scheme also aims to reduce

34 http://ec.europa.eu/growth/tools-databases/newsroom/cf/itemdetail.cfm?item_id=9024.

more quickly.	barriers to innovation by helping innovators with promising solutions to environmental issues to navigate regulatory challenges they meet while bringing their ideas to market.
24. The Committee of the Regions welcomes the various efforts being undertaken by the European Commission to promote social innovation, in the fields of the European Union Programme for Employment and Social Innovation, collaborative economy models, Horizon 2020, cultural awareness platforms, and small and medium-sized enterprise Instrument programmes. 25. However, the Committee of the Regions considers that, despite the fact that the European Union Programme for Employment and Social Innovation programme sets out, among other things, to tackle long-term unemployment and combat poverty and exclusion, there are still no European-scale mechanisms capable of responding effectively to these shared problems.	The European Social Fund is a major contributor to social innovation, which has been mainstreamed in the current programming period 2014-2020. Article 9 of the European Social Fund Regulation[35] states that social innovation is mandatory, should take place in all areas falling under the scope of the four European Social Fund thematic objectives and is aimed at testing and scaling up innovative solutions. Not only does the European Union Programme for Employment and Social Innovation set out the mentioned goals, but they are at the core of the European Social Fund as well. Within the European Semester, the European Commission works with Member States to drive structural reforms including in the field of social and employment policies. The European Commission has proposed the European Pillar of Social Rights as part of efforts towards a deeper and fairer Economic and Monetary Union. The European Social Fund supports Member States in delivering on Europe 2020. In 2017 the European Commission has initiated a process for developing a longer term vision, going beyond the horizon of the year 2020. This will be done in light of the new Sustainable Development Goals agreed

[35] Regulation (EU) No 1304/2013 of the European Parliament and of the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006

	by the United Nations for 2030.
26. Despite these efforts, the Committee of the Regions feels that in the Europe 2020 Strategy, too much emphasis is placed on the technological side of innovation, to the detriment of social innovation. The Committee of the Regions would emphasise that social and technological innovation complement one another, and it is by providing incentives for ensuring the two are complementary that important outcomes can be achieved for society.	Horizon 2020, the Research and Innovation Framework Programme, adopts a broad approach to innovation, which explicitly includes social innovation. Social innovations are new ideas that meet social needs, create social relationships and form new collaborations, and thus relate to societal challenges in many ways. Screening of the 2016-2017 Horizon 2020 Work Programme shows that social innovation is taken up in nearly all Societal Challenges.
28. The Committee of the Regions calls on the European Commission, when formulating policy, to expressly take into account how policy can be implemented at local and regional level, in keeping with thinking behind the European Union Urban Agenda, where the Commission, Member States, and towns and cities map out the practicability of European Union policy and legislation at local level. This is all the more relevant for social innovation projects, which are often supported by local and regional authorities during the whole innovation process (emergence, experimentation, diffusion and evaluation).	Implementation of the smart specialisation strategies in the European Union involves a collaborative process which facilitates demand-led innovation and collective solutions. These strategies are also a powerful tool to translate horizontal policies and instruments from the European Union and national level to the regional and local level, creating links within broader innovation ecosystems and encouraging social innovation. The aim of the Urban Agenda for the European Union is indeed to work in partnership between the European Union, Member States, regions and cities and other stakeholders towards a more effective, integrated and coordinated approach to European Union policies and legislation having a potential impact on urban areas. As a result, European Union policies and legislation should better take account of the urban dimension which would in return help urban areas to better contribute to achieving the objectives

	of the European Union. Whilst social innovation is not a priority theme under the Urban Agenda for the European Union, it can be tackled under many of the existing working groups (called 'Partnerships').
29. The Committee of the Regions would ask the European Commission to acknowledge and endorse social innovation as an instrument for dealing with highly diverse social challenges and for improving Europeans' quality of life. 30. The European Commission should be in the vanguard of efforts to develop social innovation and share knowledge and good practice in this domain; for example, on the part of social economy bodies it should ensure the adoption of policies conducive to social innovation and to the creation of a genuine European social innovation community, between the various levels of governance – including integrated measures in the field of health, housing and active job seeking.	The European Commission agrees that social innovation can be an important tool for improving Europeans' quality of life and is already taking measures in this respect. The planned Horizon 2020 inducement prize on mobility for elderly people is a good example of this approach. The European Commission also agrees with the importance of creating a genuine European social innovation community, which was the main reason behind establishing the Social Innovation Community (see reply to point no 17).
31. The Committee of the Regions urges the European Commission to remove the obstacles referred to above and to make social innovation one of the criteria in applications for European Union funds, to open up funds and programmes to non-traditional institutions and groupings and to allow room for experimentation such that it would be acceptable for an experiment not to succeed.	In accordance with the provisions of Article 125 paragraph 3 of Regulation (EU) No 1303/2013 and with the principle of shared management, the managing authorities of the Member States are the responsible authorities for drawing up and applying appropriate selection procedures and criteria. The selection criteria are then, adopted by the Monitoring Committees. The European Commission has an advisory role without voting rights in the Monitoring Committee meetings.
32. The Committee of the Regions asks the European Commission to develop	The European Commission has set up, in October 2012, a Social Impact

monitoring arrangements and impact assessments, with clear indicators, as well as assessments of developments in social innovation in the different Member States, especially on the part of the social economy. This would allow the results of social innovation to be measured, the impact thereof assessed, and for this information and the success stories to be made known. It would also make it easier to attract funding.	Measurement expert sub-group with the GECES ("Groupe d'Experts de la Commission sur l'Entrepreneuriat Social") in order to advise on a methodology which could be applied across the European social entrepreneurship sector. As a result, "Proposed Approaches to Social Impact Measurement in European Commission legislation and in practice relating to EuSEFs and the EaSI" was published in 2014[36]. The European Commission also funds research projects that study the best possible ways of measurement in the field; such projects are expected to greatly contribute to expanding the knowledge base and experience in measuring social innovation impacts.
34. The Committee of the Regions underlines the importance of social clauses in the evaluation of bids for public procurement and asks the European Commission to ascertain that these are properly transposed and implemented by Member States. It further calls for flexibility in the current State aid rules so as to foster social innovation. Furthermore, it suggests exploring the potential of member capital and participatory innovation for existing social innovation and social investment programmes, which are usually based on investor-led models.	The European Commission carefully follows the implementation of the 2014 Directives on Public Procurement. As regards social clauses, the European Commission is about to launch a call for tender to select a consortium to organize, in cooperation with national and regional/local authorities, a series of events focussed on training purposes for social responsible public procurement. The target group will be national, regional and local authorities, as well as suppliers to the public sector (including small and medium-sized enterprise organisations) that may be interested in knowing more about the different issues at stake. A focus will be put on best practices and a peer review from other Member States is

[36]http://ec.europa.eu/internal_market/social_business/docs/expert-group/social_impact/140605-sub-group-report_en.pdf.

	forecasted. Those trainings and events will begin in early 2018.

N°7 **Financial rules applicable to the general budget of the Union** **COR 2016/5838 – COTER-VI/020** **123rd Plenary Session – May 2017** **Rapporteur: Mr Michiel RIJSBERMAN (NL/ALDE)** **DG BUDG – Commissioner OETTINGER**	
Points of the Committee of the Regions opinion considered essential	**Commission position**
Amendment 1 Article 27 Modify paragraph 1 Any Institution other than the European Commission may, within its own section of the budget, transfer appropriations: (a) from one title to another up to a maximum of 10% of the appropriations for the year shown on the line from which the transfer is made; (b) from one chapter to another without limit; (c) from year n to year n+1 up to a maximum of 10% of the total appropriations of the institution's budget to transfer unused appropriations from all budget lines to specific budget lines, which are meant to finance the Institution's building projects as defined in Article 258 paragraph 5.	This amendment is not acceptable as it proposes a carry-over whilst Article 27 concerns transfers by European Union Institutions other than the European Commission. On substance, the amendment is covered by Article 12(3) of the European Commission proposal[37] allowing the carry-over of internal assigned revenue from lettings and the sale of buildings and land until it is fully used.
Amendment 2 Article 39 Modify paragraph 3 (…) The European Commission shall attach to the draft budget (a) a comparative table including the European Commission's draft budget for the	This amendment goes in the same direction as amendment 127 of the European Parliament. Differences between the draft budget for the other Institutions and the estimates of expenditure transmitted by them are exceptional. As an alternative to a comparative table

[37] COM(2016) 605 final.

other Institutions and the other Institutions' original financial requests as sent to the European Commission; (b) the reasons for which the draft budget contains different estimates from those drawn up by other Institutions; (c) any working document it considers useful in connection with the establishment plans of the Institutions. Any such working document, showing the latest authorised establishment plan, shall present: (…)	(which, in most cases, would have little added value), the European Commission could consider justifying the differences.
Amendment 3 Article 123 Modify Article 123 Cross – reliance on audits Where an audit based on internationally accepted standards providing reasonable assurance has been conducted by an independent auditor on the financial statements and reports setting out the use of the European Union contribution, that audit shall form the basis of the overall assurance, as further specified, where appropriate, in sector-specific rules. Information already available at the management authority should be used to the extent possible to avoid asking beneficiaries for the same information more than once.	This amendment goes in the same direction as amendment 127 of the European Parliament and some changes in the general approach of the Council, as well as the existing Article 75(2) of the Common Provisions Regulation[38] for European Structural and Investment Funds. While the European Commission may accept the underlying idea, the wording should be made more general (not limited to "managing authority").
Amendment 4 Article 125	On the "explicit consent of the local and regional authorities": see Amendment 5,

[38] Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 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 and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006, OJ L 347, 20.12.2013.

Modify Article 125 Transfer of resources to instruments established under this Regulation or sector specific Regulations Resources allocated to Member States under shared implementation may, at their request and with the explicit consent of the local and regional authorities and Managing Authorities concerned, be transferred to instruments established under this Regulation or under sector-specific Regulations. The European Commission shall implement these resources in accordance with point (a) or (c) of Article 61(1), where possible for the benefit of the relevant areas (regions and/or local level) of the Member State concerned. In addition, resources allocated to Member States under shared implementation may at their request be used to enhance the risk-bearing capacity of the European Fund for Strategic Investments. In such cases, European Fund for Strategic Investments rules shall apply.	paragraph 4. On the addition of "relevant areas": this proposal is acceptable and the European Commission will take it into account during the negotiations with the European Parliament and the Council.
Amendment 5 Article 265 Modify paragraph 6 The following Article 30a is inserted: "Article 30a 1. Part of a Member State's European Structural and Investment Funds allocation may, at the request of that Member State in accordance with Article 5(1) of this Regulation, and in agreement with the European Commission, be transferred to one or several instruments established under the Financial Regulation or under sector-specific Regulations or to enhance the risk-bearing capacity of the European Fund for Strategic Investments in accordance with Article 125	On paragraph 1 and 4: The insertions proposed are redundant and at the same time restrictive as they are referring only to a certain group of stakeholders concerned. The transfer request needs to be accompanied by a programme amendment proposal. Pursuant to Article 110 (2)(e) of the Common Provisions Regulation any proposal by the managing authority for any amendment to the operational programmes needs to be approved by the monitoring committee. Similarly to that, an opinion of the monitoring committee is required for all rural development programmes as referred to in Article 74(a) of Regulation (EU) No

of the Financial Regulation. Such a request can be made at the initiative of the local and regional authorities and Managing Authorities concerned. The request to transfer the European Structural and Investment Funds allocation should be submitted by 30 September. (…) 4. The European Commission shall verify and grant a transfer of resources only if the request submitted by the Member State is also supported and accepted by the local and regional authorities and Managing Authorities concerned. 5. Part of one or several financial instruments established under the Financial Regulation or allocations under sector-specific Regulations or allocations to enhance risk-bearing capacity of the European Fund for Strategic Investments in accordance with Article 125 of the Financial regulation may, under the same conditions as mentioned in paragraph 1, be transferred to European Structural and Investment Funds.	1305/2013[39]. Pursuant to Article 48(1) of the Common Provisions Regulation, the monitoring committee is composed of the representatives of the relevant Member State authorities, which would generally include the relevant regional and/or local authorities. The reference as drafted is misleading as it refers to Article 5(1) of the Omnibus Regulation (protection of personal data) whereas it is possibly intended to refer to Article 5(1) of the Common Provisions Regulation. It is not necessary for an explicit reference to be included as the provisions on amendment of programmes (Article 30) already do refer to Article 5. On paragraph 5: Such a solution is technically problematic. The drafting with links to conditions under paragraphs 1-4 does not work. Financial instruments established under the Financial Regulation do not have Member State allocations and it is not possible for Member States to request transfer from a European Union level instrument. The overall European Commission approach as to shared management was to propose only a limited number of targeted improvements to avoid complicating implementation of ongoing programmes. Accordingly, the main objective of the proposal under Article 30a of the Common Provisions Regulation and Article 125 of the Financial Regulation is to provide an additional possibility for Member States to avoid decommitment, thus improving

[39] Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005, OJ L 347, 20.12.2013.

	implementation. Allowing the transfer of (certain) European Union financial instruments to European Structural and Investment Funds would not fit in this logic.
Amendment 6 Article 265 Modify paragraph 13.2 13. The following Article 39a is inserted: (…) 2. The contribution referred to in paragraph 1 shall not exceed 25 % of the total support provided to final recipients. In the less developed and transition regions referred to in point (b) of Article 120(3), the financial contribution may exceed 25% where duly justified by the ex-ante assessment, but shall not exceed 50%. The total support referred to in this paragraph shall comprise the total amount of new loans and guaranteed loans as well as equity and quasi-equity investments provided to final recipients. The guaranteed loans referred to in this paragraph shall only be taken into account to the extent that European Structural and Investment Funds resources are committed for guarantee contracts calculated on the basis of a prudent ex-ante risk assessment covering a multiple amount of new loans. (…)	The European Structural and Investment Funds – European Fund for Strategic Investments combination is already possible outside Article 39a of the Common Provisions Regulation without percentage limits to the European Structural and Investment Funds part. However, Article 39a introduces the possibility for the European Structural and Investment Funds part to serve as first loss coverage to the European Fund for Strategic Investments (with a high probability of loss). The purpose of the 25% limit is therefore to ensure leverage of European Structural and Investment Funds financial instruments (a minimum of 4x) in this type of financial instrument construction and to protect European Structural and Investment Funds from being used inefficiently. The derogation of up to 50% in fact ensures a leverage of only 2x which is rather low in case of first loss coverage; a situation where "viable projects" in fact require 50% loss coverage may normally call rather for alternative forms of support (grant or combination of grant and financial instrument). Based on the pipeline of projects which may use this Article, the reflection carried out on the European Structural and Investment Funds - European Fund for Strategic Investments combination led to the conclusion that there should be limited flexibility applied in less developed regions only.

Amendment 7 Article 265 Modify paragraph 13.6 13. The following Article 39a is inserted: (…) 6. When implementing financial instruments under point (c) of Article 38(1), the bodies referred to in paragraph 2 of this article shall ensure compliance with applicable law, including rules covering the European Structural and Investment Funds, State aid, public procurement and relevant standards and applicable legislation on the prevention of money laundering, the fight against terrorism, tax fraud and tax evasion. Those bodies shall not make use of or engage in tax avoidance structures, in particular aggressive tax planning schemes or practices not complying with tax good governance criteria as set out in European Union legislation, Council conclusions or European Commission recommendations and communications or any formal instruction issued by the European Commission on that basis. They shall not be established and, in relation to the implementation of the financial operations shall not maintain business relations with entities incorporated in jurisdictions that do not cooperate with the European Union in relation to the application of the internationally agreed tax standards on transparency and exchange of information. Those bodies may, under their responsibility, conclude agreements with financial intermediaries for the implementation of financial operations. They shall transpose requirements referred to in this paragraph in their contracts with the financial intermediaries selected to participate in the execution of financial operations under such agreements.	In the context of the trilogues, the European Commission will ensure the alignment of the legal text regarding tax in Articles 38 and 39a of the Common Provisions Regulation with the corresponding text in the Financial Regulation. The text should not be watered down; in particular, a reference to the latest tax developments including the black list of non-cooperative jurisdictions to be issued by the end of 2017 should be introduced.

Amendment 8 Article 265 Modify paragraph 16 Article 42 is amended as follows: (a) in paragraph 3, the first subparagraph is replaced by the following: In the case of equity-based instruments targeting enterprises referred to in Article 37(4) for which the funding agreement referred to in point (b) of Article 38(7) was signed before 31 December 2018, which by the end of the eligibility period invested at least 55% of the programme's resources committed in the relevant funding agreement, a limited amount of payments for investments in final recipients to be made for a period not exceeding four years after the end of the eligibility period may be considered as eligible expenditure, when paid into an escrow account specifically set up for that purpose, provided that State aid rules are complied with and that all of the conditions set out below are fulfilled. (b) in paragraph 5, the first subparagraph is replaced by the following: (…)	It is a basic principle of Cohesion Policy that funds are implemented during the programme period and that, at the moment of closure of the operational programmes, support from cohesion policy is implemented and accounted for. The current Article 42(3) Common Provisions Regulation introduced already a significant exception to Cohesion Policy rules. Already now, even before this Article is used there are some questions arising in relation to relevant indicators. The European Commission at the time of the Common Provisions Regulation negotiations argued very much against this provision as it would act as a disincentive to timely programme implementation and result in funding 'parked' for use outside the normal programming period. The provisions of this Article were designed in a way to limit its use and allow only some early runners to profit from it (pilot character). Extension of the deadline for signature by a further year (to end of 2018) would further encourage delays in implementation of equity funds under 2014-2020 programmes and result in increased amounts parked for expenditure after the end of the eligibility period. Moreover, it is important to note that absence of this provision does not apparently constitute a blockage to implementation of equity-based instruments in 2007-2013. At the last reporting for 2007-2013, it was reported that European Union Cohesion Policy funding supported 121 400 start-ups, as well as some 400 000 small and

	medium-sized enterprises, through 169 equity/venture capital funds, and with a total value of about EUR 2.4 billion, out of which EUR 1.3 billion from Structural Funds. As regards the continuation of funding after 2023, the managing authorities as of 2021 will have new European Structural and Investment Funds (post-2020 programmes).
Amendment 9 Article 265 Modify paragraph 17 17. The following Article 43a is inserted: "Article 43a Differentiated treatment of investors 1. Support from the European Structural and Investment Funds to financial instruments invested in final recipients and gains and other earnings or yields, such as interest, guarantee fees, dividends, capital gains or any other income generated by those investments, which are attributable to the support from the European Structural and Investment Funds, may be used for differentiated treatment of private investors, as well as the European Investment Bank when using the European Union guarantee pursuant to Regulation (EU) No 2015/1017[40]. Such differentiated treatment shall be justified by the need to attract private counterpart resources. (…) 2. The need and the level of differentiated treatment as referred to in paragraph 1 shall be established in the ex-ante assessment.	The European Commission understands that the logic behind this proposed change is to avoid an apparent duplication with Article 37(2)(c). However, paragraph 2 of Article 43a also has to cover the preparatory assessment referred to in Article 39a as the provisions regarding the need and the extent of (or at least the mechanism for these) differentiated treatment should be valid both for the ex-ante assessment (Article 37(2) of the Common Provisions Regulation), and also for the preparatory assessment referred to in Article 39a(3). This is particularly important in cases where European Structural and Investment Funds will serve as a first loss in the European Structural and Investment Funds – European Fund for Strategic Investments construction. Therefore, instead of deleting paragraph 2, the European Commission considers that the text of paragraph 2 should be kept and complemented with: - reference to the preparatory assessment referred to in Article 39a(3), and - further clarified by transferring the part

[40] Commission Implementing Regulation (EU) 2015/2017 of 11 November 2015 laying down implementing technical standards with regard to the adjusted factors to calculate the capital requirement for currency risk for currencies pegged to the euro in accordance with Directive 2009/138/EC of the European Parliament and of the Council (Text with EEA relevance), OJ L 295, 12.11.2015.

(…)"	of Article 37(2)(c) which - in addition to the need/level of differentiated treatment - also allows for a description of the mechanism for its establishment.
Amendment 10 Article 265 Modify paragraph 24 Article 61 is amended as follows: (a) In paragraph 3, a new point (aa) is inserted after point (a): "application of a flat rate net revenue percentage established by a Member State for a sector or sub-sector not covered under point (a). Before the application of the flat-rate, the responsible managing authority – with the prior consent of the audit authority - shall ensure that the flat-rate has been established according to a fair, equitable and verifiable method based on historical data or objective criteria.	The proposal is not problematic in substance and the European Commission will take it into account during the negotiations with the European Parliament and the Council.
Amendment 11 Article 265 Modify paragraph 26 26. Article 67 is amended as follows: (…) (ii) point (e) is inserted: (e) financing which is not linked to costs of the relevant operations but is based on the fulfilment of conditions related to the realisation of progress in implementation or the achievement of objectives of programmes. The detailed modalities concerning the financing conditions and their application, as well as the audit requirements, shall be set out in delegated acts adopted in accordance with the empowerment provided for in paragraph 5.	The proposal is not problematic in substance, but since the delegated act may cover various aspects, it may not be necessary to single out the audit aspect in particular. The following elements may be set out in the delegated act: the thematic area or types of operations for which the delegated act establishes the modalities and rules of application of the new financing option; elements to be used for defining deliverables, establishing associated costs and interpreting delivery; implications for monitoring, management and controls (how management verifications need to be carried out, how to establish the audit trail etc.).

Amendment 12 Article 265 Modify paragraph 27 "Article 68 Flat rate financing for indirect costs concerning grants and repayable assistance Where the implementation of an operation gives rise to indirect costs, they may be calculated at a flat rate in one of the following ways: (a) a flat rate of up to 25 % of eligible direct costs, provided that the rate is calculated on the basis of a fair, equitable and verifiable calculation method or a method applied under schemes for grants funded entirely by the Member State for a similar type of operation and beneficiary; (b) a flat rate of up to 15% of eligible direct staff costs without there being a requirement for the Member State to perform a calculation to determine the applicable rate; (c) a flat rate applied to eligible direct costs based on existing methods and corresponding rates, applicable in European Union policies for a similar type of operation and beneficiary. The European Commission is empowered to adopt delegated acts in accordance with Article 149 to supplement the definition of the flat rate and the related methods referred to in point (c) of the first subparagraph of this paragraph".	This would not be correct in terms of legal drafting. There is no definition of the flat rate that could be supplemented in a delegated Regulation.
Amendment 13 Article 265 Modify paragraph 28 28. the following Articles 68a and 68b are inserted:	The proposal is in line with the European Commission's intentions. The European Commission will take it into account during the negotiations with the European Parliament and the Council.

(…) 1. Direct staff costs of an operation may be calculated at a flat rate of up to 20 % of the direct costs other than the staff costs of that operation, without there being a requirement for the Member State to perform a calculation to determine the applicable rate.	
Amendment 14 Article 265 Modify paragraph 52 Article 127 is amended as follows: (a) in paragraph 1, third subparagraph, the reference to "the second subparagraph of Article 59(5) of the Financial Regulation[41]" is replaced by "the second subparagraph of Article 62(5) of the Financial Regulation". (aa) to paragraph 1 is added: The principle of proportionality should be respected by keeping audits to a minimum. (b) in point (a) of paragraph 5, the reference to "the second subparagraph of Article 59(5) of the Financial Regulation" is replaced by "the second subparagraph of Article 62(5) of the Financial Regulation". (c) paragraph 7 is deleted.	There is no reason for deleting paragraph 7 as the European Commission has already implemented this provision by the adoption of Delegated Act (Regulation (EU) No 480/2014 (see Section III))[42]. The European Commission could support the reference to the principle of proportionality (it has to be noted however that it is already explicitly set out in Article 75(2)).
Amendment 15 Article 265 Add a new paragraph after paragraph 57 In Article 142, to paragraph 1b the following is added: "and are above 5% of the total amount of	The possibility for suspending payments is one of the means the European Commission can use to ensure its obligation stemming from the Treaty of protecting the European Union budget. The European Commission uses this tool with the greatest care and having

[41] http://ec.europa.eu/budget/library/biblio/documents/2016/Financial_regulation2016_en.pdf.

[42] Commission Delegated Regulation (EU) No 480/2014 of 3 March 2014 supplementing Regulation (EU) No 1303/2013 of the European Parliament and of the Council 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 and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund, OJ L 138, 13.5.2014.

eligible costs that are in the payment request."	regard to proportionality. Nevertheless, the amendment proposes limiting the use of this tool in relation to expenditure affected by an irregularity having serious financial consequences already charged to the European Union budget. The European Commission would not be in a position to fulfil its obligations set out in the Treaty if the rules would require it to execute payments for claims a certain proportion of which is affected by irregularities with serious financial consequences.
Amendment 16 Article 265 Modify paragraph 60 60. In Article 152, a new paragraph 4 is added: "Where a call for proposal is launched prior to the entry into force of Regulation XXX/YYY amending the present Regulation, the managing authority (or monitoring committee for the programmes under the European territorial cooperation goal) may decide not to apply the obligation set out in Article 67(2a). Where the document setting out the conditions for support is provided to the beneficiary within a period of six months starting from the date of entry into force of Regulation XXX/YYY, the managing authority may decide not to apply those amended provisions."	The European Commission's Omnibus proposal introduced a number of simplification initiatives in the interest of beneficiaries and also simplified the use of "off-the-shelf" flat rates. Therefore, the European Commission does not see the difficulty in fulfilling this obligation, taking account of the proposed transitory period.
Amendment 17 Article 267 Add a new paragraph after paragraph 3 In the first paragraph of Article 11 of Regulation (EU) No 1305/2013, point (a) is replaced by the following:	The proposed amendment would constitute a major change in programme management. The European Commission considers that such changes would better be avoided in the middle of the Multiannual Financial Framework. The proposed amendment seems better suited to the discussions for the

Amendment of rural development programmes Requests by Member States to amend programmes shall be approved in accordance with the following procedures: (a) The European Commission shall decide, by means of implementing acts, on requests to amend programmes concerning an increase in the European Agricultural Fund for Rural Development contribution rate of one or more measures."	Common Agricultural Policy post-2020.
Amendment 18 Article 267 Paragraph 7 Article 36 is amended as follows: (a) paragraph 1 is amended as follows: (i) the following point (d) is added: "(d) an income stabilisation tool, in the form of financial contributions to mutual funds, providing compensation to farmers of a specific sector for a severe drop in their income".	The amendment seems to remove the modification of point (c) introducing the words "in all sectors". This wording is technically useful to distinguish between the general and the sector-specific instruments.
Amendment 19 Article 267 Add a new paragraph after paragraph 7 Article 37 of Regulation (EU) No 1305/2013 is deleted.	The amendment aims to delete support for crop, animal and plant insurance. The European Commission considers that a proposal to completely abolish a rural development sub-measure is a major change that is better suited for the discussion on the post-2020 Common Agricultural Policy (technically, the amendment does not achieve its aim as it is Article 36 which defines the types of risk management tools, and the amendment does not propose the deletion of paragraph 1(a); articles 37 – 39 provide supplementary clarification).
Amendment 20	The European Commission considers it useful to render application of the clause

Article 269 Paragraph 2 8. "Member States may decide to stop applying the provisions of this Article from 2018. They shall notify the European Commission of such a decision by 1 August 2017."	optional in view of experience gained which shows that, in certain Member States, the administrative costs of implementing the Active Farmer clause as a whole outweigh the benefit of excluding a very limited number of non-active beneficiaries from the direct support schemes.
Amendment 21 Article 269 Add a new paragraph after paragraph 3 Article 44(1) of Regulation (EU) No 1307/2013 is amended as follows: Crop diversification 1. Where the arable land of the farmer covers between 10 and 30 hectares and is not entirely cultivated with crops under water for a significant part of the year or during a crop rotation, there shall be at least three different crops on that arable land. The main crop shall not cover more than 50% of that arable land. Thanks to their positive impact on soil fertility and productivity, mixtures of clover and biennial grasses, or other types of intercropping and undersowing, can be incorporated into crop rotation.	This amendment aims to reinforce the crop diversification obligation by capping the main crop at 50 % instead of 75 % of the total arable land. This means that farmers will be forced to introduce a more significant share for the other two crops. This change impacts therefore significantly the current definition and scope of crop diversification as previously designed by both co-legislators increasing its environmental ambition. It would be more appropriate to assess such change during the next Common Agricultural Policy reform post-2020. As regards mixture of clover and biennial grass, farmers have already the possibility to declare any crop based on the current rules (see detailed rules in Delegated Act (Regulation (EU) No 639/2014)[43]). As regards intercropping and undersowing, special rules are already foreseen in the above Delegated Act. Besides, these practices are also recognized under the Ecological Focus Area.

[43] Commission Delegated Regulation (EU) No 639/2014 of 11 March 2014 supplementing Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and amending Annex X to that Regulation, OJ L 181, 20.6.2014.

Amendment 22 Article 270 Add a new paragraph after paragraph 3 "3d. In Article 152 the following paragraph is inserted: 1a. Notwithstanding the application of Article 101(1) TFEU, a producer organisation, which is recognised under paragraph 1 of this Article, may plan production, place on the market and negotiate contracts for the supply of the agricultural products, on behalf of its members for all or part of their total production.	A similar amendment has been adopted by the European Parliament and is currently the subject of discussion during the trilogue phase of the ordinary legislative procedure. While noting that the purpose of the Omnibus proposal is to introduce targeted simplifications of the current rules and not pre-empt the forthcoming Common Agricultural Policy reform, the European Commission intends to work constructively in the trilogues in order to find solutions for the issues raised.
Amendment 23 Article 270 Add a new paragraph after paragraph 3 3k. In Regulation (EU) No 1308/2013, the following Article is inserted[44]: "Article 152b Value-sharing Without prejudice to Article 125 concerning the sugar sector, producers of agricultural products in one of the specific sectors listed in Article 1(2), through their organisations, and undertakings marketing or processing such products may agree on value-sharing clauses, including market bonuses and losses, determining how any evolution of relevant market prices or other commodity markets is to be allocated between them."	A similar amendment has been adopted by the European Parliament and is currently the subject of discussions during the trilogue phase of the ordinary legislative procedure. While noting that the purpose of the Omnibus proposal is to introduce targeted simplifications of the current rules and not pre-empt the forthcoming Common Agricultural Policy reform, the European Commission intends to work constructively in the trilogues in order to find solutions for the issues raised.
Amendment 24 Article 270	This amendment cannot be accepted in this form as it contravenes the institutional prerogatives of the

[44] Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007, OJ L 347, 20.12.2013.

Add a new paragraph after paragraph 3 3z. In Title II of Regulation (EU) No 1308/2013, a new Chapter is added: "CHAPTER IIIa Relations with the supply chain Article 175a Unfair trading practices Before 30 June 2018, the European Commission shall propose to the European Parliament and to the Council a legislative proposal on a Union-level framework to combat practices that grossly deviate from good commercial practice and are contrary to good faith and fair treatment in transactions between farmers, including their organisations and processing small and medium-sized enterprises, and their trading partners downstream of the supply chain."	European Commission.
Amendment 25 Article 270 Add a new paragraph after paragraph 4 4c. In Article 219(1), the fourth subparagraph is replaced by the following: "Such measures may to the extent and for the time necessary to address the market disturbance or threat thereof extend or modify the scope, duration or other aspects of other measures provided for under this Regulation, or provide for export refunds, suspend import duties in whole or in part including for certain quantities or periods as necessary or propose any appropriate supply management measures."	The European Commission considers that a specific reference to supply management measures is superfluous as such measures can already be adopted under the existing provisions.
Policy recommendations 2. The Committee of the Regions suggests that with a revision of this size - where 15 legislative acts are to be modified - an impact assessment should be carried out	An impact assessment is required for any initiative which is expected to have significant economic, environmental or social impacts. As the Financial Regulation merely aims at setting out

prior to the presentation of the proposal. This impact assessment should take into consideration the territorial dimension and impact of proposals made. It is now difficult to assess the proposal's repercussions for Local and Regional Authorities and its compliance with the proportionality principle. Moreover, the Committee of the Regions questions the European Commission's assessment that the legislative proposal falls under the exclusive competence of the European Union given that the proposals on the sectoral legislative acts go beyond aligning the text with the new financial rules applicable to the European Union.	the general rules governing the establishment and implementation of the European Union budget, it cannot be considered as, per se, having a significant economic or social impact. The concrete economic or social impact incurs when making policy choices at the level of the sectoral programmes. The limited number of the mostly technical changes proposed with regard to the sectoral legislative acts are consequential to the simplifications proposed in the Financial Regulation.
5. The Committee of the Regions welcomes the widening of options to use simplified costs, but points out that there are aspects of this that could be improved, recommending that the simplified costs option be extended for projects involving Services of General Economic Interest, as with projects subject to State aid rules. Moreover, use of standard scales should not be subject to approval in advance by the European Commission or should at least be limited so as to allow managing authorities to make significant simplifications in management.	The European Commission is constantly working on the widening of the use of simplified cost options. The regulations set out a number of different possibilities, e.g. directly applicable simplified cost options, and the possibility for Member States to develop simplified cost options tailored to their specific context based on fair, verifiable and equitable calculation methods. Ex-ante approval by the European Commission is only provided under Article 14(1) of the European Social Fund Regulation[45] and not a prerequisite to make use of simplified cost options. However, Member States often ask the European Commission for an assessment of their methodology in order to gain assurance. The European Commission would also like to highlight that the use of Simplified Cost Options is possible in projects subject to State aid rules. This is explained in full in Section 7.3 and

[45] Regulation (EU) No 1304/2013 of the European Parliament and of the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006, OJ L 347, 20.12.2013.

	Annex 2 of the European Structural and Investment Funds – Simplified Cost Options Guidance[46]. In addition, the General Block Exemption Regulation[47] (which was amended by Commission Regulation 2017/1084 of 14 June 2017[48]) establishes that the amounts of eligible costs may be calculated in accordance with the Simplified Cost Options set out in the Common Provisions Regulation if the operation is at least partly financed through a European Union fund that allows the use of those Simplified Cost Options and that the category of costs is eligible according to the relevant exemption provision. This new provision should increase legal certainty.
9. The Committee of the Regions recommends introducing the possibility of a tailor-made audit strategy for an operational programme, based on methods and principles that audit authorities have to use in Member States, such as proportionality principles, rewarding good results on previous audits and the use of national audit methods.	The recommendation goes in the direction of a full change in audit methodology with more reliance on national systems. This is not in line with the established approach under the Common Provisions Regulation and it is not desirable to change in the middle of the implementation of the programmes. The European Commission is reflecting on the possibility on how a more coherent approach involving national audit practices (beyond the preparation of the audit strategy) may be introduced in the future.

[46] http://ec.europa.eu/regional_policy/sources/thefunds/fin_inst/pdf/simpl_cost_en.pdf.

[47] Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty Text with EEA relevance, OJ L 187, 26.6.2014.

[48] Commission Regulation (EU) 2017/1084 of 14 June 2017 amending Regulation (EU) No 651/2014 as regards aid for port and airport infrastructure, notification thresholds for aid for culture and heritage conservation and for aid for sport and multifunctional recreational infrastructures, and regional operating aid schemes for outermost regions and amending Regulation (EU) No 702/2014 as regards the calculation of eligible costs. OJ L 156, 20.6.2017.

12. The Committee of the Regions welcomes the proposed simplification of Joint Action Plans but notes that Joint Action Plans have hardly been used so far, because managing authorities were afraid that auditors would interpret the rules on Joint Action Plans differently, and impose financial corrections. Moreover, the use of Joint Action Plans requires extra layers of governance. The Committee of the Regions suggests therefore, investigating the experiences with the use of Joint Action Plans and an evaluation of the delivery mechanism. The Committee of the Regions requests information on what practical steps have been taken by the European Commission to address the lack of trust and uncertainty, and requests that the European Commission provide a model Joint Action Plan, on which the European Commission should seek the advice of the European Court of Auditors. The Committee of the Regions strongly suggests that a number of pilots are already launched across all Member States during this period as to form a testbed for Joint Action Plans to be widely used post-2020.	The European Commission agrees that more efforts are needed in order to kick-start the use of Joint Action Plans. The European Commission has therefore proposed several measures to simplify the set-up and implementation of Joint Action Plans. Furthermore, the European Commission will soon launch a "Call for Proposals on a pilot Joint Action Plan" to be implemented under direct management and financed via technical assistance (see point 1.2.2. of the 2017 Work Programme)[49]. The objective of this pilot action is to start strengthening national and regional capacity in Member States for them to prepare, design and implement their own Joint Action Plans by sharing experience and then disseminating information derived from the implementation.
13. The Committee of the Regions welcomes that the proposals to improve the combination of European Structural and Investment Funds and the European Fund for Strategic Investments (articles 38(1)(c) and 39(a) of the Common Provisions Regulation on the European Structural and Investment Funds, or Common Provisions Regulation), especially concerning financial instruments, seem to be very positive and appear to answer the requests made by the Committee of the Regions for more synergies between	The European Commission is pro-actively trying to reduce administrative burden to the extent possible including through the proposals in the Omnibus proposal. However, the nature of funds under shared management does not allow for derogations from basic principles and rules such as geographical allocations, State aid or public procurement. In recent years, considerable efforts have been made in the State aid area to

[49] Commission Implementing Decision C(2016) 7763 of 2.12.2016 concerning the adoption of the 2017 annual work programme for the operational technical assistance at the initiative of the Commission in the framework of the European Social Fund and in the framework of the Fund for European Aid to the Most Deprived.

European Structural and Investment Funds and the European Fund for Strategic Investments. However, there are still some doubts about the added value of having two delivery mechanisms for revolving funds, which can be implemented through both the European Fund for Strategic Investments and European Structural and Investment Funds. The administrative burden of having two delivery mechanisms can be avoided by an ex-ante evaluation of the combined implementation of European Structural and Investment Funds and the European Fund for Strategic Investments, on a case by case basis. The Committee of the Regions also draws attention to the fact that in comparison with European Structural and Investment Funds, the implementation of the European Fund for Strategic Investments, and the conditions attached, are considered simpler. The different status of directly managed European Union funds, such as the European Fund for Strategic Investments and Horizon 2020, and of the shared managed European Structural and Investment Funds with respect to State aid increases administrative burden and impedes synergies between the tools.	simplify and clarify the State aid rules, in particular the widening of scope of the General Block Exemption Regulation and the adoption of the Notice on the Notion of Aid.Under the rules of combination of European Structural and Investment Funds and the European Fund for Strategic Investments in the Common Provisions Regulation, the managing authorities can, by way of derogation from the ex-ante assessment, base the contribution of European Structural and Investment Funds to the financial product under the European Fund for Strategic Investments on the preparatory assessment carried out by European Investment Bank (see Article 39a(3)). The ex-ante assessment or the preparatory assessment cannot be replaced by the ex-ante evaluation of the programme as defined in the Common Provisions Regulation (Article 55(3)(h) CPR) which has a different: - purpose: to determine whether Financial Instruments should or not be included in the programme. The ex-ante assessment aims to identify the market failure and to justify the decision to set-up a specific financial instrument (in which form, for which amounts, with which structures, etc.); - timing: while the ex-ante evaluation of the programme must be carried out at the beginning of the period, the ex-ante assessment of Financial Instruments may be carried out within the period as long as it is completed before the decision by the Managing Authority to make a programme contribution to Financial Instruments.
17. The Committee of the Regions notes	The European Commission has clarified

that Article 27(2) of Commission Delegated Regulation (EU) No 480/2014 of 3 March 2014 establishes a retroactive effect at the time of checks and audits of operations, giving rise to unacceptable legal uncertainty for beneficiaries. This principle of retroactive effect should be removed, unless the latter are more favourable to beneficiaries.	several times that Article 27(2) does not establish any retroactive effect to the timing of checks and audits.
Simplification proposals for the programming period post-2020 18. The Committee of the Regions requests that the simplification of Cohesion Policy should be continued with the proposals for the programming period post-2020. In this respect, the following issues should be resolved as a priority: (…)	The overall European Commission approach for the present proposal as to shared management was to propose only a limited number of targeted improvements to avoid complicating implementation of ongoing programmes. However, a reform of European Structural and Investment Funds could be looked at when preparing the next Multiannual Financial Framework. In this context, the European Commission will take into due consideration the simplification proposals of the Committee of the Regions.

N°8 The Local and Regional dimension of the Bioeconomy and the role of cities and regions (own-initiative opinion) **COR 2017/0044 – SEDEC-VI/022** **123rd Plenary Session - May 2017** **Rapporteur: Ms Katrin BUDDE (PES/DE)** **DG RTD - Commissioner MOEDAS**	
Points of the Committee of the Regions opinion considered essential	**Commission position**
The opinion highlights the need, *inter alia*: - for more collaboration, also between different levels of government and ministries; - for more actions to help regional and local actors build their capacities and Bioeconomy Strategies considering their Smart Specialisation Strategies; - for increased knowledge about regional/local Bioeconomy potential, mutual learning and networking within and among regions, across the European Union; - for awareness-raising on different regional bio-based business models and success stories available, that are sustainable, inclusive and adapted to local assets and conditions and on more civil society involvement; - for more access to public and private financing, smartly combining the European Structural and Investment Funds with Horizon 2020 and the EUR 3.7 billion Bio-based Joint Undertaking (BBI JU) to enable the transformation into Bio-regions	The European Commission welcomes and is in full agreement with the Committee of the Regions' opinion that builds on the recent events and initiatives that were supported by the European Commission (e.g. Bratislava and Lodz conclusions)[50]. The European Commission agrees on the need for more attention to the regional/local aspects of the Bioeconomy, and aims to consider its suggestions for its ongoing 2012 European Bioeconomy Strategy review[51] and Action Plan, as well as their possible update.

[50] For example, the Bratislava conference conclusions " *The role of regions in European Bioeconomy"* under the SK Presidency, (17/10/2016) that were discussed during the AGRI-FISH & COMP Councils (11/2017), the Lodz Declaration (6/10/2016) , the Utrecht Stakeholders Manifesto Building Blocks (12-13/4/2016).

[51] Together with other DGs involved in Bioeconomy Strategy, Directorate F will present and discuss the findings of the review of the 2012 European Bioeconomy Strategy on 16 November in Brussels, during the 'Bioeconomy Week'

and Bio-communities; - for a coherent and cost-effective regulatory framework at the European Union, national and local levels, especially between the different policy areas favouring the growth of bio-based industries in rural and coastal areas.	

N°9 EU Enlargement Strategy 2016-2017 COM(2016) 715 final - CoR 2017/0093 – CIVEX-VI/018 123rd Plenary Session - May 2017 Rapporteur: Mr Rait PIHELGAS (EE/ALDE) DG NEAR – Commissioner HAHN	
Points of the Committee of the Regions opinion considered essential	**Commission position**
2. The Committee of the Regions notes that the way forward as seen by the current European Commission — there will be no further European Union enlargement during its term of office (2014-2019), but the ongoing enlargement process will continue — has now reached the point where enlargement discussions with Turkey have been put on hold for various political reasons. At the same time, the Western Balkan countries, which are surrounded by European Union Member States, have started to participate directly in European Commission policies; in addition to the enlargement process, they are also closely involved in the European Union's migration policy (Western Balkans route) and related policy areas, including security.	The March 2018 Conclusions of the European Council President on the Western Balkans reaffirm the European Council's unequivocal support for the European perspective of the Western Balkans, and stress that the European Union remains committed and engaged at all levels to support them in conducting European Union-oriented reforms and projects. As noted in the 2015 Communication on European Union Enlargement Policy[52], while there has been important progress by many countries in many areas over the past year, the challenges faced by these countries are such that none will be ready to join the European during the mandate of the current European Commission, which will expire towards the end of 2019. Turkey remains a candidate country with a negotiating framework in place. However, under the currently prevailing circumstances, no new chapters are considered for opening.
4. The Committee of the Regions stresses that the new working relationship between the European Commission and Western Balkan countries requires a	The European Union's enlargement policy is built on strict and fair conditionality and the principle of own merits.

[52] COM(2015) 611 final.

responsible approach to meeting commitments and conditions for European Union enlargement; it underlines that the negotiations need to follow an objective assessment of the preparedness and progress of the candidate countries in meeting the political and economic criteria and that the conditions must not be changed during the process to respond to the sensibilities of one or the other negotiating party.	A credible enlargement process is an irreplaceable tool to strengthen the countries of Southeast Europe and to help support their modernisation through political and economic reforms, in line with the established accession criteria. Enlargement policy remains focused on the "fundamentals first" principle. Core issues of the rule of law, fundamental rights, strengthening democratic institutions, including public administration reform, as well as economic development and competitiveness remain key priorities in the enlargement process. Properly addressing the fundamentals is key to meeting the Copenhagen and Madrid membership criteria. It will also help ensure both the future and current Member States can fully reap the benefits of future European Union enlargement. As announced by President Juncker in his State of the Union address and accompanying documents, the European Commission will adopt a reinforced Strategy for the Western Balkans in February 2018, including on Serbia and Montenegro, the current frontrunners.
6. The Committee of the Regions welcomes the European Commission's reference to the key role played by local and regional authorities; it stresses that communications and reports need to cover local and regional governance more effectively and in more detail, even if there is no separate chapter on the subject in the acquis, nor any established European Union model for decentralisation and multi-level governance.	The European Commission supports the development of functioning, strong, democratic and effective local and regional administration in the candidate countries and potential candidates. The 2016 Communication on European Union Enlargement Policy indicates that countries need to find an appropriate balance between central, regional and local government that best supports implementation of reforms and the

	delivery of services to citizens. The role of regional and local authorities in the European Union alignment process and eventual application of European Union rules is also key. While indeed there is no specific acquis in this area or an established European Union model of decentralisation and multi-level governance, the 2016 Communication on European Union Enlargement Policy and the Country Reports increase the focus on public administration reform and administrative capacity required for implementation of the acquis, which are relevant for national, regional and local levels of governance. The Instrument for Pre-Accession Assistance funding helps the candidate countries and potential candidates to address those issues.
14. The Committee of the Regions welcomes the focus on freedom of expression, but stresses that this must be accompanied by higher standards in political culture more generally, with the good conduct of policy-makers, primarily at local and regional level, being the best guarantee for progress in this respect (refraining from confrontation and provocations with neighbours, avoiding negative statements, sensitivity to the needs of vulnerable and disadvantaged groups, taking into account the situation of minorities, etc.).	The European Commission fully supports the emphasis placed on freedom of expression. For the European Commission, political will is an essential element in ensuring freedom of expression. Politicians should refrain from pressuring the media either directly by intimidation or restrictive legislation, or indirectly through economic pressure on the media, leading to the erosion of public trust. The European Commission would call on politicians to seek to promote an atmosphere of tolerance and respect for diversity and to respect the standards relating to the fight against hate speech.
19. The Committee of the Regions welcomes the priority given to the connectivity agenda and regional initiatives (Berlin process etc.) adopted by the	The Berlin Process is a Member State-led initiative; the European Commission is a facilitator in this process, as well as

European Union, which should be made more inclusive; it stresses the need to involve local and regional authorities and national authorities in the candidate countries and potential candidate countries and calls for the experiences of the new Member States to be taken into account and for European Union experts, in particular, from these countries to be involved in the design and implementation of investment plans (in the areas of transport, energy, digital telecommunications, education, young people and other areas associated with digital development).	ensuring appropriate follow-up. Local authorities are involved in the process to implement a number of projects, particularly investments as part of the connectivity agenda. It is up to the Western Balkans 6 countries to decide on the most appropriate way to involve regional and local authorities. Design and implementation of investment plans are the responsibility of the Western Balkans 6 countries. However, the European Union has strongly encouraged that they draw up sectorial strategies, that investments in various sectors are collected into a Single Project Pipeline, and that the Single Project Pipeline is discussed in a National Investment Committee. The European Union has provided assistance to countries to help develop these frameworks. The experience of the more recent Member States is taken into account in providing assistance, since those Member States' experiences are the most relevant.
35. The Committee of the Regions regrets that recent political developments in Turkey raise doubts about the Turkish Government's full commitment to the set of values and principles upon which the European Union is founded, in particular the European Charter of Fundamental Rights, and notes that the continuation of the accession process is therefore in doubt.	The European Union has expressed its concerns with regard to the situation of freedom of expression and fundamental rights on many occasions and has made clear the importance of Turkey reversing this trend. The criteria for accession negotiations are clear, especially in the field of human rights, rule of law, democracy, fundamental freedoms, the respect of international law and the principle of good neighbourly relations. These are core principles to which Turkey is called to adhere as a candidate country to the European Union but also as a member of the Council of Europe.

N° 10

A new stage in the European policy on blue growth (own-initiative opinion)
COR 2016/6622 - NAT-VI/019
123rd Plenary Session - May 2017
Rapporteur: Mr Christophe CLERGEAU (FR/PES)
DG MARE – Commissioner VELLA

Points of the Committee of the Regions opinion considered essential	**Commission position**
3. The Committee of the Regions calls on the European Union to act quickly to adopt an initiative to establish new policies and lay the basis for a new post-2020 maritime vision. The ministerial declaration on European maritime policy to be adopted in Malta on 20 April 2017 can and must be used as an opportunity for this.	The European Commission welcomed the 'Malta Declaration' in which European Union maritime Ministers reaffirmed their political commitment to further grow the European Union's sustainable blue economy, as well as the Council Conclusions adopted on 26 June 2017. Since 2012, the European Commission has developed a substantial track record on blue growth. It is pushing to keep up the momentum. The European Commission is prepared, with the support of Member States and regions, to determine how to further strengthen and focus the European Union's action on oceans and the maritime economy.
4. The Committee of the Regions calls on the European Union to develop a new European maritime policy, which: - has the support of the public, local authorities, the Member States and the European institutions; - is cross-cutting, mobilising all Community competences; - is based on more detailed knowledge of the sea to ensure its sustainable development and exploit its potential more effectively; - is able to support the entire value chain across the sectors of the blue economy, including fisheries, both on coastlines	Rather than develop a new maritime policy, the European Commission would prefer to work towards the next phase in Europe's maritime and Blue Growth policy. The main drive until now has been to push for sustainable growth in the maritime economy with, amongst others, a particular but not exclusive focus on five sectors; to work on key enablers such as data, information, research and spatial planning; and partnerships in regions, between Member States and non-European Union countries, public authorities and economic players, in order to foster scale effects and mutually reinforcing learning and investment. On the basis of the lessons learnt over the last five years, the European Commission is

and inlands; - focuses on the symbiosis between the different maritime activities and on consistent planning, from coastlines to international waters.	looking into how it will shape, in close dialogue with public administrations at all levels, concerned citizens and stakeholders, the future of the European maritime policy.
8. The Committee of the Regions notes that maritime issues are the focus of increased attention at international level. The United Nations' September 2015 Sustainable Development Goals also specifically refer to oceans. In May 2016, the leaders of the Group of Seven (G7) agreed to step up international cooperation on marine research. The theme of the oceans is addressed in the conclusions of the 21st Conference of the Parties (COP 21) and 22nd Conference of the Parties (COP 22).	The recent adoption of a 'Call for Action' at the United Nations Conference and of the Group of Seven (G7) Communiqué of the Environment Ministers (June 2017) will help to further accelerate the momentum for ocean sustainability. The European Union is committed to work together with international partners to maintain ambition.
10. The Committee of the Regions considers that Europe must assert itself in the international arena and make maritime policy an instrument of influence.	With the Joint Communication on Ocean Governance adopted at the end of 2016[53], the European Union asserts its role as a champion for sustainable development, a strong actor in the global ocean governance framework and an important user of ocean resources. This Joint Communication is also a concrete example of how the European Union Global Strategy for foreign and security policy delivers in practice.
14. The Committee of the Regions calls for the drafting of a White Paper on "The sea at the heart of Europe", incorporating a maritime roadmap for each European Union policy.	The European Commission is in permanent dialogue with stakeholders, Member States and regions, regarding the future of European Union maritime policy. The European Commission is very encouraged by the debate and looks forward to its contribution on the next steps.

[53] JOIN(2016) 49 final.

15. The Committee of the Regions considers that the new phase of the European integrated maritime policy should contribute to Europe's responses to the following issues: - the security of Europe's borders; - management of migration; - the development of a maritime policy for the European Union's neighbourhood, the regulation of maritime trade and the governance of the oceans; - protection of biodiversity, combating climate change and a successful energy transition, including the transition to renewable fuels for the various types of ships; - the development of the blue economy in its various traditional sectors such as fisheries, aquaculture, tourism, the maritime industries and emerging sectors like marine energy and marine biotechnology; - the reconciliation of activities and uses; - a coastal and maritime policy based on the regions and local authorities; - addressing the specific challenges of Europe's islands and overseas territories.	The contribution of maritime policy to these issues is part and parcel of action by the European Union and the European Commission on maritime policy. Current reflections include the extent to which even more focused action can be developed during the next phase of European Union Maritime Policy.
16. The Committee of the Regions stresses that the blue economy takes shape in the regions. Maritime policy should therefore support the mobilisation of regions and cities.	The regions have always been key actors of Europe’s maritime policy and privileged partners of the European Commission. The will to cooperate, to find solutions to common challenges and maximize common assets exists. The European Commission will further strengthen its efforts to engage with local authorities. At the same time, the readiness of the Member States and their regions to take responsibility and be involved in these processes of cooperation will continue to be

	a decisive success factor.
18. The Committee of the Regions believes that the development of infrastructure in coastal areas, which are by definition outlying areas, must be a priority for Europe. It should therefore be possible, for the benefit of coastal areas in all regions, to draw on Cohesion Policy and Juncker Plan funds specifically to invest in ports and very high-speed broadband	European Union support to the development of infrastructure in coastal areas, including investment in ports and very high speed broadband, is available by means of a variety of instruments. An illustration of such instrument is the Connecting Europe Facility. The Motorways of the Sea Programme (part of the Connecting Europe Facility) aims, under its Pillar 2, at strengthening the European Union territorial cohesion by improving the connection of ports with hinterland, improve adequacy of ports infrastructure and link better peripheral and outermost regions to the rest of the European Union and to the world. Furthermore, in the Motorways of the Sea Programme, specific calls for projects are launched with Cohesion Policy countries in mind. For these countries, the co-funding rate may be increased by up to 85%. The European Strategic Investment Fund, also known as "Investment Plan for Europe", is also supporting projects in the blue economy. As an example, European Strategic Investment Fund financing enabled the European Investment Bank to provide a loan of EUR 105 million to support investments in land access to the main Spanish ports, with a total estimated European Strategic Investment Fund-related financing of EUR 425.36 million.
19. The Committee of the Regions calls for a debate on the recognition of a European maritime area so as to strengthen cohesion in social, environmental and security terms	See reply to Point 14.
21. The Committee of the Regions believes that smart specialisation strategies should enable several regions within the	Stakeholders' feedback highlights the need for more strategic inter-regional collaboration, joining up partners having the

same sea basin to establish joint smart specialisation strategies (S3) on their own initiative;	same or complementary investment focus across and beyond sea basins. This collaboration should deliver more joint projects. The European Commission supports this approach.
22. The Committee of the Regions underlines that regions and cities are key players in the development of the blue economy. A large number of regions have included blue growth issues in their smart specialisation strategies. The mobilisation of the European Maritime and Fisheries Fund and the Cohesion Policy funds has made it possible to finance many job creation projects.	According to a recent study published by the Conference of Peripheral Maritime Regions, 91 regions in Europe have integrated maritime priorities into their regional smart specialisation strategies. This suggests that the European Regional Development Fund will make an important contribution to financing the maritime economy over the 2014-2020 period. The European Commission would highlight here that transparency about the actions undertaken at national and regional level is crucial to ensure that stakeholders are aware of and feel engaged in ongoing actions, and are in a position to contribute effectively to efforts to further strengthen the policy and its actions.
23. The Committee of the Regions proposes, in order to give a fresh boost to investment in the blue economy, that an appendix on the blue economy be attached to smart specialisation strategies and operational programmes, making it possible to present the impact of policy choices on maritime issues and to monitor the relevant projects.	The European Maritime and Fisheries Fund includes a reshuffled common monitoring and evaluation system, which already allows close monitoring of projects as well as assessing the results of policy choices made by the Member States when drafting their Operational Programmes. The European Commission agrees with the Committee of the Regions that it is difficult to monitor the maritime dimension of the smart specialisation strategies. This monitoring is up to the national/regional authorities, and should be seen as an integral part of successful implementation.
25. The Committee of the Regions believes that the choices reflected in the smart specialisation strategies, which	Monitoring of the smart specialisation strategies implementation is an important part of the process. This monitoring is up to

reflect the reality of the maritime economy, based on synergies between stakeholders and sectors, need to be monitored over time and must act as the European Union's reference point for guiding its blue growth investments. In particular, the European research policy will need to take better account of these regional efforts to stimulate the blue economy.	the national/regional authorities. To promote synergies between different European Union, national and regional public investment tools as well as sources of private funding remains a challenge for all concerned stakeholders and authorities. This is why the European Commission fully supports the call by European ministers in the 'Malta Declaration' of April 2017 for 'more efficient combination and synergies between funding instruments, better targeting of funds, [to] facilitate transnational funding and investments' and for the 'development of Public Private Partnerships and similar platforms with the aim to allocate capital from the European, Investment Bank/European Fund for Strategic Investments to address financing needs for Blue Growth'. The European Commission is following up this statement. It is exploring under what conditions it might be possible to set up a European-level "investment platform" for the blue economy and for maritime businesses, to which regions could contribute and which could in turn support regions in funding investments that contribute to the implementation of their Blue Growth-related smart specialisation investments.
26. The Committee of the Regions calls for interregional, national and transnational projects that are consistent with the sea basin strategies and the smart specialisation strategies (S3) to be eligible for financing through the pooling of regional, national and European funds within a simplified framework and to qualify for a community bonus, without the need for new calls for projects.	The European Commission supports the suggestion for promoting projects consistent with the smart specialisation strategies (S3). As for the proposal to set up 'a Community bonus', the European Commission does not, at this stage, see how this could work and in which context.
27. The Committee of the Regions considers that the outermost regions should	A European Commission Communication is envisaged to update the existing European

continue to have a specific framework to support their development. These territories form an excellent basis for asserting Europe's maritime dimension and building maritime cooperative ventures around the world.	Union strategy for the outermost regions.
28. The Committee of the Regions stresses that the sea has gradually been finding a new place in the Horizon 2020 programme. Initiatives such as the Joint Programming Initiative for Healthy and Productive Seas and Oceans have also contributed to European marine research. This method must be extended to all sectors of the blue economy by means of a comprehensive Research and Development roadmap. The Committee of the Regions highlights the importance of specific support for small and medium-sized enterprises that intend to develop and apply innovative solutions in various sectors, including coastal and maritime tourism.	The European Commission agrees with this approach, noting that under Horizon 2020, the small and medium-sized enterprise instrument already provides for important support to small and medium-sized enterprises, including in the marine/maritime sector, with a clear commercial ambition and of potential for growth and internationalisation.
29. The Committee of the Regions calls for the next Framework Programme to have a target of 10% of projects making a significant contribution to marine and maritime research objectives. The continued implementation of Horizon 2020 should itself allow progress towards this goal.	There is strong political support, expressed in the 'Malta Declaration', to step up efforts to expand research funding for the blue economy. This could take the form of a self-standing "Mission Ocean" in the future Framework Programme. Without prejudging the outcome of the discussions on the Ninth Research Framework Programme, the European Commission can agree that a priori marine/maritime research would greatly benefit from an increased and ring-fenced budget. Under Horizon 2020, progress has been made to give a special focus on research contributing to blue growth.
30. The Committee of the Regions calls for the development of a maritime	Among the 10 concrete measures supporting the implementation of the Skills Agenda for

strand for the Skills Agenda.	Europe (adopted by the European Commission in June 2016)[54], there is 'the Blueprint for Sectoral Cooperation on Skills'. This industry-led initiative aims to deliver a clear strategy on how to tackle the skills gap in a defined sector and on how to deliver more systematic and impactful results in the short and medium-term. The maritime technology sector has been selected to pilot this initiative. A call for proposals was published in February 2017 to set up a European Platform which will deliver a strategy in order to close the skills gap in this sector.
31. The Committee of the Regions proposes launching a debate at European level on the benefits of financing a pilot project to explore the deep ocean floor and exploit its potential.	A study is being carried out to collect information on the benefits of more information of ocean observation that includes the deep ocean. Sustainability and mitigation of impacts are essential aspects of any exploitation of resources, especially hitherto unused resources which are being opened up. A debate between interested stakeholders took place at a meeting on defining areas of particular environmental interest on the deep sea bed, held in Sintra, November 2016, and organised by the Directorate-General for the Environment, Maritime Affairs and Fisheries together with the Pew Institute. Following this, a call for tenders, funded from the European Maritime and Fisheries Fund, is about to be published to do a survey of the mid-Atlantic ridge and adjacent deep waters, identifying areas of particular environmental and geomorphological interest which would need to be taken into due account when awarding exploration and exploitation permits for seabed mining. The results of this survey will be submitted to the International

[54] COM(2016) 381 final.

	Seabed Authority, competent for such permits in areas beyond national jurisdiction. Only one other study of this scale has been done so far (in the Pacific's Clarion-Clipperton zone) to assist the International Seabed Authority in its regulatory and permit assessment work.
32. The Committee of the Regions stresses that in maritime industries, it is often the case that innovation can only be tested once an initial product has been launched on the market. Community innovation policies must enable such demonstration projects to be financed. It is also important to relaunch the public-private partnership on cross-cutting technologies for maritime industries.	The European Commission agrees that there is a need to bridge the financial gap between research & innovation actions and the corresponding market applications in the blue economy. An InnovFin Advisory study on 'Access-to-Finance Conditions for Investments in Bio-based Industries and the Blue Economy' points to this direction. To address this need, the European Commission is carrying out complementary analysis on the investment needs in the blue economy. The European Maritime and Fisheries Fund already allows for innovative demonstration projects to be supported in fisheries and aquaculture, helping these cross the bridge between research & innovation and the market. This is often a priority for Fisheries Local Action groups under the Community-led local development.
34. The Committee of the Regions calls for the European system for the mutual recognition of vocational qualifications to be strengthened in order to facilitate free movement and provide a framework for posted workers. The system must be supplemented by similar arrangements for the recognition of skills and competences for which there are no formal qualifications.	The responsibility for recognition of skills and qualifications lies with Member States. In the area of non-regulated professions, there exist European Union initiatives (like the Council Recommendation adopted in May or the Europass Decision) for increasing the transparency and comparability of skills and qualifications across Europe.
35. The Committee of the Regions takes the view that Europe should also invest heavily in sectors such as maritime	Investment in maritime industries is being promoted through different mechanisms such as the European Fund for Strategic

industries and marine biotechnologies where the challenge is to attain world leadership.	Investments (e.g. to improve ports and ports infrastructure) or the Connecting Europe Facility (e.g. for the development of "clean shipping"). Aquatic biotechnologies are brought into focus by the 2012 Bioeconomy Strategy and are also an important component of Blue Growth under Horizon 2020. The Bioeconomy strategy is being reviewed to ensure that investment and research priorities are in line with the current state-of-the-art.
36. The Committee of the Regions considers that Europe should also support the blue economy in the digital, environmental and energy transitions, as well as the modernisation of traditional sectors like fisheries and nautical and coastal tourism.	The digitalisation of the blue economy is being supported through various European Union funding instruments. As an example, co-funding of the Motorways of the Sea has provided support for the creation of National Single Windows, Sea Traffic Management and other e-maritime systems to streamline procedures and speed up the transport process and cargo clearance. Research funding has also been provided to carry out projects to develop autonomous and un-manned vessels (MUNIN project). The environmental transition of the blue economy is being supported thorough mechanisms and instruments, such as dedicated calls in the Horizon 2020 and LIFE programmes or Interreg funded projects. The energy transition is at the core of the Energy Union and is supported by the "Clean Energy For All Europeans" package adopted in November 2016[55]. The modernisation of the fisheries sector is being supported through the European Maritime Fisheries Fund, in particular to modernise infrastructure (landing sites, ports,

[55] COM(2016) 860 final.

	shelters) and the processing industry. To specifically promote nautical and coastal tourism a call of proposals for "Nautical Routes of Europe" was launched in 2016.
37. The Committee of the Regions stresses that it is important for the European Union to support the development of marine biotechnologies based on the exploitation of algae and micro-algae, fish, shellfish and marine bacteria. Marine biotechnologies offer very significant, emerging economic potential for many European regions. The European Union's support must cover research, research infrastructure projects and the creation of networks between such projects and with businesses, as well as access to capital, development and the launch of innovative products on the market.	A call for tenders to establish the Blue Bioeconomy Forum will shortly be launched. The Forum will gather stakeholders and establish a pipeline of biotechnology projects with strong research links which are ready for investment. This should strengthen our competitiveness in the emerging blue bioeconomy and foster innovative uses of aquatic biomass. The objective of the blue bioeconomy forum is to identify and develop technologies and conditions for an increased sustainable production of materials, feed, energy and food deriving from the collection, cultivation and husbandry of aquatic life.
38. The Committee of the Regions stresses the important role played by fisheries and aquaculture, and activities relating to catching, breeding, processing and marketing of derived products, in supporting Europe's regional economies and in providing food for the European population. Fisheries and aquaculture are also sectors of the future, and the European Union's support for them must be based on a positive and ambitious vision for jobs and training, especially for young people. As part of measures to put the new Common Fisheries Policy into practice, the European Union should work together with economic operators and public authorities, especially regions, in order to speed up and facilitate implementation of the European Maritime and Fisheries Fund, which is	The European Commission will organise an event to underline the potential of aquaculture and related activities as a means of strengthening regional economies. It will be organised in collaboration with the Committee of the Regions and other regional and local actors The event will take place in early 2018. It will mobilise greater understanding at regional (and local authority level) of how to facilitate and support development of this sector, in relation to the European Union rules which underpin it. This event will bring together the work of the European Commission and Member States on the same topic at the national scale, and will also be reflected through FARNET[56] with a transnational seminar on supporting aquaculture and blue growth through Fisheries Local Action

[56] This network brings together Fisheries Local Action Groups (FLAGs), managing authorities, citizens and experts from across the European Union to work on the sustainable development of fisheries and coastal areas.

experiencing significant delays.	Groups in November 2017. As far as the implementation of the European Maritime and Fisheries Fund is concerned, it has been delayed from the outset by the need to adopt updated delivery mechanisms. It is now fully operational in most Member States and projects are adopted at a normal pace.
39. The Committee of the Regions stresses the need to pursue an integrated approach to developing marine products, by creating short supply chains including producers and by strengthening industrial processing activities in coastal areas. This strategy of creating value and jobs around marine products in coastal areas must become a priority objective and receive more funding from both the European Maritime and Fisheries Fund and the Cohesion Policy.	The European Commission underlines that part of the European Maritime and Fisheries Fund is implemented under shared management and that priorities are established by Member States, as well as the financial allocations to the Union priorities.
40. The Committee of the Regions proposes the establishment of a European "maritime start-ups" system to support economic, social and territorial innovation projects;	The European Union is already making a considerable effort to support start-ups. For instance, supporting small and medium-sized enterprises and start-ups is an important function of small and medium-sized enterprise and innovation-related investments directed through Cohesion Policy, mainly the European Regional Development Fund. At European level there is also the small and medium-sized enterprise instrument that provides start-ups and small and medium-sized enterprises with grant financing. However, despite this effort, as outlined by the 2017 European Commission Staff Working document on Blue Growth 2013-2016[57], access to finance issues continue to be a major challenge for the development of the blue economy. Consequently, there has been a push recently, within the European

[57] SWD(2017) 128 final.

	Union, to shift a proportion of European Union funding from grants towards investments, to create more leverage with limited public funds but also enhance the result orientation of European Union funds.
41. The Committee of the Regions considers that ports are an essential basis for the development of the blue economy. They require support in order to be able to respond to the needs of new activities and to do this in a networked way, wherever possible. Their balance also depends on the dynamism of trade based on long-sea and short-sea shipping and the development of motorways of the sea.	In 2013 the European Commission adopted an initiative to improve port operations and onward transport connections. This initiative is implemented through a set of legislative and non-legislative measures, which include: - the application and modernization of the State aid rules, in the context of Competition Policy with, for example, the amendment[58] of the "General Block Exemption Regulation" regulated in European Commission Regulation (EU) 651/2014 of 17 June 2014[59], giving more flexibility to Member States to decide public funding of certain port investments without having to seek prior European Commission approval; - support to better planning, financing and funding of port infrastructure and their connections in the trans-European network with more than EUR 1 billion awarded since 2014 to support rail or inland waterways connecting ports with the hinterland, basic port infrastructure, innovation and green port projects; - initiatives to simplify procedures in ports, such as the European Maritime Single Window environment, including the eManifest.
42. The Committee of the Regions considers that the European Union must	Discussions on these topics are ongoing with the Council and the European Parliament.

58 Commission Regulation (EU) 2017/1084 of 14 June 2017 amending Regulation (EU) No 651/2014 as regards aid for port and airport infrastructure, notification thresholds for aid for culture and heritage conservation and for aid for sport and multifunctional recreational infrastructures, and regional operating aid schemes for outermost regions and amending Regulation (EU) No 702/2014 as regards the calculation of eligible costs. OJ L 156, 20.6.2017.

59 Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty Text with EEA relevance, OJ L 187, 26.6.2014.

give priority to the industrial development of renewable energies. To that end, the objectives of renewable energy production in Europe must go beyond the 27% by 2030 target currently proposed by the European Commission. The principle of technological neutrality needs to be made more flexible in order to give specific priority to the industrial development of the renewable energy sector, in which Europe is capable of attaining global leadership, thus creating many jobs.	They are part of the negotiations on the revised Renewables Directive, adopted in November 2016[60].
43. The Committee of the Regions would like funding measures (such as NER300) for Research and Development and demonstration projects to continue, and calls for improved financing of the initial stages of marketing.	Support to Research and Develpment and demonstration projects in marine energy is ensured by Horizon 2020 projects and guaranteed loans via the InnovFin Energy Demo Projects facility. The latter is currently being reinforced.
44. The Committee of the Regions emphasises that development of marine energy is based on a core set of cross-cutting skills and technologies which have been passed down from major, well established industries, such as oil and gas and shipbuilding. There is a need for stronger support for innovation and diversification in these industries. In this respect, the "LeaderSHIP 2020" policy paper on shipbuilding and maritime industries must lead to a European roadmap being drawn up which cuts across the various Community policies	The marine energy sector is well aware that there is base of cross-cutting skills and technologies from well-established industries. The maritime sector is involved in the supply chain of offshore wind. A strategic Roadmap on Ocean Energy[61] was published in November 2016 and stakeholders are following up on recommendations via the Strategic Energy Technology (SET) Plan.
45. The Committee of the Regions would like the European Union to focus on the following objectives over the next five years: - The competitiveness of the offshore	Ad 1) The European Commission would welcome an Offshore Wind sector not relying on subsidies; Ad 2) This is ongoing with Horizon 2020, Innovfin Energy Demonstration Projects and

[60] COM(2016) 767 final.

[61] https://webgate.ec.europa.eu/maritimeforum/sites/maritimeforum/files/OceanEnergyForum_Roadmap_Online_Version_08Nov2016.pdf.

wind energy sector and its progress towards becoming profitable without relying on subsidies; - The development of the floating wind turbine market, the international mass market and the tidal power market - a niche sector in which Europeans are very well placed; - Technologies promoting the development of energy autonomy in islands and remote regions, especially in tropical zones and overseas territories; - Maritime platforms for supporting and financing projects and a European fund for investment in the blue economy.	the European Regional Development Fund; Ad 3) The "Clean Energy for European Union islands initiative" is ongoing. The European Commission wishes to refer to its answers, *inter alia*, under Points 32, 35, 40, 46 and 52.
46. The Committee of the Regions proposes the establishment of regional or inter-regional blue economy platforms. These platforms would provide a mechanism for identifying projects, providing support for their implementation, and for the mobilisation of local, national and European financial tools. They would be managed by the regions, with the involvement of the maritime economy sectors, the Member States and the European Union, and their operation could be financed by these three actors, as well as by private partners. These platforms could be important partners in the deployment of the Juncker plan 2.0.	The European Commission believes that on Blue Growth there is considerable opportunity to bring the different regional and local maritime innovation/investment initiatives and their actors from the private and public sectors together to exploit complementarities and 'critical mass', harness economic opportunities and develop strategic project pipelines to support innovation in the Blue Economy. Stakeholder feedback highlighted this need for more strategic interregional collaboration in specific blue growth technologies, in order to concentrate complementary skills, knowledge and resources. This ‘joining up’ of partners across regions with the same/complementary investment focus is very important. It means bringing together key stakeholders in the region – research institutes, industry and regional governments – through an 'ecosystem' approach, and to get them to work together developing a strategy and project pipeline to

	achieve shared objectives. It involves trying to find synergies between different funding instruments rather than project opportunities being grasped in a random fashion that bring in funding but do not advance the strategy. While it is crucial that regions take a lead in this and demonstrate the political commitment to invest, and in particular to 'co-invest' in joint schemes, the Commission will facilitate the process of partnering but also incentivising more effective and new investments through, for instance, targeted calls or setting up a new financial instrument or providing better access to existing financial instruments for these partnerships and their investment pipelines.
47. The Committee of the Regions calls for the establishment of a European blue economy investment fund/mechanism. This fund, a maritime Juncker plan 2.0, could have two complementary intervention methods: direct financing at European level of structural and high-risk projects covering, for example, the initial phases of marketing for marine energy projects; the establishment of regional investment funds, at the level of regional or interregional blue economy platforms, fed by European funds and local partners, including banking and financial partners. In the framework of these funds, the European Fund for Strategic Investments must contribute significantly to risk financing and not offload this on local partners.	The 'Malta Declaration' calls for the development of public-private partnerships and similar platforms with the aim to allocate capital from the European Investment Bank/ the European Fund for Strategic Investments to address financing needs for Blue Growth. The establishment of regional or inter-regional blue economy platforms should be promoted in the framework of sea basin-based strategies, including relevant macro-regional strategies (like in the Adriatic and Baltic seas).
48. The Committee of the Regions calls for a programme to be set up to	On the occasion of the European Year of Cultural Heritage (2018), the European

research the cultural and maritime heritage of Europe and its coastal areas and to raise awareness of it.	Commission is planning maritime-related activities.
49. The Committee of the Regions proposes that a European programme – Children and the Sea – be developed in order to foster a common awareness of maritime issues and to arrange exchanges between children of coastal and non-coastal regions.	The European Commission welcomes the idea. It will examine its feasibility.
50. The Committee of the Regions considers that a new debate should be launched on the appropriateness of funding one or more European ocean exploration centres, which would be both scientific missions and a symbol capable of galvanising public interest in our oceans.	Before deciding on any such new centres, best practices and existing oceanographic centres should be mapped and assessed.
51. The Committee of the Regions reminds the European Commission about its call to create a knowledge and innovation community focused on the blue economy, which would encourage the transfer of ideas from marine research to the private sector.	This refers to "Knowledge and Innovation Communities" as developed under the umbrella of the European Institute for Technology. There are already a number of marine issues in existing Knowledge and Innovation Communities – for instance the ones on energy and climate change. The European Commission expects these to play a role in transferring ideas from research to the private sector.
52. The Committee of the Regions proposes that the European Union sponsor a "European maritime exhibition", straddling culture, science, the environment and the economy, for example along the lines of the "La Mer XXL" exhibition due to take place in Nantes in 2018.	The European Commission would welcome more information before taking any decision.
53. The Committee of the Regions considers it necessary to integrate into Horizon 2020 and the future Framework Programme a European strategy for knowledge of marine biodiversity and the	In addition to the European Commission's action to develop a mechanism to maximise the availability of European marine data and knowledge (Emodnet), the European Commission would point out that a study is

ocean floor, and for the acquisition of maritime and coastal data, e.g. bathymetric data.	underway to assess the benefits to society of more data on the sea and the seabed.
54. The Committee of the Regions notes that, following studies carried out by the European Commission and the European Committee of the Regions on the knowledge deficit regarding the blue economy, it is now necessary to set up a European resource centre on the blue economy in partnership with the Member States, the regions, Eurostat and the Joint Research Centre.	Before deciding on setting up such centres, a proper assessment of data and information needs and availability should to be carried out. In addition, the feasibility of such centres should be analysed in the framework of existing institutional arrangements. The modernisation of existing collections and data and information flows could be an alternative to setting up a new centre.
55. The Committee of the Regions proposes that maritime affairs become the responsibility of a vice-president of the European Commission, who would be assisted by a task force and would be responsible for the preparation and cross-cutting implementation of the White Paper on "The sea at the heart of Europe".	The internal organisation of the European Commission and the distribution of portfolios between the European Commission members and services are the prerogative of the European Commission's President.