## FOLLOW-UP PROVIDED BY THE EUROPEAN COMMISSION TO THE OPINIONS OF THE

## EUROPEAN COMMITTEE OF THE REGIONS

## PLENARY SESSION OF OCTOBER 2019

## 88th REPORT

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7.	Sustainable Europe by 2030, follow-up to the UN Sustainable Development Goals: ecological transition		
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9.	Implementing the Paris Agreement through innovative and sustainable energy transition at regional and local level Rapporteur: Witold STĘPIEŃ (PL/EPP)	COR-2019-00617- 00-01-AC-TRA ENVE-VI/040	
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13.	African swine fever and the EU pork market Rapporteur: Sławomir Sosnowski (PL/EPP)	COR-2019-00974- 00-00-AC-TRA NAT-VI/042	

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15.	Digital Europe for All: delivering smart and inclusive solutions on the Digital ground Finnish Presidency referral Rapporteur-general: Anne KARJALAINEN (FI/PES)	COR-2019-03082- 00-00-AC-TRA SEDEC-VI/053	
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17.	Research Infrastructures – the Future of the European Research Area (ERA) from a Regional and Cross- border Perspective Rapporteur: Eamon DOOLEY (IE/RE)		

N°1 Better regulation: taking stock and sustaining our commitment COM (2019)178final COR-2019-02579 – CIVEX-VI/041 136 <sup>th</sup> Plenary Session – October 2019 Rapporteur: Olgierd GEBLEWICZ (PL/EPP) SG – Vice-President ŠEFČOVIČ	
Points of the European Committee of the Regions opinion considered essential	European Commission position
2. states that the citizens of the European Union deserve good quality legislation that builds European added value, that is clear and well- communicated to those it is addressed to in terms of objectives, and that is monitored in terms of results. Because local and regional authorities implement and use approximately 70% of EU legislation, while also having the closest links to citizens, they must be directly involved in the process of creating good EU rules and the process of assessing their effectiveness. Because it is crucial from the point of view of implementing rules and for the perception of the EU that citizens understand the aim and benefits of rules, as credible bodies in the eyes of citizens, local and regional authorities must be fully involved in this communication process, i.e. providing information about and clarifying the meaning of rules in a way that can be understood at local level. The role of the Committee of the Regions, as a formal bridge between the EU institutions and local and regional authorities, is essential here;	The Commission acknowledges the important role the Committee and its members can play in promoting the participation of regions and local authorities in the EU policy-making process. It would therefore welcome their support in promoting via their channels the 'Have your say' portal and the possibilities of citizens and of regional and local authorities to engage in the EU policy-making process.
5. is aware that, in view of the competencies given to it under the Treaties and the human resources it has, the European Commission plays a key role in better regulation policy. However, the Committee points out that better regulation cannot be achieved exclusively through action at the EU level. It emphatically points out the important, but not fully exploited, potential of cooperation with local and regional authorities,	The Commission recognises the important role of local and regional authorities and the Committee as its bridging partner in a better regulation policy.

which the CoR is a natural bridge to;	
7. stresses that local and regional authorities are not currently directly involved in the negotiations between the EP and the Council during legislative procedures, and are also not directly involved in the formal subsidiarity control mechanism; recalls, however, that the CoR does have the right to take action before the European Court of Justice in cases where subsidiarity is not respected, and that it is using this possibility to reinforce its political messages on the subject and thus plays an important role in making the voices of local and regional authorities heard; calls on the Commission to explore ways of involving regional parliaments more closely in these processes for instance by formally including them in the early warning mechanism or the extension of the yellow and red cards system to regional parliaments in order to ensure that they can contribute positively to the development of active subsidiarity;	The Treaties provide that national Parliaments, when preparing a reasoned opinion, can consult, where appropriate, regional Parliaments with legislative powers <sup>1</sup> . Moreover, regional Parliaments can at any time address the Commission directly. As for introducing a 'red card' mechanism, which would require Treaties change, the Commission generally doubts its necessity, as a proposal that more than half of Member States' Parliaments do not wish to see adopted is not likely to be successful in the legislative process anyway. If a Commission proposal raises a significant level of subsidiarity concerns, and if regional Parliaments should express similar concerns in a timely manner, the new Commission instrument of aggregate responses to national Parliaments, which will give a landscape picture of all concerns expressed and the Commission position thereon, can cover also relevant opinions of regional Parliaments.
9. welcomes the Commission's call for REFIT measures to be strengthened through increased involvement of the Committee of the Regions;	The Commission will reinforce the contribution of local and regional authorities and the Committee in the successor to the regulatory fitness and performance (REFIT) platform. The Platform will bring together Member States' national, regional and local authorities, the Committee of the Regions, the Economic and Social Committee and stakeholders to support the Commission in its efforts to reduce burdens for business and citizens that are not fully necessary to achieve policy objectives.
11. notes that consultations with stakeholders can provide an important input into the content of legislation and have a legitimising effect – they	The Commission would like to highlight that the majority of responses to public consultations come from individual citizens.

<sup>1</sup> Art 6 of Protocol No 2.

boost acceptance of the rules and can thus make implementation much more effective. The Committee therefore welcomes the initiative to set up the "Have Your Say" portal for communicating with and consulting citizens. It notes, however, that responses from individual citizens so far constitute only a minority of submissions, which is probably due to the fact that the portal and the consultation processes are not yet widely known; therefore calls for a strengthening of measures to inform about and promote such consultations, not least through cooperation with local and regional authorities; in addition, suggests to envisage specific, targeted consultations for local and regional authorities, particularly on topics with particular relevance to them. In this context, involving the CoR by using its contacts in networks of representatives of local and regional authorities could make it possible to reach a wider range of individual and institutional stakeholders, which would improve the consultations' outcome;	Making available public consultations in at least 3 languages and major consultations in 23 languages has further increased their participation. The Commission will cooperate stronger with local and regional authorities and the Committee to allow them to inform and promote public consultations to the citizens. The Committee can help reach out to specific stakeholders in targeted consultations where their knowledge can provide valuable insight in the functioning of existing legislation and the impacts of proposed legislation.
<ul> <li>13. points to the need to undertake further work on developing impact assessment indicators that take into account tools covering the sub-national level, particularly indicators used to develop policies such as the sustainable development goals or a social scoreboard. This will enable European, national, local and regional authorities to familiarise themselves with the impact assessments in different regions and identify areas where improvements in legislation and policy-making are needed at the local level;</li> <li>27. calls on the Commission to ensure that future impact assessments comprise both an assessment of the economic burdens that new legislation may entail for the public sector and a territorial assessment. This will provide a more qualified basis for discussions on whether EU legislation is the most effective instrument;</li> </ul>	The Commission's impact assessment system is built on a comprehensive approach to impact analysis. There are three main categories – economic, social and environmental – and many specific ones (e.g. regional, SMEs, innovation, fundamental rights, digital, etc.). This needs to include, where relevant, a territorial assessment of these impacts. The potential burden for all relevant stakeholders, including costs for the public sector, is also assessed where relevant. As the whole impact assessment system applies the principle of proportionate analysis, these impacts are analysed and reported in the impact assessment whenever they are relevant for a given policy proposal. Citizens and stakeholders have the opportunity to draw the Commission's attention to specific relevant types of impacts by giving feedback on the inception impact

	assessment until four weeks after its publication.
	The Committee has a role to play in supporting the territorial impact assessments. Its constituencies can best identify which EU laws have the potential to affect local and regional authorities significantly to the extent that a specific territorial impact assessment needs to be carried out.
	The Commission will use impact assessments and ex-post evaluations to examine the compatibility of initiatives, proposals or pieces of existing legislation with the Sustainable Development Goals, as well as their impact, respectively, on the progress and implementation of these goals, which cover a very wide range of issues. This is why the Commission needs to make an informed judgement to assess which impacts are relevant.
14. draws attention to the diversity of European regions, which can result in a law having an asymmetrical territorial impact. Initial impact assessments should determine whether there is a territorial impact of policy implementation to be taken into account at an early stage in the legislative process and therefore it should become the usual practice for all Commission Directorates and departments to analyse this aspect when preparing legislation. This would allow them to better assess the best means to achieve their policy objectives and to carry out more in-depth territorial impact assessments on legislation where this is relevant. It would also help to sensitise all Commission directorates for the potential territorial and geographical impact of their policy choices;	The Commission will strengthen its focus already at the initial phase to identify whether territorial impacts are likely and need specific analysis in the impact assessment. The Committee has a role to play in supporting the territorial impact assessments. The Committee's constituencies can best identify which EU laws have the potential to affect local and regional authorities significantly, to the extent that a specific territorial impact assessment needs to be carried out.
15. notes that in 2018 it launched a pilot project on a network of regional hubs for gathering local and regional data on EU policy implementation through specific questionnaires (RegHub). The	The highly detailed information in the first RegHub implementation report is of great value for our policymaking. However, the effectiveness of RegHub would be greatly

Committee welcomes the fact that the Commission communication on better regulation confirms support for this project. It calls for further efforts to be made to improve this project and after the positive evaluation of the pilot phase, to integrate it into the system of EU policy and law-making; 22. notes that the European Commission pledged to step up its cooperation with the Committee of the Regions, as well as with the Economic and Social Committee and representative associations. After a successful completion of the pilot phase, the Regional networks (RegHub) can become a key channel for this increased cooperation. Notes that this would require the Commission, the CoR and all other stakeholders to define jointly with the hubs the timeline, content of policy areas and significance for regions and cities. In this context, the CoR calls for greater involvement of the European Commission already during the pilot phase of the	increased if the timing were aligned with the policy cycle in the selected policy areas. The Commission already works now with the Committee of the Regions to ensure that selected topics better fit in the Commission's policy-making cycle. For the future of RegHub after 2020, it is important to first see the results of the upcoming projects under the pilot. Additionally, the Commission believes that it is essential to consult the participating hubs on their experience with RegHub, to assess the results of this pilot.
Commission already during the pilot phase of the project; 23. invites the European Commission to consider the possibility of expanding RegHub after the pilot phase has been completed. The added value the project can bring if the networks are developed, and around 280 regions are involved, increases significantly. Pan-European regional networks (RegHub) could become an important tool for overcoming some of the challenges currently facing the better regulation project and many regions have expressed great interest in participating in the pilot phase of the project. Nevertheless, developing and maintaining such networks would entail investments of financial and human resources along with support for the regions which intend to ensure that they are ready to make a long-term contribution to the network's activities once the pilot phase is completed; 16. strongly supports the objectives of the REFIT	As member of the REFIT Platform
16. strongly supports the objectives of the REFIT platform; has been a member of the platform's	As member of the REFIT Platform Stakeholder group, the Committee

stakeholder group since it was established in 2015; calls for the platform's mandate to be extended in line with the proposals of the Subsidiarity Task Force, which identified a number of problems preventing the CoR from contributing more effectively to the functioning of the platform; stresses that the CoR, as a consultative body, is best placed to provide informed input, but that at present the highly specific and technical nature of submissions to the platform, and the short deadline for submitting contributions, do not allow the Committee of the Regions to make use of its potential and make an appropriately significant contribution; also points to the major contribution that the RegHub network could make, via the CoR, to the REFIT platform's objectives;	contributed to the REFIT Platform opinion on future prospects <sup>2</sup> that fed into the Better Regulation Stocktaking. The Commission thanks the Committee for the proposals for improvement made in that opinion. The Commission agrees that the new Platform should streamline its working methods, be better known to the public and provide timely feedback. It should place greater focus on issues such as subsidiarity, proportionality, legislative density, in addition to the existing focus on simplification. Moreover, it should consider the efficiency of existing legislation also in the light of emerging worldwide trends and challenges. To this end, the Commission will consider ways to increase the Platform's expertise and the involvement of local and regional authorities who are responsible for implementing the Union legislation. The Committee's activities will stimulate the Platform's work.
17. while acknowledging the Commission's efforts to date to review existing legislation, recommends preparing sectoral plans for the revision of laws to ensure coherent and systematic implementation of the objectives set by the Commission. At the same time, the CoR highlights that both when evaluating existing rules and when creating new ones, it is necessary to strengthen multi-level cooperation based on mutual trust; notes that this cooperation should entail actively involving the regions and local authorities from the outset in shaping the European Commission's annual work programme, as well as in the annual planning of legislative assessment and monitoring activities, particularly as regards territorial impact;	The Commission encourages its services to undertake sectoral fitness checks looking comprehensively on how legislation has performed in a given sector. These will then lead to more coherent revision planning. The Commission sets out its strategic revisions and REFIT evaluations in its yearly work programme. In accordance with the Protocol on the cooperation between the Commission and the Committee, during the preparation of the Commission work programme, the Commission discusses the Committee's priorities with its President. The Committee, as representative of the regions and local authorities, is welcome to gather their views prior to that discussion.

<sup>&</sup>lt;sup>2</sup> XXII.10. a REFIT Platform Survey – future prospects'

18. agrees with the need to strengthen the application of the subsidiarity and proportionality principles in EU decision-making as part of a more overarching agenda for better regulation. The Committee calls for the principles of subsidiarity and proportionality to be given the highest priority and for an active approach to be taken to subsidiarity, as a way to ensure that bottom-up input is fully taken into consideration within the framework of existing competencies at EU level. These principles must be treated as fundamental aspects of the EU decision-making process, not least through close cooperation with the Committee of the Regions, as the institutional representative of local and regional authorities, which are responsible for directly applying large parts of European law;	The Commission will start using the subsidiarity assessment grid in its impact assessments, as developed by the Committee and proposed again by the subsidiarity task force. The grid is meant to facilitate a discussion among everyone involved in EU legislation on whether the legal proposals respect the principles of subsidiarity and proportionality, including in cases of shared competence. In addition, improvements are planned, such as better distilling the views from local and regional authorities from the received consultation contributions. The Commission encourages its services to pay particular attention to subsidiarity and proportionality. Commission services are advised to reach out to local and regional authorities via the Committee when relevant.
19. points out that in terms of work methodology, the REFIT platform seeks to include both the technical and the political level within the same framework; at the same time, notes that the Committee of the Regions, which represents local and regional political authorities, is treated as an interest group, which does not reflect the nature of its composition; calls, therefore, for the methodology to be reconfigured so that CoR representatives are more directly involved in the political process determining the policy objectives of the platform and of selecting the provisions to be analysed. This would allow CoR members who take part in the platform to make full use of their experience and expertise concerning the implementation of European law and its impact on citizens, while also building the bridge to the CoR's networks;	close cooperation and is looking forward to its continuation. The Commission agrees that the new Platform should take into account multiple sources in order to identify where there are indications of unnecessary costs stemming from Union legislation for businesses, in particular small and medium sized enterprises, and for citizens. The sources include evaluation and fitness check, the Report of the Task Force on Subsidiarity, Proportionality and 'Doing less more efficiently', input from stakeholders, Member States and the wider public.

20. reiterates that it is important for local and regional authorities to be able to adapt EU regulations to local and regional circumstances to avoid creating unnecessary administrative formalities, restrictions or economic burdens. The Task Force on Subsidiarity and Proportionality points out that regulatory density has increased, narrowing the margin for interpretation that should exist when implementing directives. This makes it harder for the Commission to achieve better and more efficient regulation. The issue therefore needs to be addressed in the future work on better regulation;	To make life easier for people and businesses, the Commission must ensure that legislation is targeted, easy to comply with and does not add unnecessary regulatory burden. Its Regulatory fitness and performance (REFIT) programme aims at screening the potential for simplification and burden reduction of legislation whenever the Commission revises or evaluates existing legislation. Under this programme, the Commission will continue to simplify its existing stock of legislation, make it more future proof and reduce unnecessary costs. The One-In, One-Out approach, announced by President von der Leyen in her Political Guidelines, will fit in the better regulation system and it will complement the REFIT programme by introducing a system that will offset new burdens. The new Platform replacing the REFIT Platform will support the REFIT programme and the One In, One Out approach. The Platform will bring together Member States' national, regional and local authorities, the Committee of the Regions, the Economic and Social Committee and stakeholders to support the Commission in its efforts to reduce burdens for business and citizens that are not fully necessary to achieve policy objectives. The Platform will also look for evidence on additional burdens coming from the implementation of Union legislation in Member States, to the extent possible.
21. recommends also to modify the structure of the REFIT platform by including experts from the local or regional level in the work of national expert groups and groups that bring together representatives of interest groups; this would be an additional way to implement, the recommendations of the working group on increasing the role of local and regional authorities in the law-making process contained	In terms of composition, the Platform could include a greater presence from local and regional authorities adding to the expertise brought in by the Member States group.

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in the Commission's communication;	
<ul> <li>24. welcomes the fact that the European Parliament, Council and Commission signed a new interinstitutional agreement on better regulation in 2016 and that the agreement increased control over the procedure for adopting delegated and implementing acts. The Committee points out, however, that this agreement has not been fully implemented by the signatory institutions and that the Committee of the Regions, was unfortunately not included in the process of drawing it up; highlights that on the basis of the points raised above, it would indeed be in the overall institutional interest of the EU to involve the European Committee of the Regions in any future revision of the inter-institutional agreement;</li> <li>29. calls for the CoR to be included in the next interinstitutional agreement on better regulation, which will be concluded between the European Commission, in the form of a special protocol for agreement with the Committee of the Regions, particularly concerning the implementation of certain evaluation and consultation mechanisms;</li> </ul>	The Commission hopes for the advancement and further implementation of the Interinstitutional Agreement on Better Law- making. The agreement has proven valuable, although some parts still need progress. It is not legally binding, but represents all institutions commitment to the Better Regulation Agenda. In particular, the Commission hopes for advancement regarding the co-legislators assessing the impacts of substantial amendments and ensuring adequate monitoring and reporting provisions.
25. calls for the Regulatory Scrutiny Board to be expanded to include a permanent member designated by the Committee of the Regions. The justification for this expansion is the urgent need to raise the Board's awareness of local and regional perspectives on EU legislation; is convinced that giving local and regional authorities and the CoR a stronger, formalised role in shaping EU policies and law is the only way to help ensure rules are more effective and boost compliance with the principles of subsidiarity and proportionality, thus increasing	The Regulatory Scrutiny Board consists of members with expertise in evaluations and impact assessment. Its role is to ensure the quality of impact assessments and evaluations. This assessment covers also whether impact assessments and evaluations sufficiently address territorial impacts and that subsidiarity and proportionality aspects are adequately covered.

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legitimacy;	
30. calls on the European Commission, in cooperation with the CoR, to brief and train the regions and local authorities on the procedures and tools for better regulation. Due account should be given to the information and training initiatives already in place in the Member States, organised by the regions themselves or their representative associations, in order to promote links, synergies and the exchange of information and best practices between the people running both types of initiative and the European Commission through the CoR;	The Commission has published its better regulation guidelines and toolbox <sup>3</sup> providing the information on how better regulation is applied. It will keep the Committee and the public updated on any changes. The Commission has regular exchanges with the Committee to support its efforts to brief regions and local authorities on procedures and rules for better regulation.
31. recommends that, as part of the better regulation approach, the Commission develop communication approaches that aim to convey the need for – and importance of – difficult or controversial future legislative proposals to the public in a transparent way and at an early stage. 34. stresses that good regulation also means communicating effectively to citizens the reasons, meaning and benefits of laws, something which, due to communication, language or cultural barriers or distance, cannot be achieved effectively at EU or national level; therefore recommends that, from the very beginning, when communicating on the legislative process, the Commission should work closely with the Committee of the Regions which, as the representative of local communities, was created in part by associations of local and regional authorities from across the EU. In this way, communication will be comprehensible for those who apply European law, thereby contributing to a positive image of European institutions and the rules they create.	The Commission acknowledges the important role the Committee and its members can play in promoting the participation of regions and local authorities in the EU policy-making process. It would therefore welcome their support in promoting via their channels the 'Have your say' portal and the possibilities of citizens and of regional and local authorities to engage in the EU policy-making process.

<sup>&</sup>lt;sup>3</sup> <u>https://ec.europa.eu/info/law/law-making-process/planning-and-proposing-law/better-regulation-why-and-how/better-regulation-guidelines-and-toolbox\_en</u>

32. calls for regions that have constitutional legislative powers to be taken into account, and for channels to be provided for full and direct involvement in drawing up legislative acts that are linked to their fields of competence;	The Commission will reinforce its promotion of the possibilities of citizens and stakeholders to get involved in shaping EU policies. Regions that have constitutional legislative powers can contribute to public consultations. The Committee has a role to play in supporting territorial impact assessments. The Committees constituencies can best identify which EU laws have the potential to affect local and regional authorities significantly to the extent that a specific territorial impact assessment is carried out.
33. endorses the European Commission's view that better regulation requires a joint effort, while at the same time emphasising that this initiative has a multi-level dimension, meaning that responsibility must be shared between all tiers of governance; therefore recommends that the European Commission amend the guidelines for better regulation so as to factor the regional dimension into the procedures and tools laid down in the agenda for the entire policy cycle, drawing partly on appropriate consultation of the networks of regions and local authorities coordinated by the CoR;	In its communication following the Task Force on Subsidiarity, Proportionality and 'Doing Less More Efficiently' <sup>4</sup> , the Commission has committed to make the feedback that it receives on its proposals from local and regional authorities more visible to the European Parliament and the Council in each legislative procedure. When analysing and summarising contributions received through public consultations, the Commission will better distinguish between levels of government to give local and regional governments more visibility. Moreover, the Commission will ensure that evaluations look more closely at subsidiarity, proportionality, legislative density and the role of local and regional authorities.

Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions on The principles of subsidiarity and proportionality: Strengthening their role in the EU's policymaking, COM(2018) 703 final <a href="https://ec.europa.eu/info/sites/info/files/communication-principles-subsidiarity-proportionality-strengthening-role-policymaking\_en.pdf">https://ec.europa.eu/info/sites/info/files/communication-principles-subsidiarity-proportionality-strengthening-role-policymaking\_en.pdf</a> 4

N°2 Recommendations for the successful design of regional development strategies beyond 2020 COR-2019-00644 – COTER-VI/052 136 <sup>th</sup> Plenary session: October 2019 Rapporteur: Adam STRUZIK (PL/EPP) DG REGIO – Commissioner FERREIRA	
Points of the European Committee of the Regions opinion considered essential	European Commission position
8. draws attention to the European Semester's mismatch with cohesion policy objectives. Cohesion policy is a standalone policy and the Treaty objective (economic, social and territorial cohesion) must be maintained at all times. This means paying attention to the degree of relevance between the country-specific recommendations and the cohesion programmes and the importance of cooperation between national, regional and local authorities in terms of both the national reform programmes (NRPs) and the cohesion programmes;	The Commission is of the opinion that the European Semester and cohesion policy are mutually reinforcing. The Commission's legislative proposal for the post-2020 Common Provisions Regulation envisages that only the relevant country-specific recommendations are taken into account in the programming and implementation of cohesion policy support. The Commission welcomes the point on the importance of cooperation between national, regional and local authorities as regards both the National Reform Programmes and cohesion policy programmes.
12. underlines that it is very important to base financial and strategic decisions on current socio-economic development indicators. The proposals for the 2021-2027 financial perspective are based on data for the 2014- 2016 period, which significantly distorts the view of the current socio-economic situation in the regions. The indicators to be analysed should be taken from a period no earlier than the last three years preceding the financing period, i.e. from 2017-2019;	The Commission's proposal published in May 2018 was based on the most recent and complete data that was available and published by Eurostat at the time of preparing the Commission proposal. It was based on figures provided by the Member States before the end of 2017. Please note that collection of comprehensive data across all Member States requires time. The Commission's proposal is currently subject to the legislative negotiations. The Commission has informed the co-legislators in an open, transparent manner on the possible impacts of a statistical update.
13. stresses the need to take into account the current statistical divisions when shaping future development policy, particularly with regard to the European Union's multiannual financial framework (MFF) for the 2021-2027	The Commission made its proposals in May 2018. As in the past, for the purposes of preparing its post-2020 proposals the Commission has relied on the most recent available regional data which

financial perspective and beyond. It therefore calls on the European Commission to thoroughly rethink its approach in this area when creating the MFF; 14. points out that the work on changing the approach and implementing recommendations should involve Eurostat, which should step up work on improving the system of collecting and processing data that help to adjust to new needs and improve cooperation, while also increasing the effectiveness of data collection;	<ul> <li>for the years 2014-2016 – were only available in the Nomenclature of Territorial Units for Statistics (NUTS) 2013 breakdown.</li> <li>The new Nomenclature of Territorial Units for Statistics (NUTS) classification<sup>5</sup> applied from 1 January 2018, due to the transmission of new data by national statistical authorities to Eurostat. In accordance with Regulation 549/2013 of 21 May 2013<sup>6</sup> on the European System of National and Regional Accounts, national statistical institutes have 12 months following the end of the reference year (i.e. by end 2018) for the transmission of the basic data (i.e. referring to previous years) to Eurostat.</li> <li>As now data is available under the new classification, it can be used for allocation calculations and defining the list of eligible regions. For reasons of equity, the same Nomenclature of Territorial Units for Statistics (NUTS) classification should be used for all regions and Member States.</li> </ul>
<ul> <li>15. points out that GDP is a way of measuring production and does not measure environmental sustainability, resource efficiency, social inclusion and social progress in general. In this context, the Committee points out the need for additional indicators to be included which will measure quality of life in a fairer and clearer way and act as a complement to GDP;</li> <li>16. calls for the development of clear and measurable indicators that would take account of climate change, biodiversity, resource efficiency and social inclusion. It also calls for the development of households and would reflect their income, level of consumption and wealth;</li> </ul>	The Commission's proposal strikes a balance between continuity and the need to make the necessary adjustments, reflecting the Union's key challenges. The allocation method is based on regional and national prosperity (Gross Domestic Product and Gross National Income), alongside the regional unemployment. This method constituted the basis for the proposed 2021-2027 allocation method; with a handful of further indicators (youth unemployment, education, climate change, and migration). Some parameters were also adjusted to ensure a fair and balanced outcome.

Commission Regulation 2016/2066 of 21 November 2016. OJ L 174, 26.6.2013 5 6

18. points out the need to develop long-term policy frameworks at EU level that would replace the Europe 2020 strategy and allow for national and regional or local strategies to be developed that would contribute to achieving sustainable development goals, taking into account the benefits of also creating a cross- border partnership to address common challenges;	The Commission takes note of the Committee's call for a clear political strategy by renewing the Europe 2020 strategy. The Commission proposals for the next Multiannual Financial Framework adopted in May/June 2018 are built around the political priorities agreed by Leaders in Bratislava and set out in the Rome Declaration. In particular, the Commission proposal on Common Provisions Regulation is clearly aligned with the current political agenda and commitments of the Union, as reflected by the proposed five policy objectives under Article 4(1). In addition, the alignment is further enhanced through the closer link built with the European Semester.
21. points out that the 17 sustainable development goals do not contain a specific regional goal that would be connected with the TFEU goals on ensuring sustainable regional development in the European Union and decreasing the differences in the levels of regions' development so that no territory would be left behind;	As regards Sustainable Development Goals, the Commission would like to point out that 94% of the planned investments for the 2014-2020 cohesion policy programmes have been allocated to 11 Sustainable Development Goals highly relevant for social, economic and environmental development and this alignment would continue over 2020.
22. recommends that cities and regions take SDGs into account as a guiding principle when developing regional or local development strategies, particularly in view of the fact that a strategy for a sustainable Europe by 2030 still needs to be developed. It also requires cities and regions, as the decision-makers closest to their citizens, businesses and local communities, to adapt SDGs to the specific characteristics of the area;	The Commission welcomes the recommendation that cities and regions take Sustainable Development Goals into account in preparing their development strategies, taking into account their specific economic, social and territorial context.
32. regrets that the European Agricultural Fund for Rural Development (EAFRD) has been removed from the Common Provisions Regulation. Together with diverging provisions in the sector regulations, this will hamper the coordination of measures related to	The proposed reform of the Common Agricultural Policy, with enhanced integration of interventions under the two Common Agricultural Policy pillars, would create substantial difficulties and complexities if the European Agricultural Fund for Rural 18/133

adapting to climate change and biodiversity, as well as overall cross-fund strategies and cooperation structures at regional level;	Development was to be among the funds to which the proposed Common Provisions Regulation would apply.
	The Commission disagrees that this will hinder continuous synergies between the European Agricultural Fund for Rural Development and cohesion policy funds. The Commission proposal requires that the Member State presents in its Partnership Agreement the envisaged coordination and complementarities with other European Union policies, including the Common Agricultural Policy. Moreover, coordination, demarcation and complementarities between the European Agricultural Fund for Rural Development and other EU funds active in rural areas will also be presented by Member States in their Common Agricultural Policy Strategic Plans. There are no obstacles for building on the current coordination mechanisms on the ground, especially as regards the local initiatives. It is worth noting that the proposed provisions in the Common Provisions Regulation on the territorial development will apply as well to the post-2020 European Agricultural Fund for Rural Development.
35. criticises the fact that the Europe 2020 strategy concerning further development of the European Union did not take culture into account. The CoR therefore calls for culture – along with its institutions and locations – to be considered a strategic area in the next strategy and policy planning. In this context, it calls on regions that see their cultural heritage as a particularly strong asset to take it into account in smart specialisation strategies;	As regards the scope of support from European Regional Development Fund (ERDF) in the next programming period, the Commission proposed an explicit reference to 'cultural heritage' under policy objective 5 ('a Europe closer to citizen') in order to ensure that these investments are part of an integrated strategy for a given territory. However, this does not exclude supporting culture projects under any policy objective, e.g.: - Creative industries can receive full European Regional Development Fund (ERDF) support under policy objective 1 ('a smarter Europe') as long as they are part of the national or regional smart specialisation strategy.

	<ul> <li>Various e-services to citizens, companies and public institutions linked to the culture sector can be supported from European Regional Development Fund (ERDF) also under policy objective 1.</li> <li>Cultural institutions can be supported from European Regional Development Fund (ERDF) for promoting renewable energy or energy efficiency in buildings under policy objective 2 ('a greener Europe').</li> </ul>
	- Under policy objective 4 ('a more inclusive Europe') cultural projects may be supported from European Regional Development Fund (ERDF) in view of promoting the integration of marginalised communities and disadvantaged groups.
	Based on lessons learnt, a reference to specific sectors, investments or target groups need to be applied cautiously, because such level of detail often leads to interpretation questions or may create unintentional legal uncertainties or even obstacles for implementation. In its proposal for the post-2020 the European Regional Development Fund (ERDF) and Cohesion Fund Regulation, the Commission proposed to move away from a limitation of support to cultural and tourism infrastructure only to small-scale investments, which is in place for the current programming period. The Member States and the Commission will discuss on the content of the post-2020 cohesion policy programmes, including investments in the culture sector.
49. recommends that the managing authorities make full use of the opportunities provided by the regulation laying down common provisions for cohesion policy (Article 57(4) of the European Commission proposal) with a view to programming interregional or cross-border cooperation projects with regional ESIF programmes to address cross-border functional areas. Close coordination with the relevant	The Commission welcomes this recommendation, which recognises the proposed simplification.

INTERREG programmes is necessary when developing such projects to ensure complementarity and avoid duplication;	
50. reiterates its support for the proposed European cross-border mechanism, which would be hugely significant for removing obstacles and bottlenecks in cross-border cooperation;	The Commission welcomes the support for this initiative.
51. emphasises that it is important that the European Union launch a genuine strategy for cultural diplomacy. To this end, it is necessary to promote communication and artistic and cultural exchange between the EU's regions – particularly with the outermost regions – and third countries, including through measures to make it easier for artists to travel to third countries and present their work there, and vice-versa.	The Joint Communication 'Towards an EU Strategy for International Cultural Relations' 2016 is the main framework for the European Union relations with third countries in the field of culture, together with the New European Agenda for Culture and the Council Conclusions on international cultural relations (respectively May 2018 and April 2019). The latter Council Conclusions have called on the Member States, the Commission and the High Representative of the Union for Foreign affairs and security policy to facilitate, through the appropriate institutional and legal frameworks and support measures, the mobility of artists and cultural professionals between the European Union and third countries.

N°3 Better Communication on Cohesion Policy COR-2019-00645 – COTER-VI/053 136 <sup>th</sup> Plenary session – October 2019 Rapporteur: Adrian Ovidiu TEBAN (RO/EPP) DG REGIO – Commissioner FERREIRA	
Points of the European Committee of the Regions opinion considered essential	European Commission position
3. in principle, communication should be an integral part of policy-making and implementation. Awareness of local EU-funded projects amongst beneficiaries and civil society is crucial, despite different funding amounts in specific regions, and can only be the result of a common effort of all levels of government involved. The multi-level governance model and the partnership principle, both based on enhanced coordination among public authorities, economic and social partners and civil society, can contribute to a more efficient communication of EU policy objectives and results	The Commission also considers communication as an integral part of policy-making and a joint responsibility involving the European Union institutions, Member States and civil society alike. This has been set out clearly in the Commission's contribution to the Sibiu leaders' meeting. <sup>7</sup> The cohesion policy regulatory framework for the current period has significantly reinforced the responsibilities of Member States and programmes' authorities in terms of transparency and visibility. The proposed legislation for 2021-2027 goes in the same direction.
	Furthermore, the start of a new cycle of cohesion policy programmes (2021-2027) provides an opportunity for embedding communication activities in the planning of implementation of the policy. It would require specific joint efforts on the ground to demonstrate what Europe is doing for the citizens.
	The Commission encourages the continued expansion of communication campaigns and activities working together with national, regional and local authorities in order to deliver coordinated messages that are coherent, consistent, credible and relevant for the general or specific public, building on synergies and further leverage effect. In fact, the Commission

<sup>&</sup>lt;sup>7</sup> Communication 'Europe in May 2019', adopted on 30 April 2019.

	has been recently deploying a series of campaigns, such as 'EUinMyRegion' <sup>8</sup> or 'European Union delivers in the Regions', relying on a close cooperation between the European Union and local/regional authorities.
5. notes that EU cohesion policy and the interventions by its funds are accompanied by information and publicity requirements, which mean that the national and regional authorities tasked with implementation, as well as the final beneficiaries, are legally required to carry out communication activities. These requirements have developed over the past three decades from simple information measures such as commemorative plaques to more sophisticated communication strategies including multi-annual strategies, annual plans, minimal requirements and evaluations to be carried out for each operational programme	The legislative proposal for a Common Provisions Regulation for 2021-2027 <sup>9</sup> further strengthens the role of communication as a strategic and central aspect of programmes through more detailed requirements. This is part of the wider and stronger effort of the Commission to align the requirements for communication and visibility across all programmes and management modes. This effort would lead to a more consistent way of communicating the European Union across all instruments. It will be crucially important that the Commission and all concerned actors work closely together to ensure awareness and implementation of these requirements.
10. points out that both the perception of the cohesion policy and support for the EU may vary between population groups and between regions. However, more evidence is required to reach clear-cut conclusions in this regard. For this purpose, information on representative samples of individuals will be required for all EU regions. Therefore, when any Eurobarometer is planned to be representative in all EU regions (NUTS 2 or equivalent), proposes to include questions reporting on the	The Commission plans to launch a reflection on how to refine the focus of the Eurobarometer on public perception of cohesion policy. The possibility to shift to NUTS-2 <sup>10</sup> and to include new questions may be considered, provided that sufficient financial resources are available. Since 2012, the Commission has conducted Flash Eurobarometer surveys 'Public opinion in the EU regions' <sup>11</sup> , which are representative of a very large number of European Union regions (204 regions in the last survey of 2018). These

EUinMyRegion/Project open days is a DG REGIO flagship campaigns encouraging citizens to discover European projects near them. It consists of four different initiatives which involve the public in visiting projects and sharing images and experiences via social media (<u>https://ec.europa.eu/regional\_policy/en/policy/communication/euinmyregion/</u> 8

9 COM(2018) 375 final

COM(2018) 375 final There are three levels of Nomenclature of Territorial Units for Statistics (NUTS) defined. This category refers to regions belonging to the second level (NUTS 2, also known as NUTS II), which is largely used by Eurostat and other European Union bodies. Flash Eurobarometer 480: Citizens' awareness and perception of EU Regional policy (October 2019). https://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/survey/getsurvey/detail/instruments/flash/survey/ky/2227 23 / 135 10

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perception of the cohesion policy and the citizens' support to the European project;	surveys are carried out every three years.
11. highlights the need to improve knowledge about the impact of citizens' perception of the EU cohesion policy on their support for the European building process. This is crucial for the a priori evaluation of the effectiveness of specific communication policies aiming at fostering positive attitudes towards the cohesion policy and the EU overall. Consequently, suggests the inclusion of specific questions on support for the EU and perception of the EU cohesion policy within the same standard Eurobarometer surveys;	The Commission will consider the inclusion of a specific question on the European Union cohesion policy in the Standard Eurobarometer survey, which already covers the support for the European Union, provided that sufficient financial resources are available.
14. takes the view that cohesion policy needs to be communicated differently, which includes a need to target wider audiences and not only stakeholders. The general public should be the focus of targeted communication, and this communication needs to resonate with people: it has to tell stories about impacts on local citizens, and not just spread numbers or charts about faraway job markets or remote infrastructure issues and peoples, it should focus on the role played by the EU as level of government in people's lives, not on informing the public on its variety of different funds and projects. Crucially, the importance of trust in the messenger is at least as important as the message. And public trust in local and regional authorities is higher than in national governments or the EU. Regional and local politicians therefore have a potentially decisive role to play, and CoR members in particular, as "ambassadors of Europe in the regions, cities and municipalities" should set an example.	The current regulation, as well as the legislative proposal for a Common Provisions Regulation for 2021-2027, stress that communication efforts should also target the general public. Over the past years, the Commission has considerably changed and strengthened its approach to communicate to a broad public through targeted corporate and policy campaigns, reaching out to hearts and minds and building on human stories, what the European Union stands for and how it improves the lives of citizens, including in rural areas. In this context, it has stepped up substantially its communication activities on cohesion policy targeting the general public. These efforts will be pursued to achieve a lasting impact. Regional and local politicians, including the Committee members, are invited to the events organised in the framework of the corporate campaign for rural areas.
16. highlights the need to engage in a more permanent dialogue with citizens and involve them more often in decision-making, which can provide accountability and legitimacy to cohesion policy delivery. In this sense, the new	The Commission is working on facilitating cooperation between the different outreach networks of the Commission with physical outlets in the regions (not only in the capitals). In some regions, these networks are already 24/135

overarching objective 5 for the period 2021- 2027 – "A Europe closer to citizens" – should make best use of existing experiences with community-led local development and participatory budgeting at local level, as well as other methods aimed at increasing citizen participation. The involvement of CoR members, mayors and other locally elected representatives in the European Commission's communication campaigns on Cohesion policy could be a way to raise a positive awareness on the benefits of the European Union in citizens' daily lives.	working together on communicating the European Union. The Commission encourages the Committee members to participate in the discussions. The policy objective 5 aims to strengthen the integrated territorial development approach by supporting territorial and local development strategies in the form of territorial tools such as integrated territorial investments ('ITI'), community-led local development ('CLLD') or any other territorial tool where territorial actors and citizens are directly involved in designing the strategies and implementing interventions co-funded by cohesion policy. The Commission President has highlighted in her Political Guidelines for the Commission 2019-2024 <sup>12</sup> that citizens should have their say in the framework of the Conference on the Future of Europe, which should bring them together with civil society and the European institutions. The President committed to follow up on what is agreed in this context, including legislative action, if appropriate. In the missions letters to the Commissioners, she asked them to 'bring Europe closer to home', by 'strengthening the links between people and the institutions that serve them, narrowing the gap between expectation and reality and communicating about what Europe is doing'.
19. suggests that the operational programmes	The Commission endorses the principle of
should focus on people's needs and on	communicating genuinely in a two-way process.
communicating not only "to the people" but	The legislative proposal for a Common
more particularly "with the people". In this	Provisions Regulation for 2021-2027 requests
connection, the Committee stresses the	the Member States to organise a partnership
importance of the Partnership Agreements	providing for the possible greatest involvement
which foresee dialogue mechanisms with	of different partners, including citizens, in
citizens in designing interventions co-funded by	programming and implementation, in particular
EU cohesion policy at all stages of preparation,	through their representatives within civil society
implementation and evaluation of operational	organisations. The code of conduct on
programmes, including recommendations that	partnership, which will be also applicable for

<sup>12</sup> <u>https://ec.europa.eu/commission/sites/beta-political/files/political-guidelines-next-commission\_en.pdf</u>

Member States involve local authorities in all	the marie 1 2021 2027 ameridae the start of
phases;	the period 2021-2027, provides the elements for an effective participation of these actors in the policy. At the same, citizens are expected to be involved directly in the implementation of the policy through diverse citizens' engagement activities, such as the civic monitoring of projects under 'Integrity Pacts' <sup>13</sup> .
20. encourages the uptake of democratic innovations such as participatory budgeting and deliberation (juries, panels and polls) in order to give local people a say and thus drastically change the way citizens engage in the communication mechanism;	Deliberative methods have been tested as an engagement channel by the Commission in the framework of its Citizens' Dialogues in 2018 and 2019. The Commission is furthering the take-up of citizens' engagement activities in the framework of cohesion policy through a series of pilot projects. Amongst these are the Integrity pacts where citizens are directly involved in monitoring the implementation of the policy.
<ul> <li>21. points out that the visibility of cohesion policy investments is a shared responsibility of the European Commission and the Member States and that the competent local and regional authorities should be involved in formulating effective communication strategies;</li> <li>25. asks the European Commission to extend the efforts already carried out with managing authorities to political representatives from regions and cities to test new ways of communication. Local and regional authorities, as well as beneficiaries, constitute the most effective and closer interlocutors of citizens;</li> </ul>	In line with its communication and visibility requirements, the Commission shares the view that the managing authorities at national, regional and local level, as well as beneficiaries, should take greater responsibility for communicating on how the European Union impacts positively on people's daily lives. Local and regional authorities and beneficiaries of the European Union support are among the most important partners and endorsers of the corporate campaign for rural areas.
36. recommends that communication of Cohesion Policy focuses not only on the outcomes and results of EU-funded projects but primarily at the benefits that these projects have for everyday life of citizens. In this sense, the local and regional level seem to be most suitable for such communication (how EU helped my municipality, city or region) and the	This will indeed be central when implementing and communicating on European Union policies and programmes under the future long-term budget, as part of the Commission's strengthened approach on communication and visibility. In cohesion policy, there are several actions already in place and planned to be further

<sup>13</sup> <u>https://ec.europa.eu/regional\_policy/en/policy/how/improving-investment/integrity-pacts/</u>

active role of Europe Direct Information Centres should be encouraged;	<ul> <li>extended to facilitate cooperation between Europe Direct Information Centres and communicators of cohesion policy, mainly the <u>members of the INFORM-INIO network<sup>14</sup>:</u></li> <li>Europe Direct Information Centres showcase local/regional projects and discuss topics of local/regional interest.</li> <li>INFORM-INIO members and Europe Direct Information Centres, European Documentation Centres and Team Europe members will join forces with other networks located in their respective geographical areas and engage with citizens.</li> <li>The continuous interaction with managing authorities is pivotal to reach broader audiences at local level, to engage communities and stimulate citizens' participation.</li> </ul>
28. consequently asks the Council and the European Parliament to include a specific financial envelope for communication within technical assistance and, where appropriate, to increase the number of binding publicity and information requirements for cohesion policy projects within the future Common Provisions Regulation beyond 2020;	The legislative proposal for a Common Provisions Regulation for 2021-2027 strives to strike a balance between strengthening the information and visibility requirements and making them less burdensome. The proposal requires programmes to indicate the planned budget for communication activities. The figure is subject to Commission's scrutiny in the context of the discussions on and the assessment of the programmes. This would ensure that a proportionate share of the technical assistance envelope is devoted to communication.
33. suggests that the European Commission create an "evaluation accounting for communication results", which would contain: communication plans and actions, improved methods (surveys, focus groups, media	Based on its Better Regulation Guidelines and Toolbox <sup>15</sup> , the Commission encourages its services to monitor and evaluate the interventions they manage, including communication activities. It provides to

 <sup>&</sup>lt;sup>14</sup> INFORM and INIO are EU-wide networks of communication officers responsible for communicating the European Regional Development Fund, the European Social Fund and the Cohesion Fund in the Member States. More info: <u>https://ec.europa.eu/regional\_policy/en/policy/communication/inform-network/</u>
 <sup>15</sup> The better regulation agenda is about designing and evaluating EU policies and laws transparently, with evidence, and backed up by the views of citizens and stakeholders. <u>https://ec.europa.eu/info/law/law-making-process/planning-and-proposing-law/better-regulation-why-and-how\_en</u>

monitoring), EU evaluation guidance, a learning platform providing a repository for evaluations of communications, and, finally, a database of good communication practices.	communicators methodological guidance and ready to use tools to support them measuring the results of their communication activities and to improve their results. This material is made available online in an 'evaluation of communication resource centre' to all Commission services and to the other European institutions and bodies. In addition to this, tailor-made trainings are provided to communicators to promote and facilitate the use of the available tools. This is particularly the case for cohesion policy communicators for whom a special handbook <sup>16</sup> was developed and several trainings delivered. All evaluations and studies carried out by the Commission services are published on the Interinstitutional Evaluation and Studies Database <sup>17</sup> managed by the Commission Secretariat-General.
35. suggests that the design of (social) media strategies should include references to local contexts, such as enhancing positive framing, building longer-term narratives linked to individual stories, and actively challenging – rather than ignoring – negative framing;	The Commission has a strong Web identity and an active social media presence in all European Union official languages, thanks to the accounts of its Representations. The legislative proposal for a Common Provisions Regulation for 2021-2027 stress the need for managing authorities as well as beneficiaries <sup>18</sup> to engage more on social networks. The Commission provides ad hoc training to managing authorities in the framework of the INFORM/INIO networks of cohesion policy communicators. Communications officers of managing authorities will be guided within this framework to support a communication approach giving more prominence to personal stories or narratives which are closer to territories. This

<sup>16</sup> 17 18

https://ec.europa.eu/info/sites/info/files/communication-evaluation-toolkit\_en.pdf https://webgate.ec.testa.eu/publications/studiesdb/Home.xhtml Art. 17(3)(i) of CPR 2021-2027 requires managing authorities to indicate in the programmes the planned use of social media ('social media outreach') for their communication activities. Art. 45(1) (a) requires beneficiaries to provide a description of operation and highlight support of the new on their "social media sites", such sites exist 28 / 125

	will also enrich material available for communication purposes at EU level.
41. proposes that, within the future cohesion policy post-2020, investment in communication projects should be funded from a single well- defined cost category, given that a comparison of communication strategies shows that the budgets for these activities are difficult to aggregate and compare, as the strategies are defined at different levels with different funds, and also that cost categories and methods are not always clearly defined;	The technical assistance of programmes includes a specific category of intervention for communication and visibility. This does not necessarily mean that all communication activities are funded under this category. The Commission is urging Member States to make it easier for beneficiaries to fund communication activities around the project, namely with a more extended and clear definition of eligible costs.
42. calls for the definition of performance indicators to be improved, as there is currently considerable variability in indicators, which are not adapted to communication activities;	The current regulation as well as the legislative proposal for a Common Provisions Regulation for 2021-2027 require managing authorities to set specific indicators for the monitoring and evaluation of their communication activities.
	The Commission developed, with the direct involvement of its communicators, a new, streamlined set of common indicators for the planning, implementation and the monitoring of communication activities. The consistent use of these indicators would allow the comparison of performance and the setting of benchmarks.
44. underlines the need for flexible branding and visibility strategies: an EU flag should be ubiquitous in all mandatory or informal materials;	The European Union emblem should be clearly and prominently displayed in order to underline the European Union dimension of each intervention that receives EU funds. The corresponding obligation is further strengthened across all EU programmes in the context of the common minimum requirements for communication and visibility under the EU long-term budget.
	The flag of the European Union is also the core element of branding in all corporate campaigns.
	Making use of EU-branded material (as opposed to institutional branding) facilitates the wider distribution of EU-related communication materials.

45. welcomes the recent Communication of the European Commission highlighting the need to address Europe's unique communication challenge in times of fragmentation and disinformation and suggests that cohesion policy plays a pivotal role in making EU communication a joint effort across levels of government and EU institutions;	The Commission underlines that communicating about the European Union is a joint responsibility for the Member States, governments at all levels and the EU institutions. This means passing common and agreed messages under the EU brand explaining what European Union decisions and policies mean for people in every Member State. The communication on cohesion policy is particularly suited to embrace this approach. Appropriate training and guidance will be provided to national management authorities of cohesion funds to counter fake information and promote fact-based positive narratives.
	Relevant open data on funds will also be consolidated and shared transparently across a wider variety of channels.

N°4 The CoR's contribution to the renewed Territorial Agenda, with special emphasis on community-led local development COR-2019-01897 – COTER-VI/056 136 <sup>th</sup> plenary session – October 2019 Rapporteur: Radim SRŠEŇ (CS/EPP) DG REGIO – Commissioner FERREIRA	
Points of the European Committee of the Regions opinion considered essential	European Commission position
1. calls for a much higher uptake of territorial instruments (community-led local development (CLLD), integrated territorial investments (ITI), etc.) in the Member States and mandatory earmarking across all funds in order to fulfil the renewed Territorial Agenda (TA) and cohesion goals;	The Commission has proposed earmarking for LEADER programme (min. 5% of European Agricultural Fund for Rural Development and min. 6% of European Regional Development Fund) for integrated urban development to which urban community-led local development (CLLD) can contribute and which is expected to increase the interest in using this tool. In cohesion policy, any further mandatory earmarking (in addition to thematic concentration and sustainable urban development) would make the programming inflexible and rigid, in particular for countries with limited European Regional Development Fund allocations. In shared management, the Member States have a role in choosing the territorial instruments in a dialogue with the Commission.
10. asks for stronger links between cohesion policy and TA in all stages of programming, implementation and monitoring of programmes, and points out the significant need to overcome the current geographical and sectoral separation of EU funds.	The proposal for the Common Provisions Regulation 2021-2027 <sup>19</sup> sets out the basis for integrated territorial development and aims to improve the linkage of thematic objectives with the territorial needs. Moreover, programmes under the Common Provisions Regulation proposal must take into account territorial disparities and under each specific objective the specific territories targeted, and the planned use of Integrated territorial investments, community-led local development or other territorial tools.

<sup>19</sup> COM(2018) 375 final.

16. underlines the need to take the integrated territorial development strategies into greater consideration in order to target investments in the region more closely following its priorities. The design of integrated territorial development strategies implementing a wide variety of operational programmes in the Member States should be focused on citizens' needs and communicated not only to citizens but particularly "with citizens";	The dedicated Policy Objective 'Europe closer to citizens' promotes strategic integrated territorial development, which the Member States and regions can target to specific territorial and local needs. Article 23 of the Common Provisions Regulation proposal sets out that territorial strategies are to be drawn up under the responsibility of the relevant urban, local or other territorial authorities or bodies, and the involvement of those authorities or bodies in the selection of operations. It also requires the selected operations to comply with the territorial strategy.
32. asks the European Commission to provide simple models and guidelines and introduce best practices of how to implement integrated territorial instruments through a multi-fund approach in the Member States;	The Commission contracted a study on the uptake of integrated territorial strategies in the 2014-2020 period and has published information on these strategies on the Strat- Board website <sup>20</sup> . This includes strategies implemented for sustainable urban development and other integrated territorial strategies. The Commission is gradually improving the information provided on the Strat-Board website and in the future will include also cohesion policy community-led local development strategies based on a survey carried out by experts. The Commission is currently working on a methodological handbook on integrated urban/territorial development foreseen to be ready in early 2020.
38. encourages the possibility of multi-fund CLLD uptake in all EU regions to be obligatory, assuring a CLLD approach is used for all types of territories: rural (including remote, mountain and island areas), urban, and coastal areas. All EU regions must have an option to use all possible funds to fulfill their needs formulated in their local development	The Commission encourages the uptake of multiple funds for community-led local development but considers that making multi- funding obligatory in all EU regions would not be in line with the objective of simplification and would limit the flexibility in programming.

<sup>20</sup> https://urban.jrc.ec.europa.eu/strat-board/

strategies;	
39. calls for mandatory earmarking of 8% for CLLD from all ESI funds and EAFRD to fully utilise the potential of the tool and synergies of different funds for integrated local development;	The Commission takes note of the proposal concerning a mandatory earmarking but refers back to the response given in point 1. The corresponding Commission proposals were adopted on 29 May 2018 and currently are subject to the legislative negotiations. As regards the European Maritime and
	Fisheries Fund, in the period 2014-2020, the share of community-led local development (in the shared management part of the fund) has reached 9.6% even without adding any further rigidity to the rules or any additional unnecessary administrative burden.
	The proposed 5% earmarking of European Agricultural Fund for Rural Development for the LEADER programme ensures continuity of the approach in the Member States whilst allowing necessary flexibility in pursuing the Common Agricultural Policy objectives through other interventions, if needed.
43. calls for CLLD regulation at EU level based on a robust impact assessment and setting a unified set of rules for all ESI Funds in order to reduce the enormous bureaucratic burden and gold-plating done by Member States and, at the same time, prevent misuse of power by managing authorities or payment agencies;	Impact assessments have been carried out on the legislative proposals for 2021-2027. A simplified common approach to community- led local development is set out in the Common Provisions Regulation proposal, Articles 25-28, for the European Regional Development Fund, the European Social Fund+ and the European Maritime and Fisheries Fund. The European Agricultural Fund for Rural Development is linked through the proposed CAP Strategic Plans Regulation. A lead Fund may be chosen where a strategy involves support from more than one Fund.
	For cohesion policy, further studies on community-led local development are currently not planned, as the Commission services concentrate on making available existing information on implemented strategies to inform future programming.

44. reiterates the CoR's call to keep the CPR fully applicable to the EAFRD. Perfect compatibility between all the funds is vital for financing the territorial instruments, in particular CLLD/LEADER and their local development strategies;	The provisions in the Common Provisions Regulation proposal setting out the principles for community-led local development and its coordination mechanisms between the funds apply to the European Regional Development Fund, the European Social Fund+, and the European Maritime and Fisheries Fund. The community-led local development provisions will also apply to the European Agricultural Fund for Rural Development through the provisions of the Common Agricultural Policy Strategic Plans Regulations. The lead Fund option has been proposed to facilitate management of multi-funded strategies. It should allow applying one fund's management rules to all the operations. The authorities of other Funds would however monitor and make payments in accordance with fund-specific rules.
45 calls for better dialogue and coordination between all CLLD actors (LAGs, managing authorities, European Commission's Directorates-General, payment agencies, LEADER networks such as ELARD, and national LEADER and rural networks) to prevent growing bureaucracy and extensive delays in starting the programming period and in the delivery of funds to project applicants. The CoR therefore proposes that the Commission create a CLLD support unit at EU level to support communication, capacity building, networking and transnational cooperation of all LAGs in all funds;	The Directorates-General in charge of the European Structural and Investment Funds coordinate preparation of the post-2020 programming period and discuss jointly questions related to areas of cooperation, such as community-led local development. At the same time, some Member States and regions may want to implement community-led local development within one policy sector only. In addition to active stakeholder support provided by the European Network for Rural Development and European Fisheries Areas Network (FARNET), the European Regional Development Fund Urban Development Network has taken a stronger role in addressing community-led local development in stakeholder discussions on integrated urban/territorial development. For example, there were Urban Development Network workshops in the European Week of Regions and Cities, and national events under the Urban

	Development Network. In the future, the European Urban Initiative may play a role through capacity building. Another example of Fund cooperation are seminars/conferences open to community-led local development stakeholders from all European Structural and Investment Funds (in 2019, a conference was organised by the European Fisheries Area Network (FARNET) on 3-4 December).
46. suggests that the multi-fund CLLD should be supported more, for example through a higher co-financing rate. The CoR expresses its regret that Article 120(5) of the current CPR on higher co-financing rates for operations supported through integrated territorial development tools has been omitted from the new CPR proposal;	The Commission is of the view that the co- financing rates proposed are fair and balanced in a context of reduced resources for cohesion policy. Reduced Union co-financing rates increase ownership and are also reasonable given that they reflect the levels pre-ceding the economic crisis (i.e. the context of the 2014- 2020 cohesion policy proposals). The co- financing rates established are applicable to programmes and their priorities; they may be increased for projects or group of projects, provided that it is compensated by lower level of support to others.
51. calls for clear and simple evaluation and monitoring models of CLLD local development strategies. Evaluation has to be a part of a community's learning process and it is therefore very important to continuously collect information and evaluate the implementation of LAG strategies. Advanced IT solutions for data collection and analysis should be introduced, combined with participatory processes and qualitative analysis;	As regards the European Maritime and Fisheries Fund, a handbook for Fisheries Local Action Groups on evaluating Community-Led Local Development was developed in 2018 and is publicly accessible <sup>21</sup> . The Commission shares the view that monitoring and evaluation of local development strategies should be part of the learning process of the community and remain accessible to all the Local Action Groups. The European fisheries area network (FARNET) has produced a handbook on Evaluating Community-Led Local Development for Local Action Groups and Fisheries Local Action Groups. It provides easy-to-use methods and examples, which can

21 https://webgate.ec.europa.eu/fpfis/cms/farnet2/library/guide/evaluation-clld-handbook-lags-and-flags\_en

	be used for evaluating community-led local development.
	In addition, the Guidelines on evaluation of LEADER/community-led local development produced by the European Evaluation Helpdesk provide a set of recommendations on how to manage such evaluations, both on the programme and Local Action Groups levels.
54. stresses the need for better communication of CLLD and the opportunities this tool brings: indeed, although the rural development has been using this instrument for a longer time, in particular, urban development needs a stronger boost when it comes to using it. A detailed evaluation and analysis need to be drafted of how a particular Member State has approached it, including recommendations for effective implementation	The 'Europe closer to citizens' Objective under the proposed Common Provisions Regulation is discussed with the relevant stakeholders at European, national, regional and local level, in the context of post-2020 programming. Within the Urban Development Network and Smart Village activities, the Commission regularly organises discussions to share experiences between Member States stakeholders, including on community-led local development.
56. recalls the relation of CLLD to other integrated development tools: as an optional instrument, together with integrated territorial investments, it contributes to the implementation of a broader development strategy that allows policies to be localised. In this regard, the CoR asks for better synergies between CLLD and ITI: the CLLD can be used in the 2021-2027 programming period as a complementary instrument in an urban or territorial strategy, so it could be part of an ITI approach where the participative approach offered by CLLD can help it deal with some specific local problems;	Integrated urban and territorial development implemented under Policy Objective 5 'Europe closer to citizens' under the proposed Common Provisions Regulation can also apply the community-led local development tool. When implemented as part of integrated urban development under the proposed European Regional Development Fund and the Cohesion Fund Regulation, community-led local development can contribute to the minimum 6 % obligatory allocation. It should be taken into account that for community-led local development the relevant Managing Authority(ies) define the selection criteria, organise the calls and selection of community-led local development strategies (in line with the Common Provisions Regulation proposal, Articles 25 and 26).
57. considers that CLLD is a vital instrument to deliver the CoR proposals, subsequently endorsed by the European Parliament whereby	The Commission agrees that local actions supported through the 'Europe closer to citizens' Objective can be one relevant
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in programmes co-financed by the ERDF, covering areas with severe and permanent natural or demographic handicaps, as referred to in Article 174 of TFEU, particular attention shall be paid to addressing the specific difficulties of those areas;	component in the development of these regions.
59. endorses the European Parliament proposal that ERDF-funded plans for areas facing structural demographic decline could potentially being allocated with 5% of the ERDF resources allocated to integrated territorial development in non-urban areas with natural, geographic or demographic handicaps or disadvantages or which have difficulty accessing basic services, including at least 17.5% of this amount being allocated to rural areas and communities to develop projects such as smart villages. The CoR believes that CLLD is in many places the ideal approach to deliver such ambitious proposal.	The Commission takes note of the proposal and refers back to its response under point 39. For the European Regional Development Fund, there are possibilities to support non-urban community-led local development strategies under Policy Objective 5 'Europe closer to citizens', Specific Objective (ii), including smart village type action as part of integrated territorial strategies.

N°5 Socioeconomic structural change in Europe's coal regions COR-2018-06337 – ECON-VI/041 136 <sup>th</sup> Plenary Session – October 2019 Rapporteur: Mark SPEICH (DE/EPP) DG REGIO – Commissioner FERREIRA	
Points of the European Committee of the Regions opinion considered essential	European Commission position
23. calls for structural change to also be supported at European level. Even now, the European Regional Development Fund, in particular, is already an important instrument for promoting the regions. The European Social Fund, Horizon 2020 and the resources of the European Investment Bank also make a great contribution to regional development. However, the Committee points out that the funds provided there are not funnelled directly towards coal regions and that, in view of the challenges facing coal regions and the fact that they also benefit other regions, they are too limited. The CoR therefore calls for the provision of additional funds tailored to the needs of coal regions;	The budget of the European Union provides significant financial support for regional economic and social development across the European Union. This will continue in the 2021- 2027 period. In January 2020, the Commission proposed a new Just Transition Mechanism as a part of the European Green Deal, which is expected to mobilise up to €100 billion of investments. The mechanism focuses on those regions and sectors that are most affected by the transition, given their dependence on fossil fuels. Within the Just Transition Mechanism, a new instrument – the Just Transition Fund <sup>22</sup> - is meant to assist territories and regions in transition towards a climate-neutral economy and alleviate the potential economic and social costs. The Just Transition Fund will be embedded within the programming and implementation framework of cohesion policy. It will be underpinned by robustly designed strategy, together with strong corresponding ownership from the competent authorities and stakeholders.
25. supports, in this context, the European Parliament's call in the ongoing Multiannual Financial Framework (MFF) negotiations for additional funding to mitigate the social, socio- economic and environmental impact of	The Just Transition Mechanism proposal addresses the European Parliament's and the Committee's proposals as regards additional resources for coal regions. The Just Transition Fund is complementary to

<sup>22</sup> Proposal for a Regulation of the European Parliament and of the Council establishing the Just Transition Fund, COM(2020) 22 final.

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structural change in European coal regions by means of a EUR 4.8 billion new Fair Energy Transition Fund; stresses however that this fund would have to be financed through additional resources and not from the envelope provided for the European Structural and Investment Funds; []	and comes on top of the cohesion policy allocations. It makes available to all Member States fresh funds of $\notin$ 7.5 billion, and its overall financing capacity exceeds $\notin$ 30 billion and may reach $\notin$ 50 billion.
26. considers, however, that the funding should be closely interlocked with cohesion policy, while the CoR calls for efforts to ensure that this funding is not calculated within the proposed limits of Annex XXII, but is made available as additional funding. This additional funding could then be used to strengthen the ERDF and ESF programmes for these NUTS 2 regions over the next seven years. This interlock would also allow for tailor-made support for all coal regions. This funding is intended to actively promote European added value and is to be open to all coal regions affected by structural change. Allocation criteria could include total employment in coal mining and the level of coal production in the reference year 2019; regions that have already started coal mine closures and have partially undergone such transitions should not be excluded provided that coal mining is still taking place;	The Just Transition Fund actions will be programmed and implemented in full complementarity with the cohesion policy programmes. The allocation method captures the magnitude of the social and economic costs expected to be borne by Member States throughout the climate transition. It reflects the scale of the transition challenge of the highest carbon intensive European regions emitting greenhouse gases (through the corresponding industrial emissions), the social challenges in the light of potential job losses and need for subsequent reskilling of workers through employment in industry, coal and lignite mining and the production of peat and oil shale activities. The method also takes into account Member States' level of economic development and related investment capacity.
27. calls for funding to be likewise ERDF funding allocated directly to the regions where these coal mines are located. Support for the regions concerned would be linked to a specific strategy for phasing out coal assessed on the basis of verifiable targets;	Member States will complement their Just Transition Fund allocation from their resources under the European Regional Development Fund and the European Social Fund+ through a specific transfer mechanism and they will also provide national resources to co-finance the Union resources. The Just Transition Fund will be anchored in tailor-made territorial transition strategies. Member States will prepare one or more territorial just transition plans, providing an outline of the transition process until 2030, consistent with the National Energy and Climate

	Plans and the transition to a climate-neutral economy and identifying subsequently the most impacted territories that should be supported. The territorial just transition plans will set out the social, economic and environmental challenges and give details on needs for economic diversification, reskilling and environmental rehabilitation as appropriate. The support of the Just Transition Fund will be concentrated to identified territories of NUTS <sup>23</sup> level 3 regions or could be parts thereof.
30. points out that European law on state aid has to be taken into account in this connection and that the current state aid framework expires in 2020, unless the rules are extended by two years (to the end of 2022). The CoR calls on the Commission, when drawing up the new guidelines, to also take account of the problems linked to the structural change in coal regions and to ensure that coal regions have sufficient flexibility to enable them to phase out coal in a socially and economically viable way;	On 7 January 2019, the Commission announced its plans to prolong for two years seven sets of State aid rules, including the regional aid rules, which would otherwise expire at the end of 2020. The current State aid framework already enable Member States to take a multitude of measures to address the expected transition problems of coal regions. As a part of the European Green Deal communication <sup>24</sup> , the Commission announced that evaluations are underway of the relevant State aid guidelines including the environmental and energy State aid guidelines. The guidelines will be revised by 2021 to reflect the policy objectives of the European Green
	Deal, supporting a cost-effective transition to climate neutrality by 2050, and will facilitate the phasing out of fossil fuels, in particular those that are most polluting, ensuring a level-playing field in the internal market and ensuring that our international obligations are respected. These revisions also provide an opportunity to address market barriers to the deployment of clean products.
32. calls, in this context, for coal regions to be identified as assisted areas in accordance with Article 107(3)(a) and (c) of the Treaty on the	The Commission notes that already today most of the European coal regions are located in assisted areas and covered by the regional aid

 <sup>&</sup>lt;sup>23</sup> Nomenclature of territorial units for statistics.
 <sup>24</sup> COM(2019) 640 final.

Functioning of the European Union (TFEU),	maps, thereby allowing the grant of regional
and for the EU aid rules for these special	investment aid.
regions to be adapted so as to enable measures	Regarding the Committee's proposal to set up a
to be taken to deal with structural change, in	joint working group, the Commission would
order to offset the absence of added value from	first need to know about the framework,
politically overarching objectives. In addition,	mandate and objectives of such a potential
consideration should be given to whether such	working group. Only then could a decision be
support measures could be based on Article	made, in particular in respect to the added value
107(3)(b) TFEU, given the high-profile and	of such a joint working group. It nevertheless
exemplary importance of the climate-resilient	recalls that competition policy is an exclusive
transformation of coal regions for EU energy	competence of the European Union, exercised
and climate policy. In order to resolve these	mostly by the Commission. It highlights also
issues in a timely manner, it is proposed that a	that the revision of the state aid rules will be
joint working group of representatives of	subject to a consultation of Member States as
interested coal regions and Member States, the	well as a public consultation, during which
Directorates-General for Competition and	avery party will have the opportunity to make
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<ul> <li>N°6 Macro-regional strategies, such as the Danube: a framework for promoting transnational clusters</li> <li>COR-2018-06422 – COTER-VI/051</li> <li>135<sup>th</sup> plenary session – June 2019</li> <li>Rapporteur: Dainis TURLAIS (LV/RE)</li> <li>DG REGIO – Commissioner FERREIRA</li> </ul>	
Points of the European Committee of the Regions opinion considered essential	European Commission position
	The Commission welcomes the Committee's opinion and shares most of its comments and concerns. However, certain points deserve some reaction or clarification that the Commission is happy to provide hereunder.
10. Refers to its opinion on The implementation of macro-regional strategies (COR-2017-02554) whereby the Committee supported the "three Yesses" principle to improve MRS operation: yes to better synergies with funding instruments, yes to better embedding of existing structures in MRS and yes to better implementation of existing rules. The Committee regrets that the EC has not taken this proposal into account;	The 'three No's' principle was established by the Council as Macro-regional strategies' guiding principle since 2011. In every Conclusions on Macro-regional strategies adopted since then <sup>25</sup> , the Council reiterated and stressed the 'three No's' principle. As already indicated with regard to the opinion 'The implementation of macro-regional strategies' <sup>26</sup> , the Commission is fully supportive of the Committee's positive interpretation of the 'three No's' rule. However, it is not in the remit of the Commission to replace the 'three No's' by 'three Yes's' as requested in point 32 of the abovementioned opinion. In its role of strategic coordinator of the Macro-regional strategies, the Commission always adopts a practical approach to foster 'an optimal use of existing financial resources, a better implementation of existing legislation

 <sup>&</sup>lt;sup>25</sup> Council Conclusions on: European Union Strategy for the Danube Region (EUSDR) (13.04.2011); the added value on Macro-regional strategies (22.10.2013); the European Union Strategy for the Adriatic-Ionian Region (EUSAIR) (29.093.2014); governance of Macro-regional strategies (21.10.2014); the European Union Strategy for the Alpine Region (EUSALP) (27.11.2015); the 1<sup>st</sup> implementation report on MRS (25.04.2017); the 2<sup>nd</sup> implementation of Macro-regional strategies (21.05.2019)
 <sup>26</sup> COR-2017-02554

	and a better use of existing institutions'.
15. Emphasises the need to further integrate MRS and EU sectoral policy programmes such as Horizon 2020, Erasmus+, Creative Europe, the Programme for the Competitiveness of Enterprises and SMEs (COSME), LIFE, the Connecting Europe Facility and the European Fund for Strategic Investment to ensure synergies in jointly solving priority issues;	The Commission, in close cooperation with the countries and regions participating in the macro-regional strategies, will continue working on identifying concrete measures for further strengthening the synergies and complementarities between macro-regional strategies and programmes directly managed by the Commission (e.g. future Horizon Europe, COSME, LIFE, etc.). This will be followed up in the next report on the implementation of macro-regional strategies due by the end of 2020.
18. Calls on the EC to ensure coordination not only between countries and within each country, but also for coordination at a third level: the EU level. MRS relate to many policy areas and their development is not exclusively linked to the EU policy on territorial cooperation. As a result, there is separation between the policy strategies on MRS funding. In order to ensure genuine multilevel governance, they should also be implemented within the areas for which the EC is directly responsible, ensuring that the work of different EC Directorates General is integrated into each MRS;	Macro-regional strategies should be embedded in all relevant funds and programmes. Along with Directorate-General Regional and Urban Policy, many other relevant Commission Directorates-General <sup>27</sup> are already closely involved in the implementation of macro- regional strategies in their respective policy fields, including through participation in technical meetings in the regions. Concrete examples of this cooperation are provided under point 29, 35 and 36. The next report on the implementation of macro-regional strategies (referred to above) will notably help identifying good practices that could be promoted in the context of the 2021-2027 programmes.
29. Therefore calls on the EC to develop measures to further support the promotion of clusters' work and of inter-cluster cooperation, in particular through boosting the regional	The Commission is already putting in place measures to further promote the work of clusters and of inter-cluster cooperation, notably in the context of smart specialisation <sup>28</sup> .

(Directorate-General Research and Innovation (RTD), Joint Research Centre (JRC), Directorate-General Internal Market, Industry, Entrepreneurship and SMEs (GROW), Directorate General Environment (ENV), Directorate General Climate Action (CLIMA), Directorate-General Mobility and Transport (MOVE), DG Energy (ENER), Directorate-General Maritime Affairs and Fisheries (MARE), Directorate-General Neighbourhood and Enlargement Negotiations (NEAR), Directorate-General Employment, Social Affairs and Inclusion (EMPL) etc.) European Strategic Cluster Partnerships for Smart Specialisation Investments (ESCP-S3) under the Competitiveness of Small and Medium-Sized Enterprises (COSME) programme) and cross-regional and cross-sectoral cooperation in support of Small and Medium-sized Enterprises innovation (Innosup-1 under Horizon 2020 programme). 43 / 135 27

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dimension of clusters and organise better coherence and synergies between cluster policies in the territorial and regional approach;	All the countries of the Danube Macro-region are beneficiaries of both COSME and Horizon- 2020 <sup>29</sup> ; hence, they are eligible to benefit from the cluster initiatives put in place. In the post 2020 period, the Commission will continue to develop even more ambitious measures to support clusters' work and inter- cluster cooperation (Joint Cluster Initiatives under the COSME part of the forthcoming Single Market Programme).
35. Calls for consideration to be given to developing a smart specialisation strategy for the Danube macro-region which should take into account the specific strengths and needs of the region, such as the relatively high growth in the SME sector;	Smart specialisation strategies are initiated and developed by participating countries and regions. Therefore, the Committee call should be understood as directed to them. So far, all Danube countries have implemented, or are implementing, a smart specialisation strategy, with the assistance of the Joint Research Centre.
36. Calls for the initiation of a systematic exchange of experiences, information and data with other macro-regional strategies in order to develop the competitiveness of macro-regions focusing on the green economy, the innovation sector and the creation of new job opportunities;	Interchanges and coordination among macro- regional strategies are common practice. Thanks to the Interreg programme 'Interact', several cross- macro-regional strategies working groups with different focuses have been already put in place: 'capacity building', 'biodiversity', 'water', 'transport', 'energy', 'innovation', 'Research & Development and smart specialisation', 'embedding Macro- regional strategies priorities in post-2020 European Union European Structural and Investment Funds/ Instrument for Pre-accession Assistance programmes'. Conditional on 'Interact' receiving adequate resources in the post-2020 period, further thematic cross- macro-regional strategies working groups could be set-up as appropriate, including in accordance to needs and wishes from the participating countries and regions.

<sup>&</sup>lt;sup>29</sup> EU funding programme for research and innovation.

<ul> <li>N°7 Sustainable Europe by 2030: follow-up to the UN Sustainable Development Goals: ecological transition and the Paris Agreement on Climate Change COR-2019-00965 – ENVE-VI/039</li> <li>136<sup>th</sup> Plenary Session – October 2019</li> <li>Rapporteur: Sirpa HERTELL (FI/EPP)</li> <li>DG ENV/DG CLIMA – Commissioner SINKEVIČIUS and Executive Vice-President TIMMERMANS</li> </ul>	
Points of the European Committee of the Regions opinion considered essential	European Commission position
Main policy recommendations	The Commission welcomes the Committee's opinion and takes note of the relevant recommendations included.
	The Commission's European Green Deal recognises that climate and environment related challenges are this generation's defining task and proposes a blueprint for a sustainable future in line with the objectives of the 2030 Agenda and the Paris Agreement. The Green Deal aims at an economic growth, which is decoupled from resource use and no net emissions of greenhouse gases in 2050. It also aims to protect, conserve and enhance the EU's natural capital and protect the health and well-being of citizens from environment related-risk, based on a zero pollution ambition. Regions, cities and citizens are the centre of this transition.
	The ambitious vision for climate neutrality by 2050 adopts the system approach, which is at the core of the Sustainable Development Goals (SDGs) to ensure policy coherence. In line with the findings of the State of the Environment Report 2020 <sup>30</sup> prepared by the European Environment Agency, the Green Deal explicitly tackles the four systems, which represent the main environmental pressures: energy, mobility,
	industry and buildings. Three of these four systems are key parts of the way cities and regions thrive and prosper. In this light, local and

<sup>30</sup> <u>https://www.eea.europa.eu/highlights/soer2020-europes-environment-state-and-outlook-report</u>

regional authorities have a frontline role in enabling and facilitating the needed transformative change for a sustainable future.

The Green Deal insists on the significant investment needs required to achieve these ambitions and announces concrete measures to redirect both public and private funds towards a just transition. For example, in the context of the Just Transition Mechanism, the Commission will work with Member States and regions to help them put in place territorial transition plans.

In addition, the Green Deal recognises the importance of involving the public and all stakeholder throughout this transition. In this respect, the European Climate Pact, launched on 4 March 2020, focuses on how to engage with the public on climate action. Local and regional authorities will be paramount allies in ensuring the active participation and buy-in from individuals and communities.

Recalling the Commission's suggestions on the Committee's opinion on the long-term EU Strategy for a Sustainable Europe by 2030, the Commission has been mainstreaming the Sustainable Development Goals (SDGs) in the European policy framework and Commission priorities. The European Green Deal is an integral part of the Commission's strategy to implement the UN 2030 Agenda and the Sustainable Development Goals (SDGs). In this regard, the European Semester will put the SDGs are the heart of the EU economic policy. The European Semester provides a well-established framework for the coordination of economic and employment policies needed to guide the Union and its Member States through these changes, which have wide socio-economic implications.

Regional and local authorities can help our societies going through the sustainability transition. They could act as hubs to increase understanding and create a culture of social

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	dialogue to identify and address the transitional and distributional challenges ensuring that no one is left behind.
8. welcomes the transition to a resource- efficient, low-carbon, climate-neutral and bio- diverse economy and stresses the urgency of taking action and the need to engage governments at all levels, economic players, universities, research centres, civil society and citizens;	<ul> <li>The involvement and commitment of the public and of all stakeholders is crucial to the success of the European Green Deal. The European Climate Pact will address ways to engage with the public, including regions, cities and citizens, on climate action and environmental protection:</li> <li>1) how to improve information sharing and better understanding,</li> <li>2) creating both real and virtual spaces for people to express their ideas and innovative solutions for sustainability, and</li> <li>3) building capacity to facilitate grassroots initiatives.</li> </ul>
9. calls on all the decision-makers, at all levels of governance, to <b>recognise the active</b> <b>and, in many cases, innovative role of local</b> <b>and regional authorities,</b> each with its own range of competences, in meeting the targets since these are on the front line and are responsible for 65% of the implementation of the Sustainable Development Goals (SDGs) in Europe.	The Commission recognizes the active and innovative role of local and regional authorities in achieving the objectives of the 2030 Agenda. Under the European Green Deal, the Commission will continue to work to empower regional and local communities and to provide assistances to regions and cities that want to commit to ambitious pledges on climate and energy policies. The urban dimension of cohesion policy will be strengthened with an increased urban earmarking and a new policy objective dedicated to integrated urban and territorial development. The European Urban Initiative will also be established, to support cities to improve cooperation, capacity building, support innovative actions as well as knowledge, policy development and communication.
14. points out that regions and cities are climate leaders; emphasises the need for	According to Regulation (EU) 2018/1999 <sup>31</sup> Member States had to provide the final integrated

<sup>&</sup>lt;sup>31</sup> Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and 47 / 135

multi-level cooperation and more decentralisation and calls on the EU to officially recognise an active role of local and regional authorities in the drafting of climate mitigation and adaptation policies and regulations; reiterates therefore its call to the Member States to fully include LRAs in the drafting of the integrated National Energy and Climate Plans (NECPs);	National Energy and Climate Plans by 31 December 2019. They had to ensure that the public is given early and effective opportunities to participate in the preparation of the final plan well before its adoption.
15. stresses that localising and "territorialising" sustainable development actions in climate, energy and environmental policies is crucial to achieve the targets of the 2030 Agenda. Therefore calls to further <b>enhance European partnerships</b> , networks of cities and regions ,such as the Under2 Coalition, and cross-border cooperation and platforms, to develop common strategies, coordinate actions, implement more efficient strategies and pooling resources, especially in climate change adaptation and mitigation, environmental actions and preservation of biodiversity;	Under the European Green Deal, the EU Covenant of Mayors will continue its work, being a fundamental platform to share good practices on how to implement change on the ground. The Commission also stresses the newly launched Green City Accord that take the same approach as the Covenant, but extending the scope to cover other key environmental policy areas set out in the Green Deal, including in relation to air and water quality, noise, nature and biodiversity, and waste.
16. calls for the EU climate change policy to be holistic, and based on a <b>systemic</b> <b>approach</b> ; notes that so far EU policies are often fragmented between different sectors and between urban and rural areas and into different categories like the emissions trading sector (ETS), the non-ETS sector and the land use, land-use change, and forestry (LULUCF) sector; encourages regions and cities to drive the gradual transition to a new systemic model and pilot new and more comprehensive solutions before 2030;	Policy coherence is at the heart of the systemic approach adopted by the European Green Deal, which also strengthens the EU governance tools to ensure that sustainability is mainstreamed in all EU policies. This includes the full integration of the Sustainable Development Goals (SDGs) into the European Semester, sustainability proofing of EU financed projects, tax reforms, revised State aid guidelines and monitoring progress. The Green Deal creates the context for national tax reforms which support the transition.
19. is convinced, however, that in addition to the ETS, effective measures to gradually end direct and indirect subsidies to fossil fuels	As part of the implementation of the European Green Deal, the Commission will work with Member States to screen and benchmark green

(EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council; OJ L 328, 21.12.2018, p. 1–77

(such as for example the existing tax exemptions for aircraft-fuel) is necessary in order to create a level playing field for renewable energies, encourage behavioural change and generate the necessary resources to support a just transition; welcomes in this context the debate launched by the Commission President-elect, Ursula von der Leyen, with regard to carbon pricing and carbon border tariffs;	budgeting practices and also to develop well designed tax reforms, that remove subsidies for fossil fuels, shift the tax burden from labour to pollution, and take into account social considerations.
40. reaffirms the call for the establishment of a European climate neutrality observatory and highlights the active role of local and regional authorities to develop climate change observatories;	Establishing new bodies such as a European Climate Neutrality Observatory should only be envisaged based on clear aim, competences and activities compared to the current set up of EU climate policy.
55. stresses that by using their purchasing power to choose goods and the providers of services and work, local and regional authorities can make a significant contribution to sustainable consumption and sustainable production, to a more resource- efficient economy and thus to the achievement of the SDGs;	The Green Deal recognises that national, regional and local budgets play a key role in the transition. The Commission will work with Member States to screen and benchmark green budgeting practices and promote green public procurement.

<ul> <li>N°8 Implementing the Clean Energy Package: the NECPs as a tool for local and territorial governance approach to climate, active and passive energy COR-2019-00618 – ENVE-VI/041</li> <li>136<sup>th</sup> Plenary Session – October 2019</li> <li>Rapporteur: József RIBÁNYI (HU/EPP)</li> <li>DG ENER – Commissioner SIMSON</li> </ul>	
Points of the European Committee of the Regions opinion considered essential	European Commission position
4. is pleased that the Governance Regulation recognises the role of local and regional authorities (LRAs) in the NECPs from the preparation stage by stressing the need for effective public consultation and by proposing the establishment of a Multilevel Climate and Energy Dialogue, in line with the bottom-up approach. The involvement of the LRAs should cover all phases starting from the preparation stage, via the response to the preliminary assessments by the Commission, to the implementation and review. However, notices that to date many Member States have not succeeded in fully involving LRAs in this process; draws attention to the fact that engaging local and regional administrations in the drafting process, in addition to the Member States, results in achieving the targets in a more efficient and inclusive manner;	The Commission supports a strong involvement of local authorities in the Multilevel Climate and Energy dialogue. In this sense, unless a similar structure already exists, Member States shall establish such a dialogue in which local authorities and national stakeholders actively engage, discuss and review the different scenarios envisaged for energy and climate policies. Integrated national energy and climate plans may be discussed within the framework of such dialogues.
5. points out that many Member States consider the structures they have in place to be sufficient to achieve the goals of the public consultation and the multilevel climate and energy dialogue: the fact that the Member States consider themselves capable of going it alone has in the past been one of the biggest	The Regulation on the Governance of the Energy Union <sup>32</sup> sets out the requirement for Member States to set up a multilevel climate and energy dialogue pursuant to national rules in which local authorities and other stakeholders can participate and engage unless a structure that serves the same purpose already

<sup>&</sup>lt;sup>32</sup> Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/31/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council; OJ L 328, 21.12.2018, p. 1–77.

problems. The CoR recommends that the Member States critically assess these structures, especially in the light of content they can generate, coverage and representativeness of local authorities, civil society organisations, the business community, investors, other relevant stakeholders and the general public, and to make available the input these structures generate to ensure that the goals set out in the Governance Regulation for the public consultation and the multilevel climate and energy dialogue are fully met with a view to the ultimate goal of contributing to the health and well-being of all and of future generations;	exists.
6. LRAs' expertise, responsibilities for implementation and financial resources should be harnessed in order to complete the Energy Union; therefore recommends that LRAs be fully involved in implementing the clean energy package and that their potential issues in this process are duly taken into account for possible future revisions. It points out that the Covenant of Mayors for Climate and Energy and other similar initiatives can play a crucial role in guiding LRAs in the implementation of the new EU energy framework;	The Commission supports a close involvement of local and regional authorities (LRAs) in completing the Energy Union, which brought consumers in the centre of energy transition. This development will accentuate with the Green Deal where Covenant of Mayors is expected to accelerate energy efficiency, renewable energy, heating and energy poverty actions at local level. Further, it provides Member States with a well-functioning model of multilevel governance with vertically integrated planning and monitoring built on political commitment and accountability.
14. emphasises that LRAs must be able to submit proposals and amendments for their national NECPs and that their role has to be distinguished from other stakeholders not belonging to the public administration. LRAs should have a right to be directly involved in measures touching on energy efficiency, energy transition, climate change and the shift away from fossil fuels, and also have an important role to play in implementing actions to tackle energy poverty, working through all the organisations representing the EU's local	In line with the requirements of the Aarhus Convention <sup>33</sup> , the Governance Regulation sets the obligation for Member States to ensure that the public – including local and regional authorities – is given early and effective opportunities to participate in the preparation of their draft national energy and climate plan. As regards the first plans for the 2021 to 2030 period, this requirement applies only to the preparation of the final plan but consultation of the public needs to take place 'well before'

<sup>33</sup> <u>https://ec.europa.eu/environment/aarhus/</u>

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authorities (CoR, Covenant of Mayors);	adoption. A similar requirement is also introduced for the national long-term strategies.
31. to this end invites the European Commission to consider co-organising a recurring forum to discuss climate and energy matters including the NECPs. This would facilitate cooperation between local and regional authorities, the DG for Climate Action, the DG for Energy, the CoR's ENVE Commission and Member States. This forum could be implemented similarly to the currently operating "Technical Platform for Cooperation on the Environment, DG Environment and the European Committee of the Regions" which aims at fostering dialogue on local and regional problems and solutions in the application of EU environment law, as referred to in the General Union Environment Action Programme to 2020 "Living well, within the limits of our planet" (7th EAP). This new forum could contribute greatly to the Multilevel Climate and Energy Dialogues throughout the Member States allowing for amongst other things, information exchange, taking stock of progress, sharing of best practices and lessons learnt, contributing to improvements in climate and energy outcomes and strengthening the cooperation and communication between all the actors involved;	As the Multilevel Climate and Energy Dialogues were strongly supported by the Committee, the Commission looks forward to the role it can play in the diffusion and facilitation of those dialogues across Europe. Moreover, the Commission strongly believes that the Committee can also play a crucial role in putting positive pressure on Member States to submit solid and ambitious plans. The opinion on 'Implementing the Clean Energy Package: the NECPs as a tool for local and territorial governance approach to climate, active and passive energy' is a good example of this. As regards the National Energy and Climate Plans (NECPs), the Commission and the Committee could convene a meeting (at the appropriate level) to discuss ways to facilitate Multilevel Climate and Energy Dialogues.

<ul> <li>N°9 Implementing the Paris Agreement through innovative and sustainable energy transition at regional and local level</li> <li>COM (2019) 177 final</li> <li>COR-2019-00617 – ENVE-VI/040</li> <li>136<sup>th</sup> Plenary Session – October 2019</li> <li>Rapporteur: Witold STĘPIEŃ (PL/EPP)</li> <li>DG ENER – Commissioner SIMSON</li> </ul>	
Points of the European Committee of the Regions opinion considered essential	European Commission position
5. calls on the Commission and the Member States to support a strong medium-term target in line with the Energy Union objectives, as a crucial stepping stone to net-zero Greenhouse Gas (GHG) emissions by 2050, and to increase the level of ambition of the Union's Nationally Determined Contributions (NDC) with an economy-wide target of at least 50% domestic GHG emission reductions by 2030 compared with 1990 levels, with a special focus on those sectors whose emissions are not as yet limited under the effect of the EU emissions trading system; reiterates its call for more ambitious but at the same time realistic targets for energy efficiency and renewable energy at EU level, which should be raised to 40% by 2030, and extensive support for the development of innovative technologies allowing further progress;	In the Communication 'A Clean Planet for al - A European strategic long-term vision for prosperous, modern, competitive and climat neutral economy' <sup>34</sup> , the Commission ha already set out a clear vision of how t achieve climate neutrality by 2050. A explained in the Communication on th European Green Deal <sup>35</sup> , this vision shoul form the basis for the long-term strategy that the EU should submit to the United Nation Framework Convention on Climate Change i early 2020. The Commission also proposed on 4 March 2020, the first European 'Climat Law' that will enshrine the 2050 climat neutrality objective in legislation. By thir quarter 2020, the Commission will present a impact assessed plan to increase the EU' greenhouse gas emission reductions target for 2030 to at least 50% and towards 559 compared with 1990 levels in a responsibl way. To deliver these additional greenhous gas emissions reductions, the Commission will, by June 2021, review and propose t revise where necessary, all relevant climate related policy instruments. Any increase in the climate ambition woul also mean a substantial contribution fror energy sector as it is responsible for abou 70% of greenhouse gas emissions. This, i

turn, would mean an increased contribution from renewable energy and energy efficiency. In this context, it is worth underlining that the amended Energy Efficiency <sup>36</sup> , Renewables <sup>37</sup> and Energy Performance of Buildings <sup>38</sup> Directives contain specific review clauses for increasing (by 2023) the Union's headline energy efficiency and renewable energy targets for 2030. This is in the event of substantial cost reductions resulting from economic or technological developments or where needed to meet the Unions' international commitments for decarbonisation. The Commission in any case intends to undertake support studies and impact assessments in this context.
Full implementation of the existing EU energy acquis is a prerequisite to achieving an increased ambition and includes applying the 'energy efficiency first' principle. The Commissioner for Energy has been tasked to ensure that Europe follows the 'energy efficiency first' principle across the board. The Commission is therefore working to make this principle operational. Putting energy efficiency first is, in fact, more than just a slogan; it is one of the most cost-effective ways to support the transition to a low-carbon economy and a key policy for implementing the Paris Agreement.
The Commissioner has also been tasked with accelerating the building renovation rate in the EU, which is expected to contribute significantly to improving energy efficiency and reducing consumption. In this context, meeting the EU renewable

Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC, OJ L 315, 14.11.2012, p. 1–56. Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources; OJ L 328, 21.12.2018, p. 82–209. Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings; OJ L 153, 18.6.2010, p. 13–35. 36

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	energy and energy efficiency targets for 2030 is an absolute minimum for Europe to have a chance to become the first climate-neutral continent by 2050.
6. calls for adequate engagement and empowerment of all levels of government in the development, implementation and monitoring of effective and target-oriented climate and energy action. Underlines the large responsibility that lies with the Member States and the EU, as they set the general conditions. Believes that local and regional authorities (LRAs) are best placed to engage their communities, attract private investors and implement ambitious and timely action, acting not only as administrators but also as energy service providers and significant purchasers of energy services (e.g. electricity grids, heating services, public transport, lighting). Underlines, in addition, that LRAs can lead by example and inspire their communities.	Renovation of 95% of the EU's building stock to improve energy performance will be critical to achieving energy efficiency targets. To ensure that Member States' long-term renovation strategies are realised, it will be essential to ensure concerted implementation and adequate mobilisation of investment at a regional and local level. In this framework, capillary awareness raising at every level – including professionals – is very important.
7. notes that climate change is a global challenge and progress made by the EU towards reaching a climate neutral economy by 2050 must be met by similar commitments by third countries; in this regard, highlights the risk to the EU's global competitiveness caused by third countries not pursuing equally ambitious climate targets. Therefore, calls on the Commission and Member State to maintain climate change as a strategic diplomatic priority in order to achieve a global level playing field;	As set out in the European Green Deal communication, the Commission recognises the global character of the climate change challenge and continues to strive towards ambitious targets; this ambition should be shared by all countries.
10. points out that there are currently 41 coal regions at NUTS-2 level in 12 EU countries (including the United Kingdom), and the coal sector provides approximately 240 000 direct jobs in coal mines and coal power plants, as well as around 215 000 indirect jobs. In addition, there are regions highly dependent	The Commission is committed to help coal and carbon-intensive regions to achieve a just transition. The Commission's Coal Regions in Transition Initiative already provides support to EU coal regions, through its open Platform 55 / 13

on carbon intensive activities, including iron, steel or peat. Therefore, calls on the EU and the Member States to provide financial and technical support to ensure security of supply in the regions affected by systemic changes, and to mitigate the negative social and economic aspects of the transition;	and dedicated country team, currently operating in eight EU Member States (PL, DE, CZ, RO, EL, ES, SK, SI) and 17 regions. Member States and regions with a strong reliance on other type of solid fossil fuels (e.g. peat in Ireland) are also covered by the initiative. Technical assistance is provided through Commission services (DG REFORM) to three Member States (SK, EL, RO) and more will follow. The Secretariat of the Platform also provides technical assistance to seven regions in six Member States (PL, CZ, ES, EL, RO and IE). Until the end of this programming period, financial support is essentially mobilised through existing tools and programmes, either managed centrally, such as LIFE, or managed in a decentralised way, such as European Regional Development Fund (ERDF) and European Social Fund (ESF) (€100 million reprogrammed in PL, €230 million reprogrammed in CZ).
<ul> <li>11. notes that over 2 200 inhabited European islands, which are home to 12 million people, are particularly affected by the energy transition as they suffer from a combination of high energy prices and high dependence on fossil fuels. Meanwhile, islands can provide valuable test-beds for scalable sustainable energy solutions for shifting to a fossil-free system, and curtailing the current fossil fuel subsidies;</li> <li>19. stresses the importance of co-funding rates for EU funds to facilitate access to them for small communities and islands; calls to strengthen their capacity to be used as energy transition "laboratories", by devising innovative solutions and coordinated policy action focusing on policy frameworks, regulatory measures, funding, cooperation and</li> </ul>	The issues raised (high prices, dependency) are being addressed in the context of Clean Energy for EU Islands initiative, which provides practical support to islands wishing to decarbonise their energy system. This initiative has a strong potential to be a flagship activity under the Green Deal. Islands do indeed have a specific potential to be front-runners in the development of innovative and scalable solutions for decarbonisation. They require special attention to their specific needs (financing, funding, technical support, regulatory measures, stakeholder engagement, etc.). However, they do prefer not to be labelled as 'test-beds'. 'Front-runners' or 'leaders' may be a better term.

stakeholder engagement;	According to the latest count, there are approximately 600 inhabited islands in the EU, with the population of around 15 million people.
	High energy prices currently affecting most islands shall represent a powerful incentive to aggressively pursue energy efficiency policies. Conversely, a transition towards fossil-free systems can be carried out more swiftly and effectively if energy consumed is reduced first. Certain islands where tourism represents a significant share of the economy will reap additional benefits by making it more sustainable.
12. underlines that a sustainable energy transition needs to consider the energy system as a whole, with interlinked production, supply, distribution and consumption; fully supports the primary imperative of efficiency and the commitment to increase the existing target of 32% to 40% renewable energy by 2030 in order to reduce the pace of anthropogenic global warming and reach climate neutrality by 2050, and calls for an integrated and cross-sectoral energy market in which energy loss is regulated and renewable energy can be supplied efficiently	As part of the implementation of the Clean Energy for all Europeans Package, the Commission is putting a strong focus on ensuring that the Energy Efficiency First (EEF) principle is applied across different sectors (as required by the Governance Regulation <sup>39</sup> and by the Energy Efficiency Directive <sup>40</sup> and prominently included in the mission letter to the Commissioner for Energy). Member States need to describe in their National Energy and Climate Plans how they apply the 'energy efficiency first' principle across dimensions of Energy Union before taking decisions on energy planning, policy and investment. The 'energy efficiency first' principle will also need to be applied across the board. The Commission is therefore working on how to make this principle operational.

<sup>&</sup>lt;sup>39</sup> Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council; OJ L 328, 21.12.2018, p. 1–77

 <sup>&</sup>lt;sup>40</sup> Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC; OJ L 315, 14.11.2012, p. 1–56

17. in this context, welcomes the announcement of President-elect Ursula von der Leyen to establish a new Just Transition Fund and calls for the funding to be closely interlocked with the 2021-2027 cohesion policy to allow the affected coal NUTS 2 regions to strengthen their operational programmes since they face the biggest challenges in greening their economies and ensuring a just energy transition for their citizens; This allocation should not be calculated within the proposed limits of Annex XXII, but it should be made available as additional funding. This additional funding could then be used to strengthen the ERDF and ESF programmes for these NUTS 2 regions over the next seven years actively promoting the EU added-value;	Following the announcement of President Ursula von der Leyen, the Commission adopted the proposal for the establishment of a Just Transition Fund <sup>41</sup> . Such a Fund should benefit regions and people most affected by the transition. Strong interlinks and synergies with other key EU funding tools, especially those related to the EU cohesion policy for 2021-2027, associated with robust conditionality mechanism, are at the heart of the Commission proposal for the Just Transition Fund.
18. in addition to increased budget climate mainstreaming, calls for effective measures to gradually end direct and indirect subsidies to fossil fuels (such as for example the existing tax exemptions for aircraft-fuel) in order to create a level playing field for renewable energies, encourage behavioural change and generate the necessary resources to support a just transition; welcomes in this context the debate launched by Commission President- elect, Ursula von der Leyen, with regard to Carbon pricing and carbon border tariffs;	The Commission is committed to promote the reduction of fossil fuel subsidies. In the context of its assessment of the draft National Energy and Climate Plans (NECPs), the Commission has issued recommendations to the Member States calling for the use of public resources in a manner that does not inhibit investment in the clean energy transition and encouraging Member States to indicate in their final NECPs their future efforts and timelines to phase out fossil fuel subsidies, while taking into account the impact on vulnerable consumers. The Commission agrees with the Committee's view on the importance of energy taxation for encouraging behavioural changes that enable the transition to a low carbon economy and welcomes an open debate on these issues. As part of the initiatives of the European Green Deal to make Europe climate neutral, the

<sup>&</sup>lt;sup>41</sup> Proposal for a Regulation of the European Parliament and of the Council establishing the Just Transition Fund, COM(2020) 22 final.

	Commission intends to assess policy options for i) a review of the Energy Taxation Directive (ETD), among others in the light of the evaluation of this Directive, which indicates that is not aligned with energy and climate objectives, ii) an extension of emission trading system, iii) the introduction of a carbon border tax in selected sectors. The implications of the existing tax exemptions for the aviation and maritime sectors will be carefully analysed in the context of the assessment of future initiatives.
21. recommends raising the funding rate from the 60% proposed to 70% for profit-oriented organisations and 100% for public authorities and non-profit organisations in the LIFE sub- programme on Clean Energy Transition, and continuing to attract LRAs and smaller organisations such as local energy agencies; welcomes the establishment of the InvestEU Fund, and suggests leveraging this opportunity to facilitate the energy transition, particularly in vulnerable regions; proposes that these programmes reward projects carried out in regions in transition with an additional score;	The provisions of the draft LIFE regulation <sup>42</sup> leave the possibility to set higher funding rates than the standard 60 % funding rates presently applied in LIFE programme. Each multiannual work programme shall specify the co-financing rates of grants referred to in Article 10(2), including: 'other actions' needed for the purpose of achieving the general objective set out in Article 3(1), including coordination and support actions aimed at capacity building, dissemination of information and knowledge, and awareness raising to support the transition to renewable energy and increased energy efficiency.
	Projects supported by the Clean Energy Transition (CET) sub-programme tend to differ from those in the other LIFE strands in a number of ways, which necessitates a higher funding rate than the standard 60%: trans- nationality, risk, diversity of stakeholders, trust and impartiality, wider societal benefits, non-availability of match funding, higher share of staff costs vs other cost categories, etc.
	Recognising the above challenges, 'other projects' under Clean Energy Transition sub- programme should benefit from a higher co-

<sup>42</sup> Proposal for a Regulation of the European Parliament and of the Council establishing a Programme for the Environment and Climate Action (LIFE) and repealing Regulation (EU) No 1293/2013, COM(2018) 385 final.
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	funding rate compared to the standard 60%.
	The Commission is carrying out an in-depth analysis of the current project portfolio to identify types of projects that would require the exceptional higher funding rates in LIFE. The result of this analysis will be included in the Multiannual Work Programme 2021-2025 that should be discussed and voted by the LIFE Programme Committee in 2020.
22. In view of the state aid framework post- 2020, calls for an increase in the level of permissible state aid as well as sufficient flexibility for projects related to the energy transition in coal regions, carbon intensive regions and islands, as well as local communities in order to encourage investment by the business sector	The revision of the current State aid framework for the post-2020 period will be based on an evaluation of these rules in the context of a 'fitness check' launched in 2019, which will take into account current developments. As part of this ongoing fitness check, the Commission services are assessing whether further flexibility is needed to address future needs and market developments in the context of the energy transition objectives. In these circumstances, the flexibility offered by current and future rules needs to remain consistent with the principle that public support should address true market failures and real cohesion needs. Indeed, in order to reap the full benefits of limited public funds, it is crucial that State aid rules continue to play their part. This means i) minimising costs for the State, industry and consumers (e.g. through competitive bidding processes), ii) ensuring that public money does not crowd out private spending, and iii) ensuring a level playing field in the Single Market.
23. calls for the creation of mechanisms for greater support and financing of energy transition projects in regions classified as coal- and carbon-intensive. There are several reasons for this: 1) we should not wait until the consequences of the transition affect these	State aid rules already provide many possibilities for Member States to help their less economically developed regions to catch up: from support which can be given without any geographical limitation (for example for investments by small and medium-sized

regions in ways that will as longer he appendix	ontompiggo (SMEg) for response - 1
regions in ways that will no longer be possible to counteract; 2) it should be possible to increase the maximum levels of aid to all undertakings, in particular large enterprises, given their capacity to invest in a given territory and their potential to encourage change; 3) it should be possible to implement other measures to mitigate the effects of the transition, e.g. increasing the level of ERDF funding; 4) coal regions should be identified as assisted areas in accordance with Article 107(3)(a) and (c) of the Treaty on the Functioning of the European Union (TFEU), and the EU aid rules for those regions should be adapted accordingly;	enterprises (SMEs), for research and innovation projects, for infrastructure projects, etc.) to support which is allowed only in disadvantaged regions (for example investment aid for companies of all sizes in many productive sectors). The Commission notes that already today most of the European coal regions are located in assisted areas and covered by the regional aid maps, thereby allowing the grant of regional investment aid. The flexible approach called for by the Committee has also to factor in that State aid control helps ensuring a level playing field within the Single Market, also by avoiding subsidy races and preventing larger Member States with more resources to outspend smaller Member States.
25. calls for more synergies between various funding sources at the EU, national and regional levels, as well as stronger synergies between public and private financing in order to increase the effectiveness of the clean energy transition;	The Commission has put increased emphasis on synergies across programme proposals under the 2021-2027 Multiannual Financial Framework for improving the effective impact of the EU long-term budget. It is indeed crucial that the implementation of programmes operationalises the synergies across Union programmes; one way of doing so is blending. Blending drastically reduces administrative burden. Technical Assistance can cater for exploitation of synergies across Union programmes and can facilitate improved deployment of public and private financing. It is central that future Technical Assistance delivers on bringing a variety of financial sources together.
37. acknowledges that citizens and energy communities now have unprecedented opportunities to become "prosumers" (active market participants) and welcomes the formal establishment of local energy communities in the Clean Energy Package, and calls for the provision of a clear set of rights and	The provisions on Citizens' Energy Communities under the Electricity Directive and Renewable Energy Communities under the Renewable Energy Directive obliges Member States to put in place enabling frameworks for the development of these communities. Within these enabling 61/135

obligations, and requirements for national level support to fully operationalise the potential of such structures;	frameworks, Member States are further obliged to establish a clear set of rights and obligations as follows from the Directives, including the right to produce, store and sell energy and to have non-discriminatory rights in the market and vis-à-vis network operators. The Commission is actively engaging with stakeholders and Member States authorities on the topic of energy communities, with a view to ensuring their appropriate implementation national legislation.
38. in order to make consumers more independent and responsible for their own energy consumption, reiterates its call to put in place smart grids and meters (provided that the economic interest of the end user is met) that are affordable, cost effective, efficient, strong on reducing fraud, easy to use, safe and adapted to consumers' needs and expectations with regard to information, taking control of their consumption and reducing their bills;	The Commission welcomes this position. It is very much in the spirit of the Clean Energy Package (CEP) recognising, amongst others, that the cost-effective rollout of smart, innovative grids are key to the energy transformation we need in order to meet our climate and energy responsibilities, realise the Energy Union – both in terms of infrastructure and market – and deliver local growth linked to green economy.
	Smart energy grids could help us realise the required changes in the way we build and operate our electricity networks and deploy innovative solutions to make our market fit for renewables and distributed energy, and these resources fit for the market. Such an evolution could also open up opportunities for jobs and growth linked to green economy.
	It is via fit-for-purpose smart metering, that supports connectivity and access to near-real time information and price signals, that such smart grid benefits can actually reach small end-users. These smart metering features along with smart devices or home automation systems enable consumers to better modulate their consumption or self-generation capacity, within their comfort zone, and accordingly respond to the system needs, and at the same time get rewarded for doing that.
	Smart meters enable the uptake of dynamic

price contracts for consumers, which give
consumers direct access to electricity prices in
wholesale spot markets, and which, according
to studies performed by the Commission,
could lead to savings of several hundred euro
per year for each household.

N°10 Smart cities: new challenges for a just transition toward climate neutrality – how to implement the SDGs in real life? COR 2019-2019-02974 – ENVE-VI/044 136<sup>th</sup> Plenary Session – October 2019 Rapporteur: Andries GRYFFROY (BE/EA) DG CLIMA – Executive Vice-President TIMMERMANS

Points of the European Committee of the Regions opinion considered essential	European Commission position
1. recognises that a smart city is a place where traditional networks and services are made more efficient with the use of digital and telecommunication technologies for the benefit of its inhabitants and business. Beyond the use of information and communication technologies (ICT) for better resource use and less emissions, a smart city involves a more interactive and responsive city administration that better services its population through smarter urban transport networks, upgraded water supply and waste disposal facilities, and more efficient ways to light and heat buildings that leaves no one behind; a smart city must also be a place where emphasis is put on creating inclusive and accessible structures for education and training, to develop the capacities and talents of the population and ensure their ability to participate in their community's development. Welcomes the increased focus of the UN Sustainable Development Goals precisely for this reason, namely that they draw attention to the fact that sustainability requires a holistic view of all aspects covered by them;	A more efficient use of digital and telecommunication technologies will remain essential to local and regional authorities in their interaction with inhabitants and business. The Commission continues to support actions on sustainable energy, mobility, water and waste management through initiatives such as the EU Covenant of Mayors for Climate & Energy, the European Innovation Partnership on Smart Cities and Communities, as well as the possible Horizon Europe Mission on climate-neutral and smart cities. The focus on cities will remain or even be strengthened in the post-2020 Cohesion Policy proposal. The proposal includes the introduction of a new Policy Objective 'Europe closer to citizens' and the compulsory 6% earmarking of the European Regional Development Fund (ERDF) resources at national level to sustainable urban development implemented through integrated territorial/urban strategies. These strategies and related European Structural and Investment Funds (ESIF) programming can include smart investments in cities as well as can support for the implementation of Sustainable Development Goals (SDG) on the ground.
2. as already pointed out in the opinion on Multilevel governance and cross-sectoral cooperation to fight energy poverty (rapporteur: Kata Tüttő (HU/PES), also flags up the need to	Energy poverty is an important focal area, especially on a local level, to ensure a fair transition towards climate-neutral and smart cities. The Commission engages with cities

factor in energy poverty when framing the various policies and considers that the clear acknowledgement of the fact that the social impact must also be taken into account when drawing up current and future energy and climate policies is one of the most important policy developments of recent years;	across all Member States through the EU Covenant of Mayors for Climate & Energy. Energy Poverty is incorporated as a core pillar in the Covenant's 2030 framework, alongside taking action on mitigating and adapting to climate change. In the Communication setting out the European Green Deal <sup>43</sup> , the Commission committed to produce in 2020 guidance to assist Member States in addressing the issue of energy poverty. To address the twin challenge of energy efficiency and affordability, the EU and Member States should engage in a renovation wave of public and private buildings. The Commission has proposed to work with stakeholders on a new initiative that includes innovative financing schemes under InvestEU and special attention for the renovation of social housing, schools and hospitals.
4. underlines the existing gap between regions, big cities, towns and small communities in terms of human and financial resources, skills and digitalisation. In this regard recalls that smart development strategies have to be adjusted to the scale of the community and the approach has to be fine-tuned to the specific situation of each of these, providing the infrastructure and support needed so that all groups have sufficient access to information and digital services;	The Commission acknowledges the differences in capacity and potential for place-based smart development between regions, large cities, towns and small communities. In the field of cohesion policy, a robust needs analysis is essential in the formulation of integrated territorial strategies and related investment decisions, and in this context, it is vital to establish what smart development involves in cities of different sizes (large, medium, small) and cities operating in different socio-economic and cultural frameworks. The Commission fosters the sustainable digital transformation of local and regional communities in order to implement an inclusive digital Europe, via its convening powers. To this end, the Commission, in cooperation with the Committee, has facilitated a number of city representative organisations to draft the political declaration on 'Joining forces to boost

<sup>43</sup> COM(2019) 640.

	sustainable digital transformation in cities and communities in the EU <sup>'44</sup> , put to signature by mayors and representatives of regions and Member States since December 2019.by mayors. The declaration includes a set of financial, technical, legal, educational and capacity- building as well as monitoring and measuring commitments to support the large-scale deployment of integrated, interoperable, cross-sectoral local digital platforms, built on open standards and technical specifications. The declaration also recognises that smart city solutions can help develop innovative solutions to reduce the environmental footprint of cities and communities and support them in their effort to become climate neutral.
5. points out that in its recommendations, issued after assessing the proposals for integrated National Energy and Climate Plans (NECPs) for the period 2021 to 2030 submitted by the EU Member States, the European Commission called for a greater level of ambition to ensure that the 2030 climate targets set by the Paris Agreement are met and that the transition to an economy with zero climate impact by 2050 is successful by making greater use of renewable sources and energy efficiency and by modernising the economy;	The Commission's assessment of the draft integrated National Energy and Climate Plans (NECPs) for the period 2021 to 2030 points to room for improvement as concerns targeted and individualised policies to ensure the delivery of the 2030 energy and climate targets pledged under the Paris Agreement and to stay on the path towards climate neutrality in the longer term. In its recommendations to a significant number of individual Member States, the Commission called for greater level of ambition on renewable energy and energy efficiency.
7. points out that it is important to establish a close link between the SDGs and 2021-2027 cohesion policy's policy objectives, particularly policy objective 2:"a greener, low carbon Europe, by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk prevention", which could help deliver the SDGs	The sustainable development goals play a central role in outlining political priorities, including achievement of a greener, low carbon Europe, promoting a clean and fair energy transition, green and blue investments, the circular economy, climate adaptation and risk prevention. This is already done, and could be further enhanced through a number of tools,

44 https://www.living-in.eu/

through the specific objectives set out in the proposals for a regulation;	including through the integration of the sustainable development goals in the European Semester process.
8. recognises that the transition towards a climate-neutral future, beyond the necessary adaptation to the effects of climate change and the decarbonisation of the energy, buildings and mobility sectors, also involves a transition towards a circular economy, the sustainable transformation of the agriculture and food systems, and the protection of ecosystems and biodiversity. To this end, the Committee supports the possible establishment of a European Climate Neutrality Observatory;	Stimulating a resource-efficient and digitally enabled circular economy will strongly contribute to reaching climate neutrality. The land sector with its multiple purposes to provide food, feed and fibre as well as support the energy and various industrial and construction sectors, while protecting ecosystems and biodiversity, bares an important role in this transition. In addition, it is vital to maintain and enhance natural carbon sinks of forests, soils, agricultural lands and coastal wetlands, as it allows to offset the residual emissions from sectors where decarbonisation is the most challenging, including agriculture itself. Forest protection, and re-and afforestation of degraded forestlands and other ecosystems can further increase absorption of CO2 while benefiting biodiversity, soils and water resources and increase biomass availability over time. Establishing new bodies such as a European Climate Neutrality Observatory should only be envisaged based on clear aim, competences and activities compared to the current set up of EU climate policy.
13. calls for the European Semester to be seen as an instrument for coordinating the EU's economic policies and as a forum in which the SDGs can be bolstered and the EU-wide delivery of the SDGs can be planned, monitored and assessed;	The Commission is integrating the Sustainable Development Goals (SDGs) in the European Semester. Meeting the sustainable development goals requires considerable efforts both at EU and national levels. A key success factor is the ability of public authorities to drive economic, social and fiscal policies towards the achievement of the goals. The European Semester can contribute to this by monitoring progress and ensuring closer coordination of national efforts.

16. considers open data in standard formats to be a key tool to support the creation and development of smart cities and stresses that, along with these, the provision of "open components" (i.e. open API) will function as a significant building block for generating and multiplying smart city solutions at a higher speed and with higher flexibility; Urban digital platforms are the 'operating systems' of the services provided by smart cities. They are necessary for handling the growing range of stakeholders and data across various sectors. The Commission is therefore following closely, together with the Committee, the ongoing initiative 'Joining boost sustainable digital forces to transformation in Europe's cities and communities', which envisages the large-scale deployment of integrated, interoperable, crosssectoral local digital platforms.

This political declaration<sup>45</sup> has been put to signature by mayors and representatives of regions and Member States since December 2019. It recognises the need to promote open standards, Application Programming Interfaces and shared data models, as one of its key principles. The declaration also includes technical commitments to (i) use a commonly agreed list of standards and technical specifications to achieve interoperability of data, systems, and platforms; (ii) make key enablers of city digital solutions - including data, infrastructure and services - available to all and (iii) use a common marketplace to share data, digital services and solutions among cities and communities. It aims to support the implementation of common data models (as part of the so-called Minimum Interoperability Mechanisms), which were successfully validated in the SynchroniCity Large-Scale Pilot with 51 services in 20 cities. In order to help the implementation of the principles and commitments included in the declaration, a Steering Board will be set up in the first quarter of 2020.

In the future, the aim is to use the blending of European Regional Development Fund's (ERDF's) and the proposed Digital Europe

45 https://living-in.eu/

	Programme to support the large-scale deployment of urban digital platforms for smart city data, services/applications and technical solutions. These efforts will significantly benefit from the planned establishment of EU-wide common dataspaces (in particular for areas such as environment and climate, transport and energy) and a dedicated European green data space.
17. recognises the potential of data generated by real-world user interfaces, such as citizens' mobile devices or smart meters and calls for developing comprehensive frameworks which integrate and use data generated by users for the purposes of smart governance and, at the same time, guarantee the required protection for the owners of the data;	The above-mentioned 'Join, Boost, Sustain' declaration recognises that digital solutions underpinned by locally-generated data are essential for delivering more informed, innovative and high-quality services in smart cities and communities and that for the public to trust these systems, data must be used responsibly through digital platforms, and its quality, security and privacy must be ensured. The Commission's initiative on green data spaces is being prepared to harness the power of existing and future data for policy design, implementation as well as for developing new green digital applications. Big Data from Space and Copernicus initiative will also play an important role.
21. recalls that the CoR has been working intensely on the SDGs framework during the past years and that the recent opinions on "Sustainable Development Goals (SDGs): a basis for a long-term EU strategy for a sustainable Europe by 2030" by Mr Arnoldas Abramavičius (LT/EPP) and on "Sustainable Europe by 2030: Follow-up to the UN Sustainable Development Goals, ecological transition and the Paris Agreement on Climate Change" by Ms Sirpa Hertell (FI/EPP) summarise the position of the Committee of the Regions;	The Commission welcomes the Committee's continuous engagement on the sustainable development goals framework. The Commission further recognises the opinions of the Committee as outlined by the recent opinions on 'Sustainable Development Goals (SDGs): a basis for a long-term EU strategy for a sustainable Europe by 2030' and on 'Sustainable Europe by 2030: Follow-up to the United Nations Sustainable Development Goals, ecological transition and the Paris Agreement on Climate Change'.
22. reaffirms "the crucial need for jointly	The improved use of data and new technologies

agreed tangible milestones, indicators, real time measuring of data related to climate change and SDGs of local municipalities, cities and regions to achieve the economic, ecological, social and cultural sustainability targets" as stated in the opinion on "Sustainable Europe by 2030: Follow-up to the UN Sustainable Development Goals, ecological transition and the Paris Agreement on Climate Change" by Ms Sirpa Hertell (FI/EPP) . In this regard it highlights that smart cities and communities can be pioneers thanks to the smart technologies and data collection processes they are implementing;	are an integral part of the Commission's ongoing work on climate-neutral and smart cities. For example through the Monitoring and Reporting framework outlined by the EU Covenant of Mayors for Climate & Energy, the Urban Agenda for the EU, and the European Innovation Partnership on Smart Cities and Communities.
23. reaffirms "the need for robust subnational climate data and the importance of the use of new technology like artificial intelligence to shed light on the climate actions by the local communities. In this regard it recalls the importance of making the most out of the Covenant of Mayors database and the opportunity of creating a bridge between local data and Nationally Determined Contributions through the establishment of Locally Determined Contributions". In this context it recalls once again the crucial importance of providing smart cities and communities with tools aimed at boosting their ability to collect and analyse data and to use it to improve the decision making processes;	The Commission will support the development of a green data economy (supporting the development of data services focusing on environment and climate-related issues), propose to modernise the existing environmental data legislation, and build EU's capacity for data innovation in this area through the development of green data spaces (aggregating data from private and public sectors). The Commission also aims to develop artificial intelligence Testing and Experimentation Facilities (supported under the proposed Digital Europe Programme) for applications in essential sectors such as smart cities and smart mobility (including environment and climate perspective). In addition, Digital Innovation Hubs could help transfer skills and artificial intelligence-based solutions in smart cities and communities. The Commission carries out consultation with stakeholders on Digital Innovation Hubs for smart and sustainable cities / public administrations. A new initiative on very high precision modelling and simulation of extreme weather and climate impact will also be useful for

	prediction and management of local extreme events.
24. considers a smart approach to be a key tool to achieve the targets related to SDG 11 on Sustainable cities and communities and SDG 13 on climate action;	Smart approaches, including a better use of data and innovative technologies are an integral part of the Commission's work on sustainable cities and communities, for example through the Monitoring and Reporting framework outlined by the EU Covenant of Mayors for Climate & Energy, the Urban Agenda for the EU, and the European Innovation Partnership on Smart Cities and Communities.
25. acknowledges that smart cities must involve their citizens, so that they can actively participate in shaping their local context; human initiative, supported and supplemented with ICT, and local services adapted to citizens, can enable the identification and implementation of smart solutions and collective ideas that improve cities and enhance their sustainability, thereby building social capital and resilient communities while also having in mind the need to address Energy Poverty; in this regard highlights the importance of bridging the digital gap and upskilling citizens to ensure smart communities do not segregate vulnerable citizens and to avoid any kind of social exclusion; also believes that it is important to promote energy efficiency and innovative technologies in social housing in order to combat energy poverty;	The Commission continues to engage with EU Member States and local and regional authorities through initiatives such as the EU Covenant of Mayors for Climate & Energy, the Urban Agenda for the EU, and the European Innovation Partnership on Smart Cities and Communities to enable the involvement of EU citizens, and help bridge the digital gap and upskilling citizens.
26. with a view to a smart transition, considers that it is strategic to develop specific programmes to boost people's digital skills with due regard for the various age groups and professional situations, drawing on experiences and good practices relevant to smart city projects;	The Commission is carrying out several initiatives to boost digital skills in the EU. As part of the Skills Agenda, the Digital Skills and Jobs Coalition gathers more than 400 stakeholders, who commit to take action to increase digital skills. Their activities target citizens, workers, schools and information and communication technology (ICT) specialists and in two years have already reached millions of people. In addition, the Digital Europe 71/13:

	Programme will support more and more specialized training opportunities for advanced digital skills.
27. welcomes the frontrunner experience of some smart communities already moving towards circular economy solutions for buildings, mobility, products, waste management and in the planning and management of their territories and encourages the European Commission to further promote this aspect for all smart communities. These contributions will play a significant role in achieving the SDGs;	Smart Cities and Communities across Europe play a crucial role in the pioneering of sustainable solutions towards the development of a circular economy in multiple sectors throughout Europe. The Commission will continue to support such solutions through its policies, including through initiatives such as the EU Covenant of Mayors for Climate & Energy, the European Innovation Partnership on Smart Cities and Communities, as well as the possible Horizon Europe mission on climate-neutral and smart cities.
29. considers local energy communities to be a powerful resource to ensure a just clean energy transition and promotes the engagement of citizens in smart cities and communities and recalls in this context the suggestions it has made in its opinion on this subject ;	Independent local energy communities can also increase local resilience to climate- or other disaster-induced disruptions in the supply of centrally distributed energy.
30. recalls that nature plays an important role in the SDGs related to poverty, hunger, health, well-being and sustainable cities. It highlights that smart cities and communities should consider nature-based solutions and green infrastructure as essential complementary policies to ensure the conservation of ecosystem services and biodiversity and to promote their sustainable use and limit land take;	Nature-based solutions and green infrastructure continue to be an essential part of local sustainability strategies both in, and outside of the EU. The Commission continues to support such solutions through programmes such as the European structural and investment funds, the Common Agricultural Policy (CAP), and the LIFE programme.
31. recalls that the European long term strategy for climate neutrality by 2050 recognises the central role of smart technologies and cities in achieving climate neutrality;	As outlined by the European long-term strategy for climate neutrality by 2050, urban areas and smart cities will be the first centres of innovation in multiple areas to achieve climate neutrality including through the development of smart mobility networks and improvement of energy efficiency of the build environment. Smart technologies will also be key as part of infrastructure investments, as $72 / 132$

	well as in rural and agricultural communities, e.g. through precision farming and development of new models of farming that lead to reduction of pesticides and fertilisers.
32. recalls , in addition to increased budget climate mainstreaming, the calls for effective measures to gradually end subsidies to fossil fuels in order to create a level playing field for renewable energies, encourage behavioural change and generate the necessary resources to support a just transition;	The Commission favours an ambitious EU policy to phase out existing fossil fuel subsidies. This is helped by the recent decision of the European Investment Bank to no longer invest in fossil fuel-based projects by 2021. In 2019, the Commission published a study on energy prices, costs and subsidies and their impact on industry and households, highlighting how the levels of fossil fuel subsidies in the Member States have remained broadly stable over the period of 2014 – 2016. Building on this, the Commission has asked the Member States to identify how environmentally harmful subsidies will be phased out in their National Energy and Climate Plans.
	In the context of the revision of the Energy Taxation Directive, the Commission will look closely at the current tax exemptions including for aviation and maritime fuels and at how best to close any loopholes.
33. notes that transition to climate neutrality creates quality jobs in circular economy, clean energy, food and agriculture sectors and calls on the EU to increase the coherence of climate objectives through cohesion policy, the European Social Fund (ESF+) and InvestEU;	The Commission has proposed a 25% target for climate mainstreaming across all EU programmes. Climate policy objectives are taken into account in these funds in a tailored manner. For instance, the Sustainability Proofing of InvestEU (all four windows) includes three pillars, i.e. climate, environmental and social proofing, which will help to increase the coherence with climate and other objectives. In addition, at least 30% of the InvestEU Fund will contribute to fighting climate change.
34. points out that "smart water" solutions are of growing importance as a component of a complete smart cities policy aimed at climate-	Through the Horizon 2020 and LIFE programmes, the Commission has been supporting research and demonstration 73/13

sustainable solutions;	projects into smart water solutions, as well as promoting them via the Climate-ADAPT information platform and the Covenant of Mayors initiative. Such solutions can reduce not only the water but also the energy intensity of cities, while improving the cities resilience to climate-related extreme events (water shortage, heatwaves, torrential rain).
38. calls for the provision of incentives oriented towards maximum energy efficiency in new buildings and retrofits as per standards in line with the Passive House Standard, together, where appropriate, with the use of smart technology in buildings;	EU legislation requires new buildings to meet nearly zero-energy building (NZEB) standards as of 2021, and the renovation of existing buildings towards highly efficient and decarbonised building stocks in line with national long-term renovation strategies. NZEB standards mean both a very high energy performance and ensuring that remaining needs are met primarily through renewable energy sources. This can be done with 'passive techniques in combination with technical building systems and smart technology, with the aim of reducing the energy needs of the building while maintaining the required levels of indoor environmental quality.'
40. Recalls that the urban transport sector is currently shaping and experiencing a paradigm shift, with coinciding transitions in the field of energy use (electrification, alternative fuels), technologies (ITS) and behavioural change (sharing economy, focus on active travel). These changes affect passenger as well as freight transport, business as well as leisure travel. This paradigm shift can be directed to achieving Smart City objectives such as stimulating the local innovation market, mainstreaming best available technologies and knowledge based decision-making;	The delivery of climate goals will also depend on cities and local authorities. As highlighted in the European strategic long- term vision for a prosperous, modern, competitive and climate neutral economy, cities will be at the forefront of innovation in mobility. At the urban level, city planning, active mobility, clean public transport, sharing mobility services will contribute to the shift towards clean transport. The exchange of best-practices and the deployment of new technologies at the local level should be further facilitated through initiatives like the Covenant of Mayors, the Smart Cities and Communities European Innovation Partnership.
42. notes that the outermost regions and other	This is recognised in a new LIFE policy area

island regions are ideal locations for testing alternative technologies, energy and procedures and that they are also considered as "living laboratories". Their isolation, distance from the centre of Europe and high biodiversity, the proximity and accessibility of the sea, extreme environmental phenomena (atmospheric and geological) and the availability of geothermal energy are not limitations in the context of developing solutions for implementing the SDGs, but rather geographical advantages that provide the opportunity to test prototypes in controlled conditions, but with the highest level of difficulty.	<ul> <li>added for the 2018-2020 work programme, which caters in particular for climate change adaptation in Outermost Regions. Two projects are already launched to use naturebased solutions in order to decrease climate risks.</li> <li>Furthermore, the Commission proposal for the LIFE programme under the next mutliannual financial framework contains a specific award criteria to facilitate climate action in Outermost Regions:</li> <li>'where appropriate, special regard shall be given to projects in geographical areas with specific needs or vulnerabilities, such as areas with specific newronmental challenges or natural constraints, trans-border areas or outermost regions.'</li> <li>Finally, in its 2017 Communication on a new Partnership with Outermost Regions as regards adaptation to climate change.</li> </ul>
43. highlights the potential of local zones where flexible and innovative regulatory tools or alternatives to regulation can be tested in a real world urban context, which can enable the exploration, and possible subsequent implementation, of sustainable innovations (e.g. in the housing domain); the city as "a learning machine" facilitates social learning and enables cooperation that can reduce social risks;	The Commission recognises the role and importance of cities in achieving sustainability objectives. Therefore, it aims to support smart cities and communities in revisiting their digital strategy with the main goal of making cities climate-friendly, circular as well as more agreeable with the use of digital technology for the benefit of its inhabitants and business, with an understanding of the systemic effects of this transformation. The Commission will enhance the environmental sustainability of digital innovation and policy through a close cooperation with local government and other local stakeholders. The Commission is currently reviewing its approach towards a sustainable digital policy; one that strives for

<sup>46</sup> COM(2017) 623 final.

	the preservation of networked cities and communities living in harmony with their environment. The objective will be to support the effort of cities and communities to transform into smart and sustainable, almost 'carbon-neutral' areas across European cities and communities by 2030. This will be supported by the Carbon-neutral and Smart Cities Mission under the forthcoming Horizon Europe programme, as well as the proposed Digital Europe Programme.
47. reiterates the role of smart communities as drivers of a smart and inclusive energy transition and calls on the European Commission to further support smart cities and communities in their action through dedicated and accessible funding instruments;	As outlined by the European long-term strategy for climate neutrality by 2050, urban areas and smart cities will be the first centres of innovation in multiple areas to achieve climate neutrality. Including through the development of smart mobility networks, and improvement of energy efficiency of the build environment. The Commission continues to support such actions through programmes such as the European structural and investment funds, the Common Agricultural Policy (CAP), and the LIFE programme.
49. calls for the EU climate policy to be holistic and based on a systemic and integrated approach, noting that so far EU and national policies are often fragmented between different sectors and categories and between urban and rural areas;	The Commission continues to take action to ensure that EU climate policy is undertaken in a holistic way, based on a systemic and integrated approach. As part of this work, the Commission published in 2018 its long-term strategy towards 2050, and currently works with the EU Member States to integrate national energy and climate policies through the National Energy and Climate Plans (NECPs). The success of the European Green Deal will require contributions from all EU policies and make use of all policy levers: regulation and standardisation, investment and innovation, national reforms, dialogue with social partners and international cooperation.

N°11 Contribution from cities and regions towards a new EU policy framework for SMEs COR-2019-02041 – ECON-VI/046 136 <sup>th</sup> Plenary Session – October 2019 Rapporteur: Tadeusz TRUSKOLASKI (PL/EA) DG GROW – Commissioner BRETON	
Points of the European Committee of the Regions opinion considered essential	European Commission position
- [The Committee] recognises the importance of start-ups within the framework of SMEs, since they are responsible for many disruptive innovations, but points to the need to also support existing businesses to scale up and innovate in an incremental way;	The Commission agrees with this view and considers its policy support to start-ups as geared towards responding to specific needs in a broader context of supporting all types of small and medium-sized enterprises (SME) through the SME policy. The Commission's President Ursula von der Leyen fully recognises the importance of small and medium-sized enterprises and has called for a new, dedicated SME strategy. Such strategy is scheduled for adoption already in March 2020. The new SME strategy will build on achievements and lessons learned under the current SME policy framework. It will target all types of small and medium-sized enterprises of all sizes, including start-ups and scale-ups.
<ul> <li>notes that the proposed framework of common rules for the European Structural and Investment Funds must be flexible in order to enable requesting regions to focus their operational programmes on SMEs and micro-entrepreneurship;</li> </ul>	Over half of EU funding is channelled through the five European structural and investment funds (ESIF). All these funds are managed by the EU Member States themselves, by means of partnership agreements. Each Member State prepares an agreement, in collaboration with the Commission, setting out how the funds will be used. These funds invest in job creation and a sustainable and healthy European economy and environment. Small businesses, research and innovation and digital technologies feature among the main focus areas of the European structural and investment funds.
- expects regional representatives to be involved in the management of the EU's SME policy and for them to cooperate more	The Commission welcomes the involvement of regional representatives in SME policy making and encourages them to cooperate more closely

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closely with SME Envoys;	with national SME Envoys. The role of SME Envoys provides for intensifying contacts between organisations representing small and medium-sized enterprises and other public services whose action can either benefit or have an impact on SMEs.
<ul> <li>points to the important idea of a one-stop shop for SMEs and, to this end, stresses the need to consolidate SMEs' support networks on a European scale;</li> </ul>	Single digital gateway will serve as a one-stop shop for the EU's most common administration procedures and will make it easier for companies to interact with public administration. Member States will have to ensure that the procedures are fully accessible online, not only in the languages of the country, but also in at least one additional language. By the end of 2020, companies moving across EU borders will be able to find out what rules and assistance services apply in their new residency. By the end of 2023, they will be able to perform a number of procedures in all EU member states without any physical paperwork. Enterprise Europe Network - the world's largest support network for small and medium- sized enterprises with international ambitions - offers personalised services to businesses, based on an approach targeted at a specific business sector. The network mainly helps setting up international growth and provides support for business innovation. However, its offer has recently expanded to include specific advisory services for start-ups, through scale- up advisors, including on funding opportunities, partnering and on how to access cross-border public procurement. Other networks may, however, offer support in areas requiring highly specialised knowledge, technological proficiency or advanced testing facilities. One such example is the network of Digital Innovation Hubs that can help ensure that every company, small or large, high-tech or not, can grasp the digital opportunities.

-	highlights the importance of supporting the cooperation of groups of specialised small and medium enterprises (clusters);	The Commission welcomes that the importance of clusters is highlighted. The importance that the Commission places on clusters in order to successfully reach out to SMEs and connect Europe's ecosystems is reflected not only in its industrial and smart specialisation strategies, but also in the Single Market Programme proposal that features Joint Cluster Initiatives as a COSME flagship action. As proposed, they would be supported by the European Cluster Collaboration Platform, which would act as the main information and partnering hub for cluster stakeholders from 2020 onwards, by integrating the European Observatory for Clusters and Industrial Change and the European Resource Efficiency Knowledge Centre to have a wider reach-out.
_	draws attention to the issue of SMEs' access to public procurement, while also welcoming the inclusion of this category of enterprises in the reform of the public procurement directive and calls for further measures to support SMEs;	The new generation of public procurement directives, adopted in 2014, provides a framework for procurement. It simplifies public procurement procedures and seeks to improve access of small and medium-sized enterprises to procurement. SMEs win only 45 % of the value of public contracts above EU thresholds, clearly below their weight in the economy.
		Public procurement is undergoing a digital transformation, which goes beyond simply moving to electronic tools, by rethinking various pre-award and post-award phases. The aim is to make them simpler for businesses to participate in and for the public sector to manage.
-	(10) stresses the need to promote and implement fewer time-consuming administrative procedures and to reduce the amount of red tape at all levels of European and national administration, which has a significant impact on the way SMEs work, including the financial aspects of their activities;	REFIT is part of the Commission's better regulation agenda. It makes sure that EU laws deliver their intended benefits for citizens, businesses and society while removing red tape and lowering costs. It also aims to make EU laws simpler and easier to understand. REFIT pays particular attention to small businesses, which can be disproportionately

		affected by the burden of implementing EU rules.
-	(12) supports the call for a revision of the definition of "SMEs" currently in use at EU level in order to take account of the fact that medium-sized enterprises ("mid-caps", with up to 500 employees) are structurally very comparable with SMEs (< 250 employees and an annual turnover of $\leq$ EUR 50 million or a balance sheet of $\leq$ EUR 43 million) and yet do not get preferential treatment over large enterprises;	The previous Commission worked on the evaluation of the SME definition. The development of the new SME strategy will take these evaluation results into account.
-	(18) stresses that the increasing number and complexity of administrative regulations reduces the growth potential of SMEs, especially micro-enterprises, which do not have adequate administrative and financial support to overcome these barriers, therefore calls for reducing administrative complexity for businesses in the EU, in particular for cross border operations;	The Commission's regulatory fitness and performance (REFIT) programme aims to ensure that EU legislation delivers results for citizens and businesses effectively, efficiently and at minimum cost. REFIT aims to keep EU law simple, remove unnecessary burdens and adapt existing legislation without compromising on policy objectives. The Commission presents every year an overview of simplification results.
		In its policy-making activities, the Commission works extensively with stakeholders and collects their views through consultations.
		Simplifying EU legislation and reducing regulatory burden is a shared responsibility: the Commission works with the European Parliament, the Council of the European Union, the Member States and other stakeholders.
-	(19) notes that, with the emergence of a growing number of innovative solutions in the market, combined with their limited financial availability to SMEs, a new approach is required which calls for the creation and development of so-called "open innovations";	Open Innovation is an important component of the planned European Innovation System, where all stakeholders need to be involved and create seamless interaction and mash-up for ideas in innovation ecosystems. The Commission recognises its importance and has by now put in place a number of policies supporting open innovation (e.g. Innovation Deals), funding opportunities for innovators (e.g. InnovFin schemes), and support services

terprise Europe Network).
the Commission agrees that open innovation is e way to improve the innovation capacity of hall and medium-sized enterprises. To hieve such improvement, SMEs will have to ange the way in which they manage novation projects and include key ikeholders in the process.
the European Innovation Council will be a e-stop shop for innovation to help small mpanies to innovate and scale up. It will dress current market gaps in financing non- nkable projects, with 70% of its funding rmarked for small and medium-sized terprises.
orizon Europe will boost Europe's innovation pacity, competitiveness and jobs. A dedicated lar, Pillar III 'Innovative Europe', will mulate market-creating breakthroughs and osystems conducive to innovation.
egions and Member States can support open novation for small and medium-sized terprises by introducing digital open novation platforms, such as the platform of e region of Lombardy.
esident von der Leyen has made 'Europe fit r the digital age' one of her six headline abitions. The digital transformation of EU siness and society presents enormous growth tential for Europe. Currently, EU businesses e not taking full advantage of these advanced chnologies or the innovative business models fered by the collaborative economy. There e large disparities in the uptake of digital lutions between large companies and small d medium-sized enterprises. This is why
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		cybersecurity, data access and data sharing.
-	(35) calls for programmes supporting SME capacity-building to be set up, for instance regarding the use of modern financial instruments, measures to raise awareness of the importance of exchanging information and cooperation as well as the possibility of, and need for, long-term growth strategies and plans;	Skills and education drive Europe's competitiveness and innovation. The Commission is committed to bringing down barriers to learning, improving access to quality education, and changing the culture of education towards lifelong learning that enriches us all. President von der Leyen's priority will be to get Europe up to speed on digital skills for both young people and adults, by updating the Digital Education Action Plan. The adoption of the update of this plan is scheduled for the second quarter of 2020.
-	<ul> <li>(43) draws attention to the issue of SMEs' access to public procurement, while also welcoming the inclusion of this category of enterprises in the reform of the public procurement directive and calls for further measures to support SMEs, and</li> <li>(50) calls on the European Commission to look for solutions that would make it easier for SMEs to take part in public tenders, for example by means of a bonus for local/regional origin, as the changes made so far have been insufficient;</li> </ul>	Rules introduced on 18 April 2016 have changed the way EU countries and public authorities spend a large part of the $\varepsilon$ 1.9 trillion paid for public procurement every year in Europe. The reform of public procurement legislation makes it easier for small and medium-sized enterprises (SMEs) and start-ups to participate in public tenders, e.g. by encouraging contracting authorities to divide contracts into lots, or by limiting requirements to participate in a tender related to the turnover. The mandatory use of eProcurement will allow SMEs to exploit the full benefits of the Digital Single Market and will bring efficiency gains. The work on e-procurement is on-going and new facilities are being rolled-out.
-	(49) reiterates its call for a new horizontal strategy, the content of which should highlight the importance of innovation – particularly disruptive and incremental – and support key enabling technologies and important projects of common European interest, including with regard to digitalisation and SMEs	The EU's SME policy needs to embrace evolving challenges. Small and medium-sized enterprises need to be prepared to face the transition to sustainable business models and – notably the innovative ones – to contribute to delivering on the Green Deal. They have to manage the speed of digitalisation and the uptake of artificial intelligence, promote social cohesion and adapt to shifting international trade relations. Tackling all these challenges

	via an adequate SME policy is crucial in the global race for competitiveness and sustainability, as well as for the economic sovereignty of the EU. This is why the Commission has started working on a new SME strategy which will cover all types of SMEs, including start-ups and scale-ups.
<ul> <li>(55) calls on the EU institutions and the Member States to intensify their effort in improving the functioning of the Single Market to unlock its full potential</li> </ul>	EU companies thrive because of Europe's single market, the largest of its kind in the world and one of the Union's greatest assets. By removing barriers and opening access for firms to a large and competitive market, it drives the Union's innovation and competitiveness and makes the EU a desired trading partner for countries around the world. President von der Leyen specifically tasked Commissioner Breton with focusing on the implementation and enforcement of rules at the European, national, regional and local levels, as well as with reviewing remaining barriers relating to goods and services and helping remove any artificial distinctions between new digital markets and more established markets.
<ul> <li>(56) calls on the European Commission and the European Parliament to work on instruments and mechanisms that will ensure a level playing field for European SMEs in European and global competition, not least for technologies that are strategically important to Europe.</li> </ul>	Both the political guidelines for the Commission 2019-2024 and the Commission Work Programme 2020 underline the need to ensure fair competition and the level playing field in the global market, by acting strongly against those who compete by dumping, deregulating or subsidising. President von der Leyen personally committed to looking for multilateral solutions, to making full use of our trade defence instruments where necessary, and to ensuring that EU can enforce its rights, if others block the resolution of a trade conflict.

N°12 Implementation report on public procu COR-2019-01136 – ECON-VI/043 136 <sup>th</sup> Plenary Session – October 2019 Rapporteur: Thomas HABERMANN () DG GROW – Commissioner BRETON	
Points of the European Committee of the Regions opinion considered essential	European Commission position
3. points out that both administrative practice and economic operators have only just adapted to the new public procurement system, and in some cases are still in the process of adjusting; likewise stresses that, in many places, these adjustments involve a not inconsiderable burden in terms of training and advice, in some cases from external legal advisers; in these circumstances, firmly believes that it would not be appropriate to introduce new legislative requirements in the next few years;	The Commission takes note of the call to ensure a stable legal framework. The Commission is monitoring the effective implementation of the legal framework set up in 2014 in all the Member States and at all the levels of the national administrations.
8. highlights the need to clarify the circumstances in which local and regional authorities are permitted to promote local economic growth and local structures in the interests of sustainability and positive environmental impact, by using short supply chains (e.g. the "Holz von hier" initiative) in line with the "buy local" principle;	The Commission fully supports the need to promote the interests of sustainability and positive environmental impact, provided that the Treaty principles of equal treatment and non-discrimination are complied with.
9. takes the view that any future obligation to apply strategic procurement objectives to any procurement process should be clearly rejected, in order to avoid unnecessarily overburdening the procurement procedure; points out that in many procurement procedures it is not expedient to take account of strategic procurement objectives, for example in the case of standard procedures for the supply of products;	Public procurement is a powerful tool of economic policy. Contracting authorities are encouraged to use it, so that they can fulfil their policy objectives in the best way. This includes applying strategic procurement objectives wherever appropriate. The Commission supports Member States in various ways to facilitate strategic procurement. It publishes guidance, standard Green Public Procurement Criteria, supports professionalisation and offers tailor-made strategic partnerships to Member States. The Commission also promotes the development

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	of national and local strategies aiming to facilitate the work of public buyers (through training, guidance, helpdesks, etc.).
10. stresses that increasing the number of policy goals increases both the likelihood of errors and the risk of conflict between those goals;	The Commission stresses the opportunities that the public procurement framework gives contracting authorities in terms of integrating green, social and innovation considerations in public procurement policy. It supports Member States and public buyers in various ways to professionalise while integrating strategic public procurement considerations. The Commission supports public buyers through various tools: guidance and good practices on green, social and innovation procurement; helping public buyers to get necessary skills, knowledge and competences for efficient and smart procurement (i.e. professionalisation); support to large infrastructure projects; guidance providing practical advice to public buyers in EU countries on how to deal with bidders outside the EU; supporting digital transformation of public procurement; as well as specific guidance and support for strategic sectors.
12. believes that the goal of increasing the thresholds beyond which public contracts must be put out to tender across Europe is appropriate, with a view to preserving the balance between transparency on the one hand and the administrative burden placed on authorities and SMEs on the other hand; calls on the Commission, in the long term, to work towards significantly increasing the thresholds in the Agreement on Government Procurement at WTO level	The Commission is committed to ensuring transparency for procurement, as it allows especially small and medium-sized enterprises (SMEs) to compete for public contracts.
14. Public procurement is not primarily intended to achieve policy goals regarding, for example, environmental sustainability, social inclusion or innovation, or to further specific socio-political development.	Public procurement is a powerful tool of economic policy that encourages addressing pressing societal issues with use of public funds and delivering best services and goods to citizens. The ultimate objective of strategic public procurement is to have an impact on 85/135

	environmental, societal or economic goals or needs. Not doing so will result in a missed opportunity and failure of accountability towards the citizens.
15. sometimes because the increased likelihood of errors increases the likelihood of legal proceedings; local and regional authorities particularly complain of the shortage of skills needed to get more procurements of this kind up and running;	The Commission is working on developing different practical tools, guidance, etc. aimed at facilitating the daily work of procurement officers. Additionally, a growing number of Member States are providing similar support to contracting authorities in order to fully reap the benefits of the possibilities under the 2014 Public Procurement Directives <sup>47</sup> . The Commission also develops a European Competency Framework as an offer to Member States to develop the skills of their procurement officials. Local and regional authorities are also encouraged to work together to ensure a sharing of skills and their most effective use.
16. points out that, though they have the option of awarding contracts on the basis of various qualitative criteria, local and regional authorities often prefer the lowest price, because they see it as the most appropriate use of public money, as well as being a criterion that is easier to apply;	The Commission considers that the aim of public procurement is to provide citizens with the services they need in line with economic policy goals. Public money should be spent for the best value, not for the cheapest offer. However, strategic procurement is not limited to using quality criteria in the award of contracts. They can also be introduced at the selection stage, technical specifications or as contract performance clauses. In such cases, evaluation of tenders can still be based on 'lowest price'.
20. recalls that promoting SMEs was one of the five priorities for the 2014 public procurement reform; notes that SMEs and start-ups still find it	Improving small and medium-sized enterprises' (SMEs') access to procurement markets is one of Commission's priorities, as

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Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC; OJ L 94, 28.3.2014, p. 65–242. Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC; OJ L 94, 28.3.2014, p. 243–374. Directive 2014/55/EU of the European Parliament and of the Council of 16 April 2014 on electronic invoicing in public procurement; OJ L 133, 6.5.2014, p. 1–11.

difficult to meet economic or technical eligibility criteria. In addition, late payments, SMEs' lack of knowledge of key aspects of public procurement, and the high potential cost of legal proceedings present significant constraints;	mentioned in the 2017 Public Procurement Package <sup>48</sup> . The Commission has taken various initiatives to increase the participation of SMEs in procurement and will continue to pay particular attention to their needs.
21. points out that the measures taken to date to increase SME participation have – as shown in the CoR/CEMR survey – not resulted in the expected degree of improvement;	Improving SMEs' access to public procurement is a long-term process. As the transposition of the Directive 2014/24/EU, and implicitly of the SME-friendly provisions, was completed only recently in certain Member States, their effects are still to be seen. Despite these elements, based on a
	forthcoming report, the situation of SMEs participating in public procurement above thresholds seems to have improved in the recent years: from 55% in 2010 to 61% in 2017 in terms of number of contracts, and from 29% for the 2009-2011 period to 33% for 2011-2017, in terms of value for direct participation. The estimated direct and indirect participation increased from 45% to 49% in terms of value. <sup>49</sup>
22. stresses that strategic procurement objectives frequently present a significant barrier to participation in procurement procedures specifically for SMEs in comparison to professionally organised large companies, given that SMEs often lack the necessary resources to meet strategic procurement criteria; stresses that strengthening strategic procurement is potentially at odds with the appropriate and laudable goal of promoting and facilitating access to public procurement procedures for SMEs;	Strategic procurement can facilitate the participation of small and medium-sized enterprises (SMEs) in public procurement, especially for innovative ones. There is no empiric evidence that SMEs find competing in public procurements with ambitious strategic goals more difficult than in other procurements.
23. in this connection, highlights the need to	From the public procurement perspective, it is

 <sup>&</sup>lt;sup>48</sup> <u>https://ec.europa.eu/commission/presscorner/detail/en/IP\_17\_3543</u>
 <sup>49</sup> 'Analysis of the SME's participation in public procurement and the measures to support it', forthcoming study commissioned by DG GROW.

revise the definition of "SMEs" currently in use at EU level <sup>50</sup> ; points out that, under the current definition, medium-sized enterprises ("mid- caps", with up to 500 employees) are structurally very comparable with SMEs (< 250 employees and an annual turnover of $\leq$ EUR 50 million or a balance sheet of $\leq$ EUR 43 million) and yet do not get preferential treatment over large enterprises; in view of the rising tide of protectionism on key markets, stresses that it is important for the EU to take a constructive and clearly market-oriented position in terms of global competition, in the interests of the domestic European economy, and to take account of medium-sized enterprises as a strong economic factor, particularly in rural areas;	important to note that no preferential treatment is possible for a specific group of companies, including those already fulfilling the current definition of small and medium- sized enterprises (SMEs). This is not compatible with the non-discrimination and equal treatment principles of the Treaty. The policy to help SMEs in public procurement is based on the efforts to make sure that such enterprises have a fair chance of competing. The European Union is leading, together with New Zealand, the SME Work Programme in the field of the World Trade Organization's (WTO) Government Procurement Agreement, in order to identify and promote useful non- discriminatory SME support actions. In addition, the EU opposes discriminatory SME-support measures in the countries with which it signs free trade agreements.
25. takes the view that procurement in lots particularly benefits SMEs and medium-sized companies, and is therefore a good approach; points out, however, that underperforming enterprises and excessively small lots may increase the administrative and coordination burden on contracting entities;	A report <sup>51</sup> corroborates the Committee's conclusion that the division into lots is a good measure to support small and medium-sized enterprises' access to public procurement. In order for this measure to function properly, this has to be done considering the characteristics of what is bought and not simply by excessively reducing the value of the lots, which can have a negative impact on competition, the value for money and the contracting authority's capacity to manage the contracts.
26. notes that the overall share of cross-border contracts fell from 5.95% in 2013 to 3.4% in 2017;	Direct cross-border awards account indeed for a relatively low share of procurement. On the other hand, indirect cross-border procurement exceeds 20 %.
27. stresses that the concept of public procurement should be interpreted using a	In the 2014 directives, the division of contracts into lots is encouraged through the 'apply or

 <sup>&</sup>lt;sup>50</sup> Commission Recommendation 2003/361/EC, 6.5.2003.
 <sup>51</sup> 'Analysis of the SME's participation in public procurement and the measures to support it', forthcoming study commissioned by DG GROW.

functional approach. However, even if it is considered from such a perspective, different types of planning services should not be added together when calculating contract value, but may instead be treated as separate contracts; explains that this is important particularly for the protection and increased participation of SMEs in public procurement procedures;	explain' principle, i.e. when contracting authorities deem that the division would not be appropriate, an individual report or the procurement documents should contain an indication of the main reasons for the contracting authority's choice. Such reasons could for instance be that the contracting authority finds that the division could risk restricting competition, or rendering the execution of the contract excessively technically difficult or expensive, or that the need to coordinate the different contractors for the lots could seriously undermine the proper execution of the contract.
32. Notes that another key reason is likely to be the different standards and legislation applicable in the Member States, for example in the fields of labour law, occupational health and safety, and construction; these differences deter potential foreign bidders – and particularly SMEs, which often lack the necessary material and legal resources to meet the requirements of other Member States – from submitting tenders;	As a general principle, Directive 2014/24 mentions in Article 42 (2) that technical specifications shall afford equal access of economic operators to the procurement procedure and it shall not have the effect of creating unjustified obstacles to the opening up of public procurement to competition. The same Article 42 (3) (b) states clearly the obligation that each reference to standards be accompanied by the words 'or equivalent'. This is in line with the previous paragraph and it aims at ensuring that public procurement remains open to competition.
	As the small and medium-sized enterprises (SMEs) on their own may find participating in public procurement in a different country difficult, other measures could be envisaged in order to support them. Such measures could be: encouraging participation through consortia, improving the knowledge and capacity of business intermediaries to help SMEs, better communicating on the procurement plans of bigger contracting authorities in neighbouring regions. Such a pilot project was operating in 2017-2018 and a second one is planned in 2020 to support SMEs' participation outside the EU.
35. points out that the "professionalisation" to	The exact name of the project is European
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which the Commission refers – i.e. the training o administrative staff – lies entirely within the organisational purview of the Member States and particularly of local and regional authorities; is also concerned that further guidance and manuals from the Commission on the professionalisation of contracting authorities (such as the planned comprehensive European Professionalisation Framework (EPF)), alongside the already comprehensive regulatory framework, would probably result in additional administrative burdens for contracting entities.	<ul> <li>Procurement Professionals' (ECF). The ECF</li> <li>is designed as a tool to facilitate the professionalisation efforts by providing an operational reference point.</li> <li>The professionalisation of administrative staff</li> <li>(which consists of training but also of career management and the provision of tools and methodologies to make the procurement process more efficient) is in the purview of</li> </ul>
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COR-2019-00974 – NAT-VI/042 136 <sup>th</sup> Plenary Session – October 2019 Rapporteur: Slawomir SOSNOWSKI (PL/EPP) DG SANTE – Commissioner KYRIAKIDES	
Points of the European Committee of the Regions opinion considered essential	European Commission position
- observes that African swine fever (ASF) is a threat and a challenge at the local, regional, national and European level;	The Commission agrees that African swine fever (ASF) is a devastating disease, which eventually is deadly to domestic and wild boar, and against which no vaccination exists. African swine fever does not affect humans. It has the potential for very serious and rapid spread, irrespective of national borders. It also bears serious socio-economic consequences and is of major importance in the international trade of animals and animal products. That is why the Commission has adopted a strategic approach to the management of African swine fever for the EU <sup>52</sup> . It is aimed at the EU Member States affected by the disease and those currently free from the disease, but with a risk of introduction. The strategic approach is intended to prevent the spread of the disease and eventually to eradicate the disease from the affected territories.
- believes that the grant referred to in Article 5(3)(a) of Regulation 652/2014 of the European Parliament and of the Council should always amount to 100% in the event that a case of ASF is confirmed because ASF is a threat that has a major impact on public health and disruptive effects on the economy;	The Commission would like to recall that 100% co-financing is currently not foreseen for measures included in Member States' African swine fever (ASF) programmes. The work programme 2018-2020 does not include any 'specific tasks which are indispensable for the EU as a whole'. This is one of the requirements for 100% funding of activities according to Regulation (EU) 652/2014 <sup>53</sup> for

African swine fever and the European pork market

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https://ec.europa.eu/food/sites/food/files/animals/docs/ad\_control-measures\_asf\_wrk-doc-sante-2015-7113.pdf
 Regulation (EU) No 652/2014 of the European Parliament and of the Council of 15 May 2014 laying down provisions for the management of expenditure relating to the food chain, animal health and animal welfare, and 91 / 135

	the management of expenditure relating to the food chain, animal health and animal welfare.
	Currently, the 100% rate is only applied to fund certain programmes and emergency measures in third countries.
	The current Regulation will be replaced with a new Regulation, currently undergoing the ordinary legislative procedure. It is expected to apply from 2021.
	The Commission will take the Committee's proposal into account in the preparation of the next work programme, having due regard to the new legislation.
	The Commission considers the African swine fever a disease with a major impact on animal health, the economy and trade. It is not a threat to public health.
- welcomes the work of the European Parliament and the European Commission in combating ASF undertaken within the current financial perspective, but believes that it is necessary to plan for additional resources in the next multiannual financial framework, including significant spending on scientific research that aims to develop an effective vaccine against this virus;	Various EU co-funded research projects targeting African swine fever, including vaccine development, are currently implemented under Horizon 2020. No commitment can be made at this stage on the overall level of resources devoted to African swine fever control under the next EU Framework Programme for research. However, African swine fever will remain among the top priority animal diseases.
<ul> <li>calls for a special, dedicated cross-border grant to be allocated to combat ASF as part of projects that are conducted jointly by at least two countries;</li> </ul>	According to Regulation (EU) 652/2014, up to 75% of the eligible costs can be co-financed by the EU for cross-border activities implemented by two or more Member States in order to control, prevent or eradicate animal diseases.
	As mentioned above, only activities implemented in third countries can be funded

relating to plant health and plant reproductive material, amending Council Directives 98/56/EC, 2000/29/EC and 2008/90/EC, Regulations (EC) No 178/2002, (EC) No 882/2004 and (EC) No 396/2005 of the European Parliament and of the Council, Directive 2009/128/EC of the European Parliament and of the Council and Regulation (EC) No 1107/2009 of the European Parliament and of the Council and repealing Council Decisions 66/399/EEC, 76/894/EEC and 2009/470/EC; OJ L 189, 27.6.2014, p. 1–32

	at 100%.
- encourages local and regional authorities to disseminate information on the application of due diligence to prevent the spread of the disease, and to continue to cooperate on promoting biosecurity, particularly in small farms, and to take further joint measures in the event of an outbreak in border areas.	The Commission recognises the importance of public awareness and biosecurity as crucial measures to prevent, control and eradicate the African swine fever. Local and regional authorities play an important role in their implementation.
3. considers that the fight against ASF combines policy objectives in the common agricultural policy and the environment and in other policy and funding programme fields that address such issues as societal challenges and regional development, thereby ensuring a coherent approach across various sectors; within the 2020 budget previsions for agriculture support measures against African swine fever, supports the proposal for EUR 50 million for emergency measures and EUR 28 million for development of a vaccine/drug against the ASF;	The Commission would like to recall that a total of $\notin$ 131,300,000 have already been allocated to the Member States regarding the African swine fever for the period 2014 - 2019. Two different tools were used to provide support: eradication programmes (at $\notin$ 62,000,000) and emergency measures (at over $\notin$ 69,300,000).
4. recognises that African swine fever is an international challenge. European regions should show solidarity on the threat posed by ASF to rural areas, the rural economy and agricultural processing. The speed at which the virus has spread to its current level could lead to the collapse of the European pork market and deprive hundreds of thousands of farmers of their source of income. This is a problem that is no longer local or regional, but has become a pan-European threat. The disease is currently present in several European countries:	The Commission fully recognises the scale of the challenge and threat posed by the African swine fever. The Commission would like to note that the epidemiological situation in some Member States has changed. For example, Czechia has successfully eradicated the African swine fever, also because it has followed strict recommendations, and is considered as country free from the African swine fever as of February 2019. Also in Estonia no outbreaks in domestic pigs have been recorded since September 2017.
• Poland (1 492 cases and 1 outbreak)	
• Lithuania (728 cases of the disease in wild boars),	
• Latvia (286 cases),	
• Estonia (150 cases),	
• Ukraine (26 cases, 22 outbreaks in pigs),	

• Czechia (25 cases),	
• Italy (24 cases, 2 outbreaks),	
• Romania (3 outbreaks)	
- data from 01/01-15/04/2018;	
6. draws particular attention to the need for cross-border cooperation on a par with that adopted in the event of natural disasters; points out that the problem also concerns the EU's external borders, but believes that strengthening cross-border cooperation is essential and necessary. The Committee points out that there is a further and ongoing need to act together across borders to stabilise the situation in the EU's neighbouring countries (the Russian Federation, Ukraine, Belarus, Moldova);	The Commission will continue its dialogue and active engagement with neighbouring countries. A number of successful initiatives have already been undertaken. These initiatives include regular international meetings and discussions on African swine fever within the Global Framework for the Progressive Control of Transboundary Animal Diseases (GFTADs), technical assistance via the EU Veterinary Emergency Team, and tailor made training under the Better Training for Safer Food (BTSF) initiative. In addition, Moldova and Ukraine are in receipt of continuous EU financial support since 2017 in relation to African swine fever control, while Belarus has received EU support in strengthening its sanitary and
	support in strengthening its sanitary and phytosanitary (SPS) laboratories. In the same manner, the Commission also intends to financially support Western Balkan countries to prevent, control and eradicate African swine fever in the region. In addition, there is an ongoing Commission project in relation to capacity building of veterinary services in the six Western Balkan countries.
7. recognises a number of economic and social risks that a crisis brought on by ASF could trigger. In addition to the public health preoccupation and the impact on the EU pork market and associated major structural changes in pigmeat production, other branches of the economy could be affected, such as tourism, forestry, meat processing and trade. ASF also affects the image of individual countries, but also the EU as a whole;	The Commission strongly disagrees with any attempt to link African swine fever with public health concerns. As recognised internationally, African swine fever does not affect and is not harmful to humans. There is no scientific evidence in relation to any public health risks from African swine fever.

10. believes that at the Member State level and at the level of the European Commission, intensive discussions should be held with the above-mentioned third countries on joint, coherent action in the fight against ASF and that the possibility of supporting these actions through cross-border programmes on food safety should be considered. CORLEAP could be an appropriate forum to discuss such cross- border actions;	The Commission has elaborated programmes that deliver cooperation and assistance to third countries on fighting animal health threats. The most important is the Better Training for Safer Food (BTSF), which will continue granting technical assistance on animal health. Another important tool for cooperation with third countries is the Partnership Instrument which supports seminars, workshops, and symposia together with trading partners. The EU works also with partners through Free Trade Agreements and other international agreements where a chapter on sanitary and phytosanitary measures (SPS) lays down provisions to enhance communication and cooperation including on animal health. The Commission is very active on the international level at the World Organisation for Animal Health (OIE). A dedicated meeting on African swine fever with Eastern Partnership countries could be a worthwhile endeavour in addition to ongoing bilateral cooperation with the different countries.
<ul> <li>11. calls on and encourages all stakeholders:</li> <li>a) local and regional authorities,</li> <li>b) hunters and farmers,</li> <li>c) veterinary services,</li> <li>d) national authorities of individual Member States,</li> <li>e) the media.</li> <li>to play an active and dynamic role in the process of combating ASF in Europe under the leadership of the European Commission and the European Food Safety Authority (EFSA);</li> </ul>	The Commission recognises the importance of multi-lateral cooperation and public awareness in relation to African swine fever, as testified by the several initiatives taken by the EU <sup>54</sup> since the early stages of the disease at EU borders.
12. calls for increased funding for educational and informational activities among stakeholders	Awareness raising campaigns for relevant stakeholders are eligible measures for EU co-

<sup>54</sup> see the Chronology of main initiative taken or supported by the Commission: https://ec.europa.eu/food/sites/food/files/animals/docs/ad\_control-measures\_asf\_chronology\_en.pdf

with the aim of raising public awareness of the illness, how to prevent and combat it, as African swine fever poses an enormous threat to rural development, the local and regional economy, the environment, farming and, as a result, to humans and public health in particular;	financing under both veterinary programmes and emergency measures against ASF. They have been co-financed on the basis of real costs without a ceiling, taking into account the available budget. Furthermore, the Commission has updated technical 'Guidelines for the Union co-funded programmes of eradication, control and surveillance of animal diseases and zoonoses for the years 2018-2020' <sup>55</sup> which provide for co-financing of awareness campaigns in Member States which are neither infected nor neighbouring an African swine fever -infected country.
13. encourages local and regional authorities to disseminate information on the application of due diligence to prevent the spread of the disease, and to continue to cooperate on promoting biosecurity, particularly in small farms, and to take further joint measures in the event of an outbreak in border areas. This information should be provided to anyone who owns pigs and anyone else who comes into contact with wild boars;	The Commission fully recognises the essential role played by local and regional authorities in relation to prevention, control and eradication of African swine fever. Public awareness campaigns (including ensuring and promoting high levels of biosecurity in pig farms and during hunting) remain among the most important measures, in particular for prevention. Therefore, financial support from the EU budget in relation to public awareness campaigns is available for all Member States subject to budget availability.
<ul> <li>14. calls on hunters to step up epidemiological surveillance of wild fauna in the infected area and to increase hunting where there is an excessive amount of wild boars. The Committee recognises that, despite not being affected by the disease, people – particularly hunters – can cause the disease to spread through:</li> <li>any contact with infected animals, alive or dead (corpses),</li> <li>contact with anything contaminated by the virus (e.g. clothing, vehicles, other equipment),</li> <li>feeding animals meat or meat products from</li> </ul>	The Commission agrees that hunters can play a major role in relation to early detection of African swine fever, its control and eradication. Therefore, a number of initiatives have been launched by the Commission in relation to cooperation with the EU hunting community aiming at wild boar management to prevent, control and eradicate this disease. The strategic approach to the management of African swine fever for the EU has been developed by the Commission in close coordination with all Member States since 2015. It contains the main harmonised

55 <u>https://ec.europa.eu/food/files/safety/docs/cff\_animal\_vet-progs\_guidance\_progs\_erad\_2019-2020.pdf</u>. 96 / 135

infected animals (e.g. sausages or uncooked meat) or waste containing contaminated meat	principles of wild boar management in the EU.
(e.g. kitchen waste, swill feed, including offal); 15. believes that the effectiveness of the fight against the disease depends primarily on the size of the wild boar population. Action should therefore be taken to reduce the wild boar population in the concerned regions to regionally appropriate numbers. Cooperation programmes between the agricultural and environmental sectors (management of hunting, ban on additional feeding except where necessary for hunting (use of bait), farming practices) adapted to the specific situations of Member States should be promoted;	The management of wild boar in the context of African swine fever in the EU remains a challenge in certain regions and it requires a multi-sectorial approach. That is why the Commission organised a ministerial conference on 'Eradication of African swine fever in the EU and the long-term management of wild boar populations' on 19 December 2018 in Brussels. The conference focussed on the preparedness on African swine fever and notably on the long-term management of the wild boar population. It was broadly agreed that a long-term EU management strategy of wild boar population, including its appropriate reduction, is needed. This strategic approach provides the basic principles of the EU long-term management strategy towards wild boar populations in different areas based on African swine fever risk. Those principles should be adapted to the particular situation of the Member States.
16. appreciates the work done so far by the European Commission to combat ASF and at the same time suggests that the EC plan further grants, including in the new Horizon Europe programme, for action in this area, as all calls for proposals concerning ASF within the Horizon 2020 programme are currently closed;	Various EU co-funded research projects targeting African swine fever, including vaccine development, are currently implemented under Horizon 2020. No commitment can be made at this stage on the overall level of resources devoted to African swine fever control under the next EU Framework Programme for research. However, African swine fever will remain among the top priority animal diseases. The recently launched ERA-NET Cofund International Coordination of Research on Infectious Animal Diseases (ICRAD) <sup>56</sup> was pre-announced on 14 November 2019 a joint call for transnational projects, to be co-funded

<sup>56</sup> https://www.icrad.eu/.

<ul> <li>receive specific support from the EU which should be in the form of:</li> <li>a) reimbursement of the equivalent value of herds that were disposed of, without the imposition of additional conditions,</li> <li>b) application of a historical subsidy mechanism for a period of five years after the cessation of production caused by depopulation of the herd,</li> <li>c) financial assistance to re-orient farms towards another area of production,</li> <li>c) the determinent of the equivalent of the herd, the determinent of the end of the determinent of the herd, the determinent of the end of the determinent of the herd, the determinent of the he</li></ul>		under Horizon 2020. African swine fever is among the domains to be covered. In addition, ASF could be addressed in the EU-African Union research cooperation under the priority 'Sustainable Intensification in Africa' in relation to the Horizon 2020 Work Programme 2018-2020, the African Union Research Grants or the LEAP-AGRI ERA- Net. The project ASF-Resist funded by the African Union Research Grants works on the determination of the phenotypic and genotypic features of pigs that survive African swine fever outbreaks.
<ul><li>h) assistance for farms that have carried out on- farm slaughter and produced on a small scale,</li><li>i) disposal of all dead wild boars at the expense</li></ul>	<ul> <li>receive specific support from the EU which should be in the form of:</li> <li>a) reimbursement of the equivalent value of herds that were disposed of, without the imposition of additional conditions,</li> <li>b) application of a historical subsidy mechanism for a period of five years after the cessation of production caused by depopulation of the herd,</li> <li>c) financial assistance to re-orient farms towards another area of production,</li> <li>d) assistance in implementing full biosecurity for farms that continue pig production and pigfattening, and also in the event of crisis-associated financial burdens due to measures taken (e.g. inspections, transport provisions),</li> <li>e) assistance for pig producers and pig keepers in the case of lost income resulting from a destabilised pork market,</li> <li>f) assistance for farms that want to increase pig production using biosecurity on their farms.</li> <li>g) support for farms affected by restrictions on plant production due to ASF;</li> <li>h) assistance for farms that have carried out onfarm slaughter and produced on a small scale,</li> </ul>	Commission, available to Member States. Regarding paragraph 17(a) of the Committee's opinion, EU rules do not foresee unconditional reimbursements. Measures and costs have to meet the prescribed criteria. Regarding paragraph 17(i): safe disposal of wild boar carcasses in the framework of passive surveillance (found dead or shot sick animals) is an eligible cost for EU co-

of the state;	
18. is concerned by the further spread of the ASF virus and calls on the European Commission to continue its efforts, to monitor and to evaluate actions to combat ASF at EU level with the participation of local and regional authorities.	The Commission will continue to coordinate and to update EU measures to prevent, control and eradicate African swine fever, taking into account the best available science and practises and in close coordination and cooperation with all Member States and relevant stakeholders.

N° 14 Pastoralism COR-2019-00145 – NAT VI/039 136 <sup>th</sup> Plenary Session – October 2019 Rapporteur: Jacques BLANC (FR/EP) DG AGRI – Commissioner WOJCIEC	
Points of the European Committee of the Regions opinion considered essential	European Commission position
3. [the Committee] requests that, as part of efforts to reorient CAP support, proper consideration be given to pastoralism and extensive, sustainable grazing, taking more closely into account their beneficial role in balanced territorial development to help meet our environmental and climate objectives, as recommended by the CoR in its opinion on CAP reform.	The Commission shares the view that the agricultural system based on agro-pastoralism delivers multiple benefits: maintaining farming in areas where farming faces difficult conditions; maintaining extensive farming practices delivering beneficial outcomes for biodiversity and in preserving traditional landscapes as well as positive socio-economic outcomes such as preventing depopulation of rural areas and preserving the areas' vitality. The common agricultural policy (CAP) will continue supporting extensive grazing, agroforestry systems and conservation and improvement of pastures.
4. welcomes the proposal by the European Parliament's AGRI Committee on the regulation governing support for strategic plans to be drawn up by Member States under the Common Agricultural Policy, the aim of which is to amend Article 4 of the regulation with a view to recognising wooded and shrub pasture areas as agricultural production areas eligible for basic payments;	Commission confirms that the text of the proposal allows continuing the present situation where land may be classified as Permanent Grassland even in the absence of grass.
nevertheless asks for the definitive version of this article to be revised in order to introduce the concept of pasture areas that may or may not include herbaceous resources (beneath trees, for example).	
In order to clarify the status of pasture areas and their eligibility for aid, they need to be recognised as an agricultural area distinct from permanent grassland. In order to define pastures	

areas separately from permanent grasslands, any reference to the <u>need for herbaceous</u> <u>resources to be present should be omitted</u> from the definition; combined areas of permanent grassland and pasture areas could be regrouped under the heading "permanent pasture";	
5. recommends that areas used for pasture be fully recognised as agricultural production areas within a stable and secure regulatory framework which includes an effective CAP support ceiling as in other sectors;	In 2018, the Commission adopted its proposals on the common agricultural policy. In line with these proposals, extensive pasture will continue to benefit of direct payments under the same conditions as the other agricultural areas. Farmers with extensive pasture will be subject to reduction of payments/capping like all others in view of the proposal to have this mechanism applicable on all direct payments.
6. notes that pastoral livestock farming, which relies on the natural environment as a spontaneous source of feed for livestock, makes use of flexibility and security margins in order to cope with climate risks. Farmers therefore need designated "buffer" areas which may not be used every year, or may be grazed with widely varying degrees of intensity, but which are necessary in the event of seasonal drought; these areas generally consist of heathland, water meadows and woods; the ongoing climate change increases the need for such areas; the provisions for recognising pasture areas in the first pillar should also recognise and ensure legal certainty for the use of these areas, a need that will not arise every year and cannot be predicted at the time of submitting the CAP files. Again, pastoralism develops agro-ecological practices of exchange with ecosystem services	The common agricultural policy (CAP) provides already some flexibility in case of exceptional climatic circumstance such as severe drought. Besides, Member States may implement the CAP instruments allowing the combination of forestry and farming land uses through promoting agroforestry systems, including the recognition of silviculture. The common agricultural policy also supports forest management practices to prevent forest fires, including management through grazing.
by making complementary use of areas allocated for other uses, including vineyards and orchards, something that helps reduce inputs and mechanised practices; European policies should recognise, encourage and find	101 / 13

legally sound ways of developing practices enabling livestock farmers to make use of areas declared by other farmers. Furthermore, pastoralism also develops practices	
7. supports the proposal by the European Parliament's ENVI Committee on the rules governing support for strategic plans to be drawn up by Member States within the framework of the Common Agricultural Policy, aimed at establishing farm livestock density limits and limiting payments to farms that exceed such limits;	According to the CAP Strategic Plan Regulation proposal, Member States should have the possibility to design interventions and modulate payments to tackle needs and challenges. In areas where very high livestock density may cause issues regarding e.g. nitrates, Member States should accordingly put in place payment schemes guiding farmers towards more sustainable farming practices.
11. hopes that each Member State will have the option of applying certain measures under the first pillar (eco-schemes) and the second pillar to the entire pasture area, and not only to the area eligible for support.	The support for pastures areas in the context of agri-environment-climate payments can be provided for agricultural land that is defined by Member States. As the Commission proposed, the future common agricultural policy should maintain this flexibility, allowing Member States to define the land eligible for agri-environmental support according to their needs and in line with the environment-related CAP objectives.
12. suggests, to support the continuation of farming in less favoured areas and areas with handicaps, that the compensatory allowance for natural handicaps (CANH) should be mandatory in those Member States where it may be applicable	The future common agricultural policy is based on greater flexibility given to Member States in selecting those interventions that fit best the specific needs and priorities, identified in the future CAP Plans and which will address the common specific objectives. Making the support for areas with natural constraints compulsory would limit this flexibility and needs-based selection of interventions.
19. notes that farmers are affected by unfair competition from low-cost imports which are threatening the survival of pastoralism in Europe. This means that the EU has to provide compensation in the form of support for	The EU has been and will continue to be a leader as regards reform and negotiations at the World Trade Organization (WTO). All imports to the EU have to comply with EU rules for human health, food safety, and animal

pastoral livestock farming, as for other sectors; calls on the EU to use its influence as the world's largest food importer and exporter to change the international agricultural trade rules (WTO, 1994) so as to encourage greater fairness and solidarity in trade relations, as argued in the Committee's opinion on the post- 2020 CAP;	and plant health. EU sanitary and phyto- sanitary standards are equally applicable for the EU producers and importers from third countries. Similarly, in its bilateral trade agreements, the EU ensures that the same high standards apply to all products traded in the EU and our trade partners need to align their standards with ours. No current or future trade agreements will undermine EU standards in these areas. It is of vital importance to ensure that open and fair trade is based on rules that are effective, enforceable and create a level playing field for all.
22. calls for the biodiversity strategy to be based on a new specific fund for species conservation. The fund should cover compensation for damage caused by large carnivores, the cost of which is rising sharply, and the protection of livestock, something that can take up an increasing proportion of EAFRD funds at a time when the budget is being significantly reduced. If such a new fund is not created, the existing financial instruments at regional (where applicable), national and EU level (including the EAFRD)	The EU finances the protection of biodiversity by mainstreaming the objectives of the EU biodiversity strategy throughout the EU policies supported by the EU budget. The importance of mainstreaming is recognised by the Convention on Biological Diversity <sup>57</sup> and its Aichi targets. Mainstreaming, contrary to a dedicated fund, has the advantage to exploit synergies between different sources of funds and different measures to maximize the effects on biodiversity.
will have to be used	For achieving a balanced co-existence between an adequate protection of large carnivores and pasture farming, various policy and financial instruments are available to Member States.
	This includes full and appropriate use of the opportunities provided by the EU rural development funds (EAFRD) and LIFE programme and national funds (State aid) for helping farmers and local communities to prevent or cope with the damages. As regards the European Agricultural Fund for Rural Development (EAFRD), this may cover preventive investments, for instance, into protective fences and costs for their

<sup>57</sup> <u>https://ec.europa.eu/environment/nature/biodiversity/international/cbd/index\_en.htm</u>

	maintenance, purchase of guard dogs and associated costs, training, technical assistance, and monitoring, as well as communication and information of the wider public. The latter can facilitate the dialogue among stakeholders about the need for reconciling the protection of biodiversity with human activities. The labour cost of livestock guarding is also eligible for support. Compensation for direct and indirect damage cannot be granted from the European Agricultural Fund for Rural Development (EAFRD). However, Member States may grant State aid to compensate up to 100% of direct costs (such as the economic value of the killed animals and damage to farm assets) and indirect costs (veterinary and labour costs for searching the missing animals). Under the current State aid rules, it is also possible to finance up to 100% of preventive investments, whereas compensation for income losses is excluded.
23. calls on the Commission to assess the need to revise the Habitat Directive based on the next State of Nature in the EU report in 2020, taking into account the results of the Action Plan for nature, people and the economy and the conservation status of the different species and habitats. A possible revision of the Habitat Directive should explore the opportunity to amend the annexes in the future by means of the comitology procedure in order to react more quickly to changes in specific populations and to either reduce or increase the protection status per country or territorial entity, where this is justified by the positive or negative trends in populations of protected species and by the threat to pastoralism	The 2016 Fitness Check of the EU Nature Directives <sup>58</sup> concluded that they remain fit for purpose. In the context of this assessment, all EU Member States, the European Parliament, as well as stakeholders, have unanimously confirmed that the Directives are fit for purpose, and have called on the Commission not to reopen the legal framework. Therefore, the Commission does not currently plan to amend these Directives, taking into account the next State of Nature report in 2020 and the results of the EU Action Plan for nature, people and the economy. However, through the Commission adoption of the Action Plan, a stronger focus has been placed on the improved implementation of the Nature Directives. The Action Plan is also

<sup>&</sup>lt;sup>58</sup> <u>https://ec.europa.eu/environment/nature/legislation/fitness\_check/index\_en.htm</u>

	supposed to help reconciling the conservation of protected species with the interests and needs of people, especially in the rural areas.
26. would ask the EU to develop an ambitious policy to safeguard forests against fire by promoting the presence of livestock in woods and heathland, which requires their prior recognition as areas of production, as pointed out above	As mentioned in the comments to point 6, the common agricultural policy (CAP) provides already now relevant instruments to address the need to protect forests against fires and it will continue to do so. The relevant instruments include support for forest management, including the prevention of forest fires ensured, among others, through grazing but also afforestation, restoration of damages to forests from forest fires and natural disasters, and improvement of forest resilience. These issues will also be addressed in the upcoming Forest Strategy, which is part of the European Green Deal.

N°15 Digital Europe for all: delivering smart and inclusive solutions on the ground COR-2019-03082 – SEDEC-VI/053 136 <sup>th</sup> plenary session – October 2019 Rapporteur: Anne KARJALAINEN (FI/PES) DG CNECT – Commissioner BRETON	
Points of the European Committee of the Regions opinion considered essential	European Commission position
1. draws up, at the request of Finland's Presidency of the Council of the European Union, robust proposals on how local and regional communities can develop and implement smart and inclusive digital solutions for every citizen, regardless of where they live in the European Union;	The Commission welcomes the proposals to foster the digital transformation of local and regional communities in order to implement an inclusive digital Europe. To this end, the Commission supports city representative organisations' political declaration on 'Joining forces to boost sustainable digital transformation in cities and communities in the EU', which has been put to signature by mayors, representatives of regions and Member States since December 2019. The present opinion is referred to in this declaration.
2. takes note of the proposals made by the CoR President and first Vice-President in the strategy document "Digital Europe for All" <sup>59</sup> for inclusion in the next European Commission's strategic agenda for developing the Digital Single Market;	In close cooperation with the Committee, the Commission put the strategy 'Digital Europe for All' at the core of the discussions at the Digital Assembly held in Bucharest in June 2019. Both the strategy and the outcome of the discussions provide valuable input when further developing the Digital Single Market under the new Commission.
3. would like the proposals to contribute to the strategic approaches of the European Commission's Digital Europe programme, which will determine the content of the work programmes and of specific funding applications for the 2021-2022 period; would like to provide input for the investment priorities of the Digital Europe programme:	The Commission welcomes the proposal on how local and regional communities can develop and implement smart and inclusive digital solutions for citizens. The proposal will provide useful input to the Digital Europe Programme strategic orientations. As stated in the Digital Europe programme Regulation <sup>60</sup> , the interim evaluation and final evaluation

 <sup>&</sup>lt;sup>59</sup> COR-2019-03082-00-00-TCD-TRA.
 <sup>60</sup> COM(2018) 434 final

high-performance computing, artificial intelligence, cybersecurity, advanced digital skills and support for the widest possible deployment of digital technologies in different sectors of society.	report of the Digital Europe programme shall be submitted to the Committee (Article 25 Digital Europe programme Regulation).
4. is concerned that, while the priorities of the future Commission's political agenda underline the need to promote frontier technologies, such as artificial intelligence and the platform economy, they do not place enough emphasis on an inclusive Digital Single Market;	The importance of an inclusive Digital Single Market has been underlined in the political guidelines for the Commission 2019-2024. The Commission will 'strive for more by seizing the opportunities from the digital age, within safe and ethical boundaries'. This includes putting forward a coordinated European approach on the human and ethical implications of artificial intelligence. The relevant White Paper has been published on 19 February 2020 <sup>61</sup> . At the same time, the Commission keeps working on the proper implementation of the Web Accessibility Directive <sup>62</sup> , ensuring inclusive public services and eliminating internal market barriers, thus contributing to more competitive market offerings for digital accessibility.
5. stresses that the sustainable success of the Digital Single Market requires that all citizens benefit from it throughout the European Union;	The Commission believes in the importance of digital literacy and of equipping European citizens, young people and adults, with the skills they need for life and work in the digital age all across the union. The Commission will make sure no one citizen, region or Member State is left behind. This will require the Commission working together with industry, trade unions, education and training institutions and public authorities <sup>63</sup> . To continue to protect and empower children online, to help them thrive in the digital society and prepare them for the digital economy, the Commission has included support for the pan-European network of

<sup>61</sup> 62

 <sup>&</sup>lt;sup>61</sup> COM(2020) 65 final
 <sup>62</sup> Directive (EU) 2016/2102 of the European Parliament and of the Council of 26 October 2016 on the accessibility of the websites and mobile applications of public sector bodies; OJ L 327, 2.12.2016, p. 1–15
 <sup>63</sup> COM(2020) 66 final

	Safer Internet Centres in the Digital Europe Programme <sup>64</sup> .
6. endorses the European Commission's proposal for a robust Digital Europe programme, which must, however, extend throughout the European Union via a regional digital innovation centre network funded under the programme, so that everyone has a reasonable opportunity to benefit from the exchange of information, peer-to-peer learning and the development of interregional partnerships;	The Digital Europe programme aims to support and accelerate the digital transformation of the European economy, industry and society, and to bring its benefits to European citizens, public administrations and businesses across the Union. As stipulated in the Digital Europe regulation <sup>65</sup> (Article 8), the programme aims to 'build up and strengthen the European Digital Innovation Hubs and their network'. A central role in the implementation of the Programme are the European Digital Innovation Hubs (recital 11), which should stimulate the broad adoption of advanced digital technologies by industry and public organisations, even in the remotest regions of Europe.
7. considers that access to and active participation in the digital economy are key to successful local and regional development in the future;	The Commission agrees. The Commission seeks to stimulate participation in the digital economy through the development of the European Digital Innovation Hubs supported by the Digital Europe programme and supports Member States smart specialisation strategies supported among others by the European Regional Development Fund. To enable active participation in the digital economy, the Commission, under the Digital Europe Programme, will continue working towards reducing the language barriers and provide multilingual technologies support to European citizens and small and medium- sized enterprises (SMEs).
8. considers that the term "digital cohesion" is an important additional dimension of the traditional concept of economic, social and territorial cohesion defined in the EU Treaty. The CoR therefore proposes an open debate on	The Commission agrees that 'digital cohesion' is an important dimension of economic, social and territorial cohesion defined in the EU Treaty.

https://ec.europa.eu/commission/presscorner/detail/en/IP\_18\_4043
 COM/2018/434 final

the future role of digitalisation in promoting "cohesion" in the European Union. The aim would be to address societal challenges, such as demographic challenges, climate change and changing work environment, while making sure not to leave any person or region behind and fostering entrepreneurship;	Cohesion Policy invests currently around € 20 billion in closing the digital divide, both socially - via digital skills investments under the European Social Fund - and geographically - via the European Regional Development Fund (ERDF). The ERDF supports the roll out of high-capacity digital connectivity networks, the deployment of e- government, e-health and e-inclusion solutions, and digitalisation of small and medium-sized enterprises (SMEs), including through Digital Innovation Hubs. In the future European Digital Innovation Hubs will also be supported under the proposed Digital Europe programme. For the future European Regional Development Fund (ERDF) investments in smart and innovative economic transition, the Commission proposed to integrate digitalisation more systematically into the next generation of Smart Specialisation Strategies, notably based on an analysis of bottlenecks for digitalisation diffusion. Member States and regions are also invited to develop actions to manage industrial transition, including regarding digitalisation, automatisation, decarbonisation, circular economy and demographic change.
9. welcomes the phenomenon-based approach used by the Commission to harness research and innovation in the search for solutions to global challenges. Digital technologies are a key enabler in the EU Member States' efforts to deal with the significant societal challenges faced by local and regional authorities across the EU in areas such as climate change, demographic change and labour market change;	The sustainability challenge will be a core component of all European action for years to come. The new Commission has adopted the European Green Deal to become a climate neutral Europe by 2050. As stressed in the Communication on Europe's Digital Future published on 19 February 2020 <sup>66</sup> , the digital sector can and must make a major contribution to achieving these goals, for example through optimised industrial processes, better use of data or artificial intelligence (AI). At the same time, the

<sup>66</sup> COM(2020) 67 final

	information and communication technology (ICT) sector should also become greener by improving its circularity and energy efficiency and reducing life cycle costs. Using enabling policy instruments such as green public procurement, public incentives for the adoption of green products and services or directing grants to support green research will allow for a strong competitive advantage for Europe in the emerging green market, while transitioning Europe to a green economy.	
10 highlights, in particular, the potential of existing and emerging technologies in the public sector in reducing administrative burdens and waste, cumulating efficiency gains and providing new solutions to societal challenges;	<ul> <li>The Commission points to its ongoing engagement with Member States to facilitate the adoption of emerging digital technologies in the public sector, most notably:</li> <li>the Commission's commitment to facilitate peer-learning and EU-wide exchange of best practices in the public sector through the actions included in the coordinated action plan on artificial intelligence (AI);</li> <li>the building blocks offered for free re-use by public administration financed under the Connecting Europe Facility (CEF Digital), like the Big Data Test Infrastructure or the European Blockchain Services Infrastructure;</li> </ul>	
	<ul> <li>an ongoing study of application programming interfaces (APIs) for Digital Government.</li> <li>In addition, the Commission funds a series of actions on Innovative Public Services, through the Programme for 'Interoperability solutions</li> </ul>	Field Code Changed
	for public administrations, businesses and citizens' (ISA <sup>2</sup> ). The Commission also uses new and existing digital technologies to promote the 'once- only' principle as set out in the Single Digital	

	Gateway Regulation67 and beyond.
11. endorses a vision of Europe where digital technologies, innovation, and artificial intelligence can provide Europe's people with competitive jobs, better health and quality of life, better public services and access to international knowledge flows;	The importance of boosting the uptake of new technologies such as artificial intelligence (AI) by industry and the public sector is in line artificial intelligence (AI) from April 2018 <sup>68</sup> and in the White Paper on Artificial Intelligence of February 2020 <sup>69</sup> . In the Coordinated Plan on Artificial Intelligence <sup>70</sup> , the Commission and Member States further committed to take action to boost advanced digital skills and life-long learning. The proposed Digital Europe Programme foresees a total of $\in$ 700 million to support advanced skills (for artificial intelligence, high performance computing and cybersecurity).
13. notes that it is essential from an EU policy perspective to invest in the creation of innovative eco-systems, enhancing innovation in crucial technologies like AI, the Internet of Things (IoT) and 5G at local and regional level across the EU, and singles out regional smart specialisation strategies under the relevant EU funds as a key opportunity;	Large-scale pilots are supported under the Focus Area 'Digitisation of European Industry' to boost rural economies. These should build on interoperable artificial intelligence -based services and federated Internet of Things (IoT) architectures to foster flexible cross-domain applications across transport, logistics, health and care and energy. Pilots should be supported by an ecosystem to overcome the digital divide between rural and urban areas, and to develop the potential offered by connectivity and digitisation of rural areas. Synergies and complementarities between the different funding programmes (in particular Horizon Europe, Digital Europe and regional development investments in areas with related Smart Specialisation priorities) are encouraged.

Regulation (EU) 2018/1724 of the European Parliament and of the Council of 2 October 2018 establishing a single digital gateway to provide access to information, to procedures and to assistance and problem-solving services and amending Regulation (EU) No 1024/2012; OJ L 295, 21.11.2018, p. 1–38. COM(2018) 237 final. COM(2020) 65 final COM(2018) 795 final. 67

<sup>68</sup> 69 70

14. considers it important for regions to be able to evaluate the status of existing hubs in the light of the criteria for and future tasks of digital innovation hubs. In order for SMEs and local government to truly benefit from hubs' expertise, hubs and their networks should operate efficiently on the basis of a high level of expertise and service. The regional and thematic coverage of the hubs and cooperation with local schools and universities and regional ecosystems are important for meeting the objective;	Existing digital innovation hubs, either funded to run experiments under Horizon 2020, or originating from a different source such as a local technology transfer institution, could qualify to become European Digital Innovation Hubs, provided that they pass all the steps of the selection procedures, both at Member State and European level. Once the new Digital Europe Programme is adopted, the Commission, together with Member States and regions, will inform all stakeholders, including regional policy makers, on the opportunities and means to become a European Digital Innovation Hub.
15. stresses that the network of digital innovation hubs should be promoted throughout the EU, with a view to ensuring that each NUTS2 region has one hub, established with the support of the Digital Europe programme;	The Commission's stated objective is to have at least one Digital Innovation Hub in every region, therefore enabling companies and the public sector access within easy reach. The proposed Digital Europe Programme aims to support European Digital Innovation Hubs across all Member States. The exact modalities will depend on the final decision as regards the overall programme budget. It will be up to Member States (and their regions) to put forward the best possible distribution of Digital Innovation Hubs, either based on Nomenclature of Territorial Units for Statistics (NUTS2) region or other more appropriate coverage.
16. notes that Europe's strength should be its ability to identify the opportunities provided by artificial intelligence and ethical issues, and reconcile these. Europe's core common values provide good opportunities for reconciling democracy and human rights with artificial intelligence. Ethical guidelines and a legal framework are needed for artificial intelligence;	The Commission shares the objective of ensuring an appropriate ethical and legal framework for artificial intelligence (AI), as set out in its Communication of April 2019 'Building Trust in Human-Centric Artificial Intelligence' <sup>71</sup> . The communication underlines that in order to achieve 'trustworthy artificial intelligence', three components are necessary: (1) it should comply with the law, (2) it should fulfil ethical principles and (3) it should be robust.

<sup>71</sup> COM(2019) 168

	This Communication identifies a need for ethics guidelines that build on the existing regulatory framework and that should be applied by developers, suppliers and users of artificial intelligence (AI) in the internal market. Commission President von der Leyen further
	presented the White Paper 'On Artificial Intelligence – A European approach to excellence and trust <sup>72</sup> on 19 February 2020.
17. underlines the need for local and regional authorities to engage in wide-ranging cooperation to improve interoperability of public administrations and improve the delivery of public services. Developing cross-border infrastructures, interoperability and common standards is one element of the Digital Europe program that can deliver real European added value. The interconnection of large European, national and regional infrastructures should continue. Calls to this effect for the continuation beyond 2020 of the ISA2 programme (Interoperability Solutions for European Public Administrations);	<ul> <li>The Commission, in its proposal for the Digital Europe Programme, acknowledges that interoperability of European public services (understood in a broad sense, spanning from technical to legal layers and encompassing policy elements in the field) concerns all levels of administration: Union, national, regional and local.</li> <li>The Commission has therefore proposed that the financial intervention by the Union under Specific Objective 5 of the Digital Europe Programme- 'Deployment, best use of digital capacities and Interoperability') shall:</li> <li>facilitate the development, update and use of solutions and frameworks by European public administrations, businesses and citizens, including the re-use of interoperability solutions and frameworks, as well as</li> </ul>
	• deploy, operate and maintain trans- European interoperable Digital Service Infrastructures.
	This effectively integrates work currently financed under the Connecting Europe Facility (CEF Digital) and Interoperability solutions for public administrations, businesses and citizens (ISA <sup>2</sup> ).
	The European Regional Development Fund

<sup>72</sup> COM(2020) 65 final

	(ERDF) investments in e-government applications and IT equipment for public services should be directly linked with the reform of public services. Procurement of e- government solutions that is not interoperable with existing EU Digital Service Infrastructures and the EU e-government principles should not be a priority for the the European Regional Development Fund (ERDF).
18. recalls that cities and regions – of all sizes and across Europe – must be part of the European digital transformation. Regions and municipalities have to make decisions on administrative re-evaluation, technical infrastructure, services and data policy. The Digital Europe programme should provide regional and local administrators with sectoral training programmes for advanced digital skills;	The Digital Europe Programme will support specialised training courses and other learning opportunities in advanced digital skills in areas like artificial intelligence, high performance computing and cybersecurity. These opportunities will be accessible to everyone via the European Digital Skills and Jobs Platform <sup>73</sup> and will also be open to local administrations. Opportunities for upskilling the public administration can also be supported through other EU funds, such as the European Social Fund or through the EU Interoperability Academy.
19. endorses the forthcoming declaration by Eurocities "Collaborate, Empower, Sustain" on joining forces to promote digital transformation in Europe's cities and communities, with the aim of fostering strong European cooperation between all levels of government in the EU to achieve a better use, further enhancement and upscaling of a citizen-driven digital transformation in cities and communities;	The Commission welcomes this declaration drafted by city representative organisations such as EUROCITIES, Open and Agile Smart Cities Association and the European Network of Living Labs.
20. agrees with Eurocities that cities and communities are the ideal testing ground for digital solutions, ensuring coordinated stakeholder participation and active citizen involvement;	Citizen engagement, including involving citizens in the creation of digital public services, is one of the core principles laid down in the Tallinn Declaration on eGovernment <sup>74</sup> . With cities being an

https://ec.europa.eu/digital-single-market/en/news/european-digital-skills-and-jobs-platform-materials-info-webinar-and-workshop-national
 https://ec.europa.eu/digital-single-market/en/news/ministerial-declaration-egovernment-tallinn-declaration 73

	important provider of digital public services, the Commission agrees they provide an ideal testing ground for localised digital solutions with coordinated stakeholder participation and citizen engagement.
22. notes that securing the supply of natural resources and reducing the carbon footprint are key aspects of sustainable development. It is possible to accelerate sustainable development through digitalisation and the introduction of smart solutions in business, in everyday life and in public services, in particular transport and energy efficiency;	Tackling climate change is a top priority for the Commission as expressed by the Commission President von der Leyen. The 2018 Commission Communication on 'A Clean Planet for all' shows how Europe can lead the way to climate neutrality by 2050 and highlights the essential and horizontal role technology and digitalisation can play. The new Commissions digital policy and initiatives will therefore seek to support and accelerate the transition to sustainability by enabling other sectors (e.g. energy, transport, agriculture) for transition to a carbon neutral and circular economy (e.g. via the use of robotics, big data, Internet of Things (IoT), artificial intelligence, digital modelling) and by reducing the carbon footprint of the information and communication technology (ICT) industry itself (e.g. improving energy and material efficiency of devices and data centres).
23. calls on regional and local actors to use open source licences as far as possible. Software and software components commissioned by local government for its own needs should, in principle, be produced under a software licence allowing the client, in accordance with their wishes and needs, to edit, develop and distribute the product or have this done by a third party. This encourages the genuine creation of ecosystems and open, knowledge-based competition. Furthermore, most of the compensation in open source projects is paid to regional and local actors, not to parties outside the EU. Re-usable solutions increase trust and ensure transparency, thereby winning citizens'	The Commission welcomes the proposal on how regional and local actors can best use, reuse and benefit from open source software for their own needs with enhanced trust and transparency from citizens. The proposal serves as an important input to the strategic approaches of the Digital Europe programme, in particular to co-invest in software for the benefits of regional economic actors and local governments within the EU.

acceptance;	
24. stresses that, in the context of interoperable public services, digital information processed by public administrations could be made in compliance with open specifications/standards and be available for access and reuse as open data, unless specific restrictions apply (e.g. for protection of personal data, confidentiality, or intellectual property rights) <sup>75</sup> . It agrees to this effect on the need to "ensure a level playing field for open source software and demonstrate active and fair consideration of using open source software, taking into account the total cost of ownership of the solution" <sup>76</sup> , while giving preference to open specifications;	The Commission agrees that interoperability (technical, semantic and legal) is a prerequisite for an innovative and EU-wide re-use of public digital data. To facilitate re- use, the recently updated Open Data Directive <sup>77</sup> promotes platform-independent open data formats, as well as open Application Programming Interfaces. The Directive also clarifies that Member States are free to extend the application of this Directive to software, thus making it openly reusable on par with data. In its eGovernment action plan 2016-2020 <sup>78</sup> the Commission encourages 'new initiatives that could include the harvesting of data from any source and the re-use of public sector data and services for the creation of new, innovative services by other actors (whether public or private).' The open data Directive <sup>79</sup> , increases the availability of data by bringing new types of public and publicly funded data into the scope of the Directive. According to the Commission Digital Strategy <sup>80</sup> open-source solutions will be preferred when equivalent in functionalities, total cost and cybersecurity.
25. supports the proposal made by DG CNECT during the 2019 Digital Assembly to produce a "local DESI index" to complete the existing Digital Economy and Society Index (DESI) that is produced every year at national level; recommends close cooperation between DG	The Commission welcomes the Committee's support to co-develop a concept framework that depicts the digital economy and society at regional and local level. Given the methodological and substantive differences between approaches at the EU, national,

New European Interoperability Framework- Promoting seamless services and data flows for European public administrations (<u>https://ec.europa.eu/isa2/sites/isa/files/eif\_brochure\_final.pdf</u>). Idem. Directive (EU) 2019/1024 of the European Parliament and of the Council of 20 June 2019 on open data and the re-use of public sector information; OJ L 172, 26.6.2019, p. 56–83. COM(2016) 179 final. 

Directive 2013/37/EU of the European Parliament and of the Council of 26 June 2013 amending Directive 2003/98/EC on the re-use of public sector information; OJ L 175, 27.6.2013, p. 1–8. C(2018) 7118 final. 

CNECT, the European Committee of the Regions, the ESPON (the European Spatial Planning Observation Network) programme and other initiatives and institutions to develop the concept for such an index, which then should be produced on an annual basis by DG CNECT alongside the national DESI index;	regional and local levels, the Commission believes that the framework should take into consideration the potential and limitations (e.g. geographical) of measurable data. Existing methodologies such as the Digital Economy and Society Index (DESI) should be used as appropriate, and combined with other approaches via close collaboration between the Commission, the Committee, the European Spatial Planning Observation Network (ESPON), as well as other initiatives by European Institutions, regions and cities.
26. sees the local DESI index as an important tool for assessing the territorial impact and the steering of future EU policies to promote stronger digital inclusiveness and to identify specific challenges of digital inequalities. The CoR stresses that the local DESI index would also be useful for the cities and regions in Europe to identify common challenges and successful practices and to promote peer-to-peer learning and cooperation between cities and regions;	The Commission agrees that skills formation and training needs to happen first and foremost at local and regional level. The Commission supports these efforts at European level by making available tools, frameworks, best practice exchange and financial support. It also supports a number of grassroots initiatives with strong local and regional impact such as EU Code week to empower young people to become digital creators instead of mere consumers of digital content and services.
27. suggests – based on the positive experience with the WIFI4EU initiative – developing similar easy-to-use initiatives with limited administrative burden for the beneficiaries. A similar voucher scheme could be introduced for digital audits at local level where the participating local authorities would receive a voucher for an initial assessment of the availability and quality of digital services in the community, with the findings then being used for an informed debate in the local council and with local citizens. These audit reports should also be used to provide some advice to link up with similar initiatives in other local authorities	The Commission welcomes, in principle, inspiration drawn from the policy modus operandi of WiFi4EU <sup>81</sup> to implement local digital audits. Its services are available to collaborate and offer its experience on micro- grant management gained with WiFi4EU.

Regulation (EU) 2017/1953 of the European Parliament and of the Council of 25 October 2017 amending Regulations (EU) No 1316/2013 and (EU) No 283/2014 as regards the promotion of internet connectivity in local communities; OJ L 286, 1.11.2017, p. 1–8 81

in the EU and in accessing additional EU support if needed;	
28. emphasises that the digital transformation needs to be built on a sustainable, competitive and human-driven data economy in the EU, which must be based on data quality and respect for the rights and privacy of the individual. Europe should develop a global approach and create a framework for data governance - considering data as public goods and resources for democracy and local development - as well as guiding data principles for tackling inconsistency and fragmentation;	As stressed in its White Paper on artificial intelligence <sup>82</sup> and in the Data Strategy <sup>83</sup> , the Commission fully shares the objective of ensuring human-centric and privacy preserving development and use of data technologies, in particular of artificial intelligence. As outlined in the Communication 'Towards a Common European Data Space' <sup>84</sup> the Commission's future endeavours in the field of the data economy, including the support to data governance, interoperability and enhanced use of public datasets proposed under the Digital Europe Programme, will also follow this approach.
	innovation activities will continue supporting the development of 'privacy-preserving technologies', highlighting the role of the data innovation as a contributor rather than threat to privacy and personal data protection.
29. calls for the strengthening of the protection of personal data, addressing in particular the issue of the application of the GDPR in areas of general interest, and stresses the need for a European definition of the notion of general interest data at the territorial level;	The General Data Protection Regulation (GDPR) <sup>85</sup> uses the notion of public interest, which has to be determined by Union or Member States law. This regulation gives Member States the possibility to restrict data subjects' rights to safeguard important objectives of general public interest.
30. underlines the need to address the crucial issue of data, in itself and in the context of Artificial Intelligence, and the way it is handled by local and regional authorities. The	The Commission confirms that the local and regional authorities have an important role to play as both producers and users of data. The ongoing process leading to the definition of a

 <sup>&</sup>lt;sup>82</sup> COM(2020) 65 final
 <sup>83</sup> COM(2020) 66 final
 <sup>84</sup> COM(2020) 66 final
 <sup>84</sup> COM(2018) 232 final
 <sup>85</sup> Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation); OJ L 119, 4.5.2016, p. 1–88

Committee could contribute in this regard by facilitating the exchange of best practices and deepening the reflection on the management of personal and public data by local and regional authorities. The CoR further highlights the role of open data in spreading digital innovations for the territories, as a democratic counterpart and a source of revitalization of citizens' engagement. At the same time, it calls for serious reflection on the principles of data circulation in the light of the challenges of protection and sovereignty of data of general interest vis-à-vis digital giants;	<ul> <li>list of High Value Datasets, based on the recently adopted Open Data Directive<sup>86</sup> would benefit greatly from the input of local and regional authorities. We encourage the interested entities to share best practices and suggest specific datasets for the inclusion on the list by contacting the relevant Commission services.</li> <li>Over € 1.2 billion go from the current European Regional Development Fund (ERDF) programmes into providing access to public sector information.</li> <li>In addition, the potential benefits stemming from wider access by the public authorities to data held by the private sector is the subject of discussions of an Expert Group on Business-to-Government (B2G) Data Sharing, due to publish a report in 2020, which will feed the deliberations of possible future EU policy action.</li> </ul>
31. calls on all levels of government to work to increase citizen involvement and empowerment in the context of digitalisation, allowing them to play a role in the co-creation of new digital solutions addressing a variety of citizens' needs, especially in the context of smarter cities and community projects. Instead of technology- driven product development, attention should be paid to developing human-centric techniques, services and products, including user-centred design, co-creation and rapid piloting;	The Commission agrees on the involvement of all levels of government to increase citizen involvement in the context of digitalisation. The eGovernment Action Plan 2016-2020 describes the potential of stepping up the involvement of citizens in the design and delivery of public services. In the Tallinn Declaration on eGovernment, Member States and European Free Trade Association (EFTA) states have committed to user-centricity principles that will guide the design and delivery of public services. The principles observe digital inclusion, ensuring the involvement of citizens with disabilities and the elderly.
32. stresses that digitalisation is a matter of	The Commission agrees that trust is a

 <sup>&</sup>lt;sup>86</sup> Directive (EU) 2019/1024 of the European Parliament and of the Council of 20 June 2019 on open data and the re-use of public sector information; OJ L 172, 26.6.2019, p. 56–83

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trust, without which it is not possible to develop public e-services or provide the necessary protection for consumers;	necessity for the successful delivery of digital public services. The eIDAS regulation <sup>87</sup> on electronic identification and trust services for electronic transactions in the internal market provides a predictable regulatory environment to enable secure and seamless electronic interactions between businesses, citizens and public authorities.
34. notes that, while opening up new opportunities for citizens to connect and disseminate information, digital technologies have also brought about new risks. These include cyber-attacks and fraud, data theft, threats to civil liberties and to public action especially at local level, and attempts to destabilise our democracies. It is crucial to invest in cybersecurity, as trust and awareness are the foundation for a Digital Europe for All;	The Commission agrees on the crucial importance of cybersecurity and of addressing risks in this field, including through funding. The proposed Cybersecurity Competence Centre, once set up, will implement the cybersecurity parts of the Digital Europe Programme and Horizon Europe. The recent entry into force of the Cybersecurity Act <sup>88</sup> and the ongoing preparation of the work programme for European Cybersecurity Certification <sup>89</sup> will further contribute to strengthening cybersecurity.
35. highlights the importance of AI literacy, so that citizens can participate in the societal debate on AI and critically evaluate any claims made;	The Commission shares the view that awareness raising and artificial intelligence (AI) literacy are important, as reflected in its policy approach to artificial intelligence (AI), which recognises the need to increase public awareness <sup>90</sup> and in the White Paper on Artificial Intelligence that was published in February 2020 <sup>91</sup> . Given the scale of the challenge associated with artificial intelligence (AI), the full mobilisation of a diverse set of participants, including businesses, consumer organisations, trade unions, and other representatives of civil society bodies is essential. Therefore, the

Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC; OJ L 257, 28.8.2014, p. 73–114 87

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COM(2020) 65 final

Regulation (EU) 2019/881 of the European Parliament and of the Council of 17 April 2019 on ENISA (the European Union Agency for Cybersecurity) and on information and communications technology cybersecurity certification and repealing Regulation (EU) No 526/2013 (Cybersecurity Act); OJ L 151, 7.6.2019, p. 15–69 https://ec.europa.eu/digital-single-market/en/eu-cybersecurity-certification-framework COM(2018) 237 final 88 89

<sup>90</sup> 

	Commission launched a broad multi- stakeholder platform, the European AI Alliance, to work on all aspects of artificial intelligence (AI).
36. emphasises the importance of consumer protection as regards digital services. Enforcement and awareness of existing rules can improve people's access to justice and increase their trust in the e-commerce sector. The planned Digital Services Act, for example, should help ease the situation;	The Commission fully shares the Committee's views that consumers' safety and trust in the online environment and digital services is essential to ensure strong and competitive European digital economy. The Commission proposed, in this regards, a package of measures for consumer protection in the 'New Deal for Consumers'.
	In November 2019, the Economic and Financial Affairs Council adopted a Directive regarding better enforcement and modernisation of EU consumer protection rules. <sup>92</sup>
	The Commission Work Programme 2020 includes the planned adoption of a Digital Services Act to upgrade the liability and safety provisions for digital services and to complete the Digital Single Market.
	The Commission services are currently preparing an evaluation report of the eCommerce Directive <sup>93</sup> , which also contains provisions relevant for consumer protection online. The results of the evaluation will feed into the preparations of the Digital Services Act.
38. calls for the sharing of good practices for developing digital skills outside the formal education system, in particular for vulnerable groups, by, among other things, making better use of digital skills initiatives such as the European Code Week, the Safer Internet Day initiative, the National Digital Skills and Jobs	The sharing of good practices is an intrinsic element of all digital skills initiatives led by the Commission, which is regularly organising networking events for digital skills stakeholders from Member States and regions. It has also put in place a repository of good practices in digital skills development, <sup>94</sup> ,

<sup>92</sup> 93 COM/2018/0185 final

 <sup>&</sup>lt;sup>12</sup> COM/2018/0185 linal
 <sup>93</sup> Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market ('Directive on electronic commerce'); OJ L 178, 17.7.2000, p. 1–16
 <sup>94</sup> https://ec.europa.eu/digital-single-market/en/digital-skills-initiatives

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Coalition initiative and the Europass CV tool;	which the forthcoming Digital Skills and Jobs Platform will enlarge and deepen.
39. stresses that the digital transformation is changing working habits, job contents and professions, inevitably rendering some jobs obsolete, and therefore the public sector and business must be able to recreate themselves and retrain the workforce. A variety of measures and mechanisms are needed to continuously improve the skills of people in working life;	The Commission recognises the challenges of the digital transformation as regards work and employment. In the Commission Work Programme 2020, the Commission has announced that it will work on a number of measures to address these challenges under the headline ambition 'An economy that works for people', including in particular initiatives to address the working conditions of platform workers, to be prepared in 2021.
40. emphasises that accessible public online services and mobile applications must be such that all kinds of users in all situations can use them, regardless of disadvantage or disability. The Accessibility Directive must be implemented without delay;	Accessibility of public services is one of the core principles of the Tallinn Declaration on eGovernment. Digital public services, which are accessible to all, have the potential to include and engage citizens with disabilities. The Commission keeps working on the proper and timely implementation of the Web Accessibility Directive, ensuring inclusive public services and eliminating internal market barriers, thus contributing to more competitive market offerings for digital accessibility.
41. recalls that digitalisation improves the accessibility of public services for people who are able and willing to use the Internet. At the same time, digitalisation may prove to be a challenge for those people who may need digital services the most, thus increasing the risks of digital inequality. Local authorities should therefore monitor the development of digital inequality and look for ways to prevent digital exclusion;	Affordable digital connectivity is a condition 'sine qua non' for digital inclusion. In this respect, the digital connectivity investments under various Union programmes (including the European Structural and Investment Funds (ESIF), Connecting Europe Facility Digital (CEF2), InvestEU) are expected to accelerate the achievement of the Gigabit Society objectives and thus the advancement of digital inclusiveness.
	The Connecting Europe Facility – Digital (CEF2 Digital) will fund very high capacity networks, including 5G. It will provide connectivity to ensure that the digital services and capabilities funded by the Digital Europe Programme are widely accessible across

	Europe, such as supercomputing and artificial intelligence.
	Member States and regions are therefore invited to fully implement the Directive on measures to reduce the cost of deploying high- speed electronic communications networks <sup>95</sup> . They also have to develop national or regional broadband plans, including mapping and analysis of investment gaps, and an affordability dimension, before investing the European Regional Development Fund (ERDF) into broadband.
42. requires that a gender perspective be included in all digital measures. Welcomes initiatives such as the Digital4Her declaration, which promotes the integration of women into technology sectors.	Women's underrepresentation in the digital economy is now recognised as a problem for the EU, given the lack of qualified ICT experts. Commission services are following up on the ministerial declaration of commitment on Women in Digital of April 2019 <sup>96</sup> .
43. stresses the right to connectivity for every European citizen, enabling their participation in digital society and providing access to digital services. An embedded and pervasive digital infrastructure will allow everyone, regardless of location, to reap the benefits of the digital age. EU policy should in the future be geared towards reducing the cost of broadband network deployment and use in local communities, regardless of their size and population density;	The Commission agrees that digital infrastructure is essential to Europe's competitiveness in digital services. Measures further cutting red tape and aiming to reduce the cost of roll-out in very high capacity networks should be a priority. This could be done with a revision of the Broadband Cost Reduction Directive <sup>97</sup> , which aims to lower the deployment costs of high-speed networks through the sharing and re-use of existing physical infrastructure and coordination of civil works in various sectors (telecoms, energy, transport). Civil engineering works account for up to 80% of the cost of deploying high-speed networks. The Commission is considering whether to review the Directive with the aim of further easing civil work

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Directive 2014/61/EU of the European Parliament and of the Council of 15 May 2014 on measures to reduce the cost of deploying high-speed electronic communications networks; OJ L 155, 23.5.2014, p. 1–14 http://www.mineco.gob.es/stfls/mineco/ministerio/igualdad/ficheros/DeclarationWomeninDigital.pdf Directive 2014/61/EU of the European Parliament and of the Council of 15 May 2014 on measures to reduce the cost of deploying high-speed electronic communications networks; OJ L 155, 23.5.2014, p. 1–14

	permits procedures, including for more energy efficient networks; improving transparency of relevant information; incentivizing the cross- sectorial approach; clarifying rules on cost apportioning; and facilitating access to buildings through the installation of in- building infrastructure. Furthermore, the Connecting Europe Facility programme (CEF2 Digital) together with European Structural and Investment Funds will pool investments in digital connectivity infrastructures in areas of market failure. The Digital Europe programme will boost investments in supercomputing, artificial intelligence, cybersecurity, advanced digital skills, and ensure a wide use of digital technologies across the economy and society. Its goal is to improve Europe's competitiveness in the global digital economy and increase its technological autonomy.
44. points out the difficulty in implementing digital infrastructure in the outermost regions, due to their constraints and their distance from the European mainland. It therefore underlines the need to ensure that these regions, like other European regions including the remote ones, have a full right to connectivity;	The Commission shares this assessment. The 2017 Commission Communication on the Outermost regions stresses the need to connect these regions to Europe, to their neighbours and the rest of the world through reliable digital networks. In line with the Communication and in particular with Article 349 of Treaty on the Functioning of the European Union (TFEU), which provides for specific measures to support the outermost regions, the Commission makes specific reference to these regions in the award criteria of its proposal for the Digital Europe programme. It also proposed that specific digital innovation hubs may be nominated to cover outermost region's needs. Similarly, under Connecting Europe Facility programme (CEF2 Digital), the outermost regions are expected to receive special attention following interinstitutional negotiations.
45. underlines that digital services and	The European Electronic Communications

eGovernment services require high-speed, uninterrupted broadband, which should also be available in areas where current commercial conditions do not support the building of connections. Fibre networks should preferably be built on an open-access basis, where the network owner, for example a regional cooperative, allows all interested operators to offer their services to end-users. Existing optical fibre networks should be opened up to competition;	Code <sup>98</sup> (the Code), which Member States should transpose by the end of 2020, aims at promoting competition, while providing the right incentives for investment in fibre networks. The whole Code foresees various measures that regulators can take to promote competition. In that regard, some business models, such as wholesale-only operators (i.e. those with no retail activities) raise a priori less competition concerns than traditional vertically-integrated operators. This is the rationale behind the Code's new Article 80, which establishes that pure wholesale-only operators can benefit a priori from a lighter regulatory treatment in case they are found to hold significant market power. Such regulatory treatment is justified by the potential of wholesale-only models to enhance competition at the retail level, for the benefit of consumers.
46. underlines the need for reliable high-speed data connections in Europe, not only to support digital services and the data economy but also to fully utilise the potential of advanced technologies in areas such as automation and smart farming. When it comes to communications technologies for smart and interoperable systems and services, the principles of technology neutrality should be supported.	The Commission agrees that there is a need for high speed data networks in Europe for a broad range of digital services for consumers and businesses and as enabler for the digital transformation of the Union's economic sectors. As regards technologies, interoperable solutions are developed in European or global standardisation bodies.
47. expects the new Digital Europe programme to earmark sufficient funds for skills, high- performance computing, innovation hubs and boosting the adoption of AI technologies;	<ul> <li>While the proposal for the Digital Europe programme outlines the financial envelope for the implementation of the Programme for the period 2021-2027 as follows:</li> <li>a) [€ 2 698 240 000] for Specific Objective 1, High Performance Computing,</li> <li>b) [€ 2 498 369 000] for Specific Objective 2,</li> </ul>

<sup>&</sup>lt;sup>98</sup> Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing the European Electronic Communications Code; OJ L 321, 17.12.2018, p. 36–214
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	Artificial Intelligence,
	<ul> <li>c) [€ 1 998 696 000] for Specific Objective 3, Cybersecurity and Trust,</li> </ul>
	<ul> <li>d) [€ 699 543 000] for Specific Objective 4, Advanced Digital skills,</li> </ul>
	<ul> <li>e) [€ 1 299 152 000] for Specific Objective 5, Deployment, best use of digital capacities and Interoperability (including European Digital Innovation Hubs),</li> </ul>
	the agreement on funds (bracketed text) awaits a decision on the overall Multi-Annual Financial Framework (2021-2027) by the European Council and the European Parliament.
48. proposes that the Digital Europe programme be implemented through extensive regional digital innovation hub networks, to be funded from the programme and included in strongly regional digital strategies that reach all sections of society (and funded under the ESIF programmes);	It is indeed foreseen in Digital Europe programme that the European Digital Innovation Hubs will diffuse all the capacities and knowledge that is generated in the different parts of the programme on high performance computing (HPC), artificial intelligence, cybersecurity, advanced digital skills and public sector solutions to the local economy, especially targeting small and medium-sized enterprises and public sector organisations. Dedicated 'train the trainer' activities will be set up to make this possible. At the same time, every European Digital Innovation Hub (DIH) should be anchored in the local strengths and structures available and address the future needs of the local industry or public sector, and should support the smart specialisation of that region.
	The Commission would like to recall the necessity to build European technological sovereignty in Digital Service Infrastructures in particular in cloud computing by federating the remaining cloud infrastructures scattered across Europe and rolling-out essential cross-

border cloud-based services (i.e. the Cloud Federation initiative) with the support of both
the Connecting European Facility Digital and the Digital Europe programmes.

Active and Healthy Ageing
COR-2019-00015 - NAT-VI/037
136 <sup>th</sup> Plenary Session – October 2019
Rapporteur: Birgitta SACRÉDEUS (SE/EPP)
DG CNECT – Commissioner BRETON

Points of the European Committee of the Regions opinion considered essential

**European Commission position** 

The follow-up given by the Commission to this opinion will be included in a subsequent report.

N°17       Research Infrastructures – the Future of the European Research Area (ERA) from a Regional and Cross-border Perspective         COR-2019-00896       – SEDEC-VI/050         136 <sup>th</sup> Plenary Session – October 2019         Rapporteur: Eamon DOOLEY (IE/RE)         DG RTD – Commissioner GABRIEL	
Points of the European Committee of the Regions opinion considered essential	European Commission position
8. is concerned that there remain various shortcomings in the ERA framework with regards to RIs, resulting in an implementation gap that reduces potential benefits and efficiencies;	To accelerate progress towards the European Research Area (ERA), the Commission is working closely with Member States to revitalise this area. The Commission has also set up a High-level Expert Group, with the mandate to identify ways to further improve the implementation of research infrastructures, with support of Horizon Europe. A final report of the Group is expected in the first quarter of 2020.
<ul> <li>9. welcomes the Commission's proposed budget allocation of EUR 100 billion to finance science, research and innovation during the 2021-2027 period in order to address these shortcomings. At the same time, is concerned at the risk of inequalities growing between cities and regions that benefit from the framework programme for research and innovation, and whose budgets will increase, and the others, who will suffer the consequences of the fall in cohesion policy budgets99;</li> <li>10. last but not least, recognises that demonstrating EU added value in any EU policy is crucial, in particular, bearing in mind that such policies are increasingly scrutinised. Notes that recent analysis shows that, while progress on ERA implementation continues, it is occurring at a slower pace than before and there remains</li> </ul>	The common understanding reached by the European Parliament with the Council on Horizon Europe foresees to dedicate 3.3% of its budget to widening measures (as compared to $\approx$ 1% in Horizon 2020), which will help the less performing Member States to upgrade their research and innovation (R&I) capacities and ultimately also to better participate in the framework programmes. Discussions on the budget for the next Multiannual Financial Framework are still on going and there is no decision yet on whether particular budgets will be decreased or increased. The Commission recognises the need to better communicate the benefits and innovation (R&I)

<sup>&</sup>lt;sup>99</sup> CoR Opinion on Horizon Europe: The Framework Programme 9 for Research and Innovation (COR-2018-03891). 129 / 135

large disparities between MS's in both performance levels and growth rates100.	proposal for Horizon Europe, a new concept
performance levels and growth rates100. Therefore emphasises the need for better communication of European R&I impact through more robust and clear statistics;	of impact pathways is developed to more robustly demonstrate societal benefits of the programme.
<ul> <li>12. is concerned, furthermore, that the R&amp;D gross domestic expenditure imbalance is also reflected at regional level, leading to the fact that there are just 31/281 NUTS 2 regions that reported R&amp;D investments above the EU target of 3.0% in 2015, with clear research-intensive "clusters" throughout certain regions in the EU. These regions are located mostly in Germany, Austria, the United Kingdom, Sweden, Belgium, Denmark, France and Finland101;</li> <li>13. notes that the implementation of the ERA shows also variations between the allocation of Horizon 2020 funding and R&amp;I investment under ESI funds. EU-13 Member States are the main recipients of ESI funds whereas the application of the excellence criterion under Horizon 2020 has led to a concentration of funding as well as R&amp;I capacities mainly in the EU-15, widening the innovation gap between the EU-15 and EU-13102;</li> </ul>	With the 'Widening participation and strengthening the European Research Area' package, Horizon Europe will offer a wide spectrum of measures to help lower research and innovation performing countries to foster participation and to facilitate collaborative links, while keeping excellence as the main feature of the Programme. It will also contribute to reducing the research and innovation divide. The Policy Support Facility is also available to assist Member States in improving their research and innovation systems, with a view to making them stronger players on the EU and global scene.
14. warns that long term sustainability is another key challenge facing RIs, especially large-scale pan-European infrastructures which are extremely expensive to construct, maintain and operate, with construction costs frequently exceeding EUR 1 billion, with a related annual operational cost of approximately 10% of construction costs. With national science budgets often equalling or exceeding such costs the question of their long-term sustainability remains an ongoing issue103;	The challenges of long-term sustainability of research infrastructures have been analysed independently by the Organisation for Economic Co-operation and Development (OECD), European Strategy Forum on Research Infrastructures (ESFRI) and the European Commission. The Commission Staff Working Document on 'Sustainable research infrastructures – a call for action' identified a number of potential actions that would help address these challenges. The

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European Research Area Progress Report 2018; COM(2019)83. Eurostat, Europe 2020 indicators - R&D and innovation. European Parliament Briefing: European Research Area Regional and Cross-Border Perspective. PE 637.939 April 2019. SWD(2017) 323 final: Sustainable European Research Infrastructures - A Call for Action. 103

15. recognises that costs associated with access to RI facilities, especially in cross-border situations can be a barrier to researchers, and thus inhibit scientific advancement;	research infrastructures part of Horizon Europe will recognise the importance of long- term sustainability of these infrastructures and propose measures to foster it.
16. warns that especially, in order to address the so-called grand challenges, such as climate change, RIs must be capable of integrating with neighbouring RIs, thus creating greater knowledge-sharing and contributing to interdisciplinary research. In this regard, digital research infrastructure is of the utmost importance and therefore the CoR supports increased open data availability through the European Open Science Cloud;	Facilitating trans-national access to research infrastructures and the consolidation of the European research infrastructure landscape are also among the objectives of Horizon Europe. The Commission thanks the Committee for its support to increase open data availability through the European Open Science Cloud (EOSC). The European Open Science Cloud will enable research data sharing and provide Europe with a trusted environment for the scientific community providing seamless access to research data and interoperable
	services addressing the whole research data life cycle. With the progressive development of the European Open Science Cloud, more data resulting from scientific work will be curated and more easily reusable for researchers across institutions, countries and disciplines to address the grand societal challenges. In addition, the cloud is a means of building the European data economy as a part of the Digital Single Market strategy. Unlocking the re-use potential of different types of data and facilitating its free flow across borders will strengthen the European digital single market for the benefit of the economy and society.
21. calls on the new European Commission to continue monitoring whether Member States and regions respect their obligation to devote 3% of GDP to R&D until the end of the current decade;	Increasing combined public and private investment in research and development (R&D) to 3% of GDP is one of the Europe 2020 strategy targets. The Commission monitors this target annually and reports about it in the European Semester country reports, as well as in the European Innovation Scoreboard.

	In the current decade, the EU R&D intensity has increased from 1.77% of GDP in 2000 to 2.06% in 2017.
<ul> <li>24. believes that RIs create regional opportunities to compete for EU funds in RI investments which can result in the development of innovation hubs within distributed RI. Considers that, to ensure long-term sustainability for RIs, additional, specific funding models are required across the whole RI lifecycle to address funding gaps where European, national or other funding sources are insufficient. Specifically, dedicated budget lines are needed for: <ul> <li>funding pre-construction or pre-operational phases;</li> <li>funding ongoing RI operations; and</li> <li>funding human resources, i.e. staff salaries, recruitment, retention and training.</li> </ul> </li> </ul>	Ensuring effective and seamless funding for research infrastructure across their lifecycle would accelerate their implementation and improve their impact. The Commission is currently working with the European Strategy Forum on Research Infrastructures, in the Task Force on National roadmaps and Budget Line Practices to explore the experiences across Member States with dedicated research infrastructures budget lines. A report on this topic is expected in the first quarter of 2020. Developing better synergies across different potential sources of research infrastructure funding is an important topic, which will be further discussed in preparations for the next
<ul> <li>This could include more creative use of funds from ESIF, Interreg, Framework and loans from the European Investment Bank, but also include Erasmus+, Digital Europe, COSME, Connecting Europe Facility, LIFE, etc., potentially along a co-funding model with national research funds. This is critical to the long-term sustainability of RIs;</li> <li>27. suggests that Horizon Europe should include specific actions to enable RI access, including making costs related to access eligible for funding, as this can facilitate the development of RI services as well as ensuring long-term sustainability;</li> <li>28. calls for more actions enabling increased open access to RI infrastructure and suggests that this can be achieved using a series of measures:</li> <li>costs relating to access to RI facilities should be eligible under the next framework</li> </ul>	multiannual financial framework. Cohesion Policy funding for research infrastructures has to be in line with in particular the Regulations applicable to the European Structural and Investment Funds (ESIF). Notably, in order to ensure positive impact on the innovation performance and to improve the regional innovation eco-system, such European Regional Development Fund (ERDF) co-funded investments have to support the relevant Smart Specialisation Strategy's priorities in accordance with the Common Provisions Regulation for the European Structural and Investment Funds (Regulation 1303/2013). The European Structural and Investment Funds Regulation also requires that, with regard to major projects, a cost-benefit-analysis is carried out which includes an economic and a financial analysis and a risk assessment, ensuring the financial self-sufficiency for covering the operating costs of research infrastructures, as

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<ul> <li>free access (excellence-based or open wide access) to services developed or tested in the context of approved projects;</li> <li>funding dedicated to promotion and communication with the potential user community of RIs.</li> </ul>	their impact in terms of social, environmental and economic externalities. The Joint Assistance to Support Projects in European Regions (JASPERS) provides technical assistance for preparing such major projects, complementing the technical assistance included in the European Regional Development Fund's programmes for such projects. The Commission proposal for Horizon Europe includes specific measures to facilitate and fund access to research infrastructure.
33. calls for more integrated cross-regional and cross-border RI campuses to strengthen opportunities to establish close links to actors in regional ecosystems, i.e. local research infrastructure, incubators, technological parks, universities. Consequently, expresses its strong support for strategic initiatives like ASTRONET or APPEC;	Research infrastructures (RIs) are important knowledge and innovation hubs. The Commission supports such infrastructures in developing closer links to actors in national and regional ecosystems through a Horizon 2020 funded activity developing a network of research infrastructures' industrial liaison officers.
34. notes that higher education has a key role in providing the future-orientated skills and competencies to successfully innovate. Calls for the creation of stronger structured collaborations between RIs and universities leading to greater mobility and exchange programmes between these sectors;	Research infrastructures play an important role in education and training of skilled scientists and engineers. Activities in this area have been funded under Horizon 2020 and are expected to be continued in Horizon Europe. One of their concrete results is a master's programme for RI managers, which has been developed and implemented at the University Milan Bicocca <sup>104</sup> .
	The Marie Skłodowska-Curie Actions (MSCA) are the main EU programme for skills, training and career development of researchers.
	As stated in the specific programme of Horizon Europe, the Marie Skłodowska-Curie Actions promote mobility experiences within or outside Europe for the best researchers to undertake excellent research and to develop

<sup>104</sup> <u>http://www.emmri.unimib.it/</u>

their skills and career and broaden their network in academia and other sectors, including research infrastructures. On the other hand, the part of the specific programme of Horizon Europe related to research infrastructures explicitly encourages synergies with Marie Skłodowska-Curie Actions.

Skills to foster entrepreneurship and innovation are developed through Erasmus+ funded projects boosting mobility of students, doctoral candidates, post-docs and teachers where universities research and infrastructures can collaborate and engage in exchange. Strategic partnerships in higher education support curricula development and trainings, as well as structured collaboration. One of these projects is 'Core Technologies for Education and Innovation in Life Sciences'. InnoCore creates a curriculum, qualification path and a platform for collaboration on both cutting-edge core technologies and innovation management for students, researchers and professionals from research institutions.

The European Universities initiative under the European Education Area, supported by the Erasmus programme, aims to deepen the cooperation between higher education institutions from all parts of Europe to develop and implement joint and long-term strategies covering their four missions (education, research innovation and service to society). They aim at enabling transnational and transdisciplinary teams of students to acquire the right skills and competences by working together with researchers and academics across borders, languages and disciplines and devise sustainable and innovative solutions to grand challenges the society is facing.

38. calls on the European Commission and the Member States to work closely together with local and regional administrations to collect information on RIs and activities connected to them including mapping of activities and outputs, in order to increase awareness by citizens of its contribution for them as individuals, as well as for the regional, national and European economy.	Following the development by the Organisation for Economic Co-operation and Development (OECD) of a framework for accessing socio-economic impact of research infrastructures, the Commission has funded a follow-up activity, which will deliver an implementation model for the framework. The Commission is currently collaborating with the European Strategy Forum on Research Infrastructures (ESFRI) also in the development of a methodology for monitoring of the performance of research infrastructures, which would be applicable to such infrastructures of different types across all scientific domains, at all levels – European, national and regional. A proposal for such a methodology was finalised by the ESFRI Working Group on Monitoring in December 2019.
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