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92nd REPORT

N°	TITLE / LEAD DG	REFERENCES
SG.A5		
1.	Local and Regional Authorities in the permanent dialogue with citizens Rapporteur: Declan MCDONNELL (IE/EA)	Own-initiative COR-2019-04989-00-00-AC-TRA CIVEX-VII/001
SG.E3		
2.	Demographic change: proposals on measuring and tackling its negative effects in the EU regions Rapporteur: János Ádám KARÁCSONY (HU/EPP)	Council presidency referral COR-2019-04647-00-01-AC-TRA SEDEC-VII/001
DG ECFIN		
3.	European recovery plan: Recovery and Resilience facility and the Technical Support Instrument Rapporteur-General: Christophe ROUILLON (FR/PES)	COM(2020) 408 final COM(2020) 409 final COR-2020-03381-00-02-AC-TRA ECON-VII/009
DG CNECT		
4.	A Strategy for Europe's Digital future and A Strategy for Data Rapporteur: Mark WEINMEISTER (DE/EPP)	COM(2020) 50 final COM(2020) 66 final COM(2020) 67 final COR-2020-02354-00-00-AC-TRA ECON-VII/004
5.	White paper on Artificial Intelligence - A European approach to excellence and trust Rapporteur: Guido RINK (NL/PES)	COM(2020) 64 final COM(2020) 65 final COR-2020-02014-00-00-AC-TRA SEDEC-VII/003

DG REGIO		
6.	The role of the EU's cohesion policy with respect to intelligent and innovative economic change in the regions against the backdrop of the coronavirus crisis Rapporteur: Michiel RIJSBERMAN (NL/RE)	Council presidency referral COR-2020-03320-00-00-AC-TRA COTER-VII/009
7.	The REACT-EU Legislative package Rapporteur: Mieczysław STRUK (PL/EPP)	COM(2020) 451 final COR-2020-03318-00-00-AC-TRA COTER-VII/008
8.	The renewal of the Leipzig Charter on Sustainable European Cities Rapporteur: Juan ESPADAS CEJAS (ES/PES)	Own-initiative COR-2019-04829-00-01-AC-TRA COTER-VII/001
9	Equivalent standards of living as a joint challenge for all levels of government in Europ Rapporteur: Bernd LANGE (DE/EPP)	Own-initiative COR-2020-02612-00-00-AC-TRA COTER-VII/004
10. DG ENV assoc.	Towards sustainable use of Natural Resources within the Mediterranean insular context Rapporteur: Francina ARMENGOL I SOCIAS (ES/PES)	Own-initiative COR-2020-00344-00-00-AC-TRA NAT-VII/004
DG ENV		
11.	Bio-diverse cities and regions beyond 2020 at the UN CBD COP 15 and in the next EU strategy Rapporteur: Roby BIWER (LU/PES)	own-initiative COR-2020-00539-00-00-AC-TRA ENVE-VII/002
12. DG GROW assoc.	New circular economy Action Plan Rapporteur: Tjisse STELPSTRA (NL/ECR)	COM(2020) 98 final COR-2020-01265-00-00-AC-TRA ENVE-VII/006

DG CLIMA		
13.	The European Climate Pact Rapporteur: Rafał TRZASKOWSKI (PL/EPP)	Outlook opinion COR-2020-01360-00-01-AC-TRA ENVE-VII/007
DG GROW		
14.	A new Industrial strategy for Europe Rapporteur: Jeannette BALJEU (NL/RE)	COM(2020) 102 final COR-2020-01374-00-00-AC-TRA ECON-VII/007
15.	SME Strategy Rapporteur: Eddy VAN HIJUM (NL/EPP)	COM(2020) 103 final COR-2020-01373-00-00-AC-TRA ECON-VII/008
16.	Single Market Barriers Report and Single Market Enforcement Action Plan Rapporteur: Tadeusz TRUSKOLASKI (PL/EA)	COM(2020) 94 final COM(2020) 93 final COR-2020-02355-00-00-AC-TRA ECON-VII/006
17. DG REGIO assoc.	Regional Innovation Scoreboard and its impact in regional place-based policies Rapporteur: Mikel IRUJO AMEZAGA (ES/EA)	Own-initiative COR-2020-00517-00-00-AC-TRA SEDEC-VII/002
DG SANTE		
18.	Cross-border health care Rapporteur: Karsten Uno PETERSEN (DK/PES)	Outlook opinion COR-2019-04597-00-00-AC-TRA NAT-VII/001
19.	EU4Health Programme Rapporteur: Nathalie SARRABEZOLLES (FR/PES)	COM(2020) 405 final COR-2020-02917-00-00-AC-TRA NAT-VII/008

20.	An EU Health Emergency Mechanism Rapporteur: Birgitta SACRÉDEUS (SE/EPP)	Own-initiative COR-2020-02142-00-00-AC-TRA NAT-VII/007
DG ECHO		
21.	A Reinforced Union Civil Protection Mechanism Rapporteur: Alberto CIRIO (IT/EPP)	COM(2020) 220 final COR-2020-03164-00-00-AC-TRA NAT-VII/009
DG EMPL		
22.	A Strong Social Europe for Just Transitions Rapporteur: Anne KARJALAINEN (FI/PES)	COM(2020) 14 final COR-2020-02167-00-00-AC-TRA SEDEC-VII/004
DG JUST		
23.	A Union of Equality: Gender Equality Strategy 2020-2025 Rapporteur: Concepción ANDREU RODRIGUEZ (ES/PES)	COM(2020) 152 final COR-2020-02016-00-00-AC-TRA SEDEC-VII/005
DG NEAR		
24.	Local Democracy Challenges in the Western Balkans Rapporteur-General: Nikola DOBROSLAVIĆ (HR/EPP)	Council presidency referral COR-2020-00840-00-01-AC-TRA CIVEX-VII/003
DG MOVE		
25.	European Year of Rail 2021 Rapporteur: Jarosław STAWIARSKI (PL/ECR)	COM(2020) 78 final COR-2020-02633-00-00-AC-TRA COTER-VII/006

<p>N°1</p> <p>Local and Regional Authorities in the permanent dialogue with citizens</p> <p>Own-initiative</p> <p>COR-2019-04989 – CIVEX-VII/001</p> <p>140th plenary session – October 2020</p> <p>Rapporteur: Declan MCDONNELL (IE/EA)</p> <p>SG – Vice-President ŠUICA</p>	
<p>Points of the European Committee of the Regions opinion considered essential</p>	<p>European Commission position</p>
<p>9. Reiterates its call to the Commission, expressed in its Resolution in view of the European Commission Work Programme for 2021¹ to "cooperate with the CoR in developing a pilot model for a permanent and structured dialogue with citizens through local and regional authorities, allowing a two-way process of communication between citizens and EU institutions which could serve later on to improve EU decision-making in the long-run".</p>	<p>As a major pan-European democratic exercise, the Conference on the Future of Europe (Conference) will be a new public forum for an open, inclusive, transparent and structured debate with citizens around a number of key priorities and challenges. It will be a bottom-up forum, accessible to all citizens, from all walks of life, and from all corners of the Union, and should reflect Europe's diversity. The Commission will closely cooperate with the Committee on the Conference, which in its February 2020 Resolution has expressed its commitment to promote debates on European issues in regional parliaments and municipal councils. The Committee's expertise at local and regional level and experience in organising citizens' dialogues across European regions will be essential for making the Conference on the Future of Europe a success. The latter should be seen as a test case for considering a more permanent and structured dialogue with citizens beyond the Conference.</p>
<p><i>The CitizEN Network – Citizen ENgagement in the EU Network – an ecosystem of citizen participation</i></p> <p>14. Recognises, notwithstanding, that there are many deliberative and participatory mechanisms active across most Member States and regions and therefore suggests that the CitizEN Network take cognisance and build on the good practice that already exists. The</p>	<p>The Commission welcomes the idea of building an infrastructure to support citizen engagement. Examples from cohesion policy show that deliberative and participatory mechanisms are beneficial to all the actors involved and can be applied in many different ways. Such a diversity of approaches enables adapting to the needs and contexts for a better result.</p> <p>This type of network will be beneficial not only</p>

¹ RESOL-VII/007.

<p>Network would therefore facilitate inter-regional dialogue and consistency between institutions to ensure a coherent approach, whilst respecting the diversity of approaches in different political and social realities;</p> <p>15. Invites the Network to include member organisations at the regional (mainly NUTS2, but also NUTS1 or NUTS3 depending on national organisations) and city level which already operate citizen engagement, as well as voluntary organisations active at the local and regional level, which involve a wide spectrum of interests;</p>	<p>for citizens but also for institutions and organisations at EU, national, regional and local level. Example of innovative practices can be disseminated and opportunities for citizens to participate can be created at all levels.</p> <p>The Network can gather and channel citizens' input from across Europe, enable interaction between citizens and the member organisations but also between themselves.</p>
<p><i>An ecosystem for citizens' participation</i></p> <p>27. Highlights that citizens are moving towards new formats of political engagement – technopolitics – which has been brought about by digital technologies and open data. This allows for participation to take place in informal spaces and outside of the normal formalised settings. This new means of engagement should be embraced by political institutions to encourage an ecosystem of engagement;</p>	<p>Building on the long-standing cooperation of the European Week of Regions and Cities, the Commission's Communication on the Conference on the Future of Europe² states that the Conference will be open to civil society, the European institutions and other European bodies, including the Committee of the Regions, the European Economic and Social Committee, as well as national, regional and local authorities, parliaments and other stakeholders – all contributing as partners.</p> <p>The Joint Declaration on the Conference on the Future of Europe signed on 10 March 2021 - by President von der Leyen Parliament President David Sassoli and the Prime Minister of Portugal, António Costa on behalf of the Presidency of the Council - sets out the Conference's scope, objectives and structure and marks the birth of the Conference.</p> <p>Since this is an EU initiative, the Conference's inter-institutional governance structure is currently being established and will take all Conference-related decisions. According to the Joint Declaration, the Conference will have several entry-points, including grassroots events and debates, Citizens' panels, Conference plenaries</p>

² COM(2020) 27 final.

	<p>and a new multilingual digital platform, which will be accessible and enable people from all horizons, of all ages, all across Europe to share ideas about Europe's priorities and challenges, helping to shape Europe's future.</p> <p>While the Commission cannot pre-judge the outcome of these negotiations, it remains committed as ever to have the Committee and Europe's regions more generally fully involved.</p> <p>The informal spaces mentioned are key to the Conference. Deliberative and participatory methods promote such informal settings, and these methods are explained in the event organisers' toolkits. These toolkits will be accessible and made available on the Conference's digital platform, so that any event organiser can access this information and best practice tips on how to make participatory methods work.</p> <p>The Commission has also set out its vision for 'digital citizenship', including as regards open democracy initiatives and including policy-making, in its Digital Decade Communication³.</p>
<p>28. Believes that the use of online platforms is crucial to the management of the types of participation methods; to enable participants from all over the EU regardless of social origin to take part in debates; and to ensure traceability and accountability of the proposals in an easy and accessible way. Digital technologies should complement face-to-face participation methods and should be used to encourage participation among citizens who do not feel represented by civil society organisations or citizens who do not normally participate through traditional participatory instruments;</p>	<p>The multilingual, digital platform for the Conference on the Future of Europe will complement but cannot replace physical meetings, which will be encouraged once the sanitary conditions allow it.</p> <p>The Conference will be inclusive and accessible to all citizens; its digital platform will allow for broad participation of citizens across Europe. A pan-European debate will be fostered as people will be able to read and interact with proposals written in any EU language. It will be a first-of its-kind in terms of its potential for transnational debate. Citizens will be able to put forward ideas and proposals, comment on other people's proposals or organise their own events. Web accessibility was considered from the beginning</p>

³ COM(2021) 118 final.

	<p>and both the graphical design and content structure was adapted for proper compliance with the Europa Web Guide on Accessibility.⁴</p> <p>Inclusiveness is key to the Conference, and event organisers will find toolkits on the digital platform that contain guidelines on how to take part and organise events, thus contributing to reaching out to those that do not normally engage in such events. These guidelines will also contain information on how to ensure accessibility for all. There are also ideas on how to facilitate events both online and in-person, as the pandemic allows for it, in ways that will help people to participate equally, through participatory methods.</p> <p>The Commission Representations have been carrying out a mapping exercise in all Member States, in order to map national and regional actors (via Europe Direct Information Centres - EDICs) that go beyond audience that regularly participate in events on European affairs. The aim of this exercise is to amplify the message on the Conference, and encourage and empower people from all social backgrounds to take part.</p> <p>The digital platform will be the hub for all contributions to the Conference, ensuring citizens' voices are heard equally at the EU level. Whether they take part in a small local in-person discussion, in a bigger-scale online debate, or in one of the pan-European panels, their ideas and proposals can be shared on the platform and become accessible to all.</p>
<p><i>Citizen dialogues during the Conference on the Future of Europe</i></p> <p>31. Calls for information, communication and engagement strategies between the European institutions and citizens during the CoFoE to run via the appropriate local and regional representative bodies, in conjunction with civil society organisations;</p>	<p>The Conference is a joint interinstitutional project and therefore its communication must be a joint endeavour as well.</p> <p>The Commission very much welcomes the Committee's pro-activity and support in being ready to organise debates and events in the context of the Conference. Regional and local authorities and representatives as well as civil society must</p>

⁴ <https://wikis.ec.europa.eu/display/WEBGUIDE/01.+Accessibility+overview>

<p>32. Encourages regional and local organisations to run participatory processes during the CoFoE at their respective levels, using a mix of open deliberative processes. The proposals and results of the deliberative processes can then be summarised and fed into the CoR's contribution to the CoFoE as well as help build the Network's repository of knowledge and experience in communicating with citizens.</p> <p>33. Promotes transnational civic engagement in the CoFoE, as the debate must have a cross-border and pan-European dimension; it requires a forum of citizens from across Europe to engage transnationally, to address common problems;</p>	<p>play a fundamental role throughout the consultations. The Conference should build on the Committee's active engagement with European citizens and must draw from the experience of different forms of citizens' consultations and participatory democratic events, such as the citizens' assemblies organised in Member States.</p> <p>The Conference will also build upon the over 2 000 Citizens' Dialogues that have been and continue to be organised by the Commission. Since 2015, the Committee and the Commission have collaborated closely on these dialogues.</p> <p>The Commission would like to encourage the Committee to get on board by inciting local and regional governments and representatives to get involved in Conference events on the ground and online. 216 Europe Direct Information Centres will closely collaborate with Committee Members on the organisation of engagement activities to take place in the regions as part of the Conference. The experience of the Committee's 2018 'Reflecting on Europe' campaign could be re-used in the future, especially in the context of the Conference. Other members of the Europe Direct network and other EU networks, many of which have regional and local representations, can also be fully engaged for mobilising citizens.</p> <p>During the Conference, while Plenary sessions and European Citizens' Panels will take place at the European level, 'decentralised' events will be organised across the Union - not just in capitals. Therefore, the full involvement of European regions is crucial for mobilising citizens and making the Conference a success. National, regional and local authorities, especially mayors, are essential. They can help organise events under the umbrella of the Conference, reaching out to citizens in every corner of the EU.</p>
<p><i>Towards a new approach to policy- and decision-making</i></p> <p>34. Is, indeed, convinced that, by increasing</p>	<p>The Commission agrees that promoting new forms of citizens' participation, in addition to raising further awareness about the tools already available</p>

<p>citizen participation and leveraging the potential of citizens in active policy-making, open government is one of the answers to a crisis of democratic institutions;</p>	<p>to citizens to influence EU decision-making (such as the European Citizens' Initiative, public consultations, citizens' dialogues etc.), will increase legitimacy and trust in our Union and complement its representative democracy.</p> <p>The Conference will address a specific element of the citizens' dialogues, namely the connection between citizens' views and practical policy-making, related to the broad and open consultation system in use.</p> <p>The Commission has already invested in providing the necessary tools for citizens to contribute to EU policy-making. The 'Have Your Say' portal⁵ provides a single web-based point of entry for interested parties to learn about the Commission's policymaking activities and to leave their comments, views and other information. There are many opportunities to contribute to policy-making: feedback on roadmaps and inception impact assessments, contributions to public consultations; feedback on draft delegated and implementing acts and proposals adopted by the College.</p> <p>The Commission is committed to further improving its consultation system. It will work to better reach out and focus its work on better feedback to contributors and better engagement with the European Committee of the Regions, the European Economic and Social Committee, the Commission's representations in Member States, national authorities and other representative associations.</p>
<p>37. Local and regional authorities are the only authorities that know best the citizens' needs and challenges on local level and are responsible for the implementation of EU policies on local and regional level. Therefore, there is a need for EU regulations to include requirements toward Member States to not only consult and involve LRAs into EU and national</p>	<p>The novelty of the Conference is that there is a pledge to follow up on what is agreed during it.</p> <p>A feedback mechanism will ensure that the ideas expressed during the Conference result in concrete recommendations for future EU action. As stated in the Joint Declaration on the Conference, the Conference will have a lean governance structure, however the Committee may be invited as an</p>

⁵ <https://ec.europa.eu/info/law/better-regulation/have-your-say>

legislation related decision-making process, but to delegate funds' and financial instruments' management, based on the principle of subsidiarity. This can ensure that decisions taken closer to citizens shall allow citizens to better understand the EU.

In conclusion, this would allow for a new approach to policy- and decision-making, which is more open, more participative, led by local and regional authorities in a more permanent dialogue with citizens: in short, a new common European political and democratic culture.

observer of the Executive Board's meetings, and will participate in Conference Plenary sessions.

In terms of funding, a number of programmes managed by the Commission offer EU funding for local authorities without involvement of national authorities. Further under Cohesion policy in shared management, certain percentage of the ERDF (5% for the 2014-2020 and 8% for the 2021-2027 programming periods, respectively) are to be allocated to the implementation of sustainable urban development strategies. In addition, a new dedicated Policy Objective (P05) 'Europe Closer to Citizens' was included under Cohesion policy for the 2021-2027 period that fosters bottom up, participatory, integrated place based strategies that allow even groups of citizens to form themselves and using tools like Community Led Local Development receive funding to improve their living conditions and the development opportunities.

<p>N°2 Demographic change: proposals on measuring and tackling its negative effects in the EU regions Council Presidency referral COR-2019-04647 – SEDEC-VII/001 140th plenary session – October 2020 Rapporteur: János Ádám KARÁCSONY (HU/EPP) SG – Vice-President ŠUICA</p>	
<p>Points of the European Committee of the Regions opinion considered essential</p>	<p>European Commission position</p>
<p>1. CoR considers that demographic change is one of the biggest challenges facing European regions, cities and rural population centres, and points out that some of the driving factors behind it are: an ageing population, low fertility and birth rates and the worsening unequal distribution of the population.</p>	<p>The Commission agrees with this statement. Along climate change and the digital transition, demographic change will have a strong impact on our societies and economies. Demography is a priority for the von der Leyen Commission, which has a specific portfolio for demography and democracy.</p>
<p>16. CoR underlines that as long as there is a fertility gap in the EU Member States, there is a primary role to reduce the fertility gap, migration can only occur thereafter. Every effort must be made to encourage and incentivise childbearing.</p>	<p>The EU has a number of policies in place (such the work-life balance directive, Gender Equality Strategy 2020-2025, or social protection that make it easier for parents to decide according to their personal preference.</p> <p>Having children is a matter of individual choice in which the EU does not interfere.</p>
<p>20. CoR draws attention to its opinion on "The EU response to the demographic challenge" (2016), which stipulates that many European policies can contribute to addressing the demographic challenge without providing specific measures to support the areas affected by these challenges. This affects transport, the information society, employment and social policy, culture, the environment and climate, as well as businesses; CoR reiterates its call for an overarching European strategy on demographic change and underlines that addressing these challenges will require a comprehensive approach from a wide range of policy fields to</p>	<p>The Committee's opinions on demography provide valuable input to the debate on demographic challenges. The Commission agrees on the need for a comprehensive approach. The Commission has launched a wide debate on the issue with the Green Paper on Ageing published on 27 January 2021.</p> <p>The European Green Deal⁶, the EU's new growth strategy, stresses the importance of a socially just transition. This includes considering demographic challenges and responding to them in a socially just manner. The European Pillar of Social Rights will also</p>

⁶ COM(2019) 640 final.

<p>help to reverse (pro-active) or mitigate (reactive) the effects of demographic change.</p>	<p>help to guide action in ensuring that no one is left behind.</p>
<p>21., 22. CoR stresses that there is a need for allocating more European funds in the future entitled to combat the phenomenon of brain drain, and highlights, in the context of the ongoing negotiation about the Structural Funds regulations, that the reference to demographic change should be strengthened as suggested by the European Parliament, and the application of these funds should be more flexible in the areas and regions that have been disproportionately affected by this phenomenon.</p>	<p>Demographic traps and depopulation are among the key challenges faced by less developed regions across the continent. This has been a recurrent theme in the cohesion reports and it will also be a subject of the ‘Long-term vision for rural areas’⁷.</p> <p>Cohesion policy has a variety of tools to help tackle demographic change in order to tailor the response to the territory concerned. The overall aim is to induce structural socio-economic change and economic transition, increase job opportunities, tackle poverty, enhance social inclusion, and improve education and health care, which also helps addressing the effect of ageing and depopulation.</p> <p>All of this requires long-term, planned and sustained investment.</p>
<p>54., 56. CoR sees the need to discuss, at the future Conference on the Future of Europe, the link between Democracy and Demography and suggests putting forward clearly its positions on this topic for the conference, paying particular attention to young people's representation. The Conference should address the so-called "geography of discontent", linked to the level of success of EU policies and their direct and indirect impact on different EU regions and their demography. CoR also underlines the importance for the CoR to have a significant participation throughout the Conference on the Future of Europe.</p>	<p>The Conference on the Future of Europe will be a bottom-up exercise in participatory democracy. Citizens with civil society at large will be free to raise any topic of concern to them, which may well include demographic challenges. The topics should be framed under the Commission’s political priorities and the European Council’s Strategic agenda, which encompass demographic challenges.</p> <p>In its Communication on ‘Shaping the Conference on the future of Europe’⁸, the Commission recognised that the Conference will be open to civil society, the European institutions and other European bodies, including the Committee of the Regions, the European Economic and Social Committee, as well as national, regional and local authorities, parliaments and other stakeholders – all</p>

⁷ <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12525-Long-term-vision-for-rural-areas/public-consultation>

⁸ COM(2020) 27 final.

	<p>contributing as equal partners. The Conference should build on the useful experience of the Committee in its active engagement with European citizens. In this spirit, regional and local authorities must play a fundamental role throughout the Conference.</p> <p>Making sure that nobody feels left behind will also be the ambition of the Commission communication on the ‘Long-term vision for rural areas’. It will seek to create a new momentum for these regions by unlocking their full potential and making them vibrant, dynamic and attractive.</p>
<p>57., 58. CoR pleads to use the concept of "active subsidiarity" developed by the Task Force on Subsidiarity to find workable solutions for addressing demographic change by respecting the division of powers in a direct dialogue with cities and regions; CoR is well placed to support this process by providing the platform for consultation and dialogue with the European Commission to find adequate solutions.</p>	<p>To implement its Communication ‘The Principles of subsidiarity and proportionality: Strengthening their role in EU policymaking’⁹ of October 2018, the Commission is committed to improving its assessment of subsidiarity and further involve local and regional authorities in its policy-making. Consultations on Commission proposals provide the opportunity to local and regional authorities to contribute on whenever aspects related to demographic change are deemed as significant for the analysis of problems, impacts and policy options in impact assessments. The Commission is making visible contributions to public consultations and feedback received about its proposals from local and regional authorities to the European Parliament and the Council in each legislative procedure. They are now better identified in ‘Have your say’¹⁰ and therefore will be better reported in impact assessments and evaluations.</p> <p>Three Committee representatives were added in the Government group in the Fit-For-Future Platform¹¹ (an increase from one representative in the previous Stakeholders group). Moreover,</p>

⁹ COM(2018) 703 final.

¹¹ https://ec.europa.eu/commission/presscorner/detail/en/IP_20_832

¹¹ https://ec.europa.eu/commission/presscorner/detail/en/IP_20_832

	<p>RegHub is also involved in the work of the Platform and will provide input to the annual work programme. The Commission welcomes their support and engagement in the process.</p> <p>The role of the Committee in reaching out to the final beneficiaries of EU legislation at local and regional level is essential in preparing Commission proposals. The Committee also helps to disseminate Commission's consultations and feedback opportunities (for example, via websites of regions).</p>
<p>59. CoR highlights the importance of using the instrument of territorial impact assessment (TIA) to further design EU policies that are affecting the demographic change and refers to its own recent TIA exercise, carried out in co-operation with the ESPON programme.</p>	<p>The Commission assesses territorial impacts as part of its comprehensive impact assessment on initiatives with significant environmental, social and economic impacts, when relevant. It has provided specific guidance to assess territorial impacts (toolbox #33 of Better regulation guidelines¹²). The Committee's territorial impact assessments are most useful in identifying potential territorial impacts of EU legislation.</p>
<p>61. CoR sees the need for a regular monitoring of the demographic challenge by making a link between the European Semester and demographic change and by closely associating this question with the implementation of the Sustainable Development Goals.</p>	<p>Demographic challenges are regularly monitored in the European Semester and, where relevant, addressed in the country-specific recommendations. For instance, the Annual Sustainable Growth Strategy¹³, which outlines the economic and employment policy priorities, sets out how the Union should achieve competitive sustainability in light of challenges posed by demographic change. The annual Joint Employment Report¹⁴ also explicitly mentions demographic issues when analysing key employment and social developments in the European Union as well as Member States' reform actions, in line with the Guidelines for the Employment Policies of the Member States¹⁵.</p>

¹² <https://ec.europa.eu/info/sites/info/files/better-regulation-toolbox.pdf>

¹³ COM(2020) 575 final.

¹⁴ COM(2020) 744 final.

¹⁵ Council Decision (EU) 2018/1215 of 16 July 2018 on guidelines for the employment policies of the Member States; OJ

	<p>The Sustainable Development Goals (SDGs) have been mainstreamed in the European Semester, notably with a reinforced analysis and monitoring on the SDGs in the Country Reports. Moreover, the country-specific recommendations in 2020 highlighted the contribution of national reforms towards delivering on specific SDGs.</p>
<p>62. CoR underlines the need for regular EU statistics, reflecting not only national but also regional developments, in order to provide policy makers with a clear picture of regional disparities. Further suggests the need for an annual report on the state of play of the demographic challenge in the EU cities and regions, to which the Committee could contribute.</p>	<p>In the context of the European Semester, the Commission assesses demographic challenges in Member States, where relevant.</p> <p>Regarding EU statistics, in June 2020, the Commission presented the ‘Report on the impact of demographic change’¹⁶ that sets out the impacts of demographic change relying on hard evidence and comparable (when available, also regional) data and drawing on the work of Eurostat, the EU’s statistical office.</p> <p>In recent years, Eurostat has continuously improved the availability of demographic statistics for regions and cities and regularly published the Eurostat Regional Yearbook including a chapter on demography. In 2020, in addition to the existing datasets and in response to the Covid-19 pandemic, Eurostat started to publish weekly deaths at regional level. By the end of the year it will publish regional level demographic projections. The digital publication ‘Regions in Europe – statistics visualised’¹⁷, released in October 2020, also features key demographic indicators in interactive visualisations accompanied by short texts.</p>
<p>63. CoR proposes to carry out a regular political dialogue between the European Commission and the EU cities and regions prior to the Annual Sustainable Growth</p>	<p>In past European Semester cycles, the Commission has addressed its Communication on the Annual Sustainable Growth Strategy (ASGS - previously Annual Growth Survey) to</p>

L 224, 5.9.2018, p. 4–9.

¹⁶ https://ec.europa.eu/info/sites/info/files/demography_report_2020_n.pdf

¹⁷ <https://ec.europa.eu/eurostat/cache/digpub/regions/>

<p>Strategy on the state of play of the demographic challenge; suggests a close collaboration between the Commission and the CoR in organising this process.</p>	<p>the Committee, and the Resolutions by the Committee on the ASGS have highlighted the views of cities and regions on the priorities for the Semester, including demographic challenges. The Commission stands ready to continue exchanging views within the established Semester procedures.</p>
<p>68. CoR considers that it is crucial to highlight our regions' rich natural, historical, artistic and cultural heritage in order to increase people's attachment to their villages and towns, thus supporting, preserving, maintaining and protecting local, native and small communities, linguistic-cultural subregions with a view to strengthen the ability of rural areas to retain local population and revitalise rural areas.</p>	<p>The Commission is preparing, with the active participation of local authorities and local stakeholders, a Communication on a long-term vision for rural areas to be adopted mid-2021. The Communication will develop an ambitious and comprehensive vision of smart and thriving rural communities in 2040. This vision will look at ways to promote an integrated, sustainable and resilient development of rural areas taking all dimensions and sectors into account. It will be operative and action-oriented with a number of concrete initiatives that will be included in the vision to enable rural areas to make the most of their potential and support them in dealing with their own unique set of issues, from demographic change to connectivity, the risk of poverty and limited access to available, high-quality and affordable public services.</p>

<p>N°3 European recovery plan: Recovery and Resilience Facility and Technical Support Instrument COM(2020) 408 final, COM(2020) 409 final COR-2020-03381– ECON-VII/009 140th plenary session – October 2020 Rapporteur-general: Christophe ROUILLON (FR/PES) DG ECFIN – Commissioner GENTILONI</p>	
<p>Points of the European Committee of the Regions opinion considered essential</p>	<p>European Commission position</p>
<p>Amendment 1</p> <p>At Union level, the European Semester of economic policy coordination (‘European Semester’), incorporating the Sustainable Development Goals (SDGs) and the principles of the European Pillar of Social Rights, is the framework to identify national and regional reform priorities and monitor their implementation, by means of clear national and regional indicators. Member States, in cooperation with local and regional authorities within their spheres of competence and taking account of the specific features of the different regions they represent, develop their own national multiannual investment strategies in support of those reforms. Those strategies, developed in partnership with regional and local authorities on the basis of a code of conduct setting out guidelines on good governance for the programming of recovery plans and projects, should be presented alongside the yearly National Reform Programmes as a way to outline and coordinate priority investment projects to be supported by national and/or Union funding. There is also a need for these strategies to use EU funding in a more consistent manner and to maximise the added value of the financial support provided, notably</p>	<p>The Commission is fully committed to integrating the Sustainable Development Goals (SDGs) in the European Semester. The country reports published in February 2020 as part of the European Semester identified the policies and challenges related to the SDGs for each Member State. The Commission reiterated its commitment to supporting competitive sustainability and thereby making progress towards achieving the SDGs in the 2021 Annual Sustainable Growth Strategy¹ issued in September 2020.</p> <p>The Commission also fully supports involvement of local and regional authorities in the formulation of national reform and investment agenda and on numerous occasions called on Member States to ensure this is the case. The implementation of Recovery and Resilience Plans will only be successful with strong regional and local ownership, as well as support from social partners and civil society at every stage of the process.</p> <p>The Commission, therefore, attaches a lot of importance to stakeholder involvement, as already made clear in our Annual Sustainable Growth Strategy back in September.</p> <p>A strong governance structure will be important</p>

¹ COM(2020) 575 final.

<p>from the European Structural and Investment Funds, the Recovery Fund and the InvestEU Programme.</p>	<p>as well:</p> <ul style="list-style-type: none"> – it is the Member States, which are responsible for preparing and implementing the Recovery and Resilience Plans. Payments will be made to them; – it will be vital to involve local and regional authorities, social partners and civil society in putting the plans into practice in the years ahead. They will play a key role in helping to translate ambitious objectives into concrete policy initiatives that will benefit people and businesses on the ground. <p>Member States will have to describe their stakeholder consultations in the Recovery and Resilience Plans. However, the processes of internal coordination and consultation is a matter for the national legal framework and not for Union law.</p>
<p>Amendment 6 - Recital 8</p> <p>Against this background, it is necessary to strengthen the current framework for the provision of support to Member States and provide direct financial support to Member States and to local and regional authorities through an innovative tool. To that end, a Recovery and Resilience Fund (the ‘Fund’) should be established under this Regulation to provide effective and sufficient financial support to step up the implementation of reforms and related public investments in the Member States and in local and regional authorities, particularly in view of reaching the objectives of the new sustainable growth strategy presented in the European Green Deal, as well as to ensure that Member States and Local and Regional Authorities have the necessary capacity for a coordinated response by funding the establishment for regional or local monitoring.</p>	<p>The term ‘Fund’ has a specific meaning under the Treaty on the Functioning of the European Union (TFEU) identifying i.a. the European Regional Development Fund (ERDF) under Article 176; the European Social Fund (ESF) under Article 162 and the Cohesion Fund under Article 177(2).</p> <p>The Recovery and Resilience Facility’s (RRF’s) legal basis, i.e. third paragraph of Article 175 TFEU, makes clear that it can only be used if specific actions prove necessary outside the Funds.</p> <p>The RRF is to be implemented under direct management by the Commission following the principle of financing linked to results. The RRF does not mirror the functioning of structural funds under shared management, where regional and local authorities can act as managing authorities and/or beneficiaries of the funds. The partnership principle and the establishment of a code of conduct,</p>

<p>+ Amendment 12</p> <p>In accordance with the principles of subsidiarity and partnership, the recovery plan should be established in close and structured cooperation with local and regional authorities, insofar as the reforms and investments to be supported fall within their sphere of competence as established in national law.</p> <p>+ Amendment 15</p> <p>This Regulation establishes a Recovery Fund (the ‘Fund’). [...]</p> <p>+ Amendment 27</p> <p>When drawing up their proposals for recovery plans, and insofar as the reforms and investments to be supported fall within the sphere of local and regional authorities’ competence as defined by the national legal framework, Member States shall establish a mechanism for structured cooperation with local and regional authorities aimed at ensuring their full participation in the preparation of plans and showing due regard for the principle of subsidiarity. Member States shall reflect this in their recovery plans.</p> <p>+ Policy recommendation 8</p> <p>Proposes organising a "Recovery and Resilience Forum" jointly with the European Commission, in order to boost local and regional authorities' participation in the recovery plan and to assess their contribution to cohesion and to the green and digital transitions;</p>	<p>characteristics, which pertain to shared management, do not apply per se to the RRF.</p> <p>Although the involvement of stakeholders and local authorities is indeed important for democratic legitimacy and ownership of the recovery and resilience plans, the RRF regulation² cannot harmonise processes which are inherently national and vary greatly across Member States depending on the legal framework of each country. Member States are obliged to provide in their Recovery and Resilience Plans a summary of the consultation process for the preparation, and where available the implementation, of the plan and how the input of the stakeholders is reflected in the recovery and resilience plan itself. These consultations are to be conducted in accordance with the national legal framework, of local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders,</p> <p>The Commission encourages Member States to assure thorough consultation and involvement of stakeholders and local authorities in the design and implementation of the plan, on the basis of their national legal frameworks, as set out in the guidance document published by the Commission on 22 January 2021.</p>
<p>Amendment 7 – Recital 11</p> <p>Reflecting the European Green Deal as Europe’s sustainable growth strategy and the translation of the Union's commitments to implement the Paris Agreement and the United</p>	<p>The co-legislators have included⁴ a 37% climate target in the Recovery and Resilience Facility. This target has to be achieved by each individual recovery and resilience plan. This target for the RRF has been calculated with the</p>

² COM(2020) 408 final.

⁴ <https://www.consilium.europa.eu/media/45109/210720-euco-final-conclusions-en.pdf>

<p>Nations' Sustainable Development Goals, the Fund established by this Regulation will contribute to mainstreaming climate actions and environmental sustainability and to the achievement of an overall target of at least 30% of the EU budget expenditures supporting climate objectives. Given that the potential contribution of some EU policies to this target has been overestimated³, the Fund should offset the deficit by earmarking at least 40% of its spending for climate action.</p> <p>+ Amendment 23</p> <p>+ Amendment 26</p>	<p>view to reaching the overall 30% target for the Multiannual Financial Framework (MFF) and NextGenerationEU funds. It will also contribute to achieving the Union's 2030 climate targets and complying with the objective of EU climate neutrality by 2050. Subject to the outcome of the negotiations, this target may be modified.</p> <p>The methodology for climate tracking is set out in Annex VI of the RRF Regulation.</p>
<p>Amendment 11-Recital 18</p> <p>To inform the preparation and the implementation of the recovery plans by Member States, the Council and the European Parliament should be able to decide on an equal footing, within the European Semester, the state of recovery and resilience capacity in the Union. This decision should be based on the strategic and analytical information presented by the Commission in the context of the European Semester and on the basis of the information on the implementation of the plans in the preceding years, and in particular on the basis of a set of quantitative and qualitative indicators for implementing the Sustainable Development Goals. This decision should also be reached by involving the European Committee of the Regions in establishing the European framework for the recovery plans and in the bodies monitoring compliance with the European Semester, and by instructing the Committee to carry out a biannual assessment of the regional implementation of the recovery plans.</p> <p>+ Amendment 24</p>	<p>The co-legislators agreed to set up a dedicated Recovery and Resilience Dialogue to discuss matters that concern the implementation of the Facility. The co-legislators further introduced transparency requirements assuring all relevant information is shared fully with the European Parliament.</p>

³ See the European Court of Auditors' report on this matter (2 July 2020) https://www.eca.europa.eu/Lists/ECADocuments/RW20_01/RW_Tracking_climate_spending_EN.pdf

<p>The recovery plan presented by the Member State concerned shall be officially submitted at the latest by 30 April.</p>	
<p>Amendment 16 – Article 2</p> <p><i>Definitions</i></p> <p>4. 'Reforms' eligible for support from the Fund are those which:</p> <p>(i) implement the objectives of the EU Treaty</p> <p>(ii) contribute to convergence and the reduction of regional disparities, including the mitigation of structural territorial constraints, in the spirit of the legal basis of the Regulation, Article 175 of the Treaty on the Functioning of the European Union (TFEU)</p> <p>(iii) are able to trigger public investment and stimulate long-term sustainable and inclusive growth consistent with the Sustainable Development Goals.</p> <p>5. Compliance with the 'do no significant harm' principle means refraining from supporting or carrying out economic activities that significantly harm environmental objectives pursuant to the provisions of Article 17 of the Regulation (EU) 2020/852 (Taxonomy Regulation).</p> <p>6. The 'minimum safeguards' means procedures defined in Article 18 of the Regulation (EU) 2020/852 (Taxonomy Regulation).</p> <p>+ Amendment 25</p> <p>+ Amendment 28</p>	<p>The co-legislators have introduced clear references to the Sustainable Development Goals in the legislative text. Regarding the 'do no significant harm' principle, the final regulation foresees a clear requirement that no measure in a Recovery and Resilience Plan may support or carry out economic activities that do significant harm to any environmental objective, where relevant, within the meaning of Article 17 of Regulation (EU) 2020/852.</p>
<p>Amendment 19 – Article 6</p> <p><i>Deletion of the Article</i></p> <p>+ Policy recommendation 11:</p> <p>opposes the option of transferring resources to the recovery and resilience instrument from the Structural and Investment Funds (Article 6), as such an option entails the risk of recentralising</p>	<p>The Commission is committed to effective coordination and cooperation with the Member States in view of not only preventing overlaps, but as well bringing about synergies, and eventually fostering better policy outcomes.</p> <p>Bearing this in mind, the Commission considers that maintaining an option of limited transfers is important to offer alternative means</p>

<p>and undermining the management of the Structural and Investment Funds, which operates on the partnership principle;</p>	<p>of delivery in order to achieve the same, overarching objectives.</p> <p>This is not a way to divert resources from shared management programmes to the RRF. This represents a standard clause in various MFF and NextGenerationEU programmes and merely provides for the possibility to be activated on a voluntary basis by the Member State concerned.</p> <p>The RRF Regulation as adopted by the co-legislators has no provision for the transfer of funds. However, the co-legislators have introduced a limited provision that Member States may propose to include in their recovery and resilience plan, as estimated costs, the payments for additional technical support in accordance with Article 7 of Regulation (EU) 2021/240 and the amount of the cash contribution for the purpose of the Member State compartment pursuant to the relevant provisions of the InvestEU Regulation. This use of funds is limited to 4%.</p>
<p>Amendment 20 – Article 9(new)</p> <p>1. In the event of generalised deficiency as regards the rule of law in a Member State affecting the principles of sound financial management or the protection of the financial interests of the Union, as defined in Article 3 of Regulation [...] on the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, the Commission shall, adopt a decision by means of an implemented act to suspend the time period for the adoption of the decisions referred to in Articles 17(1) and 17(2) or to suspend payments under the Recovery and Resilience Facility. [...]</p>	<p>The conditionality on the rule of law is a horizontal issue applicable across the board of the MFF and NextGenerationEU instruments and is to be established in the appropriate regulation on the breaches to the rule of law. In line with the European Council Conclusions on this matter, the RRF Regulation foresees detailed provisions on the protection of the financial interests of the Union and makes specific reference in Article 8 that the Facility shall be implemented by the Commission in direct management in accordance with the relevant rules adopted pursuant to Article 322 of the Treaty on the Functioning of the European Union (TFEU), in particular the Financial Regulation and the Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council.</p>

<p>Amendment 22 – Article 11</p> <p>Allocation of financial contribution</p> <p>1. For a period until 31 December 2022, the Commission shall make available for allocation EUR 252 000 000 000, referred to in point (a) of Article 5(1). Each Member State may submit requests up to their maximum financial contribution, referred to in Article 10, to implement their recovery plans.</p> <p>2. For a period starting after 31 December 2022 until 31 December 2024, a revision of the methodology set out in Annex I shall be proposed by the Commission by 15 June 2022, in order to agree on the distribution of the EUR 108 000 000 000 still available and to take account of the territorial, economic and social impact of the pandemic during the period 2020-2021 on the basis of consolidated statistical data.+ Policy Recommendation 2</p> <p>emphasising that the legal basis of the proposal (Article 175 TFEU) relates to the objective of cohesion, the CoR is concerned at the weak territorial dimension of the Commission's proposal, given that the social and economic repercussions of the coronavirus crisis are unevenly distributed between Member States and, within them, between regions</p> <p>+ Policy Recommendation 4</p> <p>Regrets, however, that the proposed allocation key for the first tranche of 70% of commitments, in the form of transfers from the Recovery Fund, is based on socio economic indicators that refer to the situation prior to the health crisis, and does not take into account the impact of the pandemic on these indicators, since the economic effects of the crisis have, from the outset, been distributed unevenly across the regions;</p>	<p>The co-legislators agreed on a revised allocation key. 70% of the non-repayable support will be calculated on the basis of the population, the inverse of the per capita gross domestic product (GDP) and the relative unemployment rate as of May 2020. 30% of the non-repayable support will be calculated based on the population, the inverse of the per capita GDP, and, in equal proportion, the change in real GDP in 2020 and the aggregated change in real GDP for the period 2020-2021.</p> <p>Against this backdrop, the non-repayable financial support under the Facility will be particularly beneficial to the countries that have suffered from a large fall in their GDP in 2020 and 2021 and to the countries with a lower per capita income and with a high unemployment rate. This reflects the important economic and social challenges that these countries face also due to their pre-crisis situation. The pandemic as well as the previous economic and financial crisis have shown that Member States with resilient economies and financial systems built on strong economic and social structures can respond more effectively to shocks and recover more swiftly from them.</p>
<p>Amendment 30</p>	<p>The RRF Regulation foresees that the Commission shall establish a recovery and</p>

<p>1. The Commission shall establish a recovery and resilience scoreboard (the ‘Scoreboard’) displaying the status of implementation of the agreed reforms and investments through the recovery and resilience plans of each Member State. [...]</p>	<p>resilience scoreboard (the ‘Scoreboard’), which shall display the progress of the implementation of the recovery and resilience plans of the Member States. A delegated act to operationalise this provision is under preparation.</p>
<p>Policy recommendation 3</p> <p>Cautions that the European Semester as a governance mechanism for the Fund (referred to as “Facility”) remains a centralised and top-down exercise that is not appropriate for a tool that is supposed to strengthen economic, social and regional cohesion; therefore reiterates its proposal for a code of conduct to involve local and regional authorities (LRAs) in the European Semester. This code is more urgent and necessary than ever if the Semester is to become more transparent, inclusive and democratic, and also more effective, by involving regional and local authorities;</p>	<p>The legal basis of the European Semester does not include cohesion policy. The Commission is of the opinion that it is for the Member States’ national authorities to decide, in accordance with their national legal framework, which stakeholders to involve and in what way in the deliberations on the European Semester at the national level. Such an obligation for Member States to harmonise their internal processes cannot be established under the RRF.</p>
<p>Policy recommendation 14</p> <p>Stresses that before the recovery and resilience "fund" can be rolled out, local and regional authorities implementing projects need a stable legal framework for state aid at European and national level. In particular, they need to know whether the European framework for state aid will be set up on an ad hoc basis to take account of the increased volume of aid and obtain guarantees on the responsibilities and deadlines for notifying aid;</p>	<p>The Commission has in place a robust legal framework. The fitness check of the State aid rules has established that our rules are mostly fit for purpose.</p> <p>Nevertheless, there are new challenges, which require attention and certain specific adjustments to the rules – first, the twin transition to digital and green. An evaluation of specific State aid rules (rules on aid for energy and the environment, and for regional aid, for research, development and innovation; for risk finance; and for important projects of common European interest) is ongoing and revised rules are under preparation. In addition, the Commission has provided specific State aid guidance for Member States relating to key investment areas under the RRF. The provided templates can help Member States to design their measures so that they can be implemented directly without the need for notification to the Commission, either because they do not</p>

	<p>constitute state aid or because they fall under the General Block Exemption Regulation⁵. Where a notification is needed, the Commission will strive to deal with their assessment as a matter of priority.</p>
<p>Policy recommendation 18</p> <p>Considers, however, that the proposal for a regulation needs to be clarified and made more consistent, in particular as regards Article 8 on requests for technical support, which must come from a national authority within the meaning of Article 2 and not exclusively from a Member State;</p>	<p>The Commission believes that the reference to Member State in Article 8 should be maintained.</p> <p>Based on prior experience under the Structural Reform Support Programme (SRSP), technical support has been requested by and successfully delivered to regional and local authorities.</p> <p>Nonetheless, while national authorities, including those at regional and local levels, may submit requests for technical support, the management of the submission of requests should be organised by the relevant coordinating authorities at Member State level, thereby allowing for national specificities and governance arrangements.</p>

⁵ Commission Regulation (EC) No 800/2008 of 6 August 2008 declaring certain categories of aid compatible with the common market in application of Articles 87 and 88 of the Treaty (General block exemption Regulation) (Text with EEA relevance); OJ L 214, 9.8.2008, p. 3–47.

N°4 A Strategy for Europe's digital future and A Strategy for Data
COM(2020) 50 final
COM(2020) 66 final
COM(2020) 67 final
COR-2020-02354 – ECON-VII/004
140th plenary session – October 2020
Rapporteur: Mark WEINMEISTER (DE/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.

<p>N°5 White Paper on Artificial Intelligence – A European approach to excellence and trust COM(2020) 64 COM(2020) 65 COR-2020-02014 – SEDEC-VII/003 140th plenary session – October 2020 Rapporteur: Guido RINK (NL/PES) DG CNECT – Commissioner BRETON</p>	
<p>Points of the European Committee of the Regions opinion considered essential</p>	<p>European Commission position</p>
<p>Role of the regions</p> <p>5. welcomes the <i>White Paper on Artificial Intelligence - A European approach to excellence and trust</i>. It recognises the importance of the discussions on AI ahead of Commission policy-making in this area. The CoR does point out that it would have liked the role of regional and local authorities as a key partner, producer, user and promoter of innovation in the development of AI also to have been stressed in the White Paper;</p> <p>16. emphasises that European policies should strongly promote and invest in (steps to organise and stimulate) multidisciplinary local and regional networks of people, administrations, knowledge institutions and businesses. The CoR believes that the innovation hubs proposed by the Commission would play a central role here;</p> <p>23. considers that significant EU support will be needed to stimulate private and public investment and provision will have to be made for resources from the Digital Europe Programme, Horizon Europe and the European Structural and Investment Funds to meet the needs of local ecosystems;</p>	<p>The Commission is aware of the important role regional and local authorities play in the promotion and uptake of artificial intelligence and seeks to strengthen their capacity to perform these functions.</p> <p>For instance, the Commission will put forward an Adopt Artificial Intelligence programme with the goal of promoting public sector uptake of artificial intelligence across all levels of government. Further, the European Digital Innovation Hubs will contribute to making artificial intelligence more accessible across regions within the EU’s Member States.</p> <p>In order to stimulate private and public investment and to enhance coordination on artificial intelligence in the European Union, in spring 2021, the Commission will put forward the 2021 Review of the Coordinated Plan on Artificial Intelligence (AI).</p> <p>The Commission concurs that significant investment is needed to achieve its stated goals, including the promotion of local and regional innovation ecosystems. Altogether, over the next decade, the Commission seeks to mobilise over €20 billion of total investment in artificial intelligence per year across the EU. In addition to the Digital Europe Programme, Horizon Europe, and the European Structural Investment Funds, the Commission notes that at least 20% of the planned Recovery and</p>

	<p>Resilience Facility will be used for investments in the digital field, including artificial intelligence. This will contribute significantly to advances in artificial intelligence at all levels.</p>
<p>Importance of artificial intelligence</p> <p>7. points out that AI is already part of our lives and will play an increasingly important role in transforming our societies. It offers great potential for European society, businesses and the public. Innovation in the field of AI does not just make a contribution to the economy; it also helps to solve societal and environmental challenges;</p> <p>17. points out that AI has the potential to help solve societal challenges in areas such as health (with the fight against the global COVID-19 crisis as the main recent example), security, climate, mobility and transport, social support, high-tech industries, retail, agriculture, tourism and public services;</p>	<p>The Commission emphasises the Committee’s point that artificial intelligence offers great potential to European society, businesses, and the public. As noted in the Commission’s White Paper on Artificial Intelligence, artificial intelligence also has the potential to contribute to overcoming some of the most pressing challenges our society faces, including the fight against climate change and environmental degradation. Improving health outcomes amidst the COVID-19 pandemic is another area in which artificial intelligence promises significant potential.</p> <p>In this context, the Commission notes that, as a general-purpose technology, artificial intelligence will affect a wide range of different areas and sectors and has the potential to be used to positive effects across domains.</p>
<p>Consistency with other areas and policies</p> <p>13. insists, however, that the debate on future policy measures to build up trust in AI should also address questions about the ownership of data, algorithms and platforms, about steps to ensure public values on platforms and about who ultimately gains most from AI applications and who pays for them (and whether it is socially acceptable);</p> <p>14. points out that, bearing in mind that AI affects a large number of other policy areas, there is a risk that consistency between these policy areas may be diluted and that those policy areas develop in a vacuum;</p> <p>15. suggests that the Commission define a roadmap and approach to promote consistency</p>	<p>The Commission acknowledges that there is a large number of interdependencies with other areas in its work on artificial intelligence, such as those mentioned in the Committee’s opinion.</p> <p>It is of utmost importance to the Commission to ensure consistency across policy areas and to align its ongoing work and future proposals both with existing rules and legislation and with other planned initiatives, for example with regard to questions around product safety and liability rules.</p> <p>To ensure consistency across domains, the Commission is in constant exchange with relevant stakeholders and consults across services within the Commission and other institutions.</p> <p>With regard to questions pertaining to the</p>

<p>between different policy fields;</p>	<p>governance of data and online platforms, the Commission points to its recent proposals for a Data Governance Act and for a ‘Digital Services Act’. The Commission will carefully use synergies and build on other proposals in its work on artificial intelligence.</p>
<p>Promoting innovation and SMEs</p> <p>19. agrees that a level playing field in the European market is important. Particular attention should be paid to the AI access for small and medium-sized enterprises (SMEs) and start-ups. They are key engines for local and regional economies. European Digital Innovation Hubs and future regulatory frameworks and policies have a decisive role to play in promoting equal opportunities of AI access, especially through supporting micro, small and medium-sized enterprises (MSMEs) in accessing AI;</p> <p>20. understands that the Commission is committed to making use of Europe's strong position in (existing) industrial and professional markets¹. It wishes to emphasise that this strategy should not however come at the expense of productivity, innovation and the DNA of local and regional ecosystems;</p>	<p>Promoting small and medium-sized enterprises and building upon existing strengths is a key priority of the Commission. Further, the Commission agrees on the importance of fostering innovation ecosystems across the EU, including at the local and regional level. This commitment is reflected, among others, in the forthcoming 2021 review of the Coordinated Plan on AI that puts forward specific actions to fund and scale innovative ideas and solutions for artificial intelligence, and for SMEs and public administrations to take up AI.</p> <p>To achieve the innovation ecosystem across the EU, the Commission has put forward a variety of measures, focusing amongst other things on knowledge transfer and experimentation. These measures include, for example, the European Digital Innovation Hubs. Additionally, the Commission proposed establishing testing and experimentation facilities allowing enterprises of all sizes to experiment with and test artificial intelligence applications in real-world environments.</p> <p>In its work on a future legal framework for artificial intelligence, the Commission is exploring the use of regulatory sandboxes as an instrument to allow for experimentation and to prevent inhibiting innovation, particularly among small and medium-sized enterprises.</p>
<p>Artificial intelligence in the public sector</p> <p>26. is pleased that the Commission is committed</p>	<p>The opportunities arising due to advances in artificial intelligence are not limited to businesses and can contribute in many ways to</p>

¹ Chapter 2 of the AI White Paper.

<p>to the development of products based on AI in the public sector²;</p> <p>27. considers, however, that this commitment to the development of AI in the public sector should not be limited to AI technology that has already been proven in pre-defined sectors. Indeed, local and regional authorities can play an important role in speeding up (new) AI technology as "launch customers";</p> <p>29. calls for the development of a procurement framework and legal tools, such as standard procurement conditions, that offer local and regional authorities possibilities for action and allow them to make optimal use of opportunities;</p>	<p>making the work of the public sector more effective and efficient. The Commission thus sees the public sector as an essential component of leveraging the potential of artificial intelligence for the benefit of society.</p> <p>For this reason, the Commission has announced in the <i>White Paper on Artificial Intelligence</i>³ an <i>Adopt AI</i> programme through which support shall be provided to public sector organisations in the procurement, development, and deployment of artificial intelligence applications. This could include sector dialogues and support measures for procurement processes.</p>
<p>Defining artificial intelligence</p> <p>33. notes with interest the progress made in the definition of AI, as this is reflected in the updated definition⁴ provided by the Independent High-Level Expert Group (AI HLEG), set up by the European Commission. It believes that this definition better reflects the technical capabilities of AI. However, the definition of AI should be an ongoing process. It should take into account the context in which AI operates and it should keep pace with societal developments in this field and not lose sight of the link between the Commission's ecosystem of excellence and the ecosystem of trust;</p>	<p>The Commission agrees that defining artificial intelligence is a critical step in the process of drafting any legislation on the matter. When developing policy on artificial intelligence, the Commission is carefully considering the work by the EU's High-Level Expert Group on AI as well as ongoing work at the international level.</p> <p>In its work, the Commission seeks to incorporate a definition that is both sufficiently precise and flexible enough to withstand future developments in the field of artificial intelligence – a field that is characterised by enormous dynamism and rapid progress.</p>
<p>A legal framework to prevent harm</p> <p>28. requests the Commission to call on all public authorities, including the local and regional ones, to undertake strict fundamental rights impact assessments for AI systems deployed in the public sector. Authorities should avoid having recourse to any AI surveillance technologies, especially in times of urgencies,</p>	<p>The Commission emphasises the importance of tackling the issue of potential bias in and discrimination through artificial intelligence. To curb such bias and prevent discrimination, the Commission seeks to impose strict requirements on artificial intelligence applications that are considered to pose a high risk to individuals, including a high risk of</p>

² Chapter 4F.

³ COM(2020) 65 final.

⁴ https://ec.europa.eu/newsroom/dae/document.cfm?doc_id=56341

<p>before the results of the impact assessment are known and necessary solutions adopted;</p> <p>36. points out how machine learning in the AI industry is based on human programming, which might lead to bias at a large scale. Therefore, calls for the EU to implement mechanisms to ensure gender, race and worldview equality and inclusivity in the development and applications of AI technology;</p> <p>37. draws attention to the fact that criminal law offers an important way of setting standards to protect against serious violations of people's fundamental rights and unlawful and clandestine surveillance of the public through AI applications;</p> <p>42. underlines that this regulatory framework should ensure enough of the above-mentioned key elements, while allowing room and flexibility for innovation. In so doing, we should be aware of the challenges posed by the interpretation and operation of AI systems and the outcomes and social impact caused by such systems;</p> <p>57. insists that future legislation and compliance monitoring should apply to the entire life cycle of the AI application;</p> <p>61. supports the Commission's view that an objective, prior conformity assessment would be necessary to verify and ensure that mandatory requirements applicable to high-risk applications are complied with;</p>	<p>discrimination.</p> <p>To complement these ex-ante requirements, the Commission is looking into ex-ante conformity assessments for high-risk artificial intelligence systems and the implementation of post-market enforcement mechanisms. This way, the Commission seeks to create a legal framework that prevents harm and violations of individuals' fundamental rights as opposed to only remediating such harms and violations, as would be done through criminal law.</p> <p>At the same time, the Commission intends to ensure that a new legal framework for artificial intelligence does not inhibit innovation and does not disproportionately burden those developing and deploying artificial intelligence systems. Rather, such a legal framework should be an enabler of innovation by fostering trust among consumers and legal certainty for businesses. The risk-based approach to regulation put forward by the Commission will ensure that strict requirements are imposed only with regard to applications of artificial intelligence that are directly linked to increased risks for people's safety and fundamental rights.</p>
<p>High-risk artificial intelligence</p> <p>39. emphasises the need to recognise that the existing legislative framework is not specifically tailored to AI applications, which means that there is currently a "gap" in the law. There should be careful examination of which areas need additional regulation to boost peoples' trust in AI. A pivotal element of any future regulatory framework applying to AI is the introduction of</p>	<p>It is indeed critical how high risk is defined in a future legal framework for artificial intelligence. The Commission will take into account the considerations of the Committee in its work and notes the variety of factors at play in making this determination, both with regard to the impact on people's rights and safety and to its probability of occurring.</p> <p>This determination is particularly important</p>

<p>safeguards to ensure that AI is free from bias and does not reproduce discrimination on grounds of gender, ethnicity age, disability or sexual orientation;</p> <p>51. considers, however, that the main criteria for determining whether AI is 'high-risk' are: the extent to which humans can influence decision-making and the impact of those decisions on people's rights and actual behaviour;</p> <p>53. points out that people have the right to know, in plain language, on the basis of which data and algorithms their rights and actual behaviour are affected, so that they can defend themselves fairly and, if necessary, obtain effective legal protection. In addition, the decision-making system should include the option of having an issue dealt with by a person. Authorities' role should be emphasised where appropriate;</p>	<p>since it constitutes the basis for imposing specific requirements on certain applications of artificial intelligence. Such requirements might concern, amongst others, the data used to train machine learning systems, documentation to be kept and provided by providers of artificial intelligence applications, the robustness and accuracy of artificial intelligence applications, and human oversight. These ex-ante requirements seek to account for the special characteristics and the associated challenges accompanying the use of learning systems.</p> <p>Furthermore, the Commission agrees with the opinion of the Committee that additional transparency requirements for human-facing applications of artificial intelligence should be imposed so that individuals are aware when they are interacting with an artificial intelligence system and not a human.</p>
<p>Environmental impact</p> <p>59. calls for AI regulation to consider the short-term and long-term environmental impact of the usage of these technologies throughout their lifecycle and across the entire supply chain;</p>	<p>The Commission acknowledges not only the potential of artificial intelligence for the purpose of tackling climate change and environmental degradation but also its potential negative effects, for example due to high energy consumption in the process of training machine learning algorithms.</p> <p>In this light, the Commission is considering ways to integrate environmental aspects into its work on a future legal framework. Further, the issue is also duly considered in the process of revising the EU's <i>Coordinated Plan on Artificial Intelligence</i>.⁵</p>
<p>Remote biometric identification</p> <p>62. agrees with the Commission that the consequences of using remote biometric identification AI systems can vary considerably depending on the purpose, context and scope of the use;</p>	<p>The Commission notes that there are special risks posed by the use of remote biometric identification,. The consequences associated with the use of such technology are indeed dependent on the specific use case; nonetheless, special care should be exercised in this context.</p>

⁵ COM(2018) 795 final.

<p>63. requests that a binding, unambiguous quality framework be developed to guide such major AI applications. Such a framework should focus on standards and practices that prevent unlawful discrimination and stigmatisation of individuals and populations. The CoR supports the Commission's approach of carrying out a wide-ranging debate on this issue;</p>	<p>For this reason, the Commission is exploring ways to curb harmful effects that may be caused by the use of remote biometric identification. The Commission is considering special requirements and restrictions on the use of such technologies.</p>
<p>Skills and education</p> <p>66. points out that, to promote the transition to a society in which AI plays an important role, it is necessary for the forthcoming proposals for an Updated Skills Agenda and for a Digital Education Action Plan to extend to the entire line of learning, from primary education, secondary education and secondary vocational education to academic education and life-long learning. Digital education curricula should promote active citizenship, sharpen critical thinking and empower people from an early stage to handle growing interaction with AI;</p> <p>67. calls for educational and training measures to also focus on boosting the digital skills of the public and professionals, both in the education system and in ongoing vocational training. With the digital revolution, the number of people employed in digitally relevant professions is expected to increase significantly. At the same time, life-long technological learning in AI is essential not only for the technical professions based on STE(A)M studies, but for all workers (including public administration employees) who will need AI knowledge in many other areas of activity. Thus, training should focus not only on current labour market needs linked to AI, but also on technological literacy for all workers, which allows for the adaptation to a long-term approach to training needs in the field of AI;</p>	<p>The Commission will support learners with developing an understanding of emerging technologies such as AI in a lifelong learning perspective with several initiatives under the Digital Education Action Plan (2021-2027)⁶. Under the first priority area - Fostering the development of a high performing digital education ecosystem – the Commission will develop ethical guidelines on artificial intelligence and data usage in teaching and learning for educators, building on the Ethics Guidelines for Trustworthy Artificial Intelligence.⁷</p> <p>The guidelines will be accompanied by a training programme for researchers and students on the ethical aspects of artificial intelligence and include a target of 45% of female participation in the training activities.</p> <p>Actions under the second priority area - Enhancing digital skills and competences for the digital transformation – include the proposal of a Council recommendation on improving the provision of digital skills in education and training. This will include a focus on inclusive high-quality computing education (informatics) at all levels of education.</p> <p>Introducing pupils to computing from an early age through innovative and motivating approaches to teaching, in both formal and non-formal settings, allows them to gain a sound</p>

⁶ https://ec.europa.eu/education/education-in-the-eu/digital-education-action-plan_en

⁷ <https://ec.europa.eu/digital-single-market/en/news/ethics-guidelines-trustworthy-ai>

understanding of the digital and world help develop skills in problem-solving, creativity and collaboration. That is why the Commission supports the EU Code Week movement, which brings these skills to millions of pupils every year.

Additionally, the Action Plan includes an action to update the European Digital Competence Framework⁸ by including artificial intelligence and data-related skills. This will help support the development of artificial intelligence learning resources for schools, vocational education and training (VET) organisations, and other training providers and raise awareness on the opportunities and challenges of artificial intelligence for education and training.

More generally, the Action Plan will support educators, trainers and educational staff with developing digital competences in a lifelong learning perspective. It will include initiatives that support digital pedagogy and expertise in the use of digital tools for teachers, including accessible and assistive technologies and digital content, through Erasmus Teacher Academies. The action will also launch an online self-assessment tool for teachers, SELFIE for Teachers, based on the European Framework for Digital Competence of Educators to help identify strengths and gaps in their digital, technical and teaching skills.

Additionally, the Action Plan will include a measure to develop common guidelines for teachers and educational staff to foster digital literacy and tackle disinformation through education and training and expand the scope of the Digital Opportunity Traineeships to include teachers, trainers and other educational staff in

⁸ See digital competence framework for citizens, with eight proficiency levels and examples of use. <https://ec.europa.eu/jrc/en/publication/eur-scientific-and-technical-research-reports/digcomp-21-digital-competence-framework-citizens-eight-proficiency-levels-and-examples-use> 33. The EDSC will be supported by a self-assessment

	<p>school, VET, adult and higher education.</p> <p>Furthermore, more recently, the European Pillar of Social Rights Action Plan includes the objective to increase the share of adults with basic digital skills to 80% by 2030⁹, while the Digital Decade Communication¹⁰ includes the target to increase the number of information and communication technologies (ICT) specialists to 20 million by the same year, with convergence between women and men.</p> <p>Furthermore, promoting advanced digital skills is a core element of the Digital Europe Programme. It will provide training opportunities for future experts in key capacity areas like data, artificial intelligence and cybersecurity, as well as focusing on the upskilling and reskilling of the existing workforce through training following the latest technology. The first calls for advanced training and education programmes in specialised digital areas are expected to be launched in the first quarter of 2021.</p>
<p>Girls and women in science, technology, engineering, arts and mathematics (STEAM)</p> <p>41. further insists on the importance of gender-sensitive coding and calls for the equal participation of all genders in the design, implementation, evaluation and debate on ethics and norms of AI-related technologies. Boosting girls' and women's participation in the field of science, technology, engineering, arts and mathematics (STEAM) is essential for their full inclusion in AI-related processes in particular and the digital economy in general;</p> <p>69. stresses that, in order to ensure that AI reflects our fundamental values and rights and that gender-biased programming is avoided, it is</p>	<p>The Commission fully agrees about the importance of boosting girls' and women's participation in science, technology, engineering, arts and mathematics (STEM), as well as equality and inclusion of girls and women in the digital economy. STEM occupations will grow fast in the coming decade, and ensuring increased diversity in the labour market will bring social and economic value for Europe's competitiveness, growth and innovation. Currently only 17% of ICT specialists are women and although initiatives such as the Women in Digital strategy¹¹ and WeGate¹² already work towards achieving these objectives, efforts need to be stepped up</p>

⁹ COM (2021) 102 final.

¹⁰ COM(2021) 118 final.

¹¹ <https://ec.europa.eu/digital-single-market/en/women-ict>

¹² <https://wegate.eu/>

<p>crucial to diversify the technology sector and encourage students, in particular girls, to enrol in STE(A)M courses</p>	<p>in order to make more progress.</p> <p>The Commission will address the gender gap in STEM by targeting female students through the Digital Education Action Plan¹³. Under its second priority area - Enhancing digital skills and competences for the digital transformation – the Commission will organise workshops and further training measures for young female students, to boost their digital and entrepreneurship skills. The workshops and trainings will be organised in cooperation with the European Institute of Innovation and Technology, across the Knowledge and Innovation Communities (KIC).</p> <p>Additionally, the initiative will support the EU STEM Coalition¹⁴ to develop new higher education curricula for engineering and information and communications technology based on the STEAM approach to attract more young female students and increase their participation and career development in STEM subjects and IT.</p> <p>The Commission agrees that in order for emerging technologies such as AI to be inclusive, there is an urgent need to diversify the technology sector.</p>
<p>Governance of artificial intelligence</p> <p>70. agrees there is a need for a common European approach to AI in order to achieve sufficient scale and avoid fragmentation of the single market;</p> <p>71. stresses, however, that a European approach to governance must be based on an open, inclusive and decentralised society, in which everyone has the possibility to be involved, creative and entrepreneurial;</p>	<p>The Commission agrees that it is critical to prevent fragmentation of the single market. For this reason, it is committed to developing a horizontal legal framework that is applicable across the EU.</p> <p>Nonetheless, sufficient governance of artificial intelligence cannot be achieved through one legislative act. In governing artificial intelligence, there should be close cooperation and collaboration between member states. This should also include contributions from a wide range of stakeholders within member states and</p>

¹³ https://ec.europa.eu/education/education-in-the-eu/digital-education-action-plan_en

¹⁴ <https://www.stemcoalition.eu/>

	at the EU level.
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N°6 The role of the EU’s cohesion policy with respect to intelligent and innovative economic change in the region against the backdrop of the coronavirus crisis
Council Presidency referral
COR-2020-03320 – COTER-VII/009
140th plenary session – October 2020
Rapporteur: Michiel RIJSBERMAN (NL/RE)
DG REGIO – Commissioner FERREIRA

Points of the European Committee of the Regions opinion considered essential

European Commission position

26. supports, to this end, the development of recommendations for suitable framework conditions and the broad implementation of forward-looking innovations, as well as measures relating to financing, a substantial reduction in red tape, and SME-friendly regulations and innovative cross-border approaches to strengthening entrepreneurship, the digital transformation and innovation;

The small and medium-sized enterprise (SME) Strategy’s main aim is to support small businesses in the twin transition to sustainability and digitalisation. Resilience has emerged as a third key objective during the COVID-19 crisis. To achieve this ‘triple transition’, the Strategy will promote building SMEs’ capacities, cutting red tape and improving access to finance.

For example, to ensure that new legislation is SME-friendly, the European Union (EU) SME Envoy, in collaboration with SME stakeholders, will filter EU initiatives and signal to the Commission those that merit close attention. The EU SME Envoy will raise awareness on SME-related aspects in the Commission’s Better Regulation agenda in a regular dialogue with the Regulatory Scrutiny Board and the Fit for Future platform. The EU SME Envoy will provide proposals for simplification. The ambition is that all future legislation, at European and national levels, is made with the end user in mind, by identifying potential barriers and mitigating them early on in the process, for example by the use of digital tools.

The Commission will also continue to carry out initiatives to promote entrepreneurship¹ and the Entrepreneurship Competence Framework². The goal is to support the development of

¹ https://ec.europa.eu/growth/smes/supporting-entrepreneurship_en

² <https://ec.europa.eu/jrc/en/publication/eur-scientific-and-technical-research-reports/entrecomp-entrepreneurship-competence-framework>

	<p>entrepreneurial learning ecosystems to the benefit of SMEs. As an innovative approach to strengthen cross-border entrepreneurship, the Commission put forward in its SME strategy a pilot for cross-border regions to work jointly in the spirit of the bottom-up Single Market on solutions to administrative barriers preventing SMEs from doing business cross-border, mainly in the services sector.</p> <p>Finally, the Commission issued on 9 March 2021 a Communication on ‘2030 Digital Compass: the European way for the Digital Decade’, which emphasizes the central role of SMEs as a critical source of innovation. The Communication says that, with the support of over 200 Digital Innovation Hubs and industrial clusters, by 2030 SMEs should have the opportunity to access digital technologies easily and on fair terms.</p>
<p>27. points out that access to finance and liquidity support for SMEs via EU grants and schemes and national measures is necessary to allow companies to bridge liquidity gaps caused by the crisis. Emergency measures should be complemented with instruments that allow the financing of investments and innovation, notably in digital technologies;</p>	<p>To address the need for a rapid EU liquidity response, the Commission has taken steps in different directions. The Commission expanded the State aid Temporary Framework and allowed flexibility in the Stability and Growth Pact. Moreover, it boosted the COSME³ loan guarantee facility to help address the most pressing liquidity needs of SMEs affected by the crisis and launched ESCALAR⁴ to improve the availability of venture capital. Also, the European Investment Bank Group put forward the creation of a €25 billion COVID-19 guarantee fund.</p> <p>The Commission also implemented a new digitalisation pilot under the Loan Guarantee Facility⁵, funded under the COSME programme. Under this instrument, financial intermediaries such as banks receive guarantees, which enable them to increase lending to small and medium-sized enterprises (SMEs) which they would</p>

³ https://www.eif.org/what_we_do/guarantees/single_eu_debt_instrument/cosme-loan-facility-growth/index.htm

⁴ https://www.eif.org/what_we_do/equity/escalar/index.htm

⁵ https://www.eif.org/what_we_do/guarantees/news/2019/cosme-digitalisation.htm

	<p>otherwise consider too risky. With this lending, banks can provide financing for the digital transformation.</p> <p>Finally, the InvestEU programme will provide crucial recovery support to companies, including SMEs. It will also ensure a strong focus on key policy priorities, such as the Green Deal objectives and digitalisation. Not only the SME window, but also the other InvestEU windows are open to SMEs.</p> <p>The EU's work to combat Late Payments complements efforts to boost liquidity of SMEs.</p>
<p>25. maintains that counselling aids must be expanded (especially for the self-employed and the unemployed) and the reaction time to SMEs' changing demands quickened. Public authorities should take a bottom-up, needs-based approach. Upskilling programmes in digital technologies and digital literacy should be prioritised</p>	<p>Several actions have been taken to provide advice and support to SMEs.</p> <p>These actions include e.g. digital skill and advisory services through Digital Innovation Hubs under the Digital Europe Programme⁶, for instance by offering digital crash courses for SME employees of SMEs to become proficient in areas such as artificial intelligence, cybersecurity or block chain. In addition, a digital volunteer pilot (digital experts helping SMEs to solve challenges related to digitalisation) will be put in place in 2021.</p> <p>Enterprise Europe Network will be upgraded including dedicated sustainability advisors and will help SME's digitalisation in cooperation with other EU initiatives like the EU Digital Innovation Hubs.</p> <p>Furthermore, the European Pillar of Social Rights Action Plan includes the objective to increase the share of adults with basic digital skills to 80% by 2030⁷. One key pillar of the Digital Decade Communication⁸ is about digitally skilled population and highly skilled digital professionals, and includes the target to increase the number of employed ICT specialists</p>

⁶ <https://ec.europa.eu/digital-single-market/en/european-digital-innovation-hubs-digital-europe-programme-0>

⁷ COM(2021) 102 final.

⁸ COM(2021) 118 final.

	to 20 million by the same year, with convergence between women and men.
29. rejects the obligatory use of the ERDF as JTF co-funding because it can threaten cohesion policy objectives, including the thematic concentration spending for innovations (under PO 1). As the JTF is geographically targeted, co-financing with the ERDF should be optional;	<p>The Commission considers of utmost importance that sufficient resources are dedicated for the Just Transition Fund (JTF). As part of the final agreement on the JTF, the co-legislators have agreed that any transfer of European Regional Development Fund and European Social Fund+ funding to the JTF will be voluntary.</p> <p>The transferred amounts are not taken into account for the purposes of calculating thematic concentration requirements and the transfer therefore has no negative effect in this regard. The co-financing principle is applicable for all cohesion policy funds and should therefore remain applicable for the JTF as well – thus contributing to an increased overall investment volume as well as enhancing ownership of beneficiaries, regions and Member States.</p>
30. reiterates that any transfer of regional funds, JTF co-financing included, by a Member State should be decided with the consent of the local and regional partners involved, in line with the principles of partnership and multilevel government;	The Commission agrees on the need to involve strongly and effectively the partners in both the programming and implementation of the JTF. For this purpose, the territorial just transition plan requires that the description of the partnership process is explained for the territories concerned by the plan.
32. calls on the Commission to ensure that recent measures to increase flexibility and to further simplify cohesion policy at EU level do not lead to centralisation and gold-plating and an added administrative burden at national level, brought about by risk avoidance and a risk-regulation reflex by Member States;	<p>Cohesion policy is implemented through shared management between the Commission and the Member States.</p> <p>Commissioners FERREIRA and SCHMIT sent letters to Member States⁹ on 29 July 2020, setting out the criteria and principles for REACT-EU-programming. In particular, the importance of involvement of partners and regional authorities as well as choosing the most efficient schemes and project pipelines for that purpose were underlined.</p>
33. calls for further clarity about the interplay	The Partnership Agreement requires Member

<p>between the different new mechanisms, such as REACT-EU, the Just Transition Fund, and the Recovery and Resilience Facility, to avoid additional complexity and stricter national regulations being added by the Member States;</p>	<p>States to clearly set out the complementarities across the Union instruments and funds – in accordance with their specific context.</p> <p>The legal framework provides for flexibility in this regard; the above mechanism is intended to ensure a streamlined and consistent programming in this regard – which will, among other items, be subject to the programming negotiations.</p> <p>On REACT-EU Member States will have to present mechanisms to ensure coordination between the funds and the other Union and national funding instruments in the relevant programme amendments or new programmes dedicated to REACT-EU.</p>
<p>34. asks the Commission to make sure that a shift of power away from regions is avoided. The proposed Recovery and Resilience Facility should be channelled through a bottom-up approach, by adding regional allocation criteria to REACT-EU and the Recovery and Resilience Facility, and by a stronger involvement of local and regional authorities in the governance of instruments, in particular in the preparation of national recovery investment plans. The delivery of the Recovery and Resilience Facility through centralised programmes bears the risk of lacking legitimacy and efficiency because they are adopted without any partnership requirements and therefore might not take into account the real recovery needs from a territorial perspective;</p>	<p>The legal requirements of the 2014-2020 framework related to the governance mechanism including the partnership principle apply to REACT-EU and require appropriate involvement of the partners. When it comes to programming and implementing these resources, the Commission underlines the effective involvement of the partners.</p> <p>In order to ensure an effective programming and implementation of REACT-EU resources, these are not broken down per category of region. This will ensure that Member States can target these resources to the territories most in need of crisis repair measures (taking also due regard of their economic development needs). These elements will be subject to programming negotiations between Member States authorities and the Commission services.</p> <p>As regards the Recovery and Resilience Facility (RRF), Member States are responsible regarding the selection of projects included in the Recovery and Resilience Plan in compliance with the criteria set up in the regulation.</p> <p>The Commission is encouraging the appropriate consultation of all relevant stakeholders as part of the plan.</p>

	Given the need to ensure additionality and complementarity from RRF support (article 8), in the technical exchanges with Member States, the Commission promotes the interaction with all different levels of the administration.
39. recommends that local and regional authorities clearly define medium- and long-term development strategies based both on predicted trends and challenges and on the specific features of their territories;	Local and regional authorities (LRA) already define the key medium-long term development strategies via their smart specialisation strategies and territorial strategies.
44. recommends that smart specialisation strategies be broadened beyond R&I with a wider focus on economic, social, and environmental objectives and with increased attention on future resilience. PO1 (a smarter Europe) provides a basis for innovation investments that goes beyond economic transformation and serves broader economic, social, and environmental goals (e.g. the Green Deal);	Smart specialisation strategies are a cornerstone for European Regional Development Fund support under Policy Objective 1. The proposal for the Common Provisions Regulation under the new Multiannual Financial Framework ¹⁰ requires that smart specialisation strategies are based on an effective entrepreneurial discovery process taking into account a wide range of partners, including civil society actors. The strategies should reflect also broader issues such as industrial transition or barriers to innovation diffusion. This means that smart specialisation strategies should be focused towards addressing societal and environmental challenges.
51. asks the Commission to further promote regional ecosystems and clusters in the framework of Interregional Innovation Investments. The combination of technological, industrial and social infrastructure in different regions according to their strengths and skills helps to generate critical mass and economies of scale and thus has the potential to increase the efficiency of research and innovation systems;	The Interregional Innovation Investment instrument will target regional innovation ecosystems (including clusters, businesses, Research and Technology Organisations, Higher Education Institutions, the public sector, final users and other relevant stakeholders) to deliver interregional business investment based on Smart Specialisation ¹¹ . It will be organised around two complementary areas for support to target a) more developed ecosystems (which are already connected at interregional level) and b) ecosystems in less developed regions which need to build their capacities internally and externally

¹⁰ COM(2018) 375 final.

¹¹ <https://ec.europa.eu/jrc/en/publication/eur-scientific-and-technical-research-reports/research-and-technology-organisations-and-smart-specialisation>

	(to connect with global value chains and leading regions). The instrument is expected to create critical mass to reinforce European value chains.
52. asks the Commission to consider the integration of regional smart specialisation strategies that contribute to a green, digital and resilient Europe as an enabling condition for effective (national) recovery investment plans;	Smart specialisation strategies for the forthcoming programming period should address broader economic and societal challenges related to the twin transitions as part of the ‘industrial transition’ criteria of the enabling condition.

<p>N°7 The REACT-EU Legislative package COM (2020) 451 final COM (2020) 450 final COM (2020) 452 final COR-2020-03318– COTER-VII/008 140th plenary session – October 2020 Rapporteur: Mieczyslaw STRUK (PL/EPP) DG REGIO – Commissioner FERREIRA</p>	
<p>Points of the European Committee of the Regions opinion considered essential</p>	<p>European Commission position</p>
<p>COM (2020) 451 final</p>	
<p>Amendments 1-10-11 Use of the additional resources also for the European Territorial Cooperation Goal (attention to border regions)</p>	<p>REACT-EU¹ envisages the possibility to allocate resources to existing cross-border cooperation programmes.</p>
<p>Amendments 14-18 Use of the additional resources for the Youth Employment Initiative</p>	<p>This element is also provided for in the REACT-EU Regulation.</p>
<p>Amendments 5-17 Higher attention to social impacts of Covid-19 pandemic and minimum share for ESF</p>	<p>The REACT-EU Regulation highlights the social consequences of the pandemic and includes a reference to those consequences in the title of the new thematic objective.</p> <p>A reference to maintaining the operational strength of the European Social Fund (ESF) is also included, but a specific reference to the minimum share for the ESF was not considered necessary, notably because the current share of ESF under the 2014-2020 programmes is already largely above the minimum share already established.</p>
<p>Amendments 8-12 Additional resources in 2018 prices</p>	<p>This is already reflected in the REACT-EU Regulation.</p>
<p>Amendments 13</p>	<p>The split of resources between 2021 and 2022 as</p>

¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R2221&from=EN>

Different split of resources between 2021 and 2022 (65% - 35%)	proposed in the July 2020 European Council conclusions ² was confirmed by co-legislators and is now in the Regulation. In particular, the frontloading of funding in 2021 is necessary and consistent with the need for funding to be made available rapidly to address the consequences of the pandemic.
Policy recommendation 13 Amendments 9-12 Possible extension of REACT-EU to the years 2023 and 2024 / alignment with time limits of ERI	The Regulation established 2021 and 2022 as the funding years for REACT-EU. Extending REACT-EU beyond those years would only delay the impact of the funding and slow down the response to the pandemic.
Selection of physically completed or fully implemented operations	This possibility is reflected in the Regulation.
Policy recommendation 7 Amendments 15-24-25 Specification of the partnership principle and stress on cities and regions	Additional references to the importance of the partnership principle are included in the Regulation. The existing obligations regarding partnership in the Common Provisions Regulation ³ continue to apply.
Amendment 19 Requirement for the Commission to approve programmes and programme amendments within 10 working days after submission	The Regulation envisages that the Commission will do its utmost to approve new or amended programmes within 15 working days of submission by a Member State.
COM (2020) 450 final	
Amendment 24-25-26 Limitation of transfers from the Funds to instruments under direct and indirect management to the response to a major crisis (recognised by the Council and limited in time), only if operations are in line with cohesion policy objectives	The final wording of Article 21 foresees the need for the monitoring committee to agree on such transfers.
COM (2020) 452 final	

² <https://www.consilium.europa.eu/media/45109/210720-euco-final-conclusions-en.pdf>

³ COM(2018) 375 final.

<p>Amendment 27</p> <p>Integration of recital 16b with regional health strategies beyond the national ones</p>	<p>Recital 16b was not accepted as a result of the interinstitutional negotiations.</p>
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<p>N°8 The renewal of the Leipzig Charter on Sustainable European Cities Own-initiative COR-2019-04829 – COTER-VII/001 140th plenary session – October 2020 Rapporteur: Juan ESPADAS CEJAS (ES/PES) DG REGIO – Commissioner FERREIRA</p>	
<p>Points of the European Committee of the Regions opinion considered essential</p>	<p>European Commission position</p>
<p>4. calls on the European Commission, in this regard, to show greater political commitment to the Urban Agenda for the EU and to incorporate it into its flagship initiatives, such as the Green Deal and digital initiatives. In order to implement the Green Deal, concrete actions will need to be strengthened in partnership with the local level, combining top-down approaches with key bottom-up approaches with a view to achieving targets year-by-year until 2050;</p>	<p>The Commission remains committed to contributing to the Urban Agenda for the EU, with human and financial resources, and will continue doing so in the 2021-2027 period with the support of the European Urban Initiative.</p> <p>Cohesion policy is one of the instruments to deliver the goals of the European Green Deal on the ground. Integrated sustainable urban development strategies, designed by urban authorities, will be key in this regard.</p> <p>The specific priorities of the next phase of the Urban Agenda for the EU will be determined in the context of intergovernmental cooperation on urban matters.</p>
<p>5. calls on the European Commission to establish a much closer link between its future Better Regulation Agenda and the Urban Agenda for the EU, so that the recommendations issued by urban partnerships are taken into account. To this end, territorial and urban impact assessments should be directly integrated into pre-legislative consultation mechanisms as well as forming part of the evaluation of European policies and administrative simplification (REFIT);</p>	<p>The newly introduced element on Territorial Impact Assessment as part of the Cohesion Policy proposal on the European Urban Initiative will contribute to the creation of stronger links between the Urban Agenda for the EU and the Better Regulation Agenda.</p> <p>The Commission is planning to adopt a Communication on Better Regulation in February 2021 and its content will provide parameters for formulating the specific aims and objectives of Territorial Impact Assessment.</p> <p>The Commission is currently reviewing the impact assessment guidelines and all the toolboxes (including tool 33, which is dedicated to territorial impacts). Territorial Impact Assessment tool methodologies and models can</p>

	<p>analyse legislative proposals. These methodologies and models assess the territorial and urban impacts of the legislative proposals.</p>
<p>7. calls on the European Commission to develop the concept of "active subsidiarity" as an additional step in the process of strengthening dialogue with cities, as well as with metropolitan areas and regions, and linking the Urban Agenda for the EU with the Better Regulation Agenda. In this regard, synergies with the European Committee of the Regions' Network of Regional Hubs (RegHubs) should be strengthened;</p>	<p>Commission services involve local stakeholders in public consultations in the framework of Impact Assessments. The Committee has been invited in several occasions in the past to suggest experts to the Commission to take part in the analysis of Territorial Impacts. In addition, there is close cooperation between the Commission services, the Committee/ Reg Hub and – the Regulatory Scrutiny Board. Cooperation has also been strengthened in other areas, for instance research and industry.</p>
<p>12. recalls that regions and cities are at the forefront when it comes to welcoming and integrating migrants and refugees in Europe. Therefore, the CoR asks that the new European Urban Initiative proposed by the European Commission provide sufficient funding to support the partnership "Inclusion of Migrants and Refugees" and the CoR initiative "Cities and regions for integration" and make a difference for Europeans in their cities;</p>	<p>The specific support to be provided by the European Urban Initiative for the Urban Agenda and its Partnerships, including future thematic priorities, will be determined in the context of the intergovernmental cooperation on urban matters as of 2021. The Partnership members on 'Inclusion of Migrants and Refugees' have decided to prolong their activities until the end of 2022 and they are supported by the Commission to implement some actions. The Partnership is currently exploring ideas for new potential areas for action.</p>
<p>28. calls on the European Commission to develop a new common frame of reference with shared terminology, indicators and methodology that can facilitate coordination between administrations, mutual learning and benchmarking between territories, with a view to following up on investments and achievements by the numerous national, regional and local urban agendas. Likewise, cities should be involved in preparing the budgets for their development;</p>	<p>The 2021-2027 Cohesion Policy regulatory framework will allow monitoring integrated territorial and local strategies and developing a common reference frame. The newly introduced common indicators for Policy Objective 5 will monitor the strategic process and the basic requirements of the integrated approach. Moreover, the relevant common thematic indicators will monitor the thematic outputs and results achieved by territorial and local strategies.</p> <p>In addition, the Directorate-General for Regional and Urban Policy (DG REGIO) and the Joint Research Centre (JRC) jointly developed the</p>

	<p>Handbook of Sustainable Urban Development Strategies¹, which provides a framework for shared terminology and methodology, and which will be further developed in the future.</p> <p>The activities to be developed as part of the European Urban Initiative and the future URBACT IV programme will also aim at creating a framework that facilitates coordination between administrations, mutual learning and benchmarking between territories.</p>
<p>29. calls on the European Commission to take into account the fact that the ambitious social and ecological transformation policies that are advocated by the Green Deal should be prioritised and implemented by means of concrete actions in urban and regional areas, so that the associated investments do not count towards the public deficit of the Member States and are not subject to constraints regarding the ceiling for expenditure imposed by the Member States on local government within the budgetary stability and deficit control programmes currently in force;</p>	<p>The future Multiannual Financial Framework programmes will allow for financing investments aimed at delivering the goals of the Green Deal in regions and urban areas.</p> <p>Cohesion policy, including the 8% earmarking of the European Regional Development Fund to sustainable urban development at Member State level, will be key. The focus areas of the new regulatory framework on Sustainable Urban Development is an opportunity to operationalise the Green Deal.</p> <p>Integrated sustainable urban development strategies, designed by urban authorities, will be crucial in this regard. In addition, the next generation of innovative actions under the European Urban Initiative will also allow for concrete projects in European cities.</p> <p>Investments under the Just Transition Fund, as well as under the Recovery and Resilience Facility, will also contribute to delivering the goals of the Green Deal in regions and urban areas.</p>
<p>40. proposes a list of practical recommendations for overcoming these challenges and improving the implementation of the Urban Agenda:</p> <p>...</p> <ul style="list-style-type: none"> ● under the better regulation pillar, the 	<p>The Commission considers the actions and recommendations of Partnerships arising from all pillars. The Better Regulation pillar is high in the agenda of meetings on intergovernmental cooperation on urban matters. Further discussions are expected to take place when</p>

¹ <https://ec.europa.eu/jrc/en/publication/eur-scientific-and-technical-research-reports/handbook-sustainable-urban-development-strategies>

<p>European Commission should undertake to consider recommendations arising from urban partnerships. In this regard, partnerships could organise workshops in which professionals address specific changes to EU directives, regulations and policies; the outcome of the partnerships should be regularly presented and discussed in the European Parliament and the Council so that it is given greater consideration in European lawmaking;</p> <ul style="list-style-type: none"> ● the Multiannual Financial Framework 2021-2027 and the European Urban Initiative proposed by the European Commission under the future ERDF Regulation should guarantee stable funding to cover the operational costs of cities participating in the Urban Agenda for the EU; ● in addition to the Structural Funds and with a view to the post-2020 programming period, the European Commission could also consider developing a financial programme with pilot actions for the development of proposals arising within the framework of the urban partnerships; ● the European Commission should launch a communication campaign to disseminate the results of the Urban Agenda for the EU, including better communication of the benefits of these partnerships on the Futurium online platform. It should also invest in knowledge production, disseminating best practices, guides, tools and roadmaps developed under the Urban Agenda for the EU; 	<p>framing the next phase of the Urban Agenda for the EU as of 2021.</p> <p>The specific support to be provided by the European Urban Initiative to the Urban Agenda and its Partnerships will be determined in the context of the intergovernmental cooperation on urban matters as of 2021, taking into account the finalised European Regional Development Fund/ Cohesion Fund regulatory framework. The coverage of operational costs of cities participating in the Urban Agenda for the EU, as well as the provision of financial support for the development of proposals arising from partnerships, will need to be considered at that point.</p> <p>In the current context of the Urban Agenda for the EU, the Technical Secretariat is, amongst others, tasked with the communication of the Urban Agenda for the EU and of partnerships via several channels. Capitalisation of knowledge and dissemination of results of the partnerships will be strengthened in the scope of dedicated activities under the European Urban Initiative.</p>
<p>43. highlights the importance of the European Commission continuing to play a significant role in coordinating and applying the Urban Agenda for the EU and the Leipzig Charter. In this regard, it is worth recalling the suggestion to appoint the vice-president for interinstitutional relations and foresight as coordinator of the Urban Agenda, which would also ensure a close</p>	<p>The Commission remains committed to contributing to the Urban Agenda for the EU, with human and financial resources, and will continue doing so in the 2021-2027 period with the support of the European Urban Initiative.</p> <p>The College decisional procedures ensure the respect of the Better Regulation Agenda in all policy areas. The Commissioner for Cohesion</p>

<p>link with the Better Regulation Agenda. Coordination in this area would also counter the fragmented vision of cities and the urban dimension of policies arising from the specialist outlook of the individual directorates-general;</p>	<p>and Reforms, as responsible for the Urban Agenda for the EU in the Commission, ensures the respect of this link. The existing inter-service group on territorial cohesion and urban development managed by the Directorate-General for Regional and Urban Policy brings together the relevant Commission Services. In addition, the new European Urban Initiative will aim, inter alia, at providing a stronger link to relevant EU policies.</p>
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N°9 Equivalent standards of living as a joint challenge for all levels of government in Europe
Own-initiative
COR-2020-02612 – COTER-VII/004
140th plenary session – October 2020
Rapporteur: Bernd LANGE (DE/EPP)
DG REGIO – Commissioner FERREIRA

Points of the European Committee of the Regions opinion considered essential

European Commission position

1. expresses its concern about the growing economic, social and territorial inequality within and between EU Member States. Recent developments in Europe have shown that the disparities between places and between people are increasing, in terms of economic development, employment and well-being. These disparities can be seen at all levels, from sub-local to European, and have reached critical proportions. The ongoing debate surrounding areas that have been left behind or "forgotten" clearly shows that a more place-based approach is needed in order to address the development challenges faced by these areas;

27. calls on the European Commission to take the same approach as national governments and entrench of equivalent living standards at EU level, putting Article 174 and Article 349 TFEU into effect;

Cohesion policy will continue investing in all regions.

Regions lagging behind in terms of growth or income will keep benefiting from important Union support.

Cohesion policy involves a place-based approach; a close link between the key thematic and territorial development priorities, implemented with an integrated approach. In partnership with regional and local authorities, it continues to provide a framework for cooperation, for integrated strategies, for participative approaches, for capacity building and funding to support the development and transition of all territories across the EU. Member States have a lot of flexibility to target support to the needs of their regions, urban and rural areas and other territories in a comprehensive manner, in particular under Europe Closer to Citizens, Policy Objective 5.

The European Pillar of Social Rights² is the Commission's compass to ensure equal opportunities, fair working conditions and social inclusion. It includes several principles that also aim at urban and rural developments such as equal access to education and other services, access to housing and access to essential services.

² https://ec.europa.eu/info/publications/european-pillar-social-rights-booklet_en

	<p>Moreover, the Commission has just launched the new 2020 EU regional Social Progress Index – (EU-SPI)³, which is a measure contributing to the ‘Beyond Gross Domestic Product’⁴ agenda in the European regional context. The EU-SPI includes different components of social progress that feed directly into cohesion policy objectives. It will also contribute to the ongoing reflection on how to link EU investment policy priorities to citizens’ future well-being in our regions.</p> <p>The focus on inclusive growth and the needs of deprived communities and areas will remain a priority in the scope of European Regional Development Fund (ERDF) support. This will be further strengthened with the inclusion of a new article on disadvantaged areas, which was agreed by the European Parliament and the Council in September 2020. It aims at raising the attention of Member States to addressing the challenges of disadvantaged regions and areas, including those with demographic handicaps, and the possibility to use an integrated approach to addressing these challenges.</p> <p>In addition, the New Leipzig Charter⁵ and the Territorial Agenda 2030⁶, agreed by ministers responsible for territorial cohesion and urban policy on 30th November 2020 and 1st December 2020 respectively, provide important strategic orientation for spatial planning and territorial development involving all levels of governance.</p>
<p>7. notes that increased net migration flows from rural to urban areas have been observed in various Member States and regions in recent years⁷ and considers that EU policies should</p>	<p>Cohesion policy programmes already address demographic change in rural and urban regions. The ongoing negotiations for the next programming period will ensure that European</p>

³ <https://cohesiondata.ec.europa.eu/stories/s/EU-Social-Progress-Index-2020/8qk9-xq96>

⁴ SWD(2013) 303 final.

⁵ <https://www.bmi.bund.de/SharedDocs/pressemitteilungen/EN/2020/12/new-leipzig-charter.html>

⁶ <https://www.territorialagenda.eu/home.html>

⁷ https://ec.europa.eu/eurostat/statistics-explained/index.php/Statistics_on_rural_areas_in_the_EU.

<p>contribute to the challenges and opportunities which arise from this;</p>	<p>funds can make tangible contributions to addressing demographic challenges in all the concerned regions and Member States.</p> <p>Cohesion policy in 2021-2027 will continue to tackle demographic challenges and ageing in a place-based approach adjusted to the actual needs of the territories. Developing links between rural areas and cities, economic diversification of rural areas and access to services, including digital services, will be of crucial importance to assist regions to become more innovative and competitive and to improve the quality of life for citizens.</p> <p>When developing the Partnership Agreement and programmes, Member States need to identify their demographic challenges, where relevant as well as the specific needs of regions and areas, and take measures to address them.</p>
<p>14. believes that measures taken by the European Union should be balanced among support given to densely populated urban areas and rural areas, which have often been considered primarily from an agricultural point of view. Regrets, in this sense, the comparatively low intervention of ESF and ERDF in rural areas^{8 9};</p>	<p>The European Agricultural Fund for Rural Development (EAFRD) is specifically devoted to agriculture and development of rural areas.</p> <p>For the European Regional Development Fund (ERDF), a minimum of 5% was pre-allocated to integrated urban development in the 2014-2020 period. For the 2021-2027 period the Commission has proposed 6% ERDF allocation to integrated urban development respectively (increased in the negotiations to 8 %) as well as a dedicated policy objective – Europe Closer to Citizens– to facilitate the territorially based programming and implementation of the policy. This provides Member States with flexibility to target resources to the needs of their regions and specific territories to facilitate their transition.</p> <p>The European Social Fund (ESF) has helped Member States and regions to invest in employment, education and inclusion in all of</p>

⁸ ‘Evolution of the Budget Dedicated for Rural Development Policy’, study for the Commission for Natural Resources, Progress Consulting, 2016 (updated 2020).

⁹ ‘EU Cohesion Policy in non-urban areas’, study for the European Parliament's REGI Committee, EPRC, 2020.

	<p>the EU's territories, including rural areas. By the end of 2019, €6.7 billion of ESF projects had been selected in rural areas (sparsely populated) and €3.1 billion had been effectively spent (latest available data), representing about 6.5% of projects and related spending in 2014-2020.</p> <p>In addition, the Youth Employment Initiative¹⁰ supports young people living in the regions where youth unemployment was higher than 25% in 2012, many of which cover rural areas.</p> <p>Rural ESF projects have reflected the many possibilities offered by the Fund, supporting measures for disadvantaged children, youth and families, intergenerational activities, employment in local businesses, social economy, reskilling of unemployed people, etc¹¹.</p> <p>The 2021-2027 ESF+ will continue investing in jobs, social inclusion, education and training across the EU, including rural areas. The Commission will work with the Member States to ensure access to the ESF+ support for those living in remote and less densely populated areas.</p>
<p>29. calls for a European long-term strategy on territorial development, taking into account interactions between agglomerations, urban areas and rural areas;</p>	<p>The Territorial Agenda 2030 and the Cohesion Policy 2021-2027 share the principles of a place-based and integrated approach, and multilevel governance.</p> <p>Agreed by EU Ministers responsible for spatial planning and territorial development in cooperation with the Commission, the Territorial Agenda 2030 is a strategic document promoting territorial cohesion and a place-sensitive approach in policymaking, including taking into account interactions between agglomerations, urban areas and rural areas.</p> <p>Cohesion policy plays an important role in</p>

¹⁰ COM(2016) 646 final.

¹¹ See more at: <https://ec.europa.eu/esf/main.jsp?catId=46&langId=en>

	<p>promoting balanced development and providing support available to all European regions and types of territories, including interaction between them, such as urban-rural linkages. Cohesion policy is a key contributor to the Territorial Agenda as well as to the Leipzig Charter and the Urban Agenda.</p> <p>In cohesion policy programming, the Member States need to ensure that the relevant urban, territorial and local actors are involved in the process and their development needs and potentials are taken into account. ‘For Europe Closer to Citizens’ Policy Objective 5, interventions should be based on integrated, multi-sectoral territorial strategies that break sectoral policy silos, deliver a coordinated response to challenges, development needs and potentials and address the economic, social and environmental dimension of sustainable and resilient development.</p> <p>The importance given to cohesion policy in the recovery process from the COVID-crisis re-confirms the key role of the policy for long-term development of all territories.</p>
<p>30. calls on the European Commission to not only consider the Member States' economic development, but also to take into account and recognise efforts made with regard to services of general interest, especially in less densely, or sparsely, populated areas or outermost regions where people are widely dispersed;</p>	<p>Cohesion policy always takes a holistic approach. It also takes into account – in a very targeted manner – less densely, or sparsely, populated areas (e.g. in the Nordic regions), or outermost regions, sometimes even with specific allocations.</p> <p>The Commission takes into account the need for services of general interest in the outermost regions. The dedicated specific additional allocation earmarked to these regions under the ERDF can help compensate the extra costs of these services that the outermost regions face due to their constraints recognised in Article 349 of the Treaty on Functioning of the European Union (TFEU). This allocation (of €1.5 bn) should be available as of 2021 under both the ERDF and the ESF+.</p>

<p>32. stresses that such an objective would require detailed consideration of the territorial impact of EU measures, at both the pre- and post-legislative stages;</p> <p>33. therefore recommends that the "urban proofing" of EU policy measures proposed in the Urban Agenda for the EU be widened to "territorial proofing", i.e. an integrated assessment of their feasibility in more densely (i.e. urban) and more sparsely populated (i.e. rural) areas, taking into account the specific features of those areas, and that it be complemented by a territorial impact assessment. This would ensure that regulatory provisions have a targeted effect and do not further promote uncontrolled urbanisation or counterurbanisation;</p>	<p>The impact on territories can be assessed using qualitative and quantitative methods as well as specific tools developed to support impact assessments and the consultation process.</p> <p>The Better Regulation guidelines and toolbox¹² set out the principles that the Commission follows when preparing new initiatives and proposals and when managing and evaluating existing legislation. Tool 33¹³ is dedicated to the methodologies and models that are used by the Commission services to identify territorial impacts during impact assessments. Tool 33 methodologies and models can facilitate, where relevant, a territorial impact assessment for regions of the EU and can also be used to assess impacts on urban and rural areas but also on cross-border, outermost, coastal, island, sparsely populated, mountainous regions etc.</p>
<p>34. believes that greater attention should be paid to small and medium-sized towns as anchor points in sparsely populated areas. Municipalities supply essential services of general interest and provide the public with critical infrastructure that significantly improves the attractiveness of rural areas;</p>	<p>The Commission recognises the role of small and medium-sized towns for the development of territories around them. The needs of sparsely populated areas have to be addressed through several angles.</p> <p>The territorial dimension of cohesion policy, in particular the Europe Closer to Citizens Objective 5, provides support to community-led local development, which can be applied in urban areas as well as in smaller cities, rural areas and in urban-rural cooperation through a local partnership approach. Integrated Territorial Investment¹⁴ is another possibility to programme comprehensive territorial strategies targeted to cities and towns of different sizes as well as to rural areas and urban-rural interaction. Territorial strategies are based on functional linkages between territories, such as common development interests and achieving</p>

¹² https://ec.europa.eu/info/law/law-making-process/planning-and-proposing-law/better-regulation-why-and-how/better-regulation-guidelines-and-toolbox_en

¹³ https://ec.europa.eu/info/files/better-regulation-toolbox-33_en

¹⁴ https://ec.europa.eu/regional_policy/en/information/publications/reports/2015/scenarios-for-integrated-territorial-investments

	<p>economies of scale, which can provide a good basis for cooperation between neighbouring administrations and territories.</p> <p>Cohesion policy promotes balanced and polycentric development. It also encourages cooperation and networking among small and medium sized cities and towns linked through common challenges or synergies.</p> <p>Furthermore, the Commission will come forward with a ‘Long Term Vision for Rural Areas’ in the first half of 2021, which will address a number of elements relevant for the future of the small and medium-sized towns in rural and sparsely populated areas. It aims to create a debate at European level on the role and future of rural areas.</p>
<p>36. encourages the European Commission to enhance the systematic gathering of comparable statistical data for the evaluation of the development of rural areas below NUTS II level, without increasing red tape for municipal authorities;</p>	<p>The Commission promotes the collection of comparable statistical data via the European Statistical System both at NUTS 3 level and at Local Administrative Units level using Degree of Urbanisation ‘DEGURBA’ data. This allows for the analysis of rural regions and areas without increasing the burden for municipal authorities.</p>
<p>38. notes that any working and expert groups that the EU sets up in future must include a good balance of representatives of authorities at different levels and of various sizes from urban and rural areas. Approaches developed for and by cities are not generally transferable to smaller authorities due to their different organisational and financial situations;</p> <p>39. calls for all European Commission directorates-general and the European Parliament committees to fully take into account interactions between urban and rural areas and create coherent EU policies that work for all types of area in a balanced way;</p>	<p>Before presenting any new initiatives, there is close cooperation between all Commission departments concerned to ensure the quality and consistency of the initiatives, and to ensure that these initiatives are considered from all relevant angles, including territorial aspects, when relevant.</p> <p>When setting up its expert groups, the Commission always strives to ensure a balanced representation of relevant know-how and areas of interest, taking into account the specific tasks of the expert group and the type of expertise required.</p>

<p>40. calls for all European Commission directorates-general and the European Parliament committees to better recognise the benefit of institutional and functional cooperation in areas such as planning, mobility, the environment, provision of services of general interest, and public investment. This cooperation will allow economies of scale and strengthen links, as well as territorial, economic and social cohesion, between urban, peri-urban and rural areas which are part of the same functional area or region;</p>	<p>Cohesion policy delivers investments involving multiple sectors and is governed in shared management with the Member States in line with multilevel governance and the partnership principle.</p> <p>Cohesion Policy promotes an integrated approach in programming. In the 2021-2027 period, the Commission specifically encourages strategic territorial planning, a participative approach and focus on functional areas within Europe Closer to Citizens Policy Objective 5, which promotes also urban-rural cooperation. The Common Provisions Regulation envisages the involvement of relevant territorial authorities and bodies in the development of territorial strategies.</p>
<p>41. calls for a comprehensive approach at EU level which addresses the challenges for cross-border cooperation of cities, regions and municipalities and amplifies the potential of this cooperation for reducing disparities between different types of settlements;</p>	<p>Since the Communication on ‘Boosting growth and cohesion in EU border regions’¹⁵ (2017), the Commission has been building a comprehensive EU policy for border regions. The objective is to improve the quality of life of the 30% of EU citizens living along an internal or external border. It includes, in relation to the 2021-2027 period:</p> <ul style="list-style-type: none"> - embedding cross-border cooperation in EU legislation and instruments (through the Border Focal Point and Territorial Impact Assessments); - reducing legal and administrative border obstacles (e.g. through Interreg programmes, the B-solutions initiative or the new legal framework simplifying the rules in cross-border projects i.e. the European Cross-Border Mechanism); - providing a legal instrument to establish cross-border entities (European Grouping for Territorial Cooperation); and - funding ambitious cooperation actions

¹⁵ COM(2017) 534 final
https://ec.europa.eu/regional_policy/sources/docoffic/2014/boosting_growth/com_boosting_borders.pdf

	<p>between several stakeholders (through the Interreg and ERDF programmes).</p> <p>In particular, the ambition is to empower local authorities (such as twin cities), stakeholders and civil society in developing their territory (e.g. through Policy Objective 5 of ERDF or people-to-people actions).</p>
<p>42. believes that EU regional policy should focus primarily on laying the structural foundations for balanced growth in all localities, in pursuit of convergence and development in the regions of the EU. Sustainable and sustained socio-economic development can only happen in places where the necessary conditions are in place for individuals and businesses. In this respect emphasises the need for stronger incentives for businesses in rural areas;</p>	<p>Cohesion policy offers an enabling framework to address challenges and unleash the potential of all territories of the EU (rural, urban, mountainous, insular, sparsely populated, outermost, cross-border, etc.). Member States and regions that face particular territorial challenges have the responsibility to use the funds available to them and programmes accordingly – which is fully recognised by the Commission.</p> <p>Under Priority 6 ‘Promoting social inclusion, poverty reduction and economic development in rural areas’ of the EAFRD for the period 2014-2020, there is a measure to support business development and investments in non-agricultural activities. Business development in rural areas is also included in the proposal for the future Common Agricultural Policy (CAP) where one of the interventions explicitly refers to rural business start-ups.</p>
<p>43. considers that the goal of equivalent standards of living should also be taken into account in the thematic focus of the European Structural and Investment Funds (ESIF), as well as the European Agricultural Fund for Rural Development (EAFRD). The ESIF should provide support for the required local and regional infrastructure and public services in all regions. Removing the EAFRD from the common provisions on the Structural Funds is counterproductive in this sense, since the separation makes coherent, multi-fund support in urban and rural areas unnecessarily difficult;</p>	<p>Priority 6 of the EAFRD for the period 2014-2020 refers to ‘Promoting social inclusion, poverty reduction and economic development in rural areas’. Under this priority, a number of measures such as basic services in villages can contribute to address standards of living in rural areas, among other things.</p> <p>One of the specific objectives of the future CAP also refers to social inclusion and a number of interventions can contribute to this goal. Cohesion policy funds will continue providing support in rural areas as well. Coordination, complementarities and synergies</p>

	will need to be set out in the Partnership Agreement for the Common Provision Regulation (CPR) funds and other Union instruments and funds including the EAFRD.
44. takes note here of the specific allocation for urban areas under the European Regional Development Fund (ERDF), while also pointing out that such an allocation also requires a counterpart on a comparable scale for rural areas. In the long term, it would be more appropriate to provide for a specific allocation for comprehensive provision of services (broadband infrastructure, hospitals or healthcare, transport infrastructure, etc.) that contribute to balanced territorial development and to promoting the resilience of all local and regional authorities. This would promote a basis for individuals and businesses to locate outside of urban centres as well, which would in turn create jobs and reduce the pressure on people to move away to cities;	<p>The earmarked allocation from ERDF to sustainable and integrated development of urban areas has been reinforced. This also involves small and medium-sized towns and cities; urban authorities are encouraged to address cooperation in functional urban areas and to support urban-rural linkages.</p> <p>In addition to the sectoral investment opportunities focused on the fields referred to under point 44 of the Committee’s opinion, cohesion policy already strongly encourages integrated territorial approaches and multi-thematic territorial and local strategies addressing the needs of non-urban territories as well. A specific objective is envisaged for this purpose under the Europe Closer to Citizens policy objective in the 2021-2027 period.</p>
45. believes that, in view of the limited economic viability of public services in more sparsely populated areas, Structural Fund support should primarily take the form of grants;	Under cohesion policy the right balance between grants and other forms of support (e.g. financial instruments) needs to be ensured. Wherever projects are not economically and financially viable (e.g. because they do not generate any returns or savings), grants will continue to be the main form of support.
46. believes that more Structural Fund support must go to introducing and maintaining the technological infrastructure, both telecommunications and digital services, necessary to guarantee equal development between areas. To achieve this, public-private partnerships will be promoted, with the public sector playing a leading role in implementing investment activities for this purpose;	<p>The private sector is the main investor in broadband infrastructure, and will carry out the bulk of the investment required for the roll-out of such new networks.</p> <p>Targeted support from cohesion policy will be available to enhance regional information and communication technology (ICT) connectivity, focusing on areas where the market alone cannot deliver.</p>
47. asks the European Commission to address the issue in the upcoming 8th Cohesion Report,	Issues linked to innovation, technology and ICT have always been extensively discussed in

<p>which is expected in September 2021;</p>	<p>the Cohesion Reports. The 8th edition will be no exception. It will highlight the existing disparities among EU regions in this regard and provide elements for guiding investments in related areas.</p>
<p>48. calls for stronger links between the new Territorial Agenda 2030 of the EU and the new Cohesion Policy 2021-2027 in order to provide Cohesion Policy with a territorial strategic guiding framework to achieve a Green and Just Europe where no territory would lag behind;</p>	<p>The Territorial Agenda 2030 and the new cohesion policy 2021-2027 share the same principles of a place-based and integrated approach, and multilevel governance.</p> <p>Agreed by ministers responsible for territorial cohesion, in cooperation with the Commission, the Territorial Agenda 2030 is a relevant document for cohesion policy as it provides additional rationale for a stronger uptake of cohesion and other EU policy instruments and tools, place-based policy response to territorial challenges, and involvement of local authorities and citizens in cohesion policy programmes prepared by Member States.</p> <p>Cohesion policy instruments will have a key role in translating the political ambition of the Territorial Agenda into action on the ground. Relevant elements are also the territorial dimension of European Semester, Territorial Impact Assessment of legislation and policy initiatives (as part of Commission Impact Assessments), rural development under CAP, and other relevant EU policies and strategies.</p>
<p>49. believes that EU transport policy rules should also be framed to better ensure balanced human settlement. This includes public transport planning, rail transport and the deployment of ride-sharing services. So far, ride-sharing services have primarily been based in urban areas because the lower population density in rural areas makes them less remunerative there. In the long term, comprehensive provision of appropriate transport services should be considered, by means of public service obligations where necessary;</p>	<p>The Commission agrees that public transport planning, rail transport and the deployment of ride-sharing services are key for sustainable mobility in rural areas. There are successful initiatives in the EU to support sustainable shared mobility services and to interconnect them with public transport. Through projects, the Commission is building an understanding of the national rural mobility frameworks and of good practices in rural mobility. This is not only related to conventional public transport but also extended to innovative transport forms based on ride sharing schemes for the residents</p>

	<p>of rural areas, vulnerable social groups and for visitors and tourists. It also builds an understanding of existing barriers, the untapped potential and added value of shared rural mobility services.</p> <p>When it comes to planning, the concept for Sustainable Urban Mobility Plans (SUMP) provides an appropriate framework that envisages also covering the connectivity of rural and peri-urban areas. A number of SUMP topic guides provide dedicated planning recommendations on, for example, poly-centric and peri-urban regions. Future topical guides might add the connectivity with smaller cities and towns to the scope.</p>
<p>50. points out that EU transport rules (particularly those relating to emissions and climate) often present much greater challenges to public transport operators in rural areas than to their counterparts in urban areas. Switching to low-emission technologies is also not currently possible everywhere, due to technical requirements and market availability, particularly in areas that are less densely populated and have mountainous terrain. This is particularly the case for buses, due to higher costs, limited ranges and sometimes also longer charging times. However, EU funding is made available primarily for urban mobility, as higher pollution levels tend to be recorded in cities. To create and maintain efficient public transport everywhere, the rules should either provide for different measures for different types of locality or should provide additional funding for places where financial resources are particularly hard to find (such as rural, remote and outermost regions, and island and mountain areas);</p>	<p>Accompanying the sustainability transition in the transport sector is of primary importance to achieve the European Green Deal objectives, acknowledging the particular challenges of rural areas. We need a transition that leaves no one behind. The Clean Vehicle Directive¹⁶ aims to mobilise public procurement to accelerate the deployment of clean vehicles, in particular clean buses. It sets specific targets at national level, but leaves room for flexibility in the national implementation. Low- and zero-emission buses, for example, can first scale in urban areas to become a fully cost-competitive solution and then become deployed in rural areas. The Commission also recalls its intention to support building 1 million public recharging and refuelling stations available by 2025, while taking into account persistent gaps, notably as regards long-distance travel and less densely populated areas.</p> <p>Therefore, the Commission invites Member States, in close dialogue with regional</p>

¹⁶ Directive (EU) 2019/1161 of the European Parliament and of the Council of 20 June 2019 amending Directive 2009/33/EC on the promotion of clean and energy-efficient road transport vehicles; OJ L 188, 12.7.2019, p. 116–130 (<https://eur-lex.europa.eu/eli/dir/2019/1161/oj>).

authorities, to take advantage of the Recovery and Resilience Facility¹⁷ to support financially the necessary investments at national level. The ambitious InvestEU programme¹⁸ will help with fleet transition. The Commission will also pursue and extend the successful support provided under the Connecting Europe Facility – Transport Blending Facility for alternative fuels infrastructure, complementing support mechanisms available under the regional development and cohesion policy frameworks.

The Commission believes in the potential and role of sustainable mobility to improve connectivity in rural areas. The importance of this will be reflected in the upcoming EU Strategy on Sustainable and Smart Transport and in the revised urban mobility package planned for the third quarter of 2021.

¹⁷ COM(2020) 408 final.

¹⁸ COM(2018) 439 final.

<p>N°10 Towards sustainable use of natural resources within the Mediterranean insular context Own-initiative COR-2020-00344 – NAT-VII-004 140th plenary session – October 2020 Rapporteur: Francina ARMENGOL I SOCÍAS (ES/PES) DG REGIO – Commissioner FERREIRA</p>	
<p>Points of the European Committee of the Regions opinion considered essential</p>	<p>European Commission position</p>
<p>12. stresses that, despite the clear similarities they have with the EU's outermost regions in terms of their general social, economic and geographical circumstances, the Mediterranean islands do not benefit from special treatment to enable them to deal with permanent geographical handicaps to their economic and social development as recognised in Article 174 of the Treaty on the Functioning of the EU (TFEU);</p>	<p>The European Union's outermost regions face different challenges and constraints recognised in the Article 349 of the Treaty on the functioning of the European Union (TFEU). To name a few: they are remote from the European continent – (scattered in the Caribbean sea, the Atlantic and Indian Oceans and in Latin America) making them particularly vulnerable to climate change, tropical diseases, global crises and to policy/social events in the surrounding third countries. To the contrary, the size, population, economic growth, distance from mainland, and other key indicators of the Mediterranean islands are very diverse. Tailor-made integrated local strategies resulting from a bottom-up and participatory approach are needed for the Mediterranean islands.</p>
<p>13. points out that Article 174 TFEU should apply from the first stages of the decision-making process, including specific compensatory measures to overcome the challenges and constraints resulting from the specific circumstances of Mediterranean islands;</p>	<p>In the 2014-2020 period, instead of developing compensation schemes for handicaps, the regulatory framework enables to invest in all territories (islands included) and helps to develop their comparative and competitive advantages. There are multiple opportunities for islands in the blue economy including marine renewable energy, desalination, blue biotechnology, aquaculture, green shipping including ports. Protecting and valorising biodiversity and developing the circular economy offer further opportunities. Smart specialisation strategies and the entrepreneurial</p>

	<p>discovery show that there is a lot of potential in islands besides tourism and residential services. Cooperation among insular territories should be enhanced.</p>
<p>19. points out that, due to the specific features of their infrastructure and the actual opportunities for accessing the European energy market, the Mediterranean islands incur significant additional energy-generation costs and costs associated with redeveloping and restructuring their economic sectors;</p>	<p>Increased use of local renewable energy sources, including from the sea, constitutes an opportunity to address these challenges. It can offer the islands security of supplies, limits the need for expensive energy imports or costly interconnections, facilitates system security and balancing, lowers the energy costs and helps responding to seasonality patterns. Islands may serve as energy transition ‘laboratories’ where ad-hoc optimised local energy systems can be developed and tested to serve as blueprints for the general European energy transition. The EU initiative Clean Energy for EU Islands¹ and the Islands Facility (NESOI) of Horizon 2020² are two examples of how the EU can help islands to benefit from energy transition. The European Green Deal³ offers a unique opportunity to accelerate the clean energy transition on all EU islands.</p> <p>In addition, the offshore renewable energy strategy adopted on 18 November 2020, underlines the significant contribution of ocean energy to power Europe’s energy system and industry as from 2030, playing a crucial role in decarbonising islands in the EU.</p>
<p>21. considers that the EU should develop specific environmental protection measures for the Mediterranean islands as they have unique</p>	<p>Under the EU Biodiversity Strategy⁴ for 2030, the target to strictly protect 10% of all EU land area relates to the EU as a whole, and could be</p>

¹ COM(2020) 380 final (<https://euislands.eu/>)

² <https://www.euislands.eu/eu-islands-facility-nesoi> with several calls to provide financing for bigger clean energy projects on islands supporting the decarbonisation of energy systems, which are more difficult to deliver because of scale and capacity issues.

³ Published in December 2019 It resets the European Commission’s commitment to tackling climate and environmental-related challenges that is this generation’s defining task. It is a new strategy that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy where there are no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from resource use. 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 risks and impacts. https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

⁴ COM(2020) 380 final (https://ec.europa.eu/environment/nature/biodiversity/strategy/index_en.htm)

<p>terrestrial and marine biodiversity and therefore require sustainable development policies and tailored environmental protection measures;</p>	<p>broken down according to the EU biogeographical regions and sea basins or at a more local level. Local integrated biodiversity strategies with the participation of local stakeholders can bring more benefits to islands within the Mediterranean⁵.</p> <p>Every Member State will have to do its fair share of the effort based on objective ecological criteria, recognising that each country has a different starting point as regards biodiversity. This leaves enough flexibility for Member States to agree on their respective contribution to this target, taking into account socio-economic feasibility and other public interests.</p> <p>Biodiversity and ecosystems dependant on agriculture and forestry can be maintained, protected or enhanced through the use of the Common Agricultural Policy (CAP) specific instruments such as agri-environmental measures funded by the European Agricultural Fund for Rural Development (EAFRD), which may target the specific environmental needs of the islands.</p>
<p>24. emphasises that the agri-food sector is strategically important for the Mediterranean islands in terms of using natural resources more sustainably, considering its great regional importance in terms of the large percentage of land it takes up and as a source of food for inhabitants;</p>	<p>The Farm to Fork Strategy⁶ is at the heart of the European Green Deal aiming to make food systems fair, healthy and environmentally-friendly. Food systems cannot be resilient to crises such as the COVID-19 pandemic if they are not sustainable. There is a need to redesign the food systems which today account for nearly one-third of global greenhouse-gas (GHG) emissions, consume large amounts of natural resources, result in biodiversity loss and negative health impacts (due to both under- and over-nutrition) and do not allow for fair economic returns and livelihoods for all actors, in particular for primary producers.</p>
<p>25. urges the European Commission and the Member States to make the Mediterranean islands' agri-food systems more resilient so that they have sufficient food sovereignty to cope with situations such as natural disasters, political and social conflicts and health crises such as COVID-19, where supplies cannot be</p>	<p>Putting food systems on a sustainable path also</p>

⁵ Guidelines for an integrated approach in the development and implementation of national, subnational and local biodiversity strategies and action plans; 2017 Secretariat of the Convention on Biological Diversity.

⁶ COM(2020) 381 final (https://ec.europa.eu/food/farm2fork_en)

<p>delivered from outside;</p>	<p>brings new opportunities for operators in the food value chain. New technologies and scientific discoveries, combined with increasing public awareness and demand for sustainable food will benefit all stakeholders.</p> <p>The Farm to Fork Strategy aims to accelerate the transition to a sustainable food system that should:</p> <ul style="list-style-type: none"> • have a neutral or positive environmental impact; • help mitigate climate change and adapt to its impacts; • reverse the loss of biodiversity; • ensure food security, nutrition and public health, making sure that everyone has access to sufficient, safe, nutritious, sustainable food; • preserve affordability of food while generating fairer economic returns, foster competitiveness of the EU supply sector and promote fair trade; <p>Union programmes can provide support in order to implement this strategy successfully.</p>
<p>26. highlights the overfishing of some fish stocks in the Mediterranean and calls for specific fishery management plans to be developed for the Mediterranean Basin, to enhance and modernise local fishing fleets and sea-farming systems by combining traditional methods with the most innovative methods;</p>	<p>In June 2019 the Council approved the first ever multi-annual management plan for fisheries in the Western Mediterranean⁷.</p> <p>Longer-term rules allowing for better protection of fish stocks in the western Mediterranean Sea were introduced for the first time. The aim of these rules is to revitalise depleted stocks and ensure environmental and socio-economic sustainability for fisheries in the area.</p> <p>Moreover, at multilateral level, since the signature of the MedFish4Ever declaration⁸ the General Fisheries Commission for the</p>

⁷ <https://www.consilium.europa.eu/en/press/press-releases/2019/06/06/first-ever-multi-annual-management-plan-for-fisheries-in-the-western-mediterranean-becomes-reality/>

⁸ <https://www.actu-environnement.com/media/pdf/news-28756-declaration-malte-surpeche-mediterranee.pdf>

	<p>Mediterranean has adopted a record number of 40 decisions that have strongly reinforced its management, conservation and control measures. As such, management plans for the most critical fisheries were adopted: demersal fisheries in the Adriatic sea, eels, shark and rays, giant red shrimp, blue and red shrimp in the Levant and Ionian Seas and the Strait of Sicily, blackspot seabream fisheries in the Alboran Sea, for the fisheries exploiting European hake and deep-water rose shrimp in the Strait of Sicily, red coral, dolphinfish fisheries. Emergency measures for small pelagic (sardines and anchovies) are also regularly adopted since 2015 in the Adriatic Sea. All these measures are currently in force.</p>
<p>28. believes that the creation of new marine protected areas (MPAs) on the islands should be accompanied by parallel innovative economic strategies for the sustainable use of fishery resources by MPA managers and representatives of the fishing and tourism industries;</p>	<p>The EU Marine Strategy Framework Directive⁹, the environmental pillar of the EU Maritime Policy, introduced the principle of ecosystem-based marine spatial planning and provides a supportive framework for national initiatives toward spatial planning, designed for achieving a good status for the environment.¹⁰</p>
<p>29. emphasises that most Mediterranean islands do not develop industrial sectors due to their low productivity, which is linked to the lack of raw materials, high production costs and transport logistics problems;</p>	<p>Mediterranean (MED) islands' main economic activities are agriculture and tourism and the related agro, food and building industries, all of which present a high seasonality. Other existing handicrafts activities and industries are declining. As a result, seasonality tends to increase. To address these issues and promote smart economic transformation of these territories, smart specialisation strategies are a key tool – for example by supporting the circular economy, which helps to create local jobs, increases productivity and value. Via smart specialisation strategies developed through and efficient entrepreneurial discovery</p>

⁹ Directive 2008/56/EC of the European Parliament and of the Council of 17 June 2008 establishing a framework for community action in the field of marine environmental policy (Marine Strategy Framework Directive); OJ L 164, 25.6.2008, p. 19–40.

¹⁰ See for more info OECD report Marine Protected Areas: Economics, Management and Effective Policy Mixes (OECD, 2017) <https://www.oecd.org/environment/resources/Marine-Protected-Areas-Policy-Highlights.pdf>

	<p>process, regions can built on their strengths and endowments and thus initiate new economic activities, high-tech, knowledge-based and ecology friendly. A shift to such knowledge-driven industrial activities can upgrade the quality of job opportunities in Mediterranean islands.</p>
<p>31. urges the European Commission and the Member States to bear in mind that the Mediterranean islands have a high floating population which increases the infrastructure needs of the resident population and heightens demand for all types of public service;</p>	<p>The guide to Cost-Benefit Analysis of Investment Projects Economic appraisal tool for Cohesion Policy 2014-2020¹¹ provides for calculating the floating population that increases the infrastructure needs and costs of projects. The use of this tool is promoted for programme authorities when deciding on cohesion policy support for projects.</p>
<p>32. considers that the roll-out of the EU's Circular Economy Action Plan should include specific measures that take into account the high floating population linked to tourist flows and high servitisation of many of the Mediterranean island economies;</p>	<p>The new Circular Economy Action Plan¹² announces initiatives along the entire life cycle of products, targeting for example their design, promoting circular economy processes, fostering sustainable consumption, and aiming to ensure that the resources used are kept in the EU economy for as long as possible through modern waste management.</p> <p>The Commission is aware of the specific challenges and opportunities for circular economy in the Mediterranean islands. The Circular Economy Action Plan mentions the use of EU financing instruments and funds to support the necessary investments at regional level and ensure that all regions benefit from the transition. Circular economy solutions will be tailored to the outermost regions and islands, due to their dependence on resource imports, high waste generation fuelled by tourism, and waste exports. Such wording includes in its scope the islands in the Mediterranean sea.</p> <p>Moreover, the Commission encourages local and regional authorities from Mediterranean</p>

¹¹ https://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/cba_guide.pdf

¹² COM(2020) 98 final.

	<p>islands to engage with the tool TAIEX EIR PEER-TO-PEER¹³ to facilitate peer-to-peer learning between environmental authorities including on the topic of circularity in islands. The Commission will also continue to support Green Public Procurement capacity building with guidance, training and dissemination of good practices.</p> <p>EMAS (EU Eco-Management and Audit Scheme) and at the EU Ecolabel for Tourist Accommodations are forward-looking tools helping islands to strengthen eco-tourism, with benefits for the environment and the local economy.</p> <p>Last, the European Circular Economy Stakeholder Platform is a website where stakeholders can share their own good practices and learn from other stakeholder's success stories.</p>
<p>33. calls on the European Commission and the Member States to support exchanges of best practices regarding sustainable tourism on the Mediterranean islands, as is currently the case with programmes implemented as part of Interreg MED¹⁴;</p>	<p>There are many possibilities to support exchanges of best practises regarding sustainable tourism of the Mediterranean islands. Apart from Interreg Med¹⁵, the Commission published two calls for proposals, one in 2016 to promote underwater cultural heritage and a second one in 2017 to promote interregional cooperation between coastal regions (including islands) for activities related to nautical tourism. A total of eight projects have been supported in all coastal areas of the EU¹⁶.</p> <p>In the 'Blue Labs' topic of the 'Blue Economy Call 2018'¹⁷, the Commission included an action on 'innovative marina and leisure boat</p>

¹³ https://ec.europa.eu/environment/eir/p2p/index_en.htm

¹⁴ For example, projects such as BLUEISLANDS, MITOMED+, WINTERMED and SMARTMED have been developed.

¹⁵ <https://interreg.eu/programme/mediterranean/>

¹⁶ More information: <https://ec.europa.eu/easme/en/news/five-new-projects-nautical-routes-europe-kicked>

¹⁷ <https://ec.europa.eu/easme/en/news/blue-economy-call-187-million-available-funding>

	design' to improve innovation and connectivity between marinas in the EU ¹⁸ .
35. stresses that islands in general are highly dependent on air and maritime transport, and calls upon the European Commission to properly consider these specific features ¹⁹ ;	<p>European Structural and Investment Funds have been an important source of funding for connectivity projects of islands. Connecting Europe Facility (CEF) publishes every year calls for proposals to support transport, energy and Information and Communication Technologies projects on the Trans-European Networks (TEN) which includes Motorways of the Sea and innovation for transport. Not all islands are eligible but Member States have submitted applications and many projects on islands as well as connecting islands have been co-funded²⁰.</p> <p>EU State aid legislation contains multiple provisions allowing for funding of air or maritime transport under certain conditions while taking into account regional connectivity needs and financing constraints.</p> <p>For investment and operational aid to regional airports the conditions are set out in the Aviation Guidelines of 2014. These rules take into account the specific profitability constraints of small regional airports. These guidelines aim at ensuring that airports located in regions with a genuine transport need get access to the public funding that they need while also maintaining a level playing field for airports and airlines irrespective of their business models.</p> <p>Under certain limited conditions, airlines may also receive start-up aid that gives them the necessary incentive to create new routes from regional airports, which increases the mobility of EU citizens by establishing access points for</p>

¹⁸ More information: <https://ec.europa.eu/easme/en/news/blue-economy-call-187-million-available-funding>

¹⁹ This point is taken from the opinion *European Strategy for Coastal and Maritime Tourism*, rapporteur: Vasco Ilídio Alves Cordeiro (PT/PES) (<https://webapi2016.cor.europa.eu/v1/documents/cor-2014-02645-00-00-ac-tra-en.doc/content>).

²⁰ Please refer to the INEA website for projects supported under CEF and the publication of new calls <https://ec.europa.eu/inea/en/connecting-europe-facility>

intra-EU flights and stimulates regional development. As remote regions are handicapped by their poor accessibility, the criteria for granting start-up aid for routes from these regions are more flexible.

In exceptional circumstances, a Member State may also impose a public service obligation in respect of scheduled air services between an airport in the Community and an airport serving a peripheral or development region in its territory or on a thin route to any airport on its territory, any such route being considered vital for the economic and social development of the region which the airport serves. Such public service obligations for air transport services can only be imposed in accordance with the regulation on the common rules for the operation of air services²¹ as well as State aid rules.

For isolated areas, as far as airports are concerned, the Commission considers that it is possible for the overall management of an airport, in exceptional, well-justified cases, to be considered a service of general economic interest.

Finally, it is possible to grant discounts on air transport services to residents under the conditions set out for aid of a social character. These forms of social aid should benefit final consumers and must be granted without discrimination towards the airline providing the service.

In principle, the aid needs to be notified to the Commission before it is put into effect, unless it is implemented under the General Block Exemption Regulation²², which simplifies the procedure for funding of smaller ports and

²¹ Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the Community (Recast); OJ L 293, 31.10.2008, p. 3–20.

²² Commission Regulation (EC) No 800/2008 of 6 August 2008 declaring certain categories of aid compatible with the common market in application of Articles 87 and 88 of the Treaty (General block exemption Regulation); OJ L 214, 9.8.2008, p. 3–47.

	<p>airports by exempting certain categories of investment and even operating aid from the notification requirement. This holds for investments in regional airports handling up to 3 million passengers per year, operating costs of small airports handling up to 200,000 passengers per year, public investments of up to €150 million in sea ports and up to €50 million in inland ports.</p> <p>Moreover, if the funding does not exceed a specific threshold (€200 000 for each undertaking over a 3-year period) it can fall under the ‘de minimis’ Regulation²³, which means that it is not considered to be State aid.</p> <p>Finally, in the COVID-19 context, the Temporary Framework²⁴ provides for special rules for the granting of State aid for companies affected by the pandemic.</p> <p>Please also see the Commission’s comments regarding points 37 and 54.</p>
<p>36. points out that transporting goods is between two and four times more expensive than on the mainland²⁵, which is a key factor and directly impacts the competitiveness of the islands' output;</p>	<p>Costs of transport are one of the factors historically diminishing, affecting cost-based competitiveness. However, the competitiveness of islands – as it is the case with all territories – is not only dependant on the cost of transporting goods. Many factors play an important role: governance, infrastructure including digital networks, health, human capital, labour market and innovation (see European Regional Competitiveness Index²⁶).</p> <p>The lower ranking of Mediterranean islands in the Competitiveness Index should be the triggering point for a new approach when using EU funds in the next programming period. The European Regional Development Fund (ERDF)</p>

²³ Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid; OJ L 352, 24.12.2013, p. 1–8.

²⁴ https://ec.europa.eu/competition/state_aid/what_is_new/covid_19.html

²⁵ PLANISTAT EUROPE-BRADLEY DUNBAR ASS., *Rapport Final. 2000. CE. 16. 0. AT. 118. Analysis of the island regions and outermost regions of the European Union*, European Union, March 2003.

²⁶ https://ec.europa.eu/regional_policy/en/information/maps/regional_competitiveness/#map

	<p>and the Cohesion Fund allow supporting in an integrated manner all factors enhancing regional competitiveness. In the area of transport infrastructure, the funds will continue to support multimodal regional mobility and the development of the Trans-European Transport Networks.</p>
<p>36. proposes revising the state aid rules applicable to the Mediterranean island region with a view to recognising its specific features and taking into account its handicaps;</p>	<p>State aid regulations allow the granting of aid to promote the economic development of certain areas. As recalled above, under Regional State aid rules, areas facing geographical isolation (including islands, peninsulas or mountain areas) can be included by Member States in their regional aid maps, taking into account their geographical characteristics on top of their wealth or unemployment level. On this basis, islands are in general covered by Member States regional aid maps, and companies located there can benefit from regional investment aid. Moreover, European Union State aid rules, especially the General Block Exemption Regulation, allow for the granting of aid to promote the development of ports, airports and energy supply in these regions. It also allows social aid for transport for residents of remote regions, covering inter alia not only outermost regions, but also Malta, Cyprus and islands, which are part of the territory of a Member State. The Commission reacted very quickly to the COVID-19 crisis. It adopted the Temporary Framework to allow Member States to use full flexibility of State aid rules to support the economy on 19 March 2020, and later extended its application until 31 December 2021. As to details regarding the existing EU State aid legislation allowing for funding of air or maritime transport please also see the Commission’s comments on points 35 and 54.</p>
<p>37. stresses the need to develop <i>synthetic sustainability indicators</i> that incorporate, in a</p>	<p>The Commission has developed a number of composite indicators to measure areas such as</p>

<p>holistic way, economic parameters that are correlated with economic-environmental and economic-social indicators and that focus on biophysical conditions;</p>	<p>regional competitiveness and social progress and these indicators are proving valuable guidance to Member States and regions in their programming and implementation work. However, the environmental dimension, and in particular, data below national level, is more limited and the development of synthetic indicators is more difficult to envisage in this area.</p>
<p>39. points out that, while Directive (EU) 2016/802 of the European Parliament and of the Council of 11 May 2016 relating to a reduction in the sulphur content of certain liquid fuels aims to achieve important environmental protection goals, its application has led to a significant increase in the cost of maritime transport services, generating additional costs downstream, both for individuals and businesses on the islands. Therefore calls on the Commission to adopt temporary state aid derogations for regional and local island authorities that intend to play a role in the maritime transport sector;</p>	<p>Several studies concluded that the introduction of the low sulphur requirements in the European sulphur oxides (SOx)-emission control area/s (ECAs) did not result in any loss of traffic. No company or maritime services were shut down, nor any decrease in cargo turnover occurred that can be directly linked to the SOx-ECA requirements. No severe cases of unavailability of compliant fuels were reported either. The drop of oil prices is considered as the main reason as to why no negative effects were observed from the low sulphur requirements in the SOx-ECAs, the EU's support for Member States and maritime stakeholders also contributed to keeping the impact of the low sulphur requirements on the sector's competitiveness and modal shares minimal²⁷.</p>
<p>40. emphasises the importance of establishing multi-level governance to enable local, regional, state and supranational levels of governance in the Mediterranean Basin to move towards efficient and flexible management of natural resources in island regions;</p>	<p>Since the 1990s, EU environmental legislation has increasingly promoted multilevel governance approaches, as a means to improve environmental policy implementation and compliance. EU, multi-level governance in environmental law and policy is largely determined by the provisions of key EU environmental directives. The formulation and implementation of plans or programmes at subnational levels is an essential element of</p>

²⁷ Report from the Commission to the European Parliament and the Council on implementation and compliance with the sulphur standards for marine fuels set out in Directive (EU) 2016/802 relating to a reduction in the sulphur content of certain liquid fuels [COM(2018) 188 final - 16.4.2018]
https://ec.europa.eu/environment/air/pdf/report_sulphur_directive.pdf

	<p>key EU pieces of legislation such as the Water Framework Directive (2000)²⁸, the Environmental Noise Directive (2002)²⁹, the Floods Directive (2007)³⁰, the Air Quality Directives (1996-2008)³¹, the Habitats Directive (1992)³² and the Waste Framework Directive (1998)³³. This takes place at different levels, according to the requirements of the EU legislation, and there are also different requirements for consultation and participation of state and non-state actors in these processes.</p>
<p>41. calls on the European Commission to adopt a multiannual strategic plan for the sustainable economic, social and environmental development of the European Mediterranean islands, and take a consistent approach with regard to the European Neighbourhood Policy and the Euro-Mediterranean partnership;</p>	<p>The Commission's initiative to move towards climate-neutrality through the Green Deal and through a fair transition framework will make socioeconomic development of the Mediterranean islands possible and in line with the Sustainable Development Goals. The exceptional richness of Mediterranean ecosystems and their particular vulnerability to socioeconomic development and climate change can only benefit from the sustainable management of their natural resources.</p> <p>Sea basin (WestMed initiative³⁴) and macro-</p>

²⁸ Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy; OJ L 327, 22.12.2000, p. 1–73.

²⁹ Directive 2002/49/EC of the European Parliament and of the Council of 25 June 2002 relating to the assessment and management of environmental noise - Declaration by the Commission in the Conciliation Committee on the Directive relating to the assessment and management of environmental noise; OJ L 189, 18.7.2002, p. 12–25.

³⁰ Directive 2007/60/EC of the European Parliament and of the Council of 23 October 2007 on the assessment and management of flood risks; OJ L 288, 6.11.2007, p. 27–34.

³¹ **a)** Council Directive 96/62/EC of 27 September 1996 on ambient air quality assessment and management; OJ L 296, 21.11.1996, p. 55–63;

b) Council Directive 1999/30/EC of 22 April 1999 relating to limit values for sulphur dioxide, nitrogen dioxide and oxides of nitrogen, particulate matter and lead in ambient air; OJ L 163, 29.6.1999, p. 41–60;

c) Directive 2000/69/EC of the European Parliament and of the Council of 16 November 2000 relating to limit values for benzene and carbon monoxide in ambient air;

d) Directive 2002/3/EC of the European Parliament and of the Council of 12 February 2002 relating to ozone in ambient air; OJ L 67, 9.3.2002, p. 14–30;

e) Directive 2004/107/EC of the European Parliament and of the Council of 15 December 2004 relating to arsenic, cadmium, mercury, nickel and polycyclic aromatic hydrocarbons in ambient air; OJ L 23, 26.1.2005, p. 3–16;

f) Directive 2008/50/EC of the European Parliament and of the Council of 21 May 2008 on ambient air quality and cleaner air for Europe; OJ L 152, 11.6.2008, p. 1–44.

³² Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora; OJ L 206, 22.7.1992, p. 7–50.

³³ Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives; OJ L 312 22.11.2008, p. 3.

³⁴ https://ec.europa.eu/maritimeaffairs/content/westmed-european-commission-makes-€14-million-available-local-support_en

	<p>regional (EUSAIR³⁵) strategies offer useful framework for cooperation.</p> <p>The external dimension of the Green Deal extends its objectives and methods to the EU's neighbours. The Commission will issue a Communication on a renewed partnership with the Neighbourhood South in 2021.</p>
<p>43. emphasises how important it is for the island communities' economic and social models to implement integrated management of coastal waters that can boost and promote innovative "coast-sea" interactions, and business models allowing the sustainable use of both island areas and the marine environment;</p>	<p>Coastal zones are among the most productive areas in the world, offering a wide variety of valuable habitats and ecosystems services that have always attracted humans and human activities. The beauty and richness of coastal zones have made them popular settlement areas and tourist destinations, important business zones and transit points. Because the well-being of populations and the economic viability of many businesses in coastal zones depend on the environmental status of these areas, it is essential to make use of long-term management tools, such as integrated coastal management³⁶, to enhance the protection of coastal resources whilst increasing the efficiency of their uses. A sectoral approach lead to disconnected decisions that risk undermining each other, as well as to inefficient use of resources and missed opportunities for more sustainable coastal development³⁷. In order to further promote sustainable development of coastal zones, the Commission adopted on 23 July 2014 the directive establishing a framework for maritime spatial planning³⁸.</p>
<p>44. urges the European Commission and the Mediterranean states to devise and promote sea basin strategies³⁹ to improve cooperation and integration across the region and develop integrated management of coastal waters to take a more holistic approach to the Mediterranean Basin;</p>	<p>Concerning the sea basin and macro regional</p>

³⁵ https://ec.europa.eu/regional_policy/en/policy/cooperation/macro-regional-strategies/adriatic-ionician/

³⁶ Integrated coastal management aims for the coordinated application of the different policies affecting the coastal zone and related to activities such as nature protection, aquaculture, fisheries, agriculture, industry, off shore wind energy, shipping, tourism, development of infrastructure and mitigation and adaptation to climate change. It will contribute to sustainable development of coastal zones by the application of an approach that respects the limits of natural resources and ecosystems, the so-called 'ecosystem based approach'.

³⁷ https://ec.europa.eu/environment/iczm/index_en.htm

³⁸ Directive 2014/89/EU of the European Parliament and of the Council of 23 July 2014 establishing a framework for maritime spatial planning; OJ L 257, 28.8.2014, p. 135–145.

³⁹ Such as the Initiative for the sustainable development of the blue economy in the western Mediterranean or the EU Strategy for the Adriatic and Ionian Region (EUSAIR).

	<p>strategies, it is essential to support their full implementation as key instruments for cooperation and solidarity among EU territories but also with non-EU countries. And islands can carry out a special role in this regard.</p>
<p>47. calls for existing EU funding mechanisms to be tailored more to the actual circumstances of the Mediterranean islands;</p>	<p>Cohesion Policy and Common Agricultural Policy (CAP) introduced tools (Integrated Territorial Investment⁴⁰ and Community-led local development⁴¹) to support integrated territorial development strategies. Policy objective 5 under cohesion policy also facilitates territorially based programming and implementation. Member States can use these tools to support islands and to address the specific local needs. These needs, where relevant, should also be reflected in national Recovery and Resilience Plans.</p>
<p>48. asks the Member States and the European Commission to streamline and coordinate their multiannual plans to find solutions that will also improve cross-border cooperation between Mediterranean areas;</p>	<p>Islands are taken into consideration in particular in cross-border, transnational and inter-regional cooperation under the European Territorial Cooperation goal of the ERDF (Interreg). The Common Provision Regulation (CPR)⁴² promotes that Member States and regions draw on cross-border and transnational cooperation to ensure that areas that share major geographical features (islands, lakes, rivers, sea basins or mountain ranges) support the joint management and promotion of their natural resources.</p> <p>Regulation on a European grouping of territorial cooperation for local and regional authorities⁴³ allows the entities of the islands of</p>

⁴⁰ <https://ec.europa.eu/growth/tools-databases/regional-innovation-monitor/policy-document/integrated-territorial-investments>

⁴¹ https://ec.europa.eu/regional_policy/sources/docgener/informat/2014/community_en.pdf

⁴² Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006; OJ L 347, 20.12.2013, p. 320–469.

⁴³ Regulation (EU) No 1302/2013 of the European Parliament and of the Council of 17 December 2013 amending

	<p>various Member States and neighbouring⁴⁴ non-Member States to create a joint legal entity enabling them to pursue a common goal and to give them access to European Union funding, while lightening the administrative burden that such cooperation would normally entail.</p>
<p>49. urges the European Commission to boost investment in research, development and innovation by increasing its public funds and promoting more private investment through public-private partnerships with a view to diversifying the economic activity and progress of the Mediterranean island regions;</p>	<p>Investment in research, development and innovation may be supported and there is sufficient funding available from Cohesion Policy, Common Agricultural Policy, Horizon 2002 and other EU programmes to this end. The relatively high co-financing rates ensure favourable conditions for investments. In addition, the European Fund for Strategic Investments can promote more private investments and public – private partnerships and projects of Mediterranean Islands can be bundled together into bigger packages/umbrella projects. The European Investment Advisory Hub can provide technical assistance. The Commission has furthermore provided for advisory and support mechanisms that could be used: for example the European Investment Advisory Hub, FI-Compass⁴⁵, Elena, etc.</p>
<p>48. calls on the European Commission to exempt the Mediterranean island regions from the 150-km limit in all cross-border cooperation programmes;</p>	<p>As a general rule, the political agreement reached on Interreg confirms that all NUTS level 3 regions of the Union along maritime borders separated by a maximum of 150 km are to be supported (Article 4(1)). However, the same article provides for potential adjustments in order to ensure coherence and continuity of</p>

Regulation (EC) No 1082/2006 on a European grouping of territorial cooperation (EGTC) as regards the clarification, simplification and improvement of the establishment and functioning of such groupings, OJ L 347, 20.12.2013.

⁴⁴ please note that EGTC Regulation defines non Member States narrow: For the purposes of this Regulation, a third country or an OCT shall be considered to be neighbouring a Member State, including its outermost regions, where the third country or the OCT and that Member State share a common land border or where both the third country or OCT and the Member State are eligible under a joint maritime cross-border or transnational programme under the European territorial cooperation goal, or are eligible under another cross-border, sea-crossing or sea-basin cooperation programme, including where they are separated by international waters.

⁴⁵ = a platform for advisory services on financial instruments under the European Structural and Investment Funds (ESIF) <https://www.fi-compass.eu/>

	cooperation programmes areas and where cross-border interaction may effectively take place ⁴⁶ .
51. deems it necessary to include geoeconomic criteria in the system for allocating future cohesion policy funds, such as remoteness and insularity, which are permanent physical obstacles and hinder the sustainable development of the Mediterranean islands;	<p>The Commission takes note of this proposal.</p> <p>It is noted, however, that it may be difficult to introduce corresponding elements in the allocation method, as they relate to a rather small share of the entire territory that cohesion policy covers in Europe. On a number of occasions island Member States, like Malta and Cyprus, obtain additional allocation as a result of the agreement reached in the European Council on the Multiannual Financial Framework (MFF).</p> <p>The Commission is fully aware that insofar island regions suffer from low Gross Domestic Product per head levels and/or from high unemployment or low educational levels. Please note that these particular obstacles have been taken into account in the allocation method - the same way as for all other regions.</p> <p>As a general rule, it is at the discretion of Member States to decide on whether and to what extent to concentrate cohesion policy support in island regions taking into account the Member State's specific circumstances.</p>
52. calls for more flexible thematic concentration requirements, taking into account not only state development levels but, above all, the economic, social and territorial reality of the Mediterranean island regions;	<p>The political agreement regarding the thematic concentration requirements under the ERDF allow for flexibility as regards the level at which the concentration is calculated. Depending on the choice of the Member State it may be calculated either at regional or national level.</p>
53. requests that the current ERDF and ESF co-financing rates be maintained and adjusted for areas with severe and permanent natural disadvantages so that these mechanisms are more geared towards the actual circumstances of Mediterranean islands;	<p>As a result of the political agreement reached on the CPR, the co-financing rates agreed are rather close to the levels under the 2014-2020 legislative framework and represent a substantial increase compared to the Commission's proposal.</p>

	<p>The agreed co-financing rates are 85% for less developed, 60% for transition and 40% for more developed regions - with an additional 10 p.p. for regions changing category upwards and the same higher rates apply for the Just Transition Fund (JTF). The Cohesion Fund co-financing rates are at 85% and Interreg at 80%.</p> <p>European areas with severe and permanent natural disadvantages, such as mountains and islands, often fall in the less-developed regions category, which is entitled to higher co-financing rates in general. For other regions with such obstacles Interreg programmes also ensure a possibility for co-financing up to 80%.</p>
<p>54. requests that investment in infrastructure to improve airport, port and land transport and accessibility on the Mediterranean islands be eligible for support;</p>	<p>According to the political agreement reached by the European Parliament and the Council, investment in airport will be eligible in outermost regions as well as in existing regional airports in environmental impact mitigation measures or security, safety and air traffic management systems. The Commission also requires that a comprehensive transport master plan should serve as a basis for the choice of transport investment priorities. All investments should contribute to delivering the objectives for the priority axis concerned and investments in any airport / ports would in particular need to be subject to a prior detailed assessment of economic viability and competition. Finally, investments should be underpinned by plausible results of the required feasibility study and a positive Cost-Benefit Analysis. Investments however are eligible from EU funds when are related to greening and environment improvements. Commission's approach is in line with the observations of the European Court of Auditors.</p> <p>The support from the ERDF and the Cohesion Fund for airports and ports will have to be in line with State aid rules (see point 34 and 36).</p>
<p>55. calls for a Mediterranean island sub-</p>	<p>Specifics calls for projects could be</p>

<p>programme to be created as part of the future 2021-2027 Interreg MED programme, as a more efficient way of working with the EU funds allocated to the area's island regions;</p>	<p>implemented under the next Euro MED programme Interreg 2021-2027 for the Islands, the decision shall be taken by the Monitoring Committee. Due to the budget constraints, only calls for applications will be retained as implementing modality of the programme 2021-2027.</p>
<p>58. emphasises the need to properly and effectively apply Article 174 TFEU with regard to the Mediterranean islands, in the same way that Article 349 TFEU was developed for the outermost regions;</p>	<p>See answer to point 9.</p>

<p>N°11 Bio-diverse cities and regions beyond 2020 at the UN CBD COP 15 and in the next EU Biodiversity Strategy COM(2020) 380 final COR-2020-00539 – ENVE-VII/002 140th plenary session – October 2020 Rapporteur: Roby BIWER (LU/PES) DG ENV – Commissioner SINKEVIČIUS</p>	
<p>Points of the European Committee of the Regions opinion considered essential</p>	<p>European Commission position</p>
	<p>The Commission welcomes the Committee’s opinion, which in many aspects supports the urban dimension included in the EU Biodiversity Strategy for 2030.</p>
<p>...need for formal recognition of the contribution of Subnational Governments, Cities and Other Local Authorities for Biodiversity (SNGs) in meeting the 2030 outcome-oriented goals and action-oriented targets of the post-2020 biodiversity framework, which must create enabling conditions for SNGs if it is to achieve transformative outcomes at the EU and global scale;</p>	<p>Given the crucial contribution of cities, regional and local authorities to achieving the global biodiversity objectives, the Commission will aim at recognising their role in the post-2020 framework and relevant decisions to be adopted at the 15th meeting of the Conference of the Parties (COP 15) to the Convention on Biological Diversity (CBD).</p>
<p>...calls on the Commission to develop, as a central element of the European Green Deal, an action plan for nature and biodiversity that recognises the role of local and regional authorities in the development, implementation and M&E of an ambitious, realistic and coherent 2030 EU Biodiversity Strategy</p>	<p>The Commission fully shares the opinion that local and regional authorities have a key role to play in the implementation of the EU Biodiversity Strategy for 2030. The Commission will seek to reflect this role in the different deliverables under the Strategy, which are currently under preparation.</p>
<p>...requests the Council to adopt a mandate for the EU position in the negotiations at the UN CBD COP15 to request the adoption by Parties of a dedicated Decision 15/- or a renewed Decision X/22 Plan of Action for SNGs on biodiversity</p>	<p>The Commission will work with the Council in view of a coordinated EU position on this matter.</p>
<p>...calls for policy coherence to align the efforts, objectives and outcomes produced by the different EU policies</p>	<p>Policy coherence and mainstreaming of the biodiversity in different sectors are core parts of the EU Biodiversity Strategy for 2030.</p>

<p>39. calls on the EU to strengthen the important role of sub-national governments ... in unlocking the potential of biocultural diversity</p>	<p>The role of biocultural diversity for biodiversity was discussed during the 23rd meeting of the Subsidiary Body on Scientific, Technical and Technological Advice (SBSTTA23). In 2021, the Commission will start the BEST belt project (a pilot project adopted by the European Parliament) based on the experience of the BEST initiative for biodiversity in the EU's Outermost Regions and Overseas Countries and Territories to unlock the local potential.</p>
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<p>N°12 New Circular Economy Action Plan COM(2020) 98 final COR-2020-01265 – ENVE-VII/006 140th plenary session – October 2020 Rapporteur: Tjisse STELPSTRA (NL/ECR) DG ENV – Commissioner SINKEVIČIUS</p>	
<p>Points of the European Committee of the Regions opinion considered essential</p>	<p>European Commission position</p>
<p>3. welcomes the European Commission's New Circular Economy Action Plan (NCEAP) as a strategic elaboration of the concept of the European Green Deal and as a constructive sequel to the 2015 Action Plan;</p>	<p>The Commission welcomes the Committee's positive views on the new Circular Economy Action Plan.</p>
<p>4. regrets the very short chapter in the NCEAP on the role of Local and Regional Authorities (LRAs) given that LRAs have an important role in the transition to the circular economy as a crucial player in initiating and scaling up much-required innovation – regions ensure that people, communities and regions adapt their daily actions in line with circular economy principles; stresses the importance of the potential of circularity for job creation as well as the need for support for the investments in new infrastructure for the actual collection, recycling and use of secondary material flows;</p>	<p>The Commission would like to stress that the chapter 'Making circularity work for people, regions and cities' is one of the building chapters of the new Circular Economy Action Plan (CEAP). The chapter recognises the important role of Local and Regional Authorities for the circular economy transition, by also announcing a set of actions and future developments that will address the concerns raised by the Committee – including a series of new urban initiatives (for example the Green City Accord¹) and a commitment to harness the potential of European Union financing instruments and funds to support the necessary investments at regional level. The Commission would also like to mention that the recent Green Deal Call 'Demonstration of systemic solutions for the territorial deployment of the circular economy'² intends to involve Local and Regional Authorities in the implementation of circular solutions at local and regional scale. The proposals funded under this topic will form part of the demonstration projects for the implementation of the Commission's Circular</p>

¹ https://ec.europa.eu/environment/topics/urban-environment/green-city-accord_fr

² <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/topic-details/lc-gd-3-2-2020>

	Cities and Regions Initiative.
<p>6. welcomes the Circular Cities and Regions Initiative, which will assist stakeholders with the development and implementation of territorial circular economy solutions. At the same time, however, the CoR stresses that circular activity must not be separate from other activities to protect the planet. The circular economy approach must be integrated into the climate, environmental and sustainable development activities of networks of towns and cities;</p>	<p>The Commission agrees with the Committee on the need to integrate circular economy approaches into other initiatives under the European Green Deal. As we progress towards a climate-neutral circular economy, the Commission will continue to ensure coordination and appropriate links amongst the different stakeholder engagement initiatives, for example by highlighting more explicitly that circularity is a prerequisite for climate neutrality, or by promoting circular economy in the context of Sustainable Development Goals implementation.</p>
<p>9. calls on the European Commission and the Member States to reduce dependency on third parties and virgin resources and strengthen security of supply by firmer orchestrating of – especially scarce and critical – resource management and recommends a development towards an EU Resource Policy Platform;</p>	<p>The Commission welcomes the Committee’s consideration regarding the need for more resilient value chains and is fully committed to creating an economy in which resources are used, kept and reused to the fullest and additional resource extraction is minimised, as set out in ‘Critical Raw Materials Resilience: Charting a Path towards greater Security and Sustainability’³.</p> <p>This Critical Raw Materials Action Plan aims to ensure that the need for resources is met responsibly and sustainably, while increasing the resilience of the EU economy against supply shocks.</p> <p>As regards the recommendation to set up an EU Resource Policy Platform, the Commission would like to refer to (a) the existing structure of the European Innovation Partnership for Raw Materials that includes Member States and stakeholders, and (b) the Raw Materials Supply Group.</p> <p>In addition, the Commission highlights the first of the 10 actions on Critical Raw Materials</p>

³ COM(2020) 474 final.

	<p>namely the creation of the European Raw Materials Alliance⁴. This Alliance aims to bring together all relevant stakeholders, including industrial actors along the value chain, Member States and regions, trade unions, civil society, research and technology organisations, investors and Non-governmental Organizations, with the objective of strengthening Europe’s resilience in the field of raw materials.</p> <p>The Commission stresses that the implementation of the Circular Economy Action Plan and the Chemicals Strategy for Sustainability⁵ will prove instrumental to reduce dependency by supporting a clean circular economy.</p> <p>Finally, the Raw Materials Information System⁶ is a platform on non-fuel, non-agricultural raw materials from primary and secondary sources, hosting wide-ranging information on raw material supply and strategic value chains and other related policy priorities.</p>
<p>12. calls on the European Commission, the Member States and LRAs to steer the investments from the EU recovery plan in such a way as to guarantee long-term economic, social and environmental progress while reducing resource use, avoiding and removing hazardous substances and improving circularity of materials and systems. [..]</p>	<p>The Commission welcomes such considerations on the possible role that Recovery Plan’s resources can play to support a climate-neutral circular economy.</p> <p>The Commission would like to mention that circular economy plays an important role in the guidance documents to Member States in ‘Annual Sustainable Growth Strategy 2021’⁷, and in ‘Guidance to Member States Recovery and Resilience Plans’⁸.</p>
<p>17. emphasises that to comply with planetary boundaries, it is imperative to decouple growth and resource use and regrets that the NCEAP does not include a total resource use reduction</p>	<p>While noting the Committee’s position on the resource use reduction target, the Commission would like to specify that the Action Plan aims to reduce the EU Consumption Footprint and double EU circular material use rate in the</p>

⁴ <https://erma.eu/>

⁵ https://ec.europa.eu/environment/strategy/chemicals-strategy_en

⁶ <https://rmis.jrc.ec.europa.eu/>

⁷ COM(2020) 575 final.

⁸ SWD(2020) 205 final.

<p>target.</p>	<p>coming decade.</p> <p>Moreover, the Commission will further develop indicators on resource use, inter alia to improve their scientific relevance in the context of the EU Circular Economy Monitoring Framework⁹.</p>
<p>20. highlights that target setting needs to be ambitious and progressive to foster innovation; therefore, a system is needed in which every five years the best available solution or best practice of that moment sets the target for the following five years;</p>	<p>The Commission would like to stress that the EU Monitoring Framework for the circular economy serves the purpose of monitoring the transition at Member States' and EU level in order to track progress and identify areas where more actions are needed. The Commission does not foresee mandatory target-setting in the context of its monitoring framework.</p> <p>When it comes to target settings in the circular economy policy area, existing targets are those set in the EU waste legislation and in some specific legislative instruments such as on packaging, plastic products and batteries. The Action Plan announced upcoming work to explore new targets or targets' revisions in sectorial legislation. They will be introduced through their appropriate legal instrument, as done with the proposal for a new legislative framework on batteries.</p> <p>The Commission will continue to provide resources to support qualitative and quantitative improvements in circularity, e.g. in the market uptake of recycled materials, through research and innovation aiming at high technology readiness levels under Horizon Europe.</p>
<p>23. points out that legal and economic mechanisms designed to facilitate activities that promote circularity and stop those that hamper circularity are helpful instruments, and urges the Commission to develop best practices for how Member States can move towards circularity and find joint cross-border solutions. [...]</p>	<p>The Commission welcomes the Committee's consideration for sharing of best practices including on cross-border cooperation. The TAIEX EIR PEER-TO-PEER¹⁰ facilitates peer-to-peer learning between environmental authorities at Member States and LARs levels. Moreover, the European Circular Economy Stakeholder Platform is a website where</p>

⁹ COM(2018) 29 final.

¹⁰ https://ec.europa.eu/environment/eir/p2p/index_en.htm

	<p>stakeholders can share good practices and learn from others.</p> <p>Cross-border cooperation on circular economy is possible via Interreg. As an integral part of Cohesion Policy, Interreg provides a framework for the implementation of joint actions and policy exchanges between national, regional and local actors from different Member States as well as neighbouring countries. In this way, it can contribute to common solutions to shared challenges in the transition to a circular economy.</p>
<p>28. calls on the European Commission to develop an innovative strategy to come up with a range of waste collection practices; regions and cities should cooperate here, rather than prioritising the top-down harmonisation of separate waste collection systems;</p>	<p>The Commission has announced that it will work on a future proposal to harmonise separate waste collection systems that will address the most effective combinations of separate collection models, taking into account regional and local conditions ranging from urban to outermost regions.</p>
<p>31. calls on the European Commission to start a programme which brings together accurate information on material flows at local, regional, national and European level. This enables stakeholders to learn about the situation and activities elsewhere. The programme must be a transparent digital system and should analyse the situation at regional, national and European level. In addition, the programme should offer resources to develop such activities at all levels;</p>	<p>In support to the 2020 Communication on Critical Raw Materials, the Commission prepared a report analysing global issues and dependencies in supply of raw and processed materials. The work is currently being updated and the Commission will strive to produce an automatable procedure for the assessment of supply risks and dependencies that could be of service to all stakeholders. The Commission is also active in the communication of raw material issues, such as Material System Analyses for selected materials, through its dedicated tools and portals such as the Raw Materials Information System (RMIS) and interactive tools on the EU Science Hub.</p> <p>The Commission would also like to recall that it regularly publishes Material Flow Analysis in its Circular Economy Monitoring Framework, available as a time series, on Member State and EU level and on four material categories.</p> <p>The Commission would like to recall that it will</p>

	<p>enable greater circularity in industry by promoting the use of digital technologies for tracking, tracing and mapping of resources. At the same time, the Commission will propose a European data space for smart circular applications with data on value chains and product information. The European data space for smart circular applications will in fact provide the architecture and governance system to drive applications and services such as product passports, resource mapping and consumer information. Moreover, Horizon Europe will tackle the most important material flows addressed in the Circular Economy Action Plan from a knowledge, territorial, and sectoral perspective. Digital innovation will play a key role in the deployment of large-scale circular solutions.</p>
<p>34. calls for further development of green public procurement criteria and targets based on a review of the minimum environmental criteria (MECs) contained in the current EU public procurement directives¹¹; recommends developing a set of positive innovation targets and calls on the European Commission to stretch these to become truly circular public procurement; [...]</p>	<p>The modernised public procurement directives give public buyers numerous tools to for ‘green’ procurement, ranging from sustainable technical specifications and award criteria to sustainability conditions for the execution of the contract. The Commission also carries out outreach activities on sustainable procurement, including the development of professionalisation tools.</p> <p>When it comes to minimum mandatory criteria, the Commission will explore the possibility of introducing mandatory requirements in targeted sectors through sectorial legislation – based on the examples of the Clean Vehicles Directive, etc.</p>
<p>37. underlines the European Commission's proposal to modernise EU laws on waste and the supporting funds. A key point where this modernisation has to be speeded up is to create a new, quicker and easier legal framework for end-of-waste and by-product criteria;</p>	<p>As outlined in the Circular Economy Action Plan, the Commission is carrying out a scoping study on waste streams and substances/materials that could be candidates for future EU-wide end-of-waste criteria and EU-wide by-product criteria.</p>

¹¹ Directives 2014/23/EU, 2014/24/EU and 2014/25/EU.

<p>38. calls on the European Commission to propose a target on absolute waste generation per capita and for waste prevention targets for businesses and industries; emphasises in this regard the importance (and impact) of the announced policy framework for packaging as well as the announced framework for compostable plastics;</p>	<p>The Commission notes the Committee's preferences on the issue.</p> <p>In addition to the ongoing work on the review of the Packaging and Packaging Waste Directive with a view to decrease the generation of packaging waste, the Commission will put forward waste reduction targets for specific streams as part of a broader set of measures on waste prevention in the context of a review of Directive 2008/98/EC¹². This refers, in particular to obligations under Article 9(9) of the Waste Framework Directive.</p> <p>The Commission will monitor waste management plans and waste prevention programmes submitted by the Member States.</p> <p>The Action Plan also mentions the political objective to significantly reduce total waste generation and halve the amount of residual (non-recycled) municipal waste by 2030.</p>
<p>42. insists that to validate the principle "there is no waste" and prevent the use of virgin resources, an obligation to use recycled materials is essential; urges the European Commission to set criteria whereby a substantial proportion of new products should be made of recycled material and recommends making this a part of the approach to key product value chains;</p>	<p>The Commission notes the Committee's position and would like to refer to the Action Plan where it is mentioned that within the Sustainable Products Initiative, it will consider establishing sustainability principles and other appropriate ways to increase recycled content in products, while ensuring their performance and safety. Moreover, priority will be given to addressing value chains of key products. Further actions on recycled content are announced or under consideration also for other types of sectorial actions – such as in the case of construction and buildings, etc. The Commission proposal for a Regulation on Batteries and Waste Batteries¹³ includes recycled content targets for key materials.</p>
<p>47. welcomes the European Commission initiative to shift to "safe-by-design chemicals",</p>	<p>The Commission agrees on the focus on a swift transition to safe and sustainable-by-design</p>

¹² Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives (Text with EEA relevance). OJ L 312, 22.11.2008, p. 3–30.

¹³ COM(2020) 798 final.

<p>because preventing or controlling the use of toxic materials is the easiest way to avoid such chemicals getting loose and avoids considerable costs for LRAs incurred by cleaning or regulating the transfer of polluted soil (for instance with PFAS); and notes that the control on toxic materials is not enough; rather complete transparency of components is needed in order to recycle or upcycle materials in an appropriate way;</p>	<p>chemicals as a necessary step to achieve the objectives of the European Green Deal. The Commission also notes the emphasis on transparency of components. In this regard, ongoing and future actions included in the context of the Circular Economy package, such as the development of product passports, will be of key importance to improve information on the chemical content of products and improve safe recycling. The Commission would also like to invite the Committee and the Local and Regional Authorities to engage actively in the implementation of the Chemicals Strategy for Sustainability, which includes further actions to ensure the safety of the chemicals placed on the European market.</p>
<p>57. calls for the European Commission to launch support direct funding programmes for LRAs and SMEs in their efforts to tackle the transition to a circular economy in the means of education, reskilling and upskilling of labour force, as well as in investments and building resilience;</p>	<p>The Circular Economy Action Plan mentions that further investment in education and training systems, lifelong learning, and social innovation will be promoted under the European Social Fund Plus. Moreover, the Commission supports Member States in including circular economy-reskilling and upskilling projects within their National Recovery and Resilience Plans.</p>
<p>59. insists that circular economy objectives be mainstreamed as a mandatory area in post-2020 cohesion policy and its corresponding fund, as this is necessary to provide the required impetus for promoting the transition to the circular economy starting at local and regional levels;</p>	<p>The Commission notes the Committee's position, while stressing that circular economy is already an important area of support within cohesion policy. In the Commission's proposals for the 2021-2027 period, promoting the transition to a circular economy is a specific objective for the European Regional Development Fund and the Cohesion Fund, and investments in enhancing the circular economy are included in the scope of support of the Just Transition Fund. Cohesion Policy funds supports awareness raising, cooperation and capacity building and helps regions to implement circular economy strategies and reinforce their industrial fabric and value chains.</p>

62. makes the final point that as well as setting up a platform and legal framework for the circular economy within the Union, the Commission should also lay down strict import and export requirements so that the principles of the circular economy also have an effect beyond the EU's borders.

The Commission is well aware of the role waste exports and imports can play in supporting a transition to a more circular economy within the Union and at the international level. The Commission recently reviewed the EU rules on shipment of waste in the EU and to third countries¹⁴ and will look into ways to facilitate shipment for reuse and recycling within the EU, to further restrict exports of waste that have harmful environmental and health impacts in third countries or can be treated domestically within the EU by focusing on countries of destination, problematic waste streams, types of waste operations that are source of concern, and enforcement to counteract illegal shipments. The Commission will also support measures at multilateral, regional and bilateral levels to combat environmental crime notably in the areas of illegal exports and illicit trafficking, strengthen controls of shipments of waste, and improve the sustainable management of waste in these countries.

¹⁴ Commission Delegated Regulation (EU) 2020/2174 of 19 October 2020 amending Annexes IC, III, IIIA, IV, V, VII and VIII to Regulation (EC) No 1013/2006 of the European Parliament and of the Council on shipments of waste (Text with EEA relevance); C/2020/7091; OJ L 433, 22.12.2020, p. 11–19.

**N°13 The European Climate Pact
 Outlook Opinion
 COR-2020-01360 – ENVE-VII/007
 140th plenary session– October 2020
 Rapporteur: Rafał Kazimierz TRZASKOWSKI (PL/EPP)
 DG CLIMA – Executive Vice-President TIMMERMANS**

Points of the European Committee of the Regions opinion considered essential

European Commission position

1. Welcomes the proposal of the Commission to establish the European Climate Pact aimed at engaging citizens and their communities in designing climate and environmental actions through concrete actions on the ground, encouraging open dialogue with all actors, building synergies, fostering capacities and triggering climate actions; believes that the Pact should be developed as an innovative governance instrument to allow for two-way communication, cooperation and information exchange across levels, sectors and territories to improve the effectiveness and the legitimacy of the EU's climate policy;

The European Climate Pact aims to give a voice and the space to all sectors of society to discuss and act on climate and environment through a range of activities.

Everybody is welcome, and no action is too small. Only through broad societal engagement is it possible to achieve the scale of impact that the Green Deal seeks to achieve.

In practical terms, such citizen and stakeholder engagement can only happen through participatory means and multilevel and multi-stakeholder cooperation. This is the central idea of the European Climate Pact Communication adopted on 9 December 2020.

As part of this, the Commission has drawn on the experiences of similar, existing Climate Pacts in EU Member States. It has also undertaken an extensive Open Public Consultation, including online workshops with non-state actors such as small, medium-sized and micro-enterprises, social partners, cities and regions, youth activists, farmers, and citizen groups to identify their priorities and co-design and co-create the initiative to best fit their needs.

As one of the examples a direct two-way communication will be ensured in particular by the European Climate Pact Ambassadors, whose mission will be to raise awareness among their networks and build bridges between civil society, businesses, researchers and policy

	makers in order to boost climate action.
<p>2. Recalls that a "pact" commonly refers to an undertaking between equal partners for joint or mutual benefit and the achievement of common aims; therefore reiterates that local and regional authorities stand ready to work in partnership with the EU institutions, Member States and all relevant stakeholders under the Climate Pact to jointly pursue the aims of climate neutrality and the implementation of the UN Sustainable Development Goals. The common approach of the Pact should however not discard the existing variety of challenges caused by climate change to different areas of the EU; the common aims should therefore reflect the specific geographical needs also based on a systematic assessment of these needs and characteristics;</p>	<p>Indeed one of the principles of the Climate Pact is locally adjusted information and approaches. This consideration will be implemented in the Climate Pact for example by organising workshops for formulating ‘local narratives’, adjusted to the context, needs and challenges of a particular location, as well as in the campaign and other forms of communication and engagement with citizens and stakeholders.</p>
<p>4. Reiterates its commitment to the 17 United Nations Sustainable Development Goals (SDGs) being treated as an integral part of the Green Deal, and endorses the UN's position of understanding the social dimension as an integral aspect of sustainability in addition to climate protection and nature conservation measures. The prospect of social inclusion must be guaranteed for the entire European population. As well as social security, this concerns in particular gender equality, access to high-quality education and the guarantee of a healthy existence for people of every age; meanwhile it is to be underlined that a commitment to the 17 SDGs includes cooperating with our partners outside the EU on the basis of these same values.</p>	<p>The Commission fully agrees that social inclusion is key to making the European Green Deal and the broader sustainability agenda a success. The European Climate Pact will aim to set the example and will be built on principles of inclusivity and equality. It will be open to anybody willing to participate. The principles that underpin broad inclusion are included in the list of values that each Pact participant is invited to comply with when taking up action under the Pact.</p>
<p>6. Highlights that the Climate Pact should boost the commitments already signed at local level by local actors (SMEs, schools, local authorities, universities, etc.) and generate new commitments to make Europe the first climate-</p>	<p>The European Climate Pact is not starting from scratch – the Commission is responding to the calls by the public for action and it fully acknowledges the wealth of initiatives that already exist. The way the Pact is designed is to work alongside them and as relevant build on</p>

<p>neutral continent by 2050;</p> <p>7. Underlines therefore that the Climate Pact should also act as an "umbrella" initiative with its own branding for the existing and future local climate pacts¹⁵ or locally driven partnerships, working towards clear climate goals with civil society, businesses and other relevant stakeholders. It should help to create citizens' support for climate policies, facilitate exchanges of best practices, replication and scale up of the most successful European initiatives, and stimulate the creation of local climate pacts across the EU;</p>	<p>existing activities and initiatives. The idea is to indeed provide a fertile ground for the initiatives identified in order to demonstrate the wealth of existing good practices to inspire others for action, learn from them, facilitate peer-learning, as far as possible offer support for replicating and scaling up efforts as well as identify gaps where new action may be needed. The plans for the European Climate Pact envisage the creation of a Knowledge Hub.</p>
<p>9. Reiterates its commitment to supporting the Commission and LRAs in the successful implementation of the Green Deal and particularly in making the Climate Pact a strong tool to assist LRAs in this ambitious project and grant them a proactive role; points out that this innovative transversal approach of the Green Deal and the economic recovery requires a brand new approach to capacity-building in LRAs, targeting all sectors and pushing for more integrated management. The Climate Pact should be the opportunity to create a Green Deal culture all across LRAs and build citizens' awareness of, and involvement in, all the concerned policy areas;</p> <p>11. Suggests using examples of best practice in local and regional climate change approaches – such as the worldwide Under2 Coalition group of subnational authorities, which brings together more than 220 provincial governments, regions and municipalities – to take advantage of the knowledge already gained in devising long-term climate strategies, and to see the comparing of experiences with successful methods, innovative approaches and valuable insights from such initiatives as an integral part of the</p>	<p>The Commission very much welcomes the proactive role of the local and regional authorities (LRAs). As the Pact aims to reach well beyond those citizens and organisations who are already aware and active in the climate action sphere, LRAs are the best placed to be the bridge. For example, an ‘ecosystem’ approach could be employed for involving local communities, small and medium-sized enterprises (SMEs), researchers and all relevant actors into cooperation in designing and implementing climate action. The European Climate Pact will aim to facilitate co-creation of a blueprint approach for such co-operations (e.g. via the Knowledge Hub).</p>

¹⁵ Please see for example local climate pacts in cities such as Stockholm, Rotterdam, Amsterdam and Nantes.

Climate Pact	
<p>15. Stresses that LRAs should have direct access to European funds (from the European budget as well as from other European financial institutions such as the EIB) for both recovery from the economic crisis caused by the COVID-19 pandemic and for combating the climate crisis. More specifically, additional instruments granting a direct access to the EU funds such as the European City Facility under the Horizon 2020 Programme, Urban Innovative Actions under the ERDF (art. 8) or the future European Urban Initiative-post 2020 under the ERDF/CF Regulation (art. 10), should be set up, especially for the Green Deal projects;</p> <p>16. Considers, in this context, that the Climate Pact should promote direct access to the EU funds for LRAs for their sustainable actions under the new Multi-Annual Financial Framework in line with the principle of subsidiarity. Specifically, asks for direct access to the resources allocated in the CEF framework. In this regard, calls also for 10% of the new ERDF to be designated to Sustainable Urban Development. Proposes a development of the Climate Neutrality Policy with its own budget within the future MFF, similar to the Agricultural or Regional policies, and with direct access to funds for cities and regions choosing the green path of recovery</p>	<p>Cohesion policy funds, implemented under shared management, will support the delivery of the European Green Deal in European cities and regions. It is expected to invest more than €100 billion in projects related to climate and environment over the next 7 years (2021-2027). To achieve the objectives of the European Green Deal¹⁶, strong engagement of the regional and local actors is essential.</p> <p>Cohesion policy has been at the forefront of the European response to the Covid-19 outbreak. It is also an integral part of the EU's Recovery Plan and will also play a crucial role in the longer-term recovery process.</p> <p>The Commission acknowledges the key position of European cities and regions in the implementation of the European Green Deal. In this context, the urban dimension of cohesion policy has been significantly reinforced in the Commission proposal for the post-2020 programming period.</p> <p>In the post-2020 cohesion policy, a minimum 8% of the national European Regional Development Fund envelope must be directed to priorities and projects selected by cities based on their integrated urban development strategies.</p> <p>A number of programmes/ tools managed by the Commission exist (e.g. Horizon Europe, LIFE, Connecting Europe Facility) from which local authorities can directly apply for EU funding through competitive calls and which will continue in the post-2020 period. The Commission encourages cities to make the best use of all existing programmes/ tools. As for the Urban Innovative Actions under the ERDF, in the post-2020 period, it will become an integral part of the future European Urban Initiative and will continue to provide direct funding for cities</p>

¹⁶ COM(2019) 640 final.

	through competitive calls, also in the area of the European Green Deal.
19. Invites the Commission to reconsider the focus areas with a view to aligning the Climate Pact and the climate-neutral recovery strategy: the Climate Pact should focus on a broader range of actions, depending on the projects being ready for implementation and the specific needs of the different local communities;	The European Climate Pact has started with actions focused on green public spaces, healthier and greener transport systems, efficient buildings and training for green jobs as these areas offer immediate benefits not only for the climate, but also for the health and wellbeing of citizens. However, other areas, such as sustainable consumption and production, healthy food and sustainable diets, oceans, rural areas etc. are not excluded, exactly because of the need to adjust to the needs of local contexts.
21. Stresses that LRAs support an ambitious transition to clean, affordable and secure energy and proposes the promotion of a permanent Multi-level Green Deal Dialogue with LRAs and other stakeholders in the context of, and with the tools of the Climate Pact	As already mentioned, the Pact wants to establish a blueprint model for carrying out multi-level participatory dialogues, providing space for discussions as well as aligning relevant stakeholders and leading to concrete actions to be implemented by/ with LRAs and citizens.
28. Recognises that implementation of green criteria in public procurement and conditionality of available funding related to GHG reduction effects will constitute an important incentive contributing to the necessary shift of the economic model conducive to the Green Deal goals. In this sense, the Climate Pact should foresee specific activities for developing the relevant criteria and measurements and supporting local and regional authorities (also smaller ones, where often the complexity of procurement legislation is a serious barrier to investment) in deploying them, while urging EU and national administrations to simplify rules to provide technical support wherever necessary; to develop relevant criteria and eco-design requirements, encourages the EU, the Member States and LRAs to introduce and further develop their own GHG-reduction	The modernised public procurement directives give public buyers numerous tools to procure ‘green’, ranging from sustainable technical specifications and award criteria to sustainability conditions for the execution of the contract. The Commission have to make sure they are used and will therefore continue its outreach activities on sustainable procurement, including the development of professionalisation tools. The Commission will also develop comprehensive guidance on public investment into sustainable infrastructure projects, with a focus on the public procurement phase. As announced in the Circular Economy Action Plan ¹⁷ , the Commission will propose minimum mandatory green public procurement (GPP) criteria and targets in sectoral legislation. In this respect, the latest Commission proposal for a new Batteries Regulation has provisions on mandatory green public procurement criteria.

¹⁷ COM(2020) 98 final.

<p>commitments for their administrations – with the Climate Pact potentially serving as a supportive framework</p>	
<p>30. Proposes, in the context of the EU hydrogen strategy for a climate-neutral Europe (COM(2020) 301 final), that the Climate Pact should also support the development of a hydrogen economy using green hydrogen based on renewable energy in regions and cities (see CoR 2020/549);</p>	<p>The European Climate Pact can inform of the merits of hydrogen as an energy source, in line with the Pact’s mandate of citizen and stakeholder engagement. This can complement the development of ‘hydrogen economy per se’, which is fully an industrial strategy and where work within the European Clean Hydrogen Alliance¹⁸ and broader industrial initiatives are underway.</p>
<p>31. Urges all EU institutions and Member States to continue working towards an ambitious set of new Nationally Determined Contributions; it also reiterates the importance of involving EU LRAs in this process through the establishment of a system of locally determined contributions to complement the NDCs, and establishing a stronger link between local/regional, national and European ambition, starting from the work being done in the framework of the Global Covenant of Mayors. The Climate Pact could be a powerful tool in this sense;</p>	<p>The role of sub-national authorities is key in contributing to the achievement of the climate-neutrality objective. However, as the Commission has previously indicated, it is for the Member States as Parties to the United Nations Framework Convention on Climate Change to decide to include an aggregation of regionally and locally determined contributions.</p>
<p>32. Highlights the crucial role of digital technologies in building a more resilient society and their potential for an overall positive impact on emissions reduction and economic recovery: considers therefore that stronger integration between the climate-neutrality transition and a sustainable digital transition should be foreseen and that the Climate Pact could be a tool to discuss and further explore the potential synergies between the two, also based on the recent experiences of LRAs in response to the health emergency;</p>	<p>Digital tools and their potential will be used in the context of attaining the Climate Pact objectives.</p>
<p>33. Reiterates the crucial role of adaptation to climate change with a view to building resilient</p>	<p>The local and regional authorities (LRAs) are a key actor in the drive towards a climate-resilient</p>

¹⁸ https://ec.europa.eu/growth/industry/policy/european-clean-hydrogen-alliance_en

<p>territories and reducing annual losses from adverse climate impacts: in this context points out the need for a set of powerful actions aimed at improving the capacity of LRAs to implement adaptation policies, starting from sustainable funding strategies and enhanced capacity-building activities. Another key issue is the possibility of monitoring progress on climate change investments at the level of cities and regions. The current scope of data in this area is limited. It urges the Commission to take these aspects into account when drafting the new EU Adaptation Strategy and to link it to the Climate Pact;</p>	<p>Union. The upcoming new EU Adaptation Strategy will propose and develop new tools to come to their assistance in this endeavour, including on improving the scope of data available to track progress.</p>
<p>38. Highlights that education should be granted a central role in creating a new culture of environment and climate protection, which entails moving towards significant societal changes: in this context, the Climate Pact could promote initiatives in cooperation with LRAs, targeting public, municipal and private educational establishments and information providers, in particular schools and Europe Direct Information Centres (EDICs) to empower them in creating this new culture. These initiatives should be interlinked with a strong push towards digitalisation, which is proving to be a crucial tool for education in these times;</p> <p>41. Notes the strategic importance of linking national and regional dual vocational training schemes to the achievement of the European Green Deal's goals, working closely with the actors in basic education systems, higher education and research, as the best means of updating workers' skills and of finding a place for them in areas of employment geared towards combating climate change;</p>	<p>The Commission will seek to promote climate science and solutions as core subjects at schools, in intermediate and higher education, and for life-long learning. Moreover, the Commission will mobilise teachers and schools to promote green education, skills and behavioural change.</p> <p>The European Climate Pact will help those seeking employment in the green economy by signposting them to relevant training opportunities available.</p>
<p>42. Highlights the relevance of many EU initiatives targeting cities and regions under the remit of the Green Deal: nevertheless, it</p>	<p>The new EU Adaptation Strategy will increase the visibility and supply of tools for use by all governance levels, including local and regional</p>

<p>considers them to be under-exploited by LRAs due to the lack of a clear overview of all existing opportunities, of their characteristics and main targets. The Climate Pact platform should create such an overview, supporting LRAs in choosing the initiatives that suit them best and suggesting a gradual pathway towards climate neutrality, with communication and information for LRAs that is as accessible as possible to allow rapid implementation of measures locally: the Covenant of Mayors and other cooperation on climate and energy involving LRAs could be pivot elements of this system;</p>	<p>authorities (LRAs). Moreover, given the specificity of climate change impacts, the regional and national authorities in the EU Member States will also have to step up their support in these matters.</p>
<p>46. Points out that most local projects for energy transitions and climate protection are of a small size compared with the optimal scale of big finance: the Climate Pact could create a tool for LRAs to find partners among peers and aggregate these projects to grant them access to all funding opportunities;</p>	<p>Several such platforms exist at the regional level in several Member States. Moreover, via the Covenant of Mayors such matchmaking events are being organised; the regional and national authorities are invited also to increase their networking and financial support to LRAs in this respect.</p>
<p>48. Points out that tackling the climate crisis implies dramatically changing our habits as citizens and consumers: in this context, the role of all the citizens as active stakeholders must be fully recognised and they need to be empowered through participatory approaches such as, for example, the living lab or through micro-grants for small-scale projects, close to where people live, through local communities and NGOs. Turning consumers into prosumers should be encouraged and adequately financially supported at all levels. Furthermore, citizens' engagement should be supported by the use of innovative technology, such as smart meters or specialised smartphone applications. The role of local and regional authorities will be key here;</p>	<p>Indeed changing the habits as citizens and consumers is one of the key objectives of both the Green Deal corporate communications campaign as well as practical European Climate Pact actions. Individual pledges and gamified approaches to making commitments will be developed as well as innovative solutions ranging from the use of living labs, co-design workshops to identifying relevant digital solutions to accelerate the necessary changes.</p>
<p>51. Plans to launch the CoR4Climate Pact project to further support this important initiative. The project would include the</p>	<p>The Commission welcomes the proposal, and highlights that it is crucial to collaborate and find synergies with the European Climate Pact</p>

<p>identification of Green Deal Ambassadors, conceived to be focal points for information and dissemination of best practices related to the Green Deal including the role of the Green Deal as an accelerator for the social and economic recovery after the COVID-19 crisis. The project is planned to also include a boost on the communication on the Green Deal, both on publicly, through the CoR website, and internally towards CoR members: this communication should include the most relevant information for the LRAs to launch their local Green Deal, including funding possibilities. Finally, the CoR4Climate Pact project will be an opportunity to take stock of the Green Deal commitments of CoR members and promote peer-to-peer learning opportunities;</p>	<p>Ambassadors.</p>
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<p>N°14 A New Industrial Strategy for Europe COM(2020) 102 final COR-2020-01374 – ECON-VII/007 140th plenary session – October 2020 Rapporteur: Jeannette BALJEU (NL/ RE) DG GROW – Commissioner BRETON</p>	
<p>Points of the European Committee of the Regions opinion considered essential</p>	<p>European Commission position</p>
<p>4. underlines that the new EU Industrial Strategy therefore needs to reinforce the place-based dimension in order for regions and cities, as the governments closest to citizens and ecosystems, to take ownership of the twin green and digital transitions of their industry, with due regard for the ongoing training and upskilling that workers will need, given the possible risk of exclusion as a result of the transition;</p>	<p>The New Industrial Strategy for Europe will deliver on three key priorities: maintaining European industry's resilience and global competitiveness and a level playing field, at home and globally, making Europe climate-neutral by 2050 and shaping Europe's digital future.</p> <p>The strategy encourages place-based innovation and experimentation through European Digital Innovation Hubs, as well as clusters and cooperation across regions, allowing regions to develop and test new solutions with small and medium-sized enterprises (SMEs) and consumers, drawing on their local characteristics, strengths and specialisms.</p>
<p>6. underlines that regional and local authorities have important competences in policy areas that impact on industrial development and can mobilise a wide range of instruments to enable the implementation of a holistic and ambitious EU industrial policy strategy aimed at ensuring economic resilience at a time of structural change; requests that the Commission include the local and regional level in the future designing of the new EU Industrial Strategy;</p>	<p>Only a shared commitment from the EU, its Member States, regions and cities, industry, SMEs and all other relevant stakeholders in a renewed partnership will allow Europe to make the most of the industrial transformation. In this context, the Commission has set up an inclusive and open Industrial Forum involving all relevant stakeholders and strives to increase political ownership with a standing dialogue with Council and the European Parliament.</p>
<p>10. welcomes the European Parliament Resolution on EU coordinated action to combat the COVID-19 pandemic and its consequences; supports the Commission in its objective of designing a new EU Industrial Strategy in an effort to achieve a more</p>	<p>The single market is Europe's strongest asset to allow all our businesses to grow and compete in Europe and beyond. Its well-functioning is crucial for strengthening European industrial value chains and for increasing the competitiveness of European industry. However, companies continue to</p>

<p>competitive and resilient industry when contending with global shocks, calls on the Commission to make 'reinforcing the single market' a priority;</p>	<p>experience barriers that prevent them from fully exploiting the potential of the single market. A more integrated single market is crucial for industrial competitiveness, recovery and resilience, as well as for mastering the twin digital and green transitions. The Commission will focus on addressing remaining barriers, further to the Single Market Barriers Report¹ and Single Market Enforcement Action Plan² of March 2020, also taking into account lessons learned from the COVID-19 crisis and its impact on the functioning of the single market.</p>
<p>11. proposes using a two-stage industrial strategy, the first stage concentrated on the survival of industry, the second on the reconstruction and renewal phase for a green, decarbonised and more digitised economy; underlines that these stages need to build in the concept of "regional resilience": "to enhance the ability of regions to withstand, absorb or overcome internal or external economic shock";</p>	<p>The Commission's new industrial strategy will help Europe's industry lead the green and digital transformations while driving its resilience and global competitiveness at a time of geopolitical uncertainty. These objectives also guide the Commission's Recovery Plan presented in May 2020. To ensure the recovery is sustainable, inclusive and fair for all Member States, regions and cities, the Commission has proposed a new recovery instrument, NextGenerationEU, embedded within a revamped long-term EU budget. Together they will address the immediate economic and social damage brought by the coronavirus pandemic, kick-start a sustainable and prosperous recovery, and protect and create jobs.</p> <p>As announced by President von der Leyen in her State of the Union speech in September 2020³, the Commission will update the industrial strategy in the first half of 2021, lessons learned from the COVID-19 crisis, taking into account the accelerated transformation and the changing global competitive landscape.</p>
<p>17. underlines that the new EU Industrial Strategy should be an inclusive strategy; advocates including the group of innovation followers that struggle to keep up with the</p>	<p>Implementing the new industrial strategy requires a renewed partnership between EU institutions, Member States, regions and cities, industry including SMEs, large companies, social partners,</p>

¹ COM(2020) 93 final and SWD(2020) 54 final, 10 March 2020.

² COM(2020) 94 final, 10 March 2020.

³ https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_20_1655

<p>changes and bringing them along ;</p>	<p>researchers and other stakeholders.</p> <p>Likewise, the EU programme Horizon Europe will contribute to the development of an effective innovation ecosystem at EU level through the European Innovation Ecosystems Work Programme (EIE WP). It will encourage cooperation, networking, and the exchange of ideas and knowledge, developing open innovation processes in organisations, funding and skills among national, regional and local innovation ecosystems, in order to support all types of innovation, reach out to all innovators across the EU and provide them with adequate support. Alliances are another tool which can be used if necessary to achieve specific objectives or address certain identified vulnerabilities, are also open to a wide range of stakeholders, including regions, SMEs and their representatives.</p>
<p>19. agrees therefore that businesses should adapt their business models and develop new forms of work fit for the digital and sustainable age; emphasises that accelerated growth comes from start-ups as well as from established firms; asks the Commission to provide assistance for innovation uptakes and to provide a framework in which clusters of firms can learn from each other, with or without assistance from entrepreneurship consultants, intermediaries or regional development agencies;</p>	<p>In 2014-2020, the Commission has provided support from direct management programmes like Horizon2020-Innosup-1 and COSME cluster partnerships for smart specialisation, internationalisation and cluster management capacity. In 2021-2027, these efforts will be further continued in the form of Joint Cluster Initiatives as one of the measures envisaged in the Single Market Programme. Furthermore, through the Digital Europe Programme, the Commission plans to invest together with the Member States and Regions, €1,5 billion from 2021-2027 in a network of European Digital Innovation Hubs which should help SMEs and public sector organisations with their digital innovation uptake. This network provides a framework where companies can learn from each other, with the assistance of entrepreneurship consultants, intermediaries and regional development agencies.</p> <p>Furthermore, the Commission issued on 9 March 2021 a Communication on ‘2030 Digital Compass: the European way for the Digital Decade’.The Communication includes targets in</p>

	<p>four key areas, namely:</p> <ol style="list-style-type: none"> 1) Digitally skilled citizens and highly skilled digital professionals: by 2030, at least 80% of all adults should have basic digital skills, and there should be 20 million employed ICT specialists in the EU – while more women should take up such jobs; 2) Secure, performant and sustainable digital infrastructures: by 2030, all EU households should have gigabit connectivity and all populated areas should be covered by 5G; the production of cutting-edge and sustainable semiconductors in Europe should be 20% of world production; 10,000 climate neutral highly secure edge nodes should be deployed in the EU; and Europe should have its first quantum computer; 3) Digital transformation of businesses: by 2030, three out of four companies should use cloud computing services, big data and artificial intelligence; more than 90% SMEs should reach at least basic level of digital intensity; and the number of EU unicorns should double; 4) Digitalisation of public services: by 2030, all key public services should be available online; all citizens will have access to their e-medical records; and 80% citizens should use an eID solution. <p>Finally, in the European Industrial and SME strategy, which aims to help European industry become greener, more circular and more digital, the Commission outlines two actions for upskilling and reskilling SMEs. Firstly, the Digital volunteers programme encourages digitally skilled professionals to help staff in SMEs to acquire new digital skills. Secondly, Digital crash courses will be developed and promoted via the Digital Skills and Jobs Platform, for all citizens that want to know more about digital technology, data, cybersecurity or internet of things.</p>
<p>21. acknowledges the importance of standardisation and certification, especially</p>	<p>The Commission works actively to support the participation of SMEs and the appropriate</p>

<p>for new products, processes and services speeding up the transition to a green, digital and resilient economy; asks the Commission to ensure that SMEs are involved and taken on board in the standardisation process;</p>	<p>representation of SME interests in the standardisation processes, in line with the provisions of Standardisation Regulation⁴. The implementation of these provisions is continuously monitored through annual reports and regular dialogue with the European Standardisation Organisations and with the organisation representing the SME interests, currently the Small Business Standards (SBS).</p> <p>The Commission also provides co-financing to SBS, in line with the Standardisation Regulation, among others to facilitate their participation to technical work on standardisation, as well as to promote the European standards among the SMEs.</p> <p>The importance of the SMEs participation in standardisation activities has been emphasised in the Commission's Communication on Harmonised standards⁵.</p>
<p>24. underlines the need for a clear monitoring and evaluation system as recommended in the Smart Specialisation Strategies; stresses that this should be carried out at all three levels: EU, Member States and regions should evaluate every two years; suggests that the Commission include this in the European Semester and link it to the National Reform Plans for Member State level; suggests that regions include this evaluation as a learning tool supporting a more diagnostic monitoring, checking on progress and facilitating problem-solving; suggests that the Regional Innovation Scoreboard could be accompanied by recommendations on EU tools that can contribute to the improvement of indicators;</p>	<p>The requirement of a clear monitoring and evaluation system is an intrinsic part of the enabling condition for the Policy Objective 1 Smarter Europe under the European Regional Development Fund (ERDF), regulated by the Common Provisions Regulation (CPR) and the ERDF Regulations⁶. The link to the European Semester already exists through the planning process and negotiation of the new ERDF programmes.</p> <p>The Regional Innovation Scoreboard is a monitoring tool, which provides a detailed breakdown of regional innovation performance and a comparative analysis of innovation systems across European regions. The assessment of specific EU tools for regions to improve their innovation performance would be beyond its scope.</p>

⁴ Regulation (EU) No 1025/2012 on European standardisation; OJ L 316, 14.11.2012, p. 12–33.

⁵ 'Harmonised standards: Enhancing transparency and legal certainty for a fully functioning Single Market', COM(2018) 764 final, 22 November 2018.

⁶ Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006; OJ L 347, 20.12.2013, p. 289–302.

<p>25. supports the Commission in the development of an ambitious EU cluster policy; stresses the importance of linking regional clusters and networks from different regions; asks the Commission to support these interregional networks as complementary to the matchmaking on an individual level in the Enterprise Europe Network and the European Cluster Collaboration Platform; suggests making the EU cluster policy an integral part of the new EU Industrial Strategy;</p>	<p>The Commission shares the Committee’s view on the important contributions that clusters make to boosting growth and competitiveness and helping the European economy weathering the crises and considers the EU cluster policy an integral part of the Industrial Strategy. The Commission set up the Expert Group on Clusters, which finalised its Recommendation Report⁷. The report contains 15 specific recommendations of using clusters in the recovery and twin transition. It offers ideas for policymakers at European, national, regional and local levels. It also informs and can inspire cluster managers and cluster members. The work is being continued with the representatives of Member States and cluster managers to operationalise the recommendations.</p>
<p>26. underlines that cohesion policy should be an important instrument for implementing a place-based approach to industrial development to account for the regionally divergent impacts of the transition to a carbon neutral economy, and calls for the development of suitable objectives and support instruments in the context of planning for the next phase of cohesion policy;</p>	<p>The objectives of the cohesion policy are stipulated in Article 74 of the Treaty on the Functioning of the European Union (TFEU) and above all aim at promoting harmonious development and strengthening of its economic, social and territorial cohesion. Special attention shall be paid to areas affected by industrial transition. In this context, the enabling condition for the Policy Objective 1 Smarter Europe includes a requirement for the Member States/regions to address the challenges linked to the industrial transition. The Commission has also proposed a Just Transition Mechanism⁸ including a Just Transition Fund under cohesion policy to support those areas most affected by a transition to a carbon neutral economy.</p>
<p>27. acknowledges that regions need strategic guidance for this industrial transition in order to efficiently and effectively recognise current gaps in their industrial transition readiness; therefore asks the Commission to help</p>	<p>The Commission has already conducted preparatory work on how to manage industrial transition in the framework of the Industrial Transition Pilot led for the Commission by the Organisation for Economic Co-operation and</p>

⁷https://clustercollaboration.eu/sites/default/files/news_attachment/European%20Expert%20Group%20on%20Clusters%20-%20Recommendation%20Report.pdf

⁸ COM(2020) 22 final, 14 January 2020.

<p>develop tools which can provide a clear roadmap for regions with a tailor-made approach to secure industrial leadership; such a tool should be complementary to the new EU Industrial Strategy and should help regions to target related cohesion policy investments in the post-2020 programming period;</p>	<p>Development (OECD). It includes an industrial transition toolbox⁹ to help policy-makers activate regional innovation potential and better design the next generation of smart specialisation and regional innovation strategies.</p>
<p>29. regrets that the implementation of the Sustainable Development Goal (SDG) 9 on building resilient infrastructure, promoting inclusive and sustainable industrialisation and fostering innovation has only produced moderate progress. In particular, the EU gross domestic expenditure on R&D in relation to GDP has stabilised at slightly above 2.0% ; stresses the slow rate of adoption and dissemination of innovations in Europe; points out that many innovations in industry revolve around new business models combining digital technology and service concepts; emphasises that regions have an important role to play when it comes to speeding up adoption and dissemination of innovations, for instance through the European network of Digital Innovation Hubs, pilot plants and field labs; stresses the need for the new tool as proposed in the Interreg Regulation for Interregional Innovation Investments;</p>	<p>On 30 September 2020, the Commission presented its vision for the European Research Area (ERA) in a policy communication on ‘A new ERA for Research and Innovation’. The Commission proposes that the new ERA focuses on incentivising Member States to prioritise and boost investments and reforms in research and innovation while focusing on the digital and green transformation and on the recovery. This includes the proposal to Member States to reaffirm the 3% EU gross domestic product (GDP) research and development (R&D) investment target and update it to reflect the new EU priorities. It also calls for a new 1.25% EU GDP public effort target to be achieved by Member States by 2030 in an EU coordinated manner, to leverage and incentivise private investments. The Commission also stands ready to help in prioritising research and innovation (R&I) investment through EU funding, and build the necessary synergies across programmes, including the recently approved Recovery and Resilience Facility.</p> <p>The valorisation and circulation of knowledge as well as the development of ‘common industrial technology roadmaps’ with a vision from basic research to deployment are key elements of the Commission’s response to address these needs.</p> <p>To this end the Commission will, in cooperation with Member States and stakeholders, support the implementation of the New Industrial Strategy by jointly developing common industrial technology roadmaps by the end of 2022 to align and link key</p>

⁹ <https://www.oecd.org/publications/regions-in-industrial-transition-c76ec2a1-en.htm>.

	<p>partnerships under Horizon Europe with industrial ecosystems, so as to ensure that efforts are combined and that research results are known and disseminated faster in the economy.</p> <p>The Commission will also develop and test a networking framework in support of Europe’s research and innovation (R&I) ecosystems as well as guiding principles for knowledge valorisation and a code of practice for the smart use of intellectual property.</p> <p>Place-based innovation is a central component of industrial innovation in the EU and EU Technology Infrastructures make an important contribution to the regional activities of R&I actors.</p>
<p>30. asks the Commission to support European industry, in particular in energy-intensive regions, in the transition towards climate neutrality by 2050 and to set ambitious yet realistic medium and long-term sectoral targets that are in line with the European Green Deal and the Paris agreement to provide roadmaps to reach them in cooperation with regional and local stakeholders, and stresses the importance of a transition that is fair for businesses and citizens, as stated in the Just Transition Mechanism;</p>	<p>In November 2019, the Commission High Level Expert Group on Energy Intensive Industries published a Masterplan¹⁰ showing pathways to the energy-intensive industries (EIIs) climate neutrality by 2050. The regional dimension is well recognised among the elements of the enabling policy framework. Particular emphasis is put on extending the Just Transition Mechanism from coal regions also to carbon intensive regions, to facilitate transformation and sustain jobs in existing industrial clusters.</p> <p>The proposal for the new Just Transition Mechanism will contribute to a fair transition for carbon intensive regions as they continue to transform their industries and economies.</p> <p>Furthermore, the Commission is developing an Energy and Industry Geography Lab to enable a comprehensive analysis on the future infrastructure needs across the EU.</p>
<p>31. calls for the European Innovation Council to help the scale-up of all fast growing businesses, not just start-ups; underlines that the very fast growing SMEs are not new</p>	<p>The Commission supports the scale-up of innovative businesses across Europe through the European Innovation Council (EIC) Pilot (to be fully fledged under Horizon Europe). Besides start-</p>

¹⁰ https://www.glassallianceurope.eu/images/cont/2019-11-28-eii-masterplan-report-final-online_file.pdf

<p>companies but established companies that have found a new way to grow through digitalisation and/or by making their product, process or service more sustainable;</p>	<p>ups, the EIC Accelerator Pilot supports high-risk and high-potential innovative SMEs to help them develop and bring into the market new innovative products, services and business models. Established companies that have found a new way to grow and/or made their product, process or service more sustainable through innovation are also eligible for support. Although consisting mainly of bottom-up calls, the EIC is as well running some dedicated calls to spur innovation addressing the major Commission's objective: the European Green Deal. Apart from funding, companies can also benefit from a number of business acceleration services, such as mentoring and coaching, access to corporates and investors, support to enter foreign markets and forge partnerships in order to accelerate late-stage growth and funding rounds.</p>
<p>32. agrees that Europe should make the most of economies of scale, speed and scope, but would like to stress that the role of regions is not just to offer an arena for place-based innovations but also for "cooperating regions" to help galvanise the rich variety of competences in Europe into interregional value chains that can compete against larger companies outside Europe; asks the Commission to further enable interregional value chain cooperation by ensuring funding for interregional industrial demonstration cases;</p>	<p>The Commission has proposed an Interregional Innovation Instrument to foster cooperation between regions in developing and strengthening value chains.</p>
<p>33. underlines the need for higher and vocational education to become more suited to the digital age; stresses the role that Digital Innovation Hubs can play not only in speeding up and disseminating innovations, but also in training the workforce for the industry of the future; stresses the need to make these hubs accessible to SMEs; encourages the Commission to give more</p>	<p>The European Skills Agenda¹¹ adopted on 1 July 2020 highlights digital skills development as one of two main priorities, along with skills for the green transition. Several of the actions it announces contribute to make education and training systems better able to both take advantage from digital technologies and to help learners acquire digital skills. This is the specific purpose of the Digital Education Action Plan¹² 2021-2027</p>

¹¹ COM(2020) 274 final, 1 July 2020.

¹² COM(2020) 624 final, 30 September 2020.

<p>support for capacity building and exchanges of experience as is being done for example in the call for "Centres of Vocational Excellence" (COVE);</p>	<p>(DEAP), a key enabler of the European Education Area¹³ which supports the digital transformation plan of vocational education and training (VET), higher, and adult-education institutions through Erasmus cooperation projects and incentivizes advanced digital skills through Digital Opportunity Traineeships for both VET and higher education. Finally, the DEAP will support the development of AI learning resources for schools including VETThe proposal for a Council Recommendation on vocational education and training¹⁴, an action of the Skills Agenda, also emphasises the need to adapt to the digital society, both in terms of delivery mode and skills developed by vocational learners. This is one of the reasons to set up Centres for Vocational Excellence.</p> <p>The €1,5 billion investments in the network of European Digital Innovation Hubs through Digital Europe Programme by the Commission and Member States (each 50-50%) over 7 years is expected to improve the capacity of the Digital Innovation Hubs to speed up and disseminate innovations, make the hubs more accessible to SMEs. The hubs will also be an intermediary to give local companies a chance to benefit from the short term training courses on advanced ICT developed in the DIGITAL Europe Programme.</p>
<p>34. supports the need for a Pact for Skills; asks the Commission to include the regions as an important partner in such a pact; underlines that the regional scale is the best organised level to coordinate upskilling and reskilling and ensure the mobility of employees from sectors in decline to sectors in ascent, and the importance of equal access to retraining for employees as well as managers and entrepreneurs as a result of the effects of the COVID-19 epidemic;</p>	<p>Labour markets and skills needs are essentially regional. Therefore, the European Skills Agenda calls for large-scale partnerships to be set up within the Pact for Skills, ‘including at regional level’. This is consistent with the emphasis given in the Skills Agenda to the regional level in the development of skills intelligence systems and in the definition and implementation of national skills strategies, which should ‘align national and regional policies and investment on commonly agreed major challenges’.</p>
<p>35. acknowledges the potential of the IPCEIs</p>	<p>The Commission recognises the relevance of</p>

¹³ COM(2020) 625 final, 30 September 2020.

¹⁴ COM(2020) 275 final, 1 July 2020.

<p>and alliances; requests that the Commission make them more inclusive by allowing regions and SMEs to participate; in this respect, underlines the potential of cooperation between the public and private sector and forming industrial alliances, such as in the area of battery technology, plastics and microelectronics, to help technological development and secure financing;</p>	<p>important projects of common European interest (IPCEIs) as a State aid tool deployed where private initiatives, contributing to achievement of important EU objectives and supporting major innovation beyond state of the art fail to materialise due to market failures. In order to qualify for support under the IPCEI Communication¹⁵, a project must i.a. involve several Member States. Regions can already now be involved in the process of the design of the IPCEI, via the relevant Member State, as well as to support the companies participating in an IPCEI via their regional budgets. SMEs are also already eligible undertakings to participate in IPCEIs. To help them make the most out of this tool, the Commission will put in place certain revisions of the State aid rules for IPCEIs in 2021. This review seeks i.a. to make it easier for SMEs to participate in future IPCEIs. It is, however, not for the Commission to select the companies, but it is the responsibility of the national and local authorities.</p> <p>Alliances, another tool which can be used if necessary to achieve specific objectives or address certain identified vulnerabilities, are also open to a wide range of stakeholders, including regions, SMEs and their representatives.</p>
<p>36. acknowledges the geopolitical risks of foreign investment and an overdependence on "global" supply and value chains; asks the Commission to enrich the strategy with measures to help cope with the current COVID-19-induced crisis and to prepare for new pandemics in the future to ensure the resilience of Europe's society and economy, for instance by preparing for alternative European supply chains for medical supplies</p>	<p>The Commission will follow up on the European Council's invitation¹⁶ to identify strategic dependencies particularly in the most sensitive industrial ecosystems such as for health and to propose measures to reduce these dependencies, including by diversifying production and supply chains, ensuring strategic stockpiling, as well as fostering production and investment in Europe. In the area of medicinal products, this will be implemented through a 'structured dialogue' as</p>

¹⁵ Communication from the Commission - Criteria for the analysis of the compatibility with the internal market of State aid to promote the execution of important projects of common European interest. OJ C 188, 20.6.2014, p. 4–12.

¹⁶ <https://www.consilium.europa.eu/media/45910/021020-euco-final-conclusions.pdf>.

<p>based on low costs and frugal innovations in case of new pandemics or serious epidemics;</p>	<p>announced in the Pharmaceutical strategy for Europe published on 24 November 2020¹⁷.</p>
<p>37. pleads for a European legal framework on artificial intelligence (AI), robotics and related technologies that addresses ethical principles and fundamental rights in their development, deployment and use, as well as safety and liability questions. The innovation and competitiveness of Europe's industry will require a horizontal framework that reflects the values and principles of the European Union. It will provide concrete guidance and legal certainty to citizens and businesses alike – including those located outside of Europe. Currently, the lack of clear safety and liability provisions contribute to legal uncertainty for consumers and businesses that produce and market products involving AI as well as for the citizens that use AI applications;</p>	<p>The Commission confirms its objective of establishing an appropriate legal framework for artificial intelligence (AI) applications that follows a risk-based approach. The Commission fully agrees with the Conclusions of the European Council from 2 October 2020 that we need a clear definition on what constitutes high-risk AI applications in order to provide producers and users of these AI systems with sufficient legal certainty when the new rules will apply. As regards products regulated by the new EU safety legislation, the Commission will aim to ensure consistency and integration of conformity assessment procedures with what is already existing as procedures under the EU product safety acquis. In light of the speed of the technological change, EU rules should be future-proof and allow for flexible adaptations in view of further developments and technologies, which are not yet known or developed. For this reason, the Commission believes that the EU definition of AI should be sufficiently broad and technology-neutral (e.g. not focusing only on machine learning). The proposed approach is not to regulate the technology as such and put it under suspicion, but certain specific applications or use cases that might pose high risks to our fundamental rights and safety. The Commission is currently assessing the results of the public consultation on the AI White Paper and the Commission's report on AI liability¹⁸ with a view to deciding on the specific EU legislative response, including as regards liability aspects.</p>
<p>38. underlines the importance of the Circular Economy Action Plan as this is providing the impetus for geographically shorter supply chains; stresses that the circular economy</p>	<p>The Commission welcomes the Committee's positive views on the new Circular Economy Action Plan¹⁹. The Commission agrees with the opinion concerning challenges faced by SMEs</p>

¹⁷ COM(2020) 761 final.

¹⁸ <https://ec.europa.eu/digital-single-market/en/news/white-paper-artificial-intelligence-public-consultation-towards-european-approach-excellence>.

¹⁹ COM(2020) 98 final, 11 March 2020.

<p>impacts almost every type of cluster and industry; despite ongoing efforts to transform traditional economic and business models, many SMEs are not ready for this shift, many are willing to act but do not know how; underlines that smaller companies face disadvantages when embracing circularity, given their limited capacities, resources, time and available knowledge to invest and deal with the related administration and compliance with regulations and standards; asks the Commission for more favourable policies to boost the circular shift; asks the Commission to adapt legislation to enable this shift rather than hinder it; in this respect the circular economy would benefit from a single market for waste;</p>	<p>during the transformation. This is why, hand in hand with the Circular Economy Action Plan, the new SME Strategy²⁰ will foster circular industrial collaboration among SMEs, building on training, advice under the Enterprise Europe Network on cluster collaboration, and on knowledge transfer via the European Resource Efficiency Knowledge Centre.</p> <p>Secondary raw materials face a number of challenges in competing with primary raw materials for reasons not only related to their safety, but also to their performance, availability and cost. To enhance the single market for secondary raw materials, the Commission will assess the scope to develop further EU-wide end-of-waste criteria for certain waste streams to facilitate creating cross-border circular value chains and reduce red-tape. The Commission will also enhance the role of standardisation and assess the feasibility of establishing a market observatory for key secondary materials.</p>
<p>41. believes that in order to maintain technological leadership and gain digital and technological sovereignty, the EU and its Member States should retain the right to block hostile takeovers of strategic EU companies by non-EU state or state-backed actors, and asks the Commission to reform the competition policy in order to maintain a vital European single market while strengthening the position of EU-based companies in world markets;</p>	<p>The Commission is well aware of concerns about the distortive effects that third-country subsidies may cause in the European internal market. To this end, in June 2020, the Commission adopted the White Paper on foreign subsidies²¹. It aims to ensure that foreign subsidies do not distort the level playing field for companies in the EU: in the Single Market generally (Module 1); in acquisitions of EU companies (Module 2); and in EU public procurement procedures (Module 3). The public consultation on the White Paper ended in September 2020 and the Inception Impact Assessment was published for consultation in October²². The Commission will consider all the input received when preparing a legislative proposal to level the playing field as regards foreign subsidies, scheduled for the second quarter</p>

²⁰ COM(2020) 103 final, 10 March 2020.

²¹ COM(2020) 253 final, 17 June 2020.

²² https://ec.europa.eu/competition/international/overview/foreign_subsidies.html.

<p>42. agrees that we must step up investment in innovation; asks the Commission to promote a culture in which failure is accepted; underlines that failure in innovation can be very valuable as a way to learn how to succeed, but only if companies get the opportunity for a second chance to apply the lessons learned about the pathways that are not viable; therefore asks the Commission to facilitate the dissemination of lessons learned between regional clusters and networks;</p>	<p>(Q2) of 2021.</p> <p>Providing honest entrepreneurs who went bankrupt with a second chance remains among the Commission’s priorities and has only gained urgency following the COVID-19 crisis. The recently adopted Directive on preventive restructuring frameworks and second chance²³ addressed many concerns of companies in distress and the Commission will now support all Member States in transposing its provisions into their national laws.</p> <p>The Commission will use its networks, such as the Enterprise Europe Network, Erasmus for Young Entrepreneurs and the cluster collaboration platform to inform SMEs about the new Directive.</p> <p>The Commission proposes a budget of €10 billion for the fully-fledged European Innovation Council (EIC) under Horizon Europe, the highest budget so far dedicated solely to support market uptake and acceleration of innovative solutions, mainly by innovative enterprises. Under the EIC Pilot, the EIC Community of investors has been created to facilitate EIC beneficiaries’ access to private funding.</p> <p>The Commission actions under the Horizon Europe European Innovation Ecosystems Work Programme will foster more efficient innovation ecosystems in Europe at different levels: local, regional, national and European.</p>
<p>43. asks the Commission to provide assistance to regions helping businesses to find suitable European partners if they wish to diminish their dependence on global supply and especially value chains, as regions can help locate partners and facilitate matchmaking;</p>	<p>The Commission has put in place the ‘Rapid Alert Function’²⁴ to identify, supply and value chain disruptions. It relies on existing networks such as the Enterprise Europe Network (EEN), Clusters, Chambers of Commerce and trade associations as well as SME Envoys to collect information on any disruptions in supply chains faced by SMEs, and to</p>

²³ https://ec.europa.eu/info/policies/justice-and-fundamental-rights/civil-justice/civil-and-commercial-law/insolvency-proceedings_en.

²⁴ https://ec.europa.eu/info/live-work-travel-eu/health/coronavirus-response/european-roadmap-lifting-coronavirus-containment-measures_en.

	<p>help them find alternative suppliers.</p> <p>Furthermore, the new Interregional Innovation Investment Instrument proposed by the Commission²⁵ would support regions to develop new economic links outside their region.</p>
<p>44. asks the Commission to also take applications of key digital technologies like quantum computing in strategic sectors into account as part of the strategic digital infrastructure; underlines that these applications are essential for Europe's digital transformation, to ensure maximum economic and social impact; without applications, digital technologies are solutions looking for a problem, while companies are looking for ways to seize business opportunities;</p>	<p>The Commission agrees with the Committee that applications are important to drive the emergence of digital solutions. However, an approach that would only develop digital applications would not prepare Europe for long-term digital opportunities. It is indeed critical that Europe invests in R&I in digital key enabling technologies, such as in electronics, robotics, artificial intelligence (AI) and 5G/6G, to bolster mastery and technological autonomy in Europe.</p> <p>Quantum computing is considered as a key digital technology and a strategic digital infrastructure. The development in the Union, the acquisition by the Union and the deployment of a Quantum computing infrastructure is a priority for the Commission. This is evidenced in the Commission's Communications 'A European Strategy for Data' (19 February 2020)²⁶, 'Shaping Europe's digital future' (19 February 2020)²⁷, 'A new Industrial Strategy for Europe'²⁸ (10 March 2020), and 'Europe's moment: Repair and Prepare for the Next Generation'²⁹ (27 May 2020), and, most recently, in the Communication on '2030 Digital Compass: the European way for the Digital Decade', which includes a target by 2025 for Europe to have its first computer with quantum acceleration paving the way for Europe to be at the cutting edge of quantum capabilities by 2030.</p>
<p>45. underlines the importance of the involvement of regional governments and</p>	<p>To lead the twin transitions, the Commission has adopted a new approach with a focus on industrial</p>

²⁵ https://ec.europa.eu/regional_policy/EN/2021_2027/.

²⁶ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020DC0066&from=EN>

²⁷ https://ec.europa.eu/info/sites/info/files/communication-shaping-europes-digital-future-feb2020_en_3.pdf

²⁸ https://ec.europa.eu/info/sites/info/files/communication-eu-industrial-strategy-march-2020_en.pdf

²⁹ <https://ec.europa.eu/info/sites/info/files/communication-europe-moment-repair-prepare-next-generation.pdf>

<p>regional clusters or networks in alliances, and requests that regional governments, or at least a representative of the Committee of the Regions, be part of the Industrial Forum, especially in analysing the risks and needs of industry when it comes to industrial ecosystems, which, in the opinion of the Committee of the Regions, are made up of "regional" ecosystems for entrepreneurship and innovation;</p>	<p>ecosystems, taking into account all players within a value chain: from the smallest start-ups to the largest companies, from academia to research, service providers to suppliers. Ecosystems show the interdependence of our economies and our industrial value chains within the Single Market. These ecosystems are interconnected across borders, but they build on the regional ecosystems. Therefore, the role of European regions and cities is crucial to develop strong, sustainable and resilient industrial ecosystems in the EU.</p> <p>In addition, the approach of industrial alliances is an important tool to bring the different levels together. Regions and interregional partnerships have an important role to play for European alliances.</p> <p>In this context, the Commission has set up an open and inclusive Industrial Forum for co-designing solutions with all stakeholders, supporting the Commission in its systematic analysis of the different ecosystems and in assessing the different risks and needs of industry as it embarks on the twin transitions and the strengthening of its resilience. The Committee has been invited to participate in the Industrial Forum as observer.</p>
<p>46. reiterates its calls for strengthened EU support for regional ecosystems and clusters in the framework of Interregional Innovation Investments, the compatibility with the Green Deal should be considered and building on the Smart Specialisation approach and enlarging and broadening existing initiatives such as the Smart Specialisation Platform on industrial modernisation and the pilot initiative on regions in industrial transition; also considers it important to develop instruments for implementing collaborative interregional industrial investment projects in close collaboration with regions and Smart Specialisation partnerships;</p>	<p>The new Interregional Innovation Investment Instrument will encourage interregional cooperation in line with EU priorities, including the Green Deal and capitalise on the work done within the Smart Specialisation partnerships.</p>
<p>48. calls on the Commission to introduce</p>	<p>Europe's dependency on third countries for certain</p>

<p>measures aimed at companies adapting their production, as a need arising from the COVID-19 pandemic and thus from the changing needs of society;</p>	<p>critical equipment was an element which emerged very early in the crisis. To diminish this dependency in a sustainable manner, the Commission supported re-orientation and repurposing of production capacities to meet the urgent needs of our societies for vital medical supplies and equipment, covering repurposing, adaptation and ramp-up of production lines to quickly adjust to new and urgent production needs.</p>
<p>49. calls on the Commission to include regions and cities in the process of designing a new Industrial Strategy for Europe, reiterates that regions and cities are willing and able to lead by example in shaping the place-based dimension of the twin transitions European industry is facing.</p>	<p>The Commission is ready to co-design and co-create solutions with Member States, regions and cities, industry itself, as well as with social partners and all other stakeholders.</p> <p>Being the closest to companies, innovation and research centres and other relevant actors, European regions and cities are best positioned to identify specific competitive advantages and build on them. Dialogue with regions and cities will be essential.</p> <p>The Commission has established a new, open and inclusive Industrial Forum involving all stakeholders. The Commission's annual Industry Days will continue to be an important event to bring all players together.</p>

N°15 SME Strategy
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140th plenary session – October 2020
Rapporteur: Eddy VAN HIJUM (NL/EPP)
DG GROW – Commissioner BRETON

Points of the European Committee of the Regions opinion considered essential

European Commission position

6 and 48 *SME recovery plan*

A recovery plan for SMEs must be delivered with local and regional authorities in the lead, to be responsive to the diverse needs of SMEs and the varying economic and institutional conditions across Europe.

...monitor whether the impact of emergency support measures does not undermine its ambition to create a level playing field for SMEs.

The Commission welcomes the Committee’s support to the SME Strategy priorities.

Despite the changed economic situation due to the COVID-19 pandemic, the SME strategy addresses the priorities of the recovery period, which needs to be green and digital, and make Europe’s economy resilient. It is flexible enough to adapt to the new reality, and many actions are already being implemented and adjusted (e.g. timing advanced, COVID-19 aspect included in calls) in order to best support SMEs cushion the impact of the crisis.

The Strategy and the recovery package need to go hand in hand. Small and medium-sized enterprises (SMEs) must benefit from investments and reforms funded under the Recovery and Resilience Facility (RRF). National recovery plans should specifically target SMEs, in line with the priorities of the SME strategy, and the SME Envoy network should play a key role in the design and implementation of national recovery plans.

Finally, EU regions can use the cohesion funds to support SMEs based on their operational programmes modified following the amendments to the European Regional Development Fund regulation triggered by the sanitary crisis: Coronavirus Response Initiatives (CRII and CRII +) and REACT-EU¹.

¹ https://ec.europa.eu/regional_policy/en/newsroom/coronavirus-response/

<p>7 to 9, 11, 12, 14 <i>Addressing all SMEs</i></p> <p>...SMEs diversity is insufficiently operationalised in the proposed measures.</p> <p>The strategy primarily focuses on start-ups, scale-ups and high-tech SMEs...</p>	<p>The SME strategy recognises the diversity of SMEs and proposes a comprehensive and cross-cutting approach taking into account their different needs. The horizontal measures address the needs of all SMEs from individuals and micro-companies to family businesses and high-tech companies.</p> <p>The strategy also contains measures specifically targeted to the different groups of SMEs. More traditional SMEs will for example benefit in particular from the various capacity building measures for the green and digital transition.</p> <p>The Commission issued on 9 March 2021 a Communication on ‘2030 Digital Compass: the European way for the Digital Decade’², which acknowledges the central role of SMEs as a critical source of innovation. It recalls that the Digital Europe Programme foresees the creation across most EU regions of 200 Digital Innovation Hubs and industrial clusters by 2030. Their role will be to support primarily traditional SMEs in accessing digital technologies easily and on fair terms, while benefiting from adequate support to digitalise.</p>
<p>15 <i>Support to SMEs</i></p> <p>...address SMEs needs including adaptation to new technologies, business transfers, internationalisation, access to finance and professionalisation of management and reporting. Existing one-stop-shops strongly embedded in regional ecosystems should be used as access points for providing locally accessible services for SMEs, including advice on a wide range of programmes, measures and funding instruments originating from the EU, national and regional level.</p>	<p>Several actions to address SMEs needs in the mentioned areas have been taken.</p> <p>These actions include e.g. funding for capacity building of digital technologies, digital skill and advisory services through Digital Innovation Hubs under the Digital Europe Programme³, for instance by offering Digital Crash Courses for SME employees to become proficient in areas such as artificial intelligence (AI), cybersecurity or blockchain. In addition, a digital volunteer pilot (digital experts helping SMEs to solve challenges related to digitalisation) will be put in place in 2021.</p> <p>The Commission together with Enterprise</p>

² COM(2021) 118 final.

³ <https://ec.europa.eu/digital-single-market/en/european-digital-innovation-hubs-digital-europe-programme-0>

	<p>Europe Network (EEN) members have been working to prepare a new vision for the EEN in the next Multiannual Financial Framework to address the needs of SMEs. EEN internal working groups reflected on EEN priorities in the following areas: internationalization, increasing quality of services through the client journey approach, integration of EEN members in the regional ecosystem, new SME capacity building services, single market services, access to finance (on EU and regional funding available to SMEs), scale-up support and innovation.</p> <p>EEN will be upgraded including with dedicated sustainability advisors and help SME's digitalisation in cooperation with other EU initiatives like the EU Digital Innovation Hubs.</p>
<p><i>23, 26 Reducing the regulatory and administrative burden</i></p> <p>...improve SME test during the impact assessment of proposed regulations...</p> <p>...the role of the Committee of the Regions & SMEs needs to be enhanced in the Fit for the Future platform (compared to REFIT).</p>	<p>To make sure that SME test is carried out in a systematic and coherent way, the EU SME Envoy, in collaboration with SME stakeholders, will filter EU initiatives and signal to the Commission those that merit close attention. The EU SME Envoy will raise awareness on SME-related aspects in the Commission's Better Regulation agenda in a regular dialogue with the Regulatory Scrutiny Board.</p> <p>Regional and local authorities will have an important role to play in the Fit for Future Platform (F4F). The Committee has three representatives in the Government group of the platform and will contribute to identify specific problems in the implementation of Union law.</p> <p>The F4F Platform will work closely with the SME Envoy Network, represented by the EU SME Envoy who will provide advice and input in particular in relation to burdens and complexity of legislation affecting small and medium-sized enterprises. The SME envoy will contribute to the annual work programme of the Platform.</p>

<p><i>35 Late payment</i></p> <p>...proper implementation of the Late Payment Directive...</p>	<p>To boost the liquidity of SMEs through a prompt payment culture the Commission will support the implementation of the Late Payment Directive by equipping it with strong monitoring and enforcement tools.</p> <p>Work has begun to set up a 'Late Payment Virtual Observatory'. The Observatory will be a quick access point for collecting information and data about payment behaviour of public authorities and business to business (B2B), including specific information on industrial sectors. More transparency will trigger more scrutiny and stronger attention on payment behaviours.</p> <p>A study has been launched to identify current barriers preventing a more widespread use of Alternative Dispute Resolution (ADR) and to define a pilot scheme to help SMEs solve payment disputes fast, while preserving business relations.</p>
<p><i>37, 38 Access to finance</i></p> <p>...SME accessibility to financing should not be limited to the special window for SMEs but should also be a major priority in the other three windows (of InvestEU).</p> <p>SME access to equity financing should be strengthened.</p>	<p>The InvestEU programme aims at streamlining the existing range of financial instruments by integrating them into a single one, composed of four windows. Simplification and accessibility will be its major feature, not only within the SME window but across all of them. The InvestEU programme will provide crucial recovery support to companies, including SMEs. It will also ensure a strong focus on key policy priorities, such as the Green Deal objectives and digitalisation. Not only the SME window, but also the other InvestEU windows are open to SMEs - such as the sustainable infrastructure window for energy efficiency renovation, the research and innovation window for research and development (R&D) investments, and the social window for socially oriented SMEs. To tackle the economic crisis generated by Covid-19, the Commission has further expanded its State aid Temporary Framework and allowed flexibility in the</p>

	<p>Stability and Growth Pact. These measures are also aimed at providing Member States with more weapons to boost equity levels in European SMEs. ESCALAR⁴ was launched to improve the availability of venture capital. Finally, the European Investment Bank (EIB) Group put forward the creation of a €25 billion COVID-19 guarantee fund which will also contain equity instruments for SMEs.</p>
<p><i>42 Governance</i></p> <p>...improve the horizontal coordination of the SME strategy, thereby enhancing the impact of the strategy on the allocation of the European Structural and Investment Funds in the 2021-2027 period.</p>	<p>The SME strategy substantially reinforced the role of the SME Envoy Network in the governance of SME policy. The SME strategy foresees, inter alia, the contribution of the Network to the work of the Commission's Single Market Enforcement Task Force, a specific role of the EU SME Envoy in the new Fit for Future Platform and a regular dialogue on SME-related aspects with the Regulatory Scrutiny Board.</p> <p>The EU SME Envoy and the national SME envoys will be closely involved in the European Semester process and the Recovery and Resilience Facility on SME issues against the background of the priority objectives of the EU SME strategy. This is to ensure that SMEs' interests are adequately taken into account in the Recovery and Resilience Plans of Member States as well as in related disbursement requests.</p>

⁴ https://ec.europa.eu/commission/presscorner/detail/en/IP_20_628

<p>N°16 Single Market Barriers Report and Single Market Enforcement Action Plan COM(2020) 93 final COM(2020) 94 final COR-2020-02355 – ECON-VII/006 140th plenary session – October 2020 Rapporteur: Tadeusz TRUSKOLASKI (PL/EA) DG GROW – Commissioner BRETON</p>	
<p>Points of the European Committee of the Regions opinion considered essential</p>	<p>European Commission position</p>
<p>7. appreciates the efforts of the European Commission (EC) to identify barriers to the European single market and points out that its communication of 10 March 2020 presents key problems concerning businesses that require immediate solutions. Regrets however that the two Commission communications focus mainly on the obstacles perceived by businesses and did not address concerns by other social partners and address consumer aspects only peripherally;</p>	<p>The Commission is committed to ensuring that all users in the European Union, citizens and companies alike, can fully benefit from the single market.</p> <p>The Communication, drawing on the evidence gathered through a range of sources, takes a wider perspective focusing on the experience of both businesses and consumers. It focuses on the 13 most often mentioned barriers to cross-border activity, following the key steps of the ‘journeys’ that businesses and consumers make in the single market.</p> <p>Many reported barriers are often common to domestic consumers and businesses. The obstacles for businesses directly or indirectly affect consumers, too, who suffer the repercussions; they are indirectly victims of higher costs. Most of the actions planned by the Commission will benefit everyone; as they will ensure consumers and social rights, they will protect the health and well-being of citizens as well as their social and economic interests.</p> <p>Within the actions listed in its Long-term action plan for better implementation and enforcement of single market rules, the Commission is taking up aspects, which have an important consumers connotation. In particular the revision of the Directive on general product safety¹ will ensure better protection of</p>

¹ Directive 2001/95/EC of the European Parliament and of the Council of 3 December 2001 on general product safety; OJ L 11, 15.1.2002, p. 4–17.

	<p>consumers, while, at the same time, introducing a level playing field among economic operators which will improve the functioning of the single market.</p> <p>The action plan also envisages a better and more efficient use of national redress mechanisms which will ensure a more rapid and punctual protection of consumers. The Commission is also working on an EU E-Lab project to set up a common platform with e-tools for online investigations and enforcement in relation to consumer rights and to product safety.</p> <p>Furthermore, on 13 November 2020, the Commission adopted a Communication on the New Consumer Agenda², which specifically focuses on the issues faced by consumers in the single market in the current COVID-driven circumstances and also on the broader context of the on-going green and digital transitions and of globalization.</p>
<p>8. notes that the 2020 edition of the Single Market Scoreboard published on 3 July 2020 concludes that, despite an improvement in the transposition of EU legislation notably in the field of consumer legislation (a 15% decrease in the transposition deficit), the number of infringement proceedings is not decreasing, still due to either "incomplete" or "incorrect" transposition. The CoR is also concerned by the fact that most market infringement cases relate to environment (28%) (ahead of transport (17%) and taxation (10%));</p>	<p>The negative trend (according to the data up until December 2019) is partly due to the growing number of infringement cases brought for non-conformity of national transposition measures notified to the Commission. In the light of the Commission's Communication on 'EU law: Better results through better application'³, timely and correct transposition of directives is one the Commission's priorities within its infringement policy. The Member States concerned need to use vigorous measures to tackle such infringements.</p>
<p>9. acknowledges that the form of the current regulations and tools for the single market is better suited to exchange of goods than of services. The Committee stresses the need to</p>	<p>The Commission takes note of the Committee's call for building flexible and adaptable tools in services. The Commission monitors and analyses emerging trends in the services sectors</p>

² COM(2020) 696 final.

³ Communication from the Commission - EU law: Better results through better application; C/2016/8600; OJ C 18, 19.1.2017, p. 10–20.

<p>build flexible tools that can quickly be adapted to changing and newly emerging products and services;</p>	<p>on a continuous basis.</p>
<p>10. believes that the priority of a new strategy for the European single market must be to truly eliminate barriers and increase access to information.</p>	<p>The Commission agrees that efforts to deepen the European single market should focus on stepping up efforts to eliminate barriers that can hamper grasping all the benefits from a fully functional single market for citizens and companies.</p> <p>The Long-term action plan for better implementation and enforcement of single market rules (EAP) aims at maximising the effectiveness and efficiency of compliance and enforcement across the EU through concrete actions. In this context, the action plan foresees several actions on the elimination of single market barriers and increased access to information.</p> <p>The Single Market Enforcement Task Force (SMET), set up by the enforcement action plan, is the forum where the Commission and Member States jointly assess the state of compliance with single market rules, prioritize and address the most pressing barriers and discuss horizontal enforcement issues covered by the ‘Long-term action plan for better implementation and enforcement of single market rules’.</p> <p>The Commission agrees that addressing single market barriers is a key priority. This is reflected in the Single Market Barriers Report as well as the Single Market Enforcement Action Plan. Addressing remaining barriers and their root causes will have to happen through a mix of measures at both EU and national level. The enforcement action plan outlines a range of actions when it comes to reducing barriers by way of better implementation and enforcement of single market rules.</p>

	<p>The Commission considers that the notifications under Directive (EU) 2015/1535⁴ constitute a key instrument for the prevention of barriers in the single market. Action 10 of the Single Market Enforcement Action Plan calls for a more strategic approach in the implementation of the Directive.</p> <p>As regards access to information, the Regulation, establishing a single digital gateway⁵, aims at facilitating online access to information, administrative procedures and assistance as well as problem-solving services for citizens and businesses to become active in another Member State. Since the end of 2020, business users of the gateway are able, through a gateway common user interface, to find reliable and comprehensive information on EU and national rules that apply to them when they want to establish or buy/sell products and services in another Member State.</p>
<p>12. agrees with the European Commission that regulatory differences create particularly heavy regulatory burden for businesses, in particular SMEs, including start-ups and scale-ups, innovators and promoters of new business models, therefore calls on the European Commission and Member States to intensify their efforts with regard to removing unnecessary regulation;</p>	<p>The Commission will continue its REFIT programme⁶ with the contribution of the newly set-up Fit for Future platform, which will see the contribution of the SME Envoy Network⁷. The latter is also participating to the Single Market Enforcement Task Force. In addition, the SME strategy⁸ includes plans to launch a call for partnerships among border regions to enhance cooperation in enforcing the single market and overcome market barriers in the provision of services.</p> <p>The Commission intends to step up its efforts to develop innovation procurement in the EU,</p>

⁴ Directive (EU) 2015/1535 of the European Parliament and of the Council of 9 September 2015 laying down a procedure for the provision of information in the field of technical regulations and of rules on Information Society services; OJ L 241, 17.9.2015, p. 1–15.

⁵ 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.

⁶ https://ec.europa.eu/info/law/law-making-process/evaluating-and-improving-existing-laws/refit-making-eu-law-simpler-less-costly-and-future-proof_en.

⁷ https://ec.europa.eu/growth/smes/sme-strategy/sme-envoys_en.

⁸ COM(2020) 103 final.

	<p>which has a favourable effect on small and medium-sized enterprises (SMEs) and innovative companies.</p>
<p>13. stresses that small and medium-sized enterprises in particular have limited administrative and human resource capacities to be able to cope with complex red tape; a major barrier to cross-border cooperation in the single market is the A1 certificate, for which time-consuming formalities need to be completed when workers are posted, even for regular postings in a neighbouring country. These formalities could consequently considerably reduce cross-border activities and thus significantly hamper the functioning of the single market. In this regard, the Committee calls on the Commission to be proactive and, together with the EU legislators, ensure that the existing procedures for A1 certification in border regions are simplified;</p>	<p>The Commission is aware of the specific challenges that SMEs face, especially as regards administrative formalities that can put disproportionate burdens on them. However, these requirements need to strike a balance between consumer protection, workers' rights protection, and free movement in the single market. This is why, along with the Single Market Barriers Report and the Single Market Enforcement Action Plan, the Commission also adopted the SME Strategy for a sustainable and digital Europe. This strategy strengthens cooperation with Member States in implementing the 'think small first' principle and the reinforcement of the SME Envoys Network, as well as the completeness and efficiency of national one-stop-shops to further support SMEs wishing to operate across borders.</p> <p>For what specifically concerns social security coordination, the European Labour Authority will assist the Commission and Member States in ensuring that the EU rules on labour mobility and social security coordination are enforced in a fair, simple and effective way, making it easier for all users, including SMEs, to benefit from the single market.</p> <p>Concerning the existing procedures for the Portable Document (PD) A1, in 2016, the Commission launched a proposal to revise social security coordination regulations⁹ and the legislative process is still ongoing. In the course of the negotiations, the provisional agreement reached between the European Parliament and the Council on 19 March 2019</p>

⁹ Regulation No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems and Regulation No 987/2009 of the European Parliament and of the Council of 16 September 2009 laying down the procedure for implementing Regulation (EC) No 883/2004 on the coordination of social security systems.

	<p>included an exception for business trips, where in specific cases the person concerned would be exempted from the obligation of requesting and holding a PD A1.</p> <p>The Single Digital Gateway Regulation requires Member States to digitalise, as of 12 December 2023, 21 key procedures for citizens and businesses. One of these procedures is the request for determination of applicable legislation in accordance with Title II of Regulation (EC) No 883/2004¹⁰. According to the Regulation, Member States have to allow users to submit an electronic request for a PD A1 in accordance with Art. 19(2) of Regulation (EC) No 987/2009 and a user has a right to obtain a PD A1 in an electronic form.</p>
<p>14. draws attention to the need for more effective enforcement of Treaty provisions that prohibit quantitative restrictions on imports and exports (TFEU Articles 34 to 36) and the need to manage the notification procedures concerning technical regulations (EU Directive 2015/1535) and technical barriers to trade;</p>	<p>The notification procedures under Directive (EU) 2015/1535 and the World Trade Organization agreement on Technical Barriers to Trade (WTO-TBT)¹¹ are extensively used. In 2020 (until 31 October) 712 notifications of draft technical regulations were made under the Directive and the Commission reacted to potential concerns on 104 occasions. In the same period, the EU made 60 notifications under WTO-TBT and reacted on 65 occasions to notifications made by the other members.</p>
<p>15. expects the European Commission to create a new tool for observing market malfunctions, for example, "following" a product and enabling checks on barriers throughout the whole chain of production, distribution and sales, as well as consumption and end-of-life handling.</p>	<p>The Commission is exploring ways to improve product traceability during the life cycle of products. To that end, the Commission will launch an evaluation of the New Legislative Framework¹².</p>

¹⁰ Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems; OJ L 166, 30.4.2004, p. 1–123.

¹¹ https://www.wto.org/english/tratop_e/tbt_e/tbtagr_e.htm.

¹² see <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12654-Evaluation-of-the-New-Legislative-Framework-for-EU-legislation-on-industrial-products>

<p>22. understands the need to diversify production and reduce costs, but notes the need to decrease the dependence of European businesses on components from other parts of the world; the current COVID-19 pandemic shows that a stronger local economy should be promoted for certain industries. In the area of medical products in particular, it is important to increase production in Europe and thus become independent from, for example, Asian markets.</p>	<p>The Commission agrees on the need to diversify supply chains and reduce costs, as well as to decrease European vulnerabilities in strategically important fields, e.g. in order to protect human health or to protect essential security interests.</p> <p>Europe’s dependency on third countries for critical goods, such as vital medical supplies and equipment, was an element which emerged very early in the crisis. In this context, the Commission supported diversification, re-orientation and repurposing of production capacities to meet the urgent needs of our societies for vital medical supplies and equipment.</p> <p>Moreover, the Commission immediately stepped up to provide guidance to manufacturers of relevant equipment to facilitate the rapid entry of new products in the EU market in a safe manner, e.g. by streamlining conformity assessment procedures. The Commission also enhanced cooperation with key stakeholders such as the European Standardisation Organisations, who made several standards freely accessible so that alternative production could be promoted.</p> <p>Moving forward, the Commission will follow up as of the invitation of the European Council Conclusions of 1-2 October 2020 to identify strategic dependencies particularly in the most sensitive industrial ecosystems and to propose measures to reduce them. This will feed into a wider reflection on an update of the March 2020 Industry Strategy in light of the COVID-19 crisis¹³.</p>
<p>24. notes that the European Commission should commit more resources to increasing the scale of trade in services to implement the services directive more effectively;</p>	<p>The Commission takes note of the Committee’s call for increased resources in the area of services.</p> <p>The Commission continuously works towards</p>

¹³ COM(2020) 102 final.

	<p>better implementation of the Services Directive¹⁴ by all means at our disposal, such as through relevant guidance and dialogue with Member States, including regular discussions in the framework of the Expert Group on the Implementation of the Services Directive. Better implementation is a shared responsibility of the Commission and Member States, who have a major role to play.</p> <p>As announced in the enforcement action plan, the Commission will update the Handbook on the Implementation of the Services Directive¹⁵, covering recent case-law and providing guidance on legal questions arising for example due to the emergence of new business models and new ways of providing services. The Commission will also work to improve the implementation of the existing services notification procedures. The enforcement action plan outlines a range of actions to improve implementation of single market rules in general, which are also relevant to the Services Directive specifically.</p>
<p>25. in further work on a strategy, calls for advantage to be taken of the capacity and knowledge of local and regional authorities which have daily contact with business representatives from the micro and small enterprise categories;</p>	<p>The Commission is aware of the special position of local and regional authorities, who are everyday on the frontline of implementation of legislation together with businesses.</p> <p>The SME strategy includes plans to launch a call for partnerships among border regions to enhance cooperation in enforcing the single market and overcome market barriers in the provision of services.</p>
<p>26. calls on the European Commission to act more decisively regarding monopolies, particularly on the digital services market, where entities from third countries have a predominant position;</p>	<p>The Commission is committed to ensure a fair, competitive and innovative digital economy that offers all businesses in Europe a level playing field to innovate, grow and compete, whilst also guaranteeing user safety and the fundamental rights of European citizens. In this</p>

¹⁴ Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market; OJ L 376, 27.12.2006, p. 36–68.

¹⁵ https://ec.europa.eu/growth/single-market/services/services-directive/implementation_en.

	<p>context, the Commission adopted on 15 December 2020 a Digital Markets Act (DMA)¹⁶ proposal, which aims to strengthen the contestability of digital markets and address harmful effects of certain unfair practices by large digital gatekeepers.</p>
<p>27. welcomes the announcement of a new Digital Services Act, which would i.a. replace the 20 year old "Directive on electronic commerce" . Insists however that the scope of the planned legislation must not be limited to the conformity of products sold on online platforms but also address the risk of circumvention of employment, social, consumer protection, tax and duty regulations and thereby unfair competition with companies in the offline sector. Precarious working conditions for workers of digital platforms are a matter of particular concern;</p>	<p>The proposed Digital Services Act aims to establish clear rules for maintaining a safe online environment without stifling innovation, empowering users and protecting their fundamental rights online, and establishing an effective supervision of digital services and cooperation between authorities.</p> <p>The proposed instrument is horizontal and aims to protect users from illegal goods, content, and services, by rebalancing the rights and responsibilities of intermediary platforms and public authorities in tackling these illegal activities.</p> <p>Platform work, on the other hand, is a complex phenomenon, which cuts through different areas of EU law. In 2021, the Commission will propose an initiative to improve the labour conditions of platform workers and ensure they have adequate access to social protection. Currently, the Commission services are gathering insights on the challenges and opportunities created by platform work.</p> <p>On 22 March 2021 the Council adopted the Commission's proposal on administrative cooperation (DAC 7) which extends EU automatic exchange of information to digital platforms, so that tax authorities have the necessary information available to ensure that those who generate income through the sale of goods or services on platforms pay their fair share of tax, too.</p>
<p>28. points out the need to focus on innovations,</p>	<p>The Commission fully agrees with this point</p>

¹⁶ <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52020PC0842&from=en>

<p>investment and skills so that the new "skills package" reflects the real needs of the labour market and that upskilling and reskilling are carried out according to its guidelines, including within projects funded by the EU budget;</p>	<p>and on 10 November 2020 launched the Pact for Skills¹⁷ to mobilise public and private organisations to join forces so that they can take effective upskilling and reskilling actions in line with the needs of industrial ecosystems and labour markets. A particular focus – in view of the green and digital transition – will be put on digital and green skills for the deployment of advanced digital and green technologies in the economy and the society.</p> <p>Furthermore, the European Pillar of Social Rights Action Plan includes the objective to increase the share of adults with basic digital skills to 80% by 2030¹⁸, while the Digital Decade Communication¹⁹ includes the target to increase the number of ICT specialists to 20 million by the same year, with convergence between women and men.</p>
<p>29. welcomes the establishment of a Single Market Enforcement Task-Force (SMET) but regrets that its membership is so far restricted to representatives of Member States;</p>	<p>The Commission welcomes the support of the Committee. The Single Market Enforcement Task Force (SMET) will strengthen cooperation on enforcement of single market rules between the Commission and Member States. The SMET will take into account input from other institutional actors and stakeholders in the future and will reflect on the best set-up for inclusive action on enforcement in the future.</p>
<p>32. considers it essential to make bold decisions on Member States in breach of binding legislation so that proceedings could be imminently launched, carried out and enforced;</p>	<p>The Enforcement Action Plan provides specific actions for improving the handling of infringement cases to ensure better and faster enforcement of single market rules.</p> <p>The Commission aims to ensure that SOLVIT²⁰ will be reinforced to become the default alternative dispute resolution tool for the single market.</p>

¹⁷ <https://ec.europa.eu/social/main.jsp?catId=1517&langId=en>

¹⁸ COM(2021) 102 final.

¹⁹ COM(2021) 118 final.

²⁰ <https://ec.europa.eu/solvit/what-is-solvit/>

	<p>The Enforcement Action Plan foresees that the Commission will proceed with a preliminary assessment of complaints within two months to allow a response to the complainant. Moreover, systematic periodic package meetings with Member States are being organised on dedicated policy areas, horizontal enforcement issues and infringements with a view of finding solutions in compliance with EU law.</p> <p>The revised guidelines on the use of the EU Pilot tool adopted on 30 July 2020 aim to ensure more clarity and consistency in the informal dialogue between Commission and Member States, while focusing on its problem-solving capacity.</p>
<p>33.calls for better application of the principle of mutual recognition to the free movement of goods, which has not been used to its full potential in practice, and for applying this principle to the area of services as much as possible; in this respect calls for the thorough application of the Regulation (EU) 2019/515;</p>	<p>Following the entry into force of the new Mutual Recognition regulation²¹ in April 2020, the Commission and the Member States are now better equipped to ensure a better application of the principle of mutual recognition for non-harmonised products across the EU single market.</p> <p>The Commission points out that as regards the free movement of professional services, recognition of professional qualifications and professional titles across the EU are already ensured with the Directive on the recognition of professional qualifications²² and the Lawyers' Directives²³. In addition, those Directives together with the Services Directive²⁴, create a strong legal framework obliging Member States to not impose any unjustified or disproportionate</p>

²¹ Regulation (EU) 2019/515 of the European Parliament and of the Council of 19 March 2019 on the mutual recognition of goods lawfully marketed in another Member State and repealing Regulation (EC) No 764/2008; OJ L 91, 29.3.2019, p. 1–18.

²² Directive 2005/36/EC of the European Parliament and of the Council of 7 September 2005 on the recognition of professional qualifications; OJ L 255, 30.9.2005, p. 22–142.

²³ Council Directive 77/249/EEC of 22 March 1977 to facilitate the effective exercise by lawyers of freedom to provide services; OJ L 78, 26.3.1977, p. 17–18 and Directive 98/5/EC of the European Parliament and of the Council of 16 February 1998 to facilitate practice of the profession of lawyer on a permanent basis in a Member State other than that in which the qualification was obtained; OJ L 77, 14.3.1998, p. 36–43.

²⁴ Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market; OJ L 376, 27.12.2006, p. 36–68.

	restrictions on the free movement of professional services.
34. expects a clear and decisive stance from the European Commission on unfair trade practices, including the promotion of export-oriented industries by third countries;	The Commission has launched a review of the EU's trade and investment policy, with a key objective to see how this policy can help build a stronger EU based on a model of 'Open Strategic Autonomy'. This means strengthening the EU's capacity to pursue its own interests independently and assertively, protecting the EU businesses, workers and consumers from unfair practices, while continuing to develop mutually beneficial bilateral relations. The Commission will be deploying trade defence instruments when European companies, including small and medium-sized enterprises (SMEs), are harmed by dumped or subsidised imports. The Commission will also improve its capacity for enforcement, notably through the new Chief Trade Enforcement Officer (CTEO).
36. demands that actions on coordinating EU legal frameworks on the single market be accelerated so that the flows of essential types of goods – e.g. food, medical, etc. – would not be held up in any way;	One of the lessons learnt from this pandemic is that it requires urgent, decisive, and comprehensive action at EU level but also at national, regional and local levels within a clear common framework that protects the single market. The Commission intends to pursue its efforts in developing common frameworks that allow the free movement of goods of essential products in the Single Market.
37. expects border control to be carried out based on the principles of necessity and proportionality;	The Commission takes note of the Committee's expectation and fully agrees that the free movement of goods and services must be safeguarded. Closing borders has led to serious delays affecting trucks and their goods as well as service providers and frontier workers. The Commission agrees that border restrictions being exceptional have to respect the principles of necessity and proportionality.
38. calls for more efforts to provide information	In this context, the EU, for instance, aims at

on the possibility of using modern ICT tools. Modern industry and the growth of cross-border trade require solutions that are able to reduce geographical distance, especially in cross-border regions;

enhancing legal certainty by proposing and negotiating disciplines on Digital Trade (electronic commerce) in both its bilateral trade negotiations (Free Trade Agreements) and in the context of the plurilateral 'Joint Statement Initiative on Electronic Commerce', negotiated under the World Trade Organisation (WTO) in the presence of 86 WTO members. It aims at facilitating trade enabled by electronic means, e.g. through legal guarantees that e-contracts and e-signatures will be accepted. Main beneficiaries of such provisions would be small and medium-sized enterprises (SMEs) and consumers. The EU also e.g. proposes and negotiates rules aiming to enhance consumer trust in an online environment (consumer protection, regulating unsolicited commercial communications), as well as provisions aimed at addressing important challenges European businesses face when engaging in global digital trade.

In the area of customs, the Union Customs Code²⁵ aims to ensure that all exchanges of information between customs authorities and between economic operators and customs authorities are made using electronic data-processing techniques. The Commission and Member States have already made significant progress in developing or upgrading the necessary IT systems. These efforts are being pursued in accordance with the work programme relating to the development and deployment of the electronic systems provided for in the Union Customs Code²⁶.

The Single Digital Gateway Regulation requires Member States to allow citizens and businesses to access and complete key administrative procedures online as of

²⁵ Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code; OJ L 269, 10.10.2013, p. 1–101.

²⁶ Commission Implementing Decision (EU) 2019/2151 of 13 December 2019 establishing the work programme relating to the development and deployment of the electronic systems provided for in the Union Customs Code; OJ L 325, 16.12.2019, p. 168–182.

	<p>December 2023. It will allow users, who need to complete certain procedures with an administration in another Member State, to ask that the evidence required in the procedure is transmitted automatically from the administration that holds it ('once-only' principle applied across borders). As of December 2023, the national online procedures should be made accessible also for users from other Member States. The gateway regulation supports the use of the modern Information and Communication Technology (ICT) tools and solutions so that citizens and businesses in the EU can make full use of their internal market rights.</p>
<p>39. looks forward to the preparation of a strategy for the single market with ambitious, yet realistic road map for proposals aimed at removing the remaining barriers, not only an analytical section showing barriers and orientations;</p>	<p>The Commission takes note of the opinion of the Committee.</p>
<p>41. points out the need to create an integrated pharmaceutical safety system, which would allow resources to be channelled according to critical demand in crisis situations.</p>	<p>The Commission welcomes the opinion of the Committee.</p> <p>The pharma strategy²⁷ adopted on 24 November 2020 addressed both the short-term challenges linked to COVID-19, and the longer-term challenges linked to unmet medical needs, open strategic autonomy and sustainable health systems.</p>
<p>43. draws attention to the need to provide education about the possibilities that arise in relation to the European single market – above all, to inform local and regional government entities that have direct contact with European entrepreneurs and consumers;</p>	<p>The single digital gateway²⁸ will provide one access point to the internal market related information on rules and requirements adopted on Union and national level, which includes the regional and municipal authorities. The information obligations related to municipalities will apply as of December 2022.</p> <p>The action plan also foresees to establish the</p>

²⁷ COM(2020) 761 final.

²⁸ established by Regulation (EU) 2018/1724.

	<p>Internal Market Information System (IMI) as the default tool for administrative cooperation within the single market, making use of data and information available, and evaluating how administrative cooperation works in certain single market areas. Local and regional authorities should be better informed about IMI, in order to make use of it for the benefit of European entrepreneurs and citizens.</p>
<p>46. envisages better use of existing European single market IT tools, such as the Internal Market Information System (IMI), and agrees that it is necessary to create a unified online platform for law enforcement;</p>	<p>The long-term action plan for better implementation and enforcement of single market rules promotes the use of new IT tools and solutions to improve enforcement such as the use of Single Digital Gateway, the setting up an e-enforcement lab, the Internal Market Information System (IMI), etc.</p> <p>Better use of existing European Single Market IT tools is also essential in the field of market surveillance and the IT database Information and Communication System on Market Surveillance (ICSMS).</p> <p>The Commission takes note of the Committee's proposal for setting up a unified online platform for enforcement of EU law.</p>
<p>48. suggests that it is necessary to speed up work on harmonising technical standards and the freedom to provide services on the European single market and this process should be completed by the end of 2023.</p>	<p>The Commission acknowledges the importance of harmonised standards for the EU economy and is committed to further improve the efficiency and timeliness of the harmonised standards process.</p>
<p>49. criticises the imbalance in the global market concerning the level and scope of (legal and financial) aid granted by individual states to private and public economic entities which provide services and distribute products to the European Union;</p>	<p>As far as potentially subsidised imports of goods are concerned, the EU must comply with the World Trade Organization (WTO) Agreement on Subsidies and Countervailing Measures²⁹. The EU uses effectively those instruments at its disposal (see the latest annual report³⁰ and the latest Commission Decisions on GFF³¹ and GFR³² where the so-called</p>

²⁹ https://www.wto.org/english/docs_e/legal_e/24-scm_01_e.htm.

³⁰ <https://trade.ec.europa.eu/doclib/html/158733.htm>

³¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R0776&from=EN>

	<p>‘transnational subsidies’ were also countervailed).</p> <p>As regards foreign subsidies causing distortions in the internal market, the Commission published a White Paper on 17 June 2020³³. Based on the feedback to this consultation and further analysis, the Commission intends to come forward in the first half of 2021, as noted in the Commission Work Programme 2021, with legislation to address effectively distorting effects of foreign subsidies in the internal market, including in procurement.</p>
<p>50. points out the need for stronger promotion of European values around the world – including those concerning trade in goods and services. The EU and its institutions must advocate an open global trade system based on international rules;</p>	<p>The EU is a strong promoter and defender of open trade within a rules based multilateral (World Trade Organisation) trading system.</p> <p>Reform of the WTO is a top priority for the EU and an area in which the EU will continue to show global leadership in defence and advancement of the multilateral rules-based world order. It is vital to shore up the WTO to ensure that it remains the bedrock of open markets and free trade and contributes to ensuring a sustainable and green global recovery from the pandemic. The strategy on WTO reform will be conveyed through the Trade Policy Review Communication.</p> <p>The Commission has started reflection on a possible trade and climate initiative that will encompass liberalising trade in goods and services for climate mitigation. In addition, the initiative will include other building blocks focusing on development, transparency of domestic measures, functioning of the WTO Committee on Trade and Environment.</p>
<p>51. encourages measures to take advantage of the possibilities offered by digitalisation and almost instant access to information to combat</p>	<p>As it is demonstrated from the latest Annual Report³⁴, the Commission makes full use of the digital means and databases for establishing</p>

³² <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R0870&from=EN>

³³ COM(2020) 253 final.

³⁴ https://trade.ec.europa.eu/doclib/docs/2020/may/tradoc_158733.PDF

<p>price dumping;</p>	<p>whether price dumping takes place. This is for instance evident when applying the alternative methodology for establishing the normal value in the case of significant distortions where prices and costs are sourced from publically available non-distorted digital data. Another example is when establishing prices of exporting producers in the case of non-cooperation based in import statistics.</p>
<p>53. suggests developing and implementing a policy for a European reorganisation of supply chains so that in the future European businesses do not suffer from a reduction in global trade and lack of available components and EU citizens do not have their access to some products limited;</p>	<p>As requested by the European Council, the Commission will identify strategic dependencies in the most sensitive industrial ecosystems and propose measures to reduce them.</p>
<p>54. points out the need to develop "EU-rest of world" trade relations based on European strategic interests (including similarly ambitious environmental standards for all countries), with the aim of strengthening the EU's global competitiveness and its role internationally.</p>	<p>The Commission agrees on the need for developing trade relations based on European strategic interests, including e.g. high environmental and labour standards, or the safeguarding of the fundamental right to protection of personal data and privacy.</p> <p>The Commission considers that EU trade relations with the rest of the world should contribute to the EU's Open Strategic Autonomy. This concept which was introduced in the Commission's Communication on Europe's moment: Repair and prepare for the next generation³⁵ aims to ensure that the EU is capable of pursuing its own interests, independently, but not necessarily on its own, while at the same time being more assertive in pursuing its own interests and enforcing its rights.</p>
<p>55. stresses the need for cooperation between individual Member States and uniform action, particularly in the field of international affairs which affect the secure and stable functioning of all EU countries (e.g. in achieving European</p>	<p>The Commission fully agrees on the need to enhance cooperation between EU Member States and the benefits of uniform EU action and representation of EU interests in</p>

³⁵ COM/2020/456 final.

<p>independence from raw materials from third countries);</p>	<p>international affairs.</p> <p>This is indeed particularly the case in tackling common challenges for all Member States, such as guaranteeing Europe’s security of supply.</p>
<p>59. recommends:</p> <p>a) close harmonisation of rules and coordination of regulators for sectors that have a strong impact on the functioning of the economy, e.g. telecommunications and energy;</p> <p>b) an assessment of costs and benefits of full harmonisation of legislation in the short term (several years) in relation to other sectors and an assessment of the legal and technological capacity for implementing solutions in economies at different levels of socio-economic development;</p> <p>c) a greater commitment from the Commission</p>	<p>a) Regulators responsible for electronic communications already cooperate closely through the Body of European Regulators for Electronic Communications (BEREC). The Electronic Communications Code (EECC)³⁶, applicable since 21 December 2020, reinforces the role of BEREC and hence the need for coordination.</p> <p>In 2019, as part of the Clean Energy Package³⁷, the legislator adopted a comprehensive new electricity market design aiming at the further integration of the internal electricity market and strengthening security of supply. Member States’ regulatory authorities for energy closely cooperate in the framework provided by the European Union Agency for the Cooperation of Energy Regulators (ACER) in order to implement these new rules. By the end of 2021, the Commission will review the legislative framework for gas in order to have an appropriate regulatory framework for competitive decarbonised gas markets.</p> <p>b) Product harmonization legislation (both sector specific and horizontal rules) is usually elaborated in close cooperation with national authorities and in consultation of industry and consumer stakeholders so to ensure feasibility of implementation in all countries; in addition is it quite regularly subject to evaluations and, if needed, adjustments.</p> <p>c) The single market barriers report highlights</p>

³⁶ Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing the European Electronic Communications Code (Recast); OJ L 321, 17.12.2018, p. 36–214.

³⁷ https://ec.europa.eu/energy/topics/energy-strategy/clean-energy-all-europeans_en.

<p>to removing non-tariff barriers within the EU, including limitations in the form of applying unjustifiable national technical regulations and regulatory and non-regulatory requirements for products and service providers and conditions for providing services;</p>	<p>the importance of obstacles in services such as these raised by the Committee. The Commission takes note that a greater commitment is sought when it comes to removing such barriers.</p> <p>The Commission's more strategic approach in the implementation of Directive (EU) 2015/1535 is highlighted in 'ACTION 10: Streamlining the operation of the Single Market Transparency Directive'.</p>
<p>60. encourages the creation of common guidelines for constructing public portals (at least at the regional level – NUTS 2) so that businesses from different Member States can easily find the necessary information;</p>	<p>The lack of easy online access to comprehensive and user-friendly information about the applicable requirements in all Member States has been considered by businesses as a major obstacle hampering the cross-border scaling up of their activities. The Single digital gateway regulation addresses this problem. Since 12 December 2020 a user interface is added to the Your Europe portal which allows users, citizens and businesses, to easily find and understand the information on rights, obligations and rules laid down in Union and national law that are applicable to users exercising or intending to exercise their rights in the field of the internal market. The detailed information areas are listed in Annex I to the Regulation. In case a user needs more tailored information or assistance, he/she will be directed, through the assistance service finder, to one of the assistance and problem-solving services that are part of the gateway. According to the Regulation, users will be able to leave their feedback and the statistics have to be collected so that Member States and the Commission can monitor the usage of the gateway and users' satisfaction with the services provided through it. The gateway is geared by the principle of user-centricity; it adjusts the information coverage to the users' needs and constantly ensure high quality of its services.</p>

<p>62. stresses the importance of the industrial autonomy of the European single market, including the need to create a strategy to guarantee the supply of critical raw materials;</p>	<p>The Commission has adopted the Communication ‘Critical Raw Materials Resilience: Charting a Path towards greater Security and Sustainability’³⁸ in September 2020, which proposes 10 actions to increase EU resilience and the autonomy of raw materials supply while fostering the digital and green transition.</p>
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³⁸ COM(2020) 474 final.

N°17 Regional Innovation Scoreboard and its impact in regional place-based policies
Own-initiative
COR-2020-00517 – SEDEC-VII/002
140th plenary session – October 2020
Rapporteur: Mikel IRUJO AMEZAGA (ES/EA)
DG GROW – Commissioner BRETON

Points of the European Committee of the Regions opinion considered essential	European Commission position
<p>3. stresses that the Regional Innovation Scoreboard (RIS) provides a more detailed breakdown of performance groups with contextual data that can be used to analyse and compare structural economic, business and socio-demographic differences between regions;</p>	<p>The Commission agrees that the Regional Innovation Scoreboard (RIS)¹ is a relevant monitoring tool, which provides a detailed breakdown of regional innovation performance and a comparative assessment of innovation systems across European regions using a range of regional-level indicators.</p>
<p>10. emphasises that the European Research Area and Innovation Committee (ERAC) Working Group has pointed out that there must be monitoring mechanisms in place from the start to assess progress and identify gaps, impacts and successes, in order to steer the European Research Area (ERA) and enable it to adapt to evolving demands and needs, which must include appropriate monitoring mechanisms and quantifiable key performance indicators (KPIs). It is proposed that the monitoring mechanism be extended at local and regional level as well, in order to gather realistic information on the innovative level of certain regions, as well as the possibilities and challenges in this area;</p>	<p>The Commission agrees that including a territorial dimension at the regional, and, if possible, local level to monitor the implementation of a renewed European Research Area (ERA) and assess its progress, impacts and successes would be beneficial. The Commission is currently studying how to carry out such an indicator-based exercise and will assess the feasibility of introducing such a territorial dimension to the renewed ERA that will largely depend on data availability.</p>
<p>11. stresses that both the recommendations of the independent High Level Group of Innovators (2018 FAST report) and the LAB – FAB – APP — Investing in the European future we want report warn that, in the design stage of the EU's post-2020 research and innovation programme, a comprehensive and centralised</p>	<p>The Commission agrees that Horizon Europe needs a centralised and comprehensive monitoring and evaluation system. Article 45 and Annex V of the proposed regulation establishing Horizon Europe define a novel approach for monitoring the impact of the framework programme - along Key Impact Pathways - and</p>

¹ <https://ec.europa.eu/growth/sites/growth/files/ris2019.pdf>

<p>system for programme monitoring and assessment will be required, and close cooperation and information sharing with national and regional innovation agencies will need to be encouraged;</p>	<p>detail the management and implementation data to be provided in close to real-time. This data will be made publicly available in an accessible manner on the Commission's webpage according to the latest update. Furthermore, according to Article 47, interim and final evaluations of Horizon Europe will be performed in line with the Better Regulation framework, including wide stakeholder consultations. The Commission is currently operationalising the monitoring and evaluation systems towards the launch of Horizon Europe.</p> <p>Close cooperation with Member States is also being sought to pave the way for further data sharing.</p>
<p>14. refers to the European Committee of the Regions opinion Horizon Europe: the Framework Programme 9 for Research and Innovation , in which the Committee "calls strongly for the full participation of local and regional authorities in the strategic planning exercise that will guide the implementation of Horizon Europe, and for smart specialisation strategies to be taken into account in this context";</p>	<p>Consistently with the draft legal basis for Horizon Europe, and more specifically Articles 4a.2 and 4a.4 of the draft decision establishing the specific programme implementing Horizon Europe, the Commission has followed a co-design approach for the elaboration of the first Horizon Europe strategic plan.</p> <p>The co-design approach pursued by the Commission had two complementary objectives:</p> <ul style="list-style-type: none"> • enlarging the ownership of the programme opportunities to the maximum number of research and innovation stakeholders; • leveraging on this extended ownership to optimise the effectiveness of the programming, notably through the participatory discussions on the targeted impacts. <p>Regional and local authorities have contributed actively to all those activities, for example, in the course of the 2020 survey alone, 30 contributions from 12 Member States and European Economic Area (EEA) countries.</p>
<p>15. points out that the 2018 Science, Research</p>	<p>The Regional Innovation Scoreboard (RIS)</p>

<p>and Innovation Performance of the EU (SRIP) report highlights the importance of combining several types of innovation-prone assets to spur the creation and adoption of innovations, from R&D to ICT investment, to skills development or changes to managerial and organisational skills. In this regard, greater account should also be taken of non-R&D and non-technology-based innovation frameworks, investments, activities and impacts. A "silo approach", focusing solely on, for example, R&D or ICT performance in isolation may not provide a good basis for understanding the complexity of the innovation process ;</p>	<p>accompanies the European Innovation Scoreboard (EIS)² and provides a comparative assessment of the innovation systems of 238 European regions. It is based on a framework of 17 indicators, which covers a broad spectrum of innovation-related areas summarised under ten innovation dimensions. The RIS framework contains both research and development (R&D) and non-R&D innovation indicators. A revision of the measurement framework is currently being undertaken for the EIS 2021 and, taking into account the availability of regional data, for the RIS 2021.</p>
<p>16. suggests that a thorough analysis be carried out to assess whether the current RIS indicators are suitable for measuring innovation or, where appropriate, if new indicators need to be incorporated and others discarded. As well as being a necessary question, the inclusion of new indicators adapted to smart specialisation that can analyse the progress of RIS3 could be a valuable resource for driving interregional cooperation. If possible, the selection of indicators should be well founded in theory;</p>	<p>The RIS is the regional extension of the European Innovation Scoreboard³ (EIS). For the EIS, several revisions of the measurement framework have been made since its inception in 2000, including reviews of the selected indicators. Currently a further revision of the EIS and RIS measurement frameworks is in progress. The Commission has involved Member States actively through the European Research Area and Innovation Committee (ERAC) and the Enterprise Policy Group (EPG) from the beginning of the process, in December 2019.</p>
<p>17. highlights the need to establish effective indicators for measuring and assessing the impact of gender on regional innovation, in line with the Committee of the Regions' own call for indicators broken down by gender to be used in all Community public policies. To this end, the proposed indicators need to become part of all general standard statistical operations, at both national and European level, in a coordinated manner, so that appropriate policies can be put in place, making it possible to compare regional values, in order to promote convergence within</p>	<p>The Commission acknowledges the key importance of gender equality as stressed in the EU Gender Equality Strategy⁴. However, many of the indicators comprised by the RIS measurement framework are not suited for the provision of gender breakdowns, given the nature of such indicators (e.g. sales of new to market innovations or R&D investments). However, the Commission is open to carry out dedicated analyses concerning the impact of gender on regional innovation.</p>

² https://ec.europa.eu/commission/presscorner/detail/en/QANDA_20_1150

³ https://ec.europa.eu/growth/industry/policy/innovation/scoreboards_en

⁴ https://ec.europa.eu/commission/presscorner/detail/en/IP_20_358

the EU;	
18. stresses the crucial importance of digitalisation in innovation and especially in speeding up for COVID-19 economic recovery towards sustainable growth. This needs to have a high role in developing further the RIS indicators;	The backdrop of the twin green and digital transition will be taken into account in the revised EIS 2021 framework, which will be applied to the RIS 2021, depending on the availability of regional data.
19. points out that where data are not available in some regions, an information-gathering tool should be developed, as far as possible, either by means of surveys or by using administrative records, or by collecting information directly from regional statistical or administrative agencies, where these exist. This need could be an opportunity to include new indicators relating to smart specialisation and European priorities (the Green Deal, digitalisation, industrial transition, etc.) that require specific definition and recording;	All survey data used in EIS and RIS come from official data collections, which are the responsibility of national statistical offices, under the aegis of Eurostat. All data fulfil internationally comparable guidelines and are based on legal acts and agreements. It is not possible for RIS to incorporate data from regional statistical offices or agencies directly outside the official data collection. The RIS framework is built on a set of data that guarantees coherence, robustness and comparability. Therefore, it excludes EIS indicators for which regional data are not available for the majority of regions.
20. recommends avoiding choosing highly correlated indicators that implicitly measure the same thing. Furthermore, maximum convergence between indicators is strongly recommended, both by Member State and by region;	A statistical correlation between two indicators does not imply that these indicators measure the same aspects of performance. The objective of the RIS is not solely to calculate average performance through a composite innovation index, but also to provide information on individual statistical indicators, which capture the full spectrum of innovation performance across a rich variety of dimensions and that can be used to identify particular strengths and weaknesses in regional innovation systems.
21. recommends providing measures of variability for the indicators and final index, where possible. For example, the coefficient of variation for all indicators would be a good way of assessing the accuracy of indicators from the various regions. A confidence interval for the final index would also make it possible to assess whether or not the changes produced are real;	The Commission takes note of this recommendation and will explore whether for the RIS 2021 such additional measures could be provided in the accompanying methodology report.

<p>22. recommends analysing whether or not the various indicators should be weighted the same when calculating the final index. Various statistical and non-statistical processes for selecting the weighting could be considered. As the choice of weighting has a very significant impact on the index and final ranking, it needs to be properly justified and very transparent. It would be a good idea to analyse sensitivity and uncertainty in order to assess the various weighting proposals;</p>	<p>Previous methodological work for the European Innovation Scoreboard (EIS) has shown that using different weights has a number of disadvantages and is not preferred (see for example, the European Innovation Scoreboard Exploratory Report on capturing mechanisms and emerging phenomena of innovation⁵). The conclusions for the EIS also hold for the use of different weights in the RIS. It can be explored whether some sensitivity analyses in relation to the weights could be included in the methodological report.</p>
<p>23. recommends analysing why regional data are missing, to avoid bias. Unless data losses are completely random, there will be bias in the estimates. The Committee recommends devising data-collection procedures to avoid such situations and therefore balance out the proportion of data available in the regions analysed as far as possible;</p>	<p>Further harmonised regional data would be welcome and could be incorporated in the RIS if suitable. The collection of such data would need to be coordinated by the national statistical offices, under the Eurostat aegis, in the first instance and be compatible with corresponding national level data given the data requirements of the EIS.</p>
<p>24. bearing in mind the heterogeneity of regions in the various Member States, recommends conducting an exhaustive analysis for the 2021 RIS of the "regionalisation technique of the Community Innovation Survey (CIS)", which assumes that industry intensities at national level are maintained at regional level as well; more specifically, recommends not using a correction factor in calculating the final composite RIS indicator, as this assumes uniform performance between different regions of a single country, and consequently penalises more innovative regions in countries that are moderate innovators;</p>	<p>This regionalisation technique was not used for the most recent Community Innovation Survey (CIS) 2016 data that was included in the RIS 2019 but only for a limited number of countries from previous CIS rounds. For the RIS 2021, the regionalisation technique will not be applied due to a revision of the EIS and RIS measurement frameworks and changes in the definitions for several of the indicators using CIS data. The use of correction factors ensure comparable results between the EIS and RIS as the latter uses a subset of the indicators included in the EIS. Results for performance groups and rank performance would be inconsistent without the correction.</p>
<p>25. recommends making the sources used more accessible and transparent. The data files and the code or tool used to calculate all the indicators (and therefore the final index) should</p>	<p>Sources are indicated in a transparent way in the RIS report and the accompanying methodology report. Regional CIS data are available from the Community Innovation Survey (CIS) for 25</p>

⁵ <https://ec.europa.eu/docsroom/documents/41907>

<p>be available so that researchers can reproduce the results obtained and in turn help to improve the RIS with their input. To increase transparency, it would be helpful to know which specific surveys provide the regional CIS data or whether they are provided by surveys specifically designed to draw up the RIS. Likewise, when "regional statistics" are used, the sources should be indicated;</p>	<p>countries for six indicators. Regional CIS data are shared by national statistical offices with Eurostat and the RIS study team on a confidential basis allowing the use of this data for calculating the regional innovation index but not allowing sharing and publishing any of the regional data except for the normalised scores.</p>
<p>26. recommends that, in addition to the well-established RIS data sources, new, non-traditional data sources for measuring regional innovations should also be tried out and tested for use. For example, the OECD has already used – for the purpose of studies – datasets created using artificial intelligence and drawing on company websites;</p>	<p>The Commission has done exploratory work on the use of big data and other alternative data sources. However, for new data to be included in the RIS it is necessary that these data are statistically sound and robust, available for a large majority of the regions, are available for multiple years, and are updated on at least a biennial basis.</p>
<p>27. advises that the RIS publish all unprocessed raw data, i.e. without normalising the data to EU = 100, changing the units or eliminating bias, together with composite indices;</p>	<p>All data extracted from Eurostat and the Organisation for Economic Co-operation and Development (OECD) are readily and publicly available. Raw data for the Regional Community Innovation Survey cannot be made available for confidentiality reasons in agreement with national statistical offices.</p>
<p>32. recommends developing clear and understandable synergies between the RIS and other tools the EU uses, such as Innovation Radar, Regional Innovation Monitor Plus, the European Regional Competitiveness Index, the Research and Innovation Observatory – Horizon 2020 Policy Support Facility, Innobarometer, the EU Industrial R&D Investment Scoreboard, the Digital Transformation Scoreboard, the Business Innovation Observatory, the Digital Economy and Society Index (DESI) and the European Public Sector Innovation Observatory, as well as establishing complementarity with the CIS and the Innovation Output Indicator (IOI);</p>	<p>The RIS assesses the regional innovation performance, including data from the CIS. For evidence-based policymaking at regional level, it should be considered together with complementary monitoring tools that include relevant information on regional level.</p>
<p>36. recommends better aligning the 2021 RIS with the new priorities of the post-2020</p>	<p>Both the EIS and RIS have been revised several times since they were first launched. The 2021</p>

<p>programming period. Specifically, the European Committee of the Regions recommends drawing up, in cooperation with the Committee itself, a framework for synergies between the RIS and the priorities of the European Research Area⁶, the priorities of the European Commission, such as the European Green Deal and digitalisation, the Commission's research and open science strategy and the upcoming strategic plan for Horizon Europe, as well as developing regional policy objectives and linking them with the smart specialisation strategies</p>	<p>revision reflects the need to better align the EIS/RIS dimensions with new policy priorities, to improve the quality, and to ensure that the EIS – and when possible the RIS - better capture increasingly important phenomena.</p>
<p>38. has a series of more specific recommendations:</p> <ul style="list-style-type: none"> • believes that efficiency and effectiveness should be considered. For example, a region that invests vast amounts of resources to improve its innovation system can be identified as inefficient (in terms of the use of resources). The Committee points out that it might be the case that regions with fewer resources dedicated to innovation can reach very high levels of efficiency; • notes that the RIS shows that densely populated areas are more likely to be more innovative but does not indicate which measures or tools the EU provides to make less densely populated areas more innovative; • points out that there are other factors that the RIS does not measure that may be important for regions, such as the brain drain and responsible innovation; • recommends including a section in the 2021 RIS on the impact of Brexit on EU innovation indicators; • suggests addressing the issue of building regional resilience through innovation in the 2021 RIS, in the light of the COVID-19 	<ul style="list-style-type: none"> • Efficiency analyses would require a differentiation between directly related input and output indicators. This analysis is outside the scope of the EIS and RIS, which are monitoring tools for assessing the overall performance of the innovation systems, and would require dedicated studies for analysing the efficiency of the systems at national and/or regional levels. • The RIS is a quantitative indicator-based report rather than a report presenting qualitative analyses with policy implications. For the latter purpose, the Commission regularly publishes reports such as the biennial ‘Science, Research and Innovation Performance Report’⁷. A dedicated analysis of innovation in less densely populated areas, Brexit impact or regional resilience is therefore beyond the scope of the RIS, which is to provide the evidence for regional policy rather than building on the regional policies. • If reliable data sources are available, the integration of data on issues, such as responsible innovation or brain drain, could be explored, fully respecting the guidelines mentioned above. • The RIS provides a single measurement

⁶ https://publications.jrc.ec.europa.eu/repository/bitstream/JRC114345/jrc114345_adjusted_research_excellence_2018.pdf

⁷ https://ec.europa.eu/info/sites/info/files/srip/2020/ec_rtd_srip-2020-report.pdf

<p>pandemic. Likewise, it would be useful to assess the vulnerability of regional smart specialisation strategies in times of crisis;</p> <ul style="list-style-type: none"> recommends that the RIS take into account the heterogeneity of European regions and the room for manoeuvre of data, and that it encourage the regional (and national) statistics offices to adopt a uniform set of criteria (and indicators) at European level; 	<p>framework for all regions. Providing customized frameworks for different regions would severely limit the comparability of results between regions, which is a central objective of the RIS.</p>
<p>41. recommends that the European Committee of the Regions be more involved in preparing the 2021 RIS, as well as in disseminating it to local and regional authorities through ongoing initiatives such as the Knowledge Exchange Platform (KEP) and Science meets Regions.</p>	<p>The Commission welcomes the Committee's initiative to further disseminate the RIS at local and regional level, and will invite a representative of the Committee to participate as an observer in the ongoing discussions on the review of the RIS and EIS measurement framework under the auspices of the European Research Area and Innovation Committee⁸ (ERAC).</p>

⁸ <https://www.consilium.europa.eu/en/council-eu/preparatory-bodies/european-research-area-innovation-committee/>

**N°18 Cross-border health care
Outlook opinion
COR-2019-04597 – NAT-VII/001
140th plenary session – October 2020
Rapporteur: Karsten Uno PETERSEN (DK/PES)
DG SANTE – Commissioner KYRIAKIDES**

Points of the European Committee of the Regions opinion considered essential	European Commission position
<p>13. Finds reassuring the solidarity shown in the hour of need when Member States took over patients from their overburdened neighbours to relieve the pressure of their intensive care capacities; firmly believes that this could be formalised in the future through a request for assistance under the directive;</p>	<p>The Commission agrees that there have been exemplary and crucial demonstrations of solidarity during the pandemic as Member States' health systems came under strain. It notes that the Commission guidelines on EU emergency assistance provide a framework for cross-border healthcare cooperation within the context of COVID-19¹. The Commission offers assistance to coordinate cross-border cooperation in healthcare in the EU via the Health Security Committee (HSC) and the Early Warning and Response System (EWRS). Member States can log requests and offers of assistance, which could include intensive care places, treatment and transfer of patients, as well as qualified teams of medical personnel.</p> <p>The Commission strongly encourages the Member States to make use of current mechanisms at their disposal, such as the Health Security Committee and funding through the Emergency Support Instrument (ESI).</p>
<p>14. Recommends setting up "health corridors " between the border regions, making it possible for patients and health professionals to continue moving across the border during the lockdown to guarantee access to and provision of care;</p>	<p>The Commission, while not encouraging the closure of national borders, has issued practical guidance² to ensure free movement of critical workers, including healthcare professionals.</p> <p>The Commission supports all border regions through Interreg programmes to establish strategic and long terms cooperation mechanisms</p>

¹ [https://ec.europa.eu/info/sites/info/files/guidelines_on_eu_emergency_assistance_in_cross-bordercooperationin heathcare related to the covid-19 crisis.pdf](https://ec.europa.eu/info/sites/info/files/guidelines_on_eu_emergency_assistance_in_cross-bordercooperationin_heathcare_related_to_the_covid-19_crisis.pdf)

² [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020XC0330\(03\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020XC0330(03))

	<p>facilitating the development of cross border public services for emergency and healthcare.</p> <p>The governance of ‘health corridors’ could be supported under the new specific objective for better cooperation governance (ISO1) included in the Interreg provisions for the 2021-2027 programming period.</p>
<p>28. Recommends that the Commission provide examples of good practice from different countries and from regional and local authorities on how best to disseminate information, so that the health authorities in the Member States can learn from the experience of health systems similar to their own;</p>	<p>The Commission supports the capitalisation and the regular exchange of good practices of cross border healthcare cooperation through targeted communication (events, reports, awards, cases studies, websites).</p> <p>A follow-up report of the 2017 Communication ‘Boosting Growth and Cohesion in EU Border Regions’³ is under preparation. The analysis will cover the impact of the pandemic on cross border cooperation and highlight the actions carried on in border regions.</p> <p>The Commission supports cross-border healthcare cooperation with regional and local authorities through good practice studies, the Interreg programmes and exchanges of good practice within the framework of the ‘Cross-Border Healthcare Directive’⁴. The Commission facilitates cooperation between the National Contact Points to improve access to information to patients.</p>
<p>39. Calls on the Member States to make prior authorisation as swift as possible so as not to delay treatment unnecessarily, while providing a realistic assessment of the estimated cost of the planned intervention ;</p>	<p>The Commission’s annual report on cross-border healthcare following Directive 2011/24/EU shows that the processing times for requests for prior authorisation varies between 14 and 69.5 days with an average time of 20 days. The Commission recalls that, in accordance with the Directive, the system of prior authorisation applies only in specific conditions.</p>
<p>40. Highlights the much less-used mechanism</p>	<p>The Commission’s report on implementation in</p>

³ COM(2017) 534 final.

⁴ Directive 2011/24/EU of the European Parliament and of the Council of 9 March 2011 on the application of patients’ rights in cross-border healthcare; OJ L 88, 4.4.2011, p. 45–65.

<p>of prior notification (Article 9(5)) of the directive) found by the RegHubs to be a useful tool to provide patients with clarity and to support authorities in complying with their obligations, and invites the Member States to make more ample use of this voluntary arrangement ;</p>	<p>2018 notes that the prior notification mechanism is a mechanism worth upscaling as it provides the patient with greater clarity on the medical costs they might incur upfront. Only nine Member States have such a system in place and the Commission will encourage other Member States to make use of this voluntary instrument.</p>
<p>42. Following on from the above, recommends regarding the further implementation of the directive that recourse to the system of prior authorisation still be possible where the authorities in the Member States consider it necessary;</p>	<p>The Commission stresses that the use of prior authorisation is restricted under the Directive to what is necessary and proportionate to the objective to be achieved, and may not constitute a means of arbitrary discrimination or an unjustified obstacle to the free movement of patients. Member States have recourse to the system of prior authorisation in line with Article 8 of the Directive.</p>
<p>43. Invites DG SANTE, in cooperation with the other relevant directorates-general, to follow up on this project evaluation of the implementation of the Patient Mobility Directive and to continue to collect, analyse and publish examples of cross-border healthcare activities and problems encountered by participating authorities;</p>	<p>The Commission services work closely with each other to better fund, maintain and document cross-border healthcare cooperation. All relevant Directorates-General will be engaged in the evaluation of the Cross-Border Healthcare Directive in 2021 as announced in the Commission work programme 2021⁵.</p> <p>The Commission plans to publish the report on Member States' 2019 data on cross-border patient healthcare in early 2021. Case studies on patient flows in selected EU border regions should be available by end 2021. These case studies will take into account findings from the Regional Hubs network's report on cross-border healthcare published by the Committee in July 2020.</p> <p>The Commission launched the pilot initiative <i>b-solutions</i> to solve some of the existing legal and administrative obstacles hindering effective and full-fledged cross border cooperation. A compendium with 43 cases, including solutions for health and emergency services, was published recently. The follow-up report of the 2017 Communication 'Boosting Growth and</p>

⁵ COM(2020) 690 final.

	Cohesion in EU Border Regions’ (see point 28) will also tackle the question of the obstacles of different nature undermining the potential of cooperation.
44. Requests adequate and long-term EU funding in the next programming period, especially but not exclusively through Interreg, including for the implementation of cross-border studies/projects aimed at removing specific barriers and at smooth cooperation;	The a EU4Health programme will work in synergy and complementarity with other EU policies, programmes and funds such as actions implemented under the European Regional Development Fund (ERDF).
46. Invites the Commission to engage in a regular dialogue with the European Committee of the Regions, including the NAT commission and the Interregional Group on Health, on challenges and solutions with a view to improving the implementation of the directive on cross-border healthcare;	The Commission will continue to engage with the Committee, including its Commission for Natural Resources (NAT) and with the interregional group of health, in order to improve the implementation of the Directive on cross-border healthcare.
49. Expects the forthcoming third implementation report from the European Commission to fully reflect the considerations of the European Committee of the Regions, as expressed in this opinion.	The Commission will carry out an evaluation of the Directive in 2021 as announced in the Commission work programme 2021 ⁶ in addition to the third implementation report. The Commission will fully take into account the Committee’s recommendations as expressed in this opinion, as part of its assessment of the operation and performance of the Directive.

⁶ https://ec.europa.eu/info/sites/info/files/2021_commission_work_programme_and_annexes_en.pdf

<p>N°19 EU4Health Programme COM(2020) 405 final COR-2020-02917 – NAT-VII/008 140th plenary session – October 2020 Rapporteur: Nathalie SARRABEZOLLES (FR/PES) DG SANTE – Commissioner KYRIAKIDES</p>	
<p>Points of the European Committee of the Regions opinion considered essential</p>	<p>European Commission position</p>
	<p>A political agreement on the Commission’s proposal for a EU4Health programme has been reached.</p> <p>The Commission welcomes the recent vote of the European Parliament on the EU4Health programme, marking an important step towards making €5.1 billion available to strengthen the resilience of health systems and promote innovation in the health sector.</p>
<p><u>Amendment 1 Recital 6 and linked amendments see Amendment 5 Recital 18, Amendment 10 Recital 31, Amendment 21 Annex I – point (g)(x), Amendment 22 Annex I – point (g)(xii).</u></p> <p>While Member States are responsible for their health policies, they are expected to protect public health in a spirit of European solidarity, as also provided for in Article 222 TFEU, which stipulates that the Union and its Member States shall act in a spirit of solidarity. Experience from the ongoing COVID-19 crisis has demonstrated that there is a need for a further firm action at Union level to support cooperation and coordination among the Member States and local and regional authorities and, where necessary, public institutions, in order to improve the prevention and control of the spread of severe human diseases across borders, to support the development of and make available the products needed to prevent and treat disease, to combat other serious cross-border threats to health and to safeguard the health and well-</p>	<p>The EU4Health programme recognises the importance of European solidarity in the protection of public health. It highlights the need to foster Union-wide and cross-sectoral crisis prevention, preparedness, surveillance, management and response capacity of actors at the Union, national, regional and local level, including contingency planning and preparedness exercises, in keeping with the ‘One Health’ approach.</p>

being of people in the Union.	
<p><u>Amendment 2 Recital 10</u></p> <p>Due to the serious nature of cross-border health threats, the Programme should support coordinated public health measures at Union level to address different aspects of such threats. With a view to strengthen the capability in the Union to prepare for, respond to and manage health crisis the Programme should provide support to the actions taken in the framework of the mechanisms and structures established under Decision No 1082/2013/EU of the European Parliament and of the Council and other relevant mechanisms and structures established at Union level. This could include strategic stockpiling of essential medical supplies, promoting investment in the production of devices and pharmaceutical products to combat pandemics and other public health scourges in order to ensure European sovereignty, capacity building in crisis response, or support for the development by Member States of a statistical protocol making it possible to compare data on the impact of pandemics at NUTS 2 level, preventive measures related to vaccination and immunisation, or strengthened surveillance programmes. In this context the Programme should foster Union-wide and cross-sectoral crisis prevention, preparedness, surveillance, management and response capacity of actors at the Union, national, regional and local level, including contingency planning and preparedness exercises, in keeping with the "One Health" approach. It should facilitate the setting up of an integrated cross-cutting risk communication framework working in all phases of a health crisis – prevention, preparedness and response.</p>	<p>The Commission proposal includes such actions in Recital 13. The actions suggested by the Committee are possible under the objectives of the proposal.</p>
<p><u>Amendment 3 Recital 12</u></p> <p>With a view to protect people in vulnerable</p>	<p>The EU4Health proposal includes the possibility to support telemedicine in the list of possible</p>

<p>situations, including those suffering from mental illnesses and chronic diseases (including obesity), the Programme should also promote actions which address the collateral impacts of the health crisis on people belonging to such vulnerable groups. In order to ensure high standards for essential health services, the Programme should encourage, particularly in times of crisis and pandemic, the use of telemedicine.</p>	<p>eligible actions and digital transformation of health services in Recital 15. The actions suggested by the Committee are possible under the objectives of the proposal.</p>
<p><u>Amendment 4 Recital 15</u></p> <p>Experience from the COVID-19 crisis has indicated that there is a general need for the support to structural transformation of and systemic reforms of health systems across the Union to improve their effectiveness, accessibility and resilience. These reforms, in the context of a revamped European Semester, need to strengthen the specific features of European health systems based on strong public services and substantial public investment. Health services are services of general interest intended to strengthen the European Pillar of Social Rights, which cannot be made subject to private-sector thinking. In the context of such transformation and reforms, the Programme should, taking into consideration how the Member States organise their health systems, organise the coordination and funding of stress tests in the Member States in order to identify weaknesses and to assess their ability to respond to pandemics. The programme should furthermore promote, in synergy with the Digital Europe Programme, actions which advance digital transformation of health services and increase their interoperability, contribute to the increased capacity of health systems to foster disease prevention and health promotion, to provide new care models and to deliver integrated services, from the community and primary health care to the highly specialised services,</p>	<p>Health reforms can be part of the programmes supported by the European Social Fund Plus and the European Regional Development Fund. Member States can allocate funds for strengthening resilience of public health systems, in particular to respond to any future crisis. Also, the Recovery and Resilience Facility will be a key instrument to support Member States to introduce reforms also in the health sector.</p> <p>The possibility of stress tests is covered by the EU4Health proposal in the list of possible eligible actions.</p> <p>The EU4Health Programme will be complementary to the Digital Europe Programme as regards digital health activities. For example, providing synergies with the actions under the EU4Health Programme, the Digital Europe Programme will focus on deploying new and complex infrastructures and digital technologies, for which proofs of concept have been developed under the Horizon programme, and accelerating the use of digital technologies such as cloud and AI for health care and research purposes.</p>

<p>based on people's needs and ensure an efficient public health workforce equipped with the right skills, including digital skills. The development of a European health data space would provide health care systems, researchers and public authorities with means to improve the availability and quality of healthcare. Given the fundamental right to access to preventive healthcare and medical treatment enshrined in Article 35 of the Charter of Fundamental Rights of the European Union and in view to the common values and principles in European Union Health Systems as set out in the Council Conclusions of 2 June 2006[12] the Programme should support actions ensuring the universality and inclusivity of health care, meaning that no-one is barred access to health care, and those ensuring that patients' rights, including on the privacy of their data, are duly respected.</p> <p>[12]Council Conclusions on Common values and principles in European Union Health Systems¹OJ C 146, 22.6.2006, p. 1.</p>	
<p><u>Amendment 8 Recital 26</u></p> <p>Cross-border cooperation in the provision of healthcare to patients moving between Member States or European Groupings of Territorial Cooperation (EGTCs), collaboration on health technology assessments (HTA), and European Reference Networks (ERNs) are examples of areas where integrated work among Member States and local and regional authorities has shown to have strong added value and great potential to increase the efficiency of health systems and thus health in general. The Programme should therefore support activities to enable such integrated and coordinated work, which also serves to foster the implementation of high-impact practices that are aimed at distributing in the most effective</p>	<p>The EU4Health proposal (Annex I) contains a list of possible eligible actions, which covers setting up programmes for temporary exchanges of staff; these and other related actions could be defined by the future annual work programmes to be developed under the future EU4Health Programme once the proposal is adopted. See also reply to amendment 1.</p>

¹ [OJ C 146, 22.6.2006, p. 1; https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ%3AC%3A2006%3A146%3ATOC](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ%3AC%3A2006%3A146%3ATOC)

<p>way the available resources to the concerned population and areas so as to maximise their impact. For example, as recommended by the European Committee of the Regions in its opinion on cross-border healthcare, the programme should set up "health corridors" between the border regions, making it possible for patients and health professionals to continue moving across the border during the lockdown to guarantee access to and provision of care.</p>	
<p><u>Amendment 9 Recital 30</u></p> <p>In order to ensure that all of these objectives are implemented at Union level, the European Commission should strengthen the budget and mandate of the various European agencies responsible for health, such as the European Centre for Disease Prevention and Control, the European Medicines Agency, the European Food Safety Authority, the European Chemicals Agency and the European Agency for Safety and Health at Work. Furthermore, the work of these agencies should be better coordinated so that they can more effectively contribute to achieving the objectives of the EU4Health programme, and their role in the governance of this programme should be strengthened.</p>	<p>The European Health Union package adopted by the Commission (11 November 2020) consists of a set of proposals to strengthen the EU's health security framework, and to reinforce the crisis preparedness and response role of the relevant EU agencies: the European Centre for Disease Prevention and Control (ECDC) and the European Medicines Agency (EMA). The EU4Health proposal will pursue its objectives in keeping the 'One Health' and the 'Health in all policies' approach where relevant.</p>
<p><u>Amendment 12 Recital 42 and linked amendments see Amendment 16 Article 16, Amendment 17 Annex I – point (g)(i), Amendment 18 Annex I – point (g)(v), Amendment 23 Annex I – point (k)(iii).</u></p> <p>The implementation of the Programme should be such that the responsibilities of the Member States and, if necessary, the regions or other tiers of government involved in drafting health policy, for the definition of their health policy and for the organisation and delivery of health services and medical care, are respected.</p>	<p>The Commission fully respects the responsibilities of Member States in the definition of their health policy and organisation and delivery of health services.</p>

<p><u>Amendment 13 Article 3(3) and linked amendments see Amendment 19 Annex I – point (g)(vi), Amendment 20 Annex I – point (g)(ix), Amendment 25 Annex II – part A – point I, Amendment 26 Annex II –part A – point III, Amendment 27 Annex II –part A – point IV, Amendment 28 Annex II –part B – point I</u></p> <p>Strengthen health systems and the healthcare workforce, including by digital transformation and by increased integrated and coordinated work among the Member States and the local and regional authorities with competences in the field of public health, through the coordination of health and social care actors in areas that match population centres, through the sustained implementation of best practice and data sharing, to increase the general level of public health.</p>	<p>See reply to amendments 1 and 12.</p>
<p><u>Amendment 14 Article 4</u></p> <p>The general objectives referred to in Article 3 shall be pursued through the following specific objectives, in keeping with the "One Health" approach where relevant:</p> <ol style="list-style-type: none"> 1) strengthen the capability of the Union for prevention, preparedness and response to serious cross-border threats to health, and the management of health crises, including through coordination, provision and deployment of emergency health care capacity, data gathering, the establishment of health corridors and surveillance; 2) ensure the availability in the Union of reserves or stockpiles of crisis relevant products, and a reserve of medical, healthcare and support staff to be mobilised in case of a crisis; 3) support actions to ensure appropriate availability, accessibility and affordability of crisis relevant products and other necessary 	<p>See reply to amendments 1, 4, 8 and 9.</p>

<p>health supplies;</p> <p>4) strengthen the effectiveness, accessibility, sustainability and resilience of health systems, including by organising the coordination and funding of stress tests for pandemics, taking into consideration how the Member States organise their health systems, supporting digital transformation, the uptake of digital tools and services, systemic reforms, implementation of new care models and universal health coverage, and address inequalities in health;</p> <p>5) support actions aimed at strengthening health system's ability to foster disease prevention and health promotion, patient rights and cross-border healthcare, and promote the excellence of medical and healthcare professionals;</p> <p>6) support action for the surveillance, prevention, diagnosis and treatment and care of non-communicable diseases, and notably of cancer;</p> <p>7) foster and support the prudent and efficient use of medicines, and in particular of antimicrobials, and more environmentally friendly production and disposal of medicines and medical devices;</p> <p>8) support the development, implementation and enforcement of Union health legislation and provide high-quality, comparable and reliable data to underpin policy making and monitoring, and promote the use of health impact assessments of relevant policies;</p> <p>9) support integrated work among Member States and local and regional authorities, and in particular their health systems, including the implementation of a European health emergency response mechanism to respond to all types of health crisis and scaling up networking through the European Reference Networks and other transnational networks;</p> <p>10) support the Union's contribution to</p>	
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international and global health initiatives.	
<p><u>Amendment 15 Article 5</u></p> <p>1. The financial envelope for the implementation of the Programme for the period 2021-27 shall be EUR 10 398 000 000 in current prices (EUR 9 370 000 000 in constant prices).</p>	<p>A political agreement between the European Parliament and the Council on Europe's next long-term budget and NextGenerationEU, the temporary recovery instrument, was reached on 10 November 2020. It provides for a significant increase of the EU4Health programme of €3.4 billion compared to the level of the European Council conclusions of 17-21 July 2020 (bringing it to €5.07 billion in 2018 prices).</p>
<p><u>Amendment 24 Annex I – point 1 (new)</u></p> <p>1) Common health challenges</p> <p>i) Support for actions to address common health challenges, such as health inequalities, access to care, migration, ageing populations, patient safety and high-quality healthcare at local, regional, national and EU levels;</p> <p>i) support for investment measures for the European production of materials and products needed to combat pandemics;</p> <p>support for investment measures to promote the adaptation and modernisation of hospitals in order to ensure consistency and gradation of care in the regions.</p>	<p>The EU4Health programme proposal covers largely the proposed amendment through its general and specific objectives.</p>

<p>N°20 An EU Health Emergency Mechanism Own-initiative COR-2020-02142 – NAT-VII/007 140th plenary session – October 2020 Rapporteur: Birgitta SACRÉDEUS (SE/EPP) DG SANTE – Commissioner KYRIAKIDES</p>	
<p>Points of the European Committee of the Regions opinion considered essential</p>	<p>European Commission position</p>
<p><u>Highlights:</u></p> <ul style="list-style-type: none"> – proposes to set up an EU health emergency mechanism to coordinate EU action and support to assist national, regional and local healthcare and disaster preparedness structures to respond effectively to health threats and crisis situations, to ensure effective cooperation and coordination on preparedness and response with competent international organisations, to coordinate European distribution of essential medical equipment, to improve the supply of essential medical equipment through joint procurement initiatives and monitor the supply chain for essential products; – notes that the COVID-19 crisis has highlighted the vital importance of European Centre for Disease Prevention and Control (ECDC), and urges the Member States and the Commission to work together to strengthen and develop its role in combating major health scourges; – calls on the Member States and the European Commission to establish a permanent European Strategic Stockpile as the EU's repository of antibiotics, vaccines, chemical antidotes, antitoxins and other critical medical supplies in order to guarantee the availability of an "emergency reserve" and coordinate prompt distribution and delivery 	<p>Overall, the Commission is supportive of many points and the general intention.</p> <p>To this end, the Commission highlights that the EU Health Union package¹, put forward on 11 November 2020, addresses the majority of the points.</p> <p>For the new regulation on serious cross border threats to health, this refers to:</p> <ul style="list-style-type: none"> – strengthen preparedness: the EU health crisis and pandemic preparedness plan and recommendations will be developed for the adoption of plans at national levels, coupled with comprehensive and transparent frameworks for reporting and auditing. The preparation of national plans would be supported by the European Centre for Disease Prevention and Control and other EU agencies. The plans would be audited and stress tested by the Commission and EU agencies; – reinforce surveillance: A strengthened, integrated surveillance system will be created at EU level, using artificial intelligence and other advanced technological means; – improve data reporting: Member States will be required to step up their reporting of health systems indicators (e.g. hospital beds

¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52020DC0724&from=EN>

<p>of essential resources across Europe;</p> <ul style="list-style-type: none"> - calls for efforts to rapidly acquire key basic substances, increase production of testing kits and other medical devices where there are shortages, and launch the development and production of essential medicines on European soil by promoting research and innovation and creating incentives for manufacturers, in order to reduce the dependency on third countries; - expresses its strong support for multilateral cooperation to develop safe and effective vaccines, diagnostics and treatment, and for fair funding and distribution of future vaccines and medicines; 	<p>availability, specialised treatment and intensive care capacity, number of medically trained staff etc.);</p> <ul style="list-style-type: none"> - the declaration of an EU emergency situation would trigger increased coordination and allow for the development, stockpiling and procurement of crisis relevant products. <p>The proposals also include bolstering of the European Centre for Disease Prevention and Control (ECDC), and the European Medicines Agency (EMA).</p> <p>For ECDC, this relates to:</p> <ul style="list-style-type: none"> - epidemiological surveillance via integrated systems enabling real-time surveillance; - preparedness and response planning, reporting and auditing; - provision of non-binding recommendations and options for risk management; - capacity to mobilise and deploy EU Health Task Force to assist local response in Member States; - building a network of EU reference laboratories and a network for substances of human origin. <p>For EMA, this relates to:</p> <ul style="list-style-type: none"> - monitoring and mitigating the risk of shortages of critical medicines and medical devices; - providing scientific advice on medicines which may have the potential to treat, prevent or diagnose the diseases causing those crises; - coordinating studies to monitor the effectiveness and safety of vaccines; - coordinating clinical trials. <p>The Commission's Communication of the 11 November 2020 also highlights the proposition of a Health Emergency</p>
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Preparedness and Response Authority (HERA). The authority's mission will be to enable the EU and its Member States to rapidly deploy the most advanced medical and other measures in the event of a health emergency, by covering the whole value chain from conception to distribution and use.

In addition to this, on the 17 February 2021, the Commission put forth the Communication 'HERA Incubator: Anticipating together the threat of COVID-19 variants'. The HERA Incubator will work on anticipating the threat of COVID-19 variants, outlining the Commission's plans for EU prevention, mitigation and response to the potential impact of SARS CoV-2 variants. To do so, the HERA Incubator will work on five key areas: rapid detection of new variants swift adaptation of vaccines; the European Clinical trials network – VACCELERATE; regulatory approval procedures for vaccines; and upscaling vaccine production and swift delivery. The plan serves as the vanguard for the upcoming Health Emergency Preparedness and Response Authority (HERA).

The rescEU medical stockpile developed under the Union Civil Protection Mechanism to respond to a large-scale emergency currently consists of medical equipment such as personal protective equipment and ventilators. If necessary, it can be further developed to also include other intensive care medical equipment, vaccines, therapeutics and laboratory supplies. These mechanisms would be complementary and coordinated.

<p>N°21 A Reinforced Union Civil Protection Mechanism COM(2020) 220 final COR-2020-03164 – NAT-VII/009 140th plenary session – October 2020 Rapporteur: Alberto CIRIO (IT/EPP) DG ECHO – Commissioner LENARČIČ</p>	
<p>Points of the European Committee of the Regions opinion considered essential</p>	<p>Commission position</p>
<p>Amendment 2, Recital 6</p> <p>(...) To that effect, cross-sectoral and all-hazard approaches should be put at the forefront and be based on the differentiated needs of the EU Member States and regions in order to strengthen their capacities and to improve the overall EU resilience and preparedness. The Commission is to work together with Member States and local and regional authorities when defining Union wide resilience goals.</p>	<p>The Commission agrees that investment in prevention of disasters across multiple sectors is essential for a comprehensive risk management approach. There is clearly a need for a close cooperation with the relevant scientific communities and key economic operators including at a regional level, as those are always at the forefront when a disaster strikes. While the Commission rejects this amendment, at the same time it underlines that Member States, in their role as central national coordinators, need to make sure that the different regional needs are sufficiently taken into account and feed into EU overall resilience. The Commission will continue to support Member States, where needed, in ensuring interoperability at all levels.</p>
<p>Amendment 3, Recital 8:</p> <p>As a 24/7 operational centre at Union level with capacity to follow and support operations in various types of emergencies, within and outside the Union, in real-time, the Emergency Response Coordination Centre ('ERCC') should be further strengthened. This should include enhanced coordination of the ERCC with Member States' national and regional crisis systems and civil protection authorities, as well as with other relevant Union bodies. The work of the ERCC is supported by</p>	<p>These two amendments go against the legal provisions set out in Decision No 1313/2013/EU¹, which establishes an obligation for the Commission to maintain a dialogue with the Member States' national contact points. In this respect, Article 9 foresees that 'Member States shall designate contact points, as referred to in point (b) of Article 8, and inform the Commission accordingly'. This article is to be read in conjunction with</p>

¹ Decision No 1313/2013/EU of the European Parliament and of the Council of 17 December 2013 on a Union Civil Protection Mechanism. OJ L 347, 20.12.2013, p. 924–947.

<p>scientific expertise, including that provided by the European Commission's Joint Research Centre.</p> <p>Amendment 7, Article 1(3): Emergency Response Coordination Centre</p> <p>[...]</p> <p>The ERCC shall in particular monitor and support in real-time the response to emergencies at Union level. The ERCC shall support national and, where relevant, regional crisis systems, civil protection authorities and relevant Union bodies.</p> <p>[...]</p>	<p>Article 8, which obliges the Commission to 'manage a Common Emergency Communication and Information System (CECIS) to enable communication and sharing of information between the Emergency Response Coordination Centre (ERCC) and the Member States' contact points', as well as with Article 16, which requires that the 'Commission shall support the consistency in the delivery of the assistance through [...] maintaining a dialogue with the Member States' contact points'.</p> <p>Whilst the Commission recognises that an effective coordination at the national level with regions and local authorities and across sectors is key for effective disaster risk management, it also acknowledges that national coordination is an internal policy of each Member State. This general principle does not exclude the EU working with local and regional authorities on – for example – defining disaster resilience goals, disaster resilience planning and scenario-building, in particular in the framework of the Knowledge Network (e.g. trainings, exercises).</p> <p>The Commission therefore rejects the two amendments.</p>
<p>Amendment 4</p> <p>Recital 9</p> <p>(9bis) The Union Mechanism and rescEU should be developed in a way that enables the Union to effectively respond to a wide range of emergencies, besides health. For instance, climate change is leading to an increase of natural disasters such as fire or flooding. It is therefore essential that the Union Mechanism also includes sufficient capacities to act when natural disasters occur.</p>	<p>The Commission will further strengthen capacities to better respond in the future to any health-related emergencies. For example, in line with the Communication on a European Health Union of 11 November 2020², the Commission will present a detailed proposal for a Health Emergency Preparedness and Response Authority (HERA).</p> <p>The Commission supports the amendment as it has acknowledged in the proposal (Memorandum and recitals) the impact of climate change on the prevention and</p>

² COM(2020) 724 final.

preparedness for emergencies. The reinforcement of the Mechanism – a more efficient and flexible system to respond to any type of large-scale emergency – targets both man-made and natural disasters in equal way. The capacities shall accommodate for both types of disasters.

<p>N°22 A Strong Social Europe for Just Transitions COM(2020) 14 final COR-2020-02167 – SEDEC-VII/004 140th plenary session – October 2020 Rapporteur: Anne KARJALAINEN (FI/PES) DG EMPL – Commissioner SCHMIT</p>	
<p>Points of the European Committee of the Regions opinion considered essential</p>	<p>European Commission position</p>
<p>3. [...] The CoR considers it important for the Just Transition Fund (JTF) to be in line with the EU's social pillar, which is intended to reduce regional disparities and to tackle structural changes in EU regions. Particular attention should be paid to rural areas, areas affected by industrial transition, regions which suffer from severe and permanent natural or demographic handicaps, and the outermost regions, whose disadvantaged situation has been aggravated by the COVID-19 pandemic;</p>	<p>The focus of the Just Transition Fund will be on the economic diversification of the territories most affected by the climate transition and the reskilling and active inclusion of their workers and jobseekers.</p> <p>In this way, the Just Transition Fund can be complementary and provide the biggest added value to the other cohesion policy instruments of the EU.</p> <p>The Just Transition Fund thereby contributes to the implementation of the European Pillar of Social Rights. The proposed Regulation also explicitly requires the Territorial Just Transition Plans to be consistent with the Pillar (art 7.4).¹</p> <p>The Just Transition Fund will be a key EU policy instrument to reduce regional disparities and to address structural change in Europe's regions, sharing cohesion policy's objectives in the specific context of the transition towards climate neutrality and taking into account different starting points for the transition between the regions.</p>
<p>7. stresses that the COVID-19 pandemic must not be used as a pretext for postponing or withdrawing the proposals to improve social justice referred to in the European Commission's communication. On the contrary, the crisis must</p>	<p>While the timing of some initiatives announced in the Communication of 14 January 2020 on a Strong Social Europe for Just Transitions² had to be adjusted, the Commission is continuing to deliver on all elements of its proposed agenda. It</p>

¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020PC0022>

² COM(2020) 14 final.

<p>accelerate and intensify our efforts to achieve structural change for a fairer and greener EU. We need to build more sustainable economic and social systems for the future;</p>	<p>has proposed the European Pillar of Social Rights on 4 March 2021.³ The Action Plan calls for ‘unity, coordination and solidarity will be needed also in the years ahead to bounce forward towards a greener and more digital decade in which Europeans can thrive.’</p> <p>The Action Plan ‘sets out a number of EU actions that the Commission is committed to take during the current mandate, building on the many actions taken since the proclamation of the European Pillar of Social Rights in Gothenburg. It also puts forward three EU-level targets to be achieved by 2030 and that will help to steer national policies and reforms.’</p>
<p>9. points out that in a context such as the current one, the digital transition has accelerated, which means that many jobs have had to adapt to digitalisation and teleworking. Recommends building on the momentum of recent months to regulate teleworking and recognise the contribution it has made to decarbonisation, thanks to the reduction in travel brought by this mode of work, which does not require being present in the workplace;</p>	<p>The Commission agrees that the COVID-19 pandemic has accelerated the impact of the twin digital and climate transitions on the world of work.</p> <p>The European Union is experiencing a surge in telework. According to Eurofound, 37% of Europeans were teleworking in April 2020, compared to 5% in 2019.</p> <p>As pointed out in the European Pillar of Social Rights Action Plan, ‘digitalisation and telework – warrant a wide policy debate with all relevant stakeholders, notably social partners. In June 2020, cross-industry social partners signed an Autonomous Framework Agreement on Digitalisation, including a section on modalities of connecting and disconnecting. On 21 January 2021, the European Parliament adopted a resolution based on the legislative own-initiative report on the right to disconnect. The resolution calls on the Commission to put forward a proposal for a directive on minimum standards and conditions to ensure that workers are able to exercise their right to disconnect. The resolution also highlights the fundamental role that social partners have in identifying and</p>

³ https://ec.europa.eu/info/european-pillar-social-rights/european-pillar-social-rights-action-plan_en

	<p>implementing measures with regard to the right to disconnect and in finding the right balance between reaping the opportunities brought by digitalisation for the workplace and tackling the challenges they pose. To this effect, as a first step, the Parliament’s resolution recommends that social partners take implementing measures within a 3-year time framework. As referred in the Commission Political Guidelines, the Commission is committed to responding to the European Parliament’s own-initiative resolutions on the basis of Article 225 of the Treaty on the Functioning of the European Union (TFEU) with a legislative act, in full respect of the proportionality, subsidiarity and better law-making principles. Any Commission proposal for a legislative act related to the right to disconnect must be subject under Article 154 TFEU to consultation of the EU social partners, who may decide to act by means of agreements. The Commission invites social partners to find commonly agreed solutions to address the challenges raised by telework, digitalisation and the right to disconnect. The Commission will assess existing practices and rules related to the right to disconnect and will proactively support social partners in their endeavour, facilitating discussions and the identification of best practices. The future implementation report of the Working Time Directive will also provide an opportunity to reflect further on the implications of remote work on working time’.</p>
<p>11. points out that public services provided by local and regional authorities have played a key role during the pandemic. Without the system of public services, the impact on people would have been more dramatic. A fair transition means recognising the key role of the local and regional level in delivering high-quality public services. The provision of such services by local</p>	<p>The Commission recognises the key role of local and public authorities in combatting the effects of the pandemic, and the high-quality public services they provide. As announced in the European Pillar of Social Rights Action Plan, the Commission will present in 2022 the first EU report on access to essential services.⁴</p> <p>Certain public services provided by local and</p>

⁴ https://ec.europa.eu/info/european-pillar-social-rights/european-pillar-social-rights-action-plan_en

<p>and regional authorities must not be restricted by rules under public procurement or state aid law;</p>	<p>regional authorities do not amount to State aid, and can be delivered without any restrictions under State aid law. Where those services do constitute State aid, the Commission has put in place a number of measures to ensure that they may be delivered as smoothly as possible.</p> <p>The Commission has adopted the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak⁵, to enable rapid and effective aid to be granted to support recovery from the pandemic. In addition, the delivering of public services in the current situation can still be funded under the Services of General Economic Interest (SGEI) package⁶, in place since 2012, which facilitates the granting of State aid for services of general economic interest.</p>
<p>14. emphasises the need for companies, including those involved in public procurement, to explicitly take human rights into account, both in their own activities and in their subcontracting chains; proposes to this effect that corporate liability provisions based on the UN's principle of human rights due diligence be adopted at EU level;</p>	<p>The Commission Work Programme 2021 announces a legislative initiative on sustainable corporate governance for the second quarter of 2021 ‘to foster long-term sustainable and responsible corporate behaviour’.</p> <p>The initiative is currently being prepared in line with the Commission’s Better Regulation guidelines⁷. From 26 October 2020 to 8 February 2021 the Commission conducted an open public consultation⁸.</p> <p>For its preparatory work, the Commission will also use as inputs, among others, the results of two studies on due diligence requirements through the supply chain⁹, and on directors’ duties and sustainable corporate governance¹⁰, which support mandatory rules on sustainable corporate governance.</p> <p>The Commission takes note of the proposals by</p>

⁵ https://ec.europa.eu/competition/state_aid/what_is_new/covid_19.html

⁶ https://ec.europa.eu/competition/state_aid/legislation/sgei.html

⁷ SWD (2017) 350 final.

⁸ <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12548-Sustainable-corporate-governance>

⁹ <https://op.europa.eu/en/publication-detail/-/publication/8ba0a8fd-4c83-11ea-b8b7-01aa75ed71a1/language-en>

¹⁰ <https://op.europa.eu/en/publication-detail/-/publication/e47928a2-d20b-11ea-adf7-01aa75ed71a1/language-en>

	<p>that looks at the specific COVID-19 risks.</p> <p>The Commission invited Member States to allocate EU Funds to reinforce the labour force in healthcare and any other sectors hit by COVID-19 crisis. Cohesion Policy regulations have been recently modified in order to improve flexibility and speed-up the implementation of EU funded projects, included. Member States are encouraged to allocate EU Funds for any projects to strengthen safe working conditions.</p>
<p>24. welcomes the updating of the Skills Agenda for Europe and development of vocational education and training to meet the skills requirements of new professions, in particular those relevant to the green and digital transitions and AI. In addition to occupation-specific skills, employers increasingly need "transversal" or "soft" skills. An individual learning plan must be developed for each student, and they must be given access to quality work placements and support for career planning and performance management. Calls on the Skills Agenda to address concerns regarding the potential loss of jobs that will take place due to the increased robotisation of the labour market, as well as training and employment opportunities for vulnerable groups and groups which are harder to integrate into the labour market, while respecting the principles of equal opportunities and non-discrimination;</p>	<p>The Commission shares the Committee's assessment of the importance of transversal and soft skills as well as occupation-specific skills in the labour market. The European Skills Agenda for sustainable competitiveness, social fairness and resilience recognises that beyond technical skills, the labour market increasingly needs transversal skills like working together, critical thinking, and creative problem solving and brings forward actions to support up- and re-skilling in this spirit.¹⁵</p> <p>The proposal for a Council Recommendation on vocational education and training (VET) recommends that vocational education and training programmes key competences, including basic skills, digital, transversal, green and other life skills that provide strong foundations for lifelong employability and social inclusion.¹⁶</p> <p>As highlighted in the Skills Agenda, the Commission will join forces with the European Network of Public Employment Services to develop peer learning events to spotlight skills needed on the labour market, in particular for the unemployed and workers in short-time work. Activities will further focus on stepping up the provision of guidance services, also for people in employment and, in particular, disadvantaged groups of people, and on closing skills gaps,</p>

¹⁵ <https://ec.europa.eu/transparency/regdoc/rep/1/2020/EN/COM-2020-274-F1-EN-MAIN-PART-1.PDF>

¹⁶ <https://ec.europa.eu/social/BlobServlet?docId=22780>

	<p>notably digital skills gaps.</p> <p>Furthermore, the European Pillar of Social Rights Action Plan includes the objective to increase the share of adults with basic digital skills to 80% by 2030¹⁷, and the Digital Decade Communication¹⁸ includes the target to increase the number of ICT specialists to 20 million by the same year, with convergence between women and men.</p>
<p>33. advocates updating the health and safety at work strategy and some directives in respect of issues such as psychosocial stress and ergonomic risks. Well-being at work and meaningful work for employees are also competitive assets in the public sector in terms of securing staff and managing employers' reputation, and they are factors that allow longer working lives. Particular attention needs to be paid to the prevention of work-related fatal accidents, occupational diseases (including work-related cancer), musculoskeletal disorders, work-induced stress and any kind of harassment because of gender, race, worldview, disabilities or sexual orientation, as well as adequate resources for monitoring. Other matters for consideration are prevention of the health risks posed by cross-border pandemics, as well as new technologies and working patterns. The CoR calls for measures to promote occupational safety, also with respect to cross-border work and new types of jobs and equality between women and men. The impact of climate change on working conditions and on measures to protect workers needs to be taken into account;</p>	<p>The Commission Work Programme 2021 announces the adoption of a new Strategic Framework on Health and Safety at Work. The new Strategic Framework will aim to improve the high standards of protection for all workers across the EU.</p> <p>The strategic orientations will draw lessons from the COVID-19 pandemic and will be particularly relevant to address new risks, such as those resulting from new ways of working, new technologies, digitalisation, and other issues mentioned in §33 of the opinion of the Committee. The Commission will also continue addressing the exposure to dangerous substances and risk of accidents at work.</p> <p>The new Strategic Framework will among others be based on the input provided by the opinions of the Advisory Committee on Safety and Health at Work and the Senior Labour Inspectors Committee, as well as from an open public consultation.</p>
<p>39. is convinced the European Union has the capacity to positively affect working and environmental conditions in third countries, first and foremost by means of concluding ambitious trade agreements on these aspects. In that</p>	<p>The European EU trade policy supports the improvement of labour and environmental conditions in third countries by including specific provisions in unilateral Generalised Scheme of Preferences (GSP) and in bilateral arrangements</p>

¹⁷ COM(2021) 102 final.

¹⁸ COM(2021) 118 final.

context, supports the idea of tasking the new Chief Trade Enforcement Officer (CTEO) to enforce labour and environmental standards in trade agreements. The CTEO should therefore consult regularly with trade unions and employers on violations of labour rights;

(via Trade and Sustainable Trade (TSD) Chapters in trade agreements). The creation of the Chief Trade Enforcement Officer (CTEO) is another important step. The Commission established a new, streamlined complaints system, the Single Entry Point, enabling EU based stakeholders (including NGOs) to lodge substantiated complaints on breaches of labour and environmental commitments contained in EU trade agreements. The Commission will coordinate the legal assessment of each complaint under the guidance of the Chief Trade and Enforcement Officer, with a view to possible enforcement action.

The Trade Policy Review of 2021 states that the Commission will further reinforce the sustainability dimension of existing and future agreements in the implementation of all chapters. It will strengthen the enforcement of trade and sustainable development commitments on the basis of complaints made to the Chief Trade Enforcement Officer (CTEO). Further actions will be considered in the context of an early review in 2021 of the 15-point action plan on the effective implementation and enforcement of Trade and Sustainable Development Chapters (TSDs) in trade agreements.

N° 23 A Union of Equality: Gender Equality Strategy 2020-2025
COM(2020) 152 final
COR-2020-02016 – SEDEC-VII/005
140th plenary session – October 2020
Rapporteur: Concepción ANDREU RODRIGUEZ (ES/PES)
DG JUST – Commissioner DALLI

Points of the European Committee of the Regions opinion considered essential

European Commission position

5. requests that local and regional governments be recognised as strategic partners in the design, implementation and monitoring of the strategy because of their responsibilities and the work they do in carrying out those responsibilities. The necessary resources must be secured in order to implement the strategy;

6. stresses the importance of working with civil society organisations, women's organisations, and younger generations, as they play a key role in managing equality policies;

7. therefore, and with a view to taking a gender-sensitive approach to policies, programmes and projects, asks the Commission to set up an interinstitutional working group to ensure this multilevel governance so as to effectively take into account the work required to achieve genuine gender equality;

The Commission recognises that local and regional governments can play an important role in the implementation of the Strategy. Mandated to develop and implement policies for the local community, regional and local governments affect people's every-day life, and thus are important actors in promoting gender equality and supporting progress on reaching the objectives of the Strategy.

Achieving gender equality in the European Union is a joint responsibility. Member States and EU agencies must team up in partnership with civil society and women's organisations, social partners, the private sector and academia. Working with and consulting thematic experts on gender equality is important for sound, evidence-based policy development and implementation.

The Commission is working closely together with Member States, the European Parliament and Council, as well as women's organisations and other parts of civil society, and with social partners to achieve progress in gender equality.

In the Advisory Committee on Equal Opportunities between Women and Men, government representatives responsible for gender equality and gender mainstreaming in the EU Member States, social partners, international organisations and interest groups meet, with the role of assisting the Commission in formulating and implementing the EU's activities aimed at

	<p>promoting gender equality. The recently launched Gender Equality Strategy Monitoring Portal¹ will support monitoring of implementation of the Strategy.</p> <p>The Commission also has regular meetings and contacts with the High-Level Group on Gender Mainstreaming, which brings together Member States' representatives responsible for gender mainstreaming at national level, to ensure regular dialogue between the EU and national governments.</p>
<p>15. urges the European Commission to include all forms of violence against women and girls in the "Eurocrimes" set out in Article 83 of the Treaty on the Functioning of the European Union, and address the issue of gender-based violence in more detail in the Victims' Rights Strategy that it will present in 2020, taking into account women in vulnerable situations. To that end, the CoR proposes approving protocols for police and judicial cooperation within the EU;</p> <p>16. asks the Commission to adopt legislative measures aimed at preventing and combating violence against women, young people and girls that are consistent with and complement EU and international legislation and address all forms of violence, including online violence, which could become normalised among younger people, and honour-related violence;</p>	<p>The EU Gender Equality Strategy 2020-2025 sets out an ambitious framework to promote equality between women and men, girls and boys, in all their diversity and combat sex-based discrimination in all activities of the European Union. It sets out the policy objectives and key actions for the 2020-2025 period.</p> <p>Ending gender-based violence is a key policy objective of the Gender Equality Strategy. The finalisation of the EU's accession to the Istanbul Convention remains the Commission's key priority in this respect, since the Convention continues to be the benchmark for international legislation on tackling gender-based violence.</p> <p>On 16 September 2020, President von der Leyen announced in her letter of intent accompanying the State of the Union 2020 address that the Commission intends to issue a proposal to prevent and combat gender-based violence. This is a key initiative envisaged for 2021 and a public consultation has been launched on 8 February 2021.</p> <p>The Commission will carefully evaluate the current legislative framework to identify legislative gaps and ensure that the proposal will create added value for victims of gender-based violence and domestic violence.</p> <p>The EU Gender Equality Strategy also includes a</p>

¹ <https://composite-indicators.jrc.ec.europa.eu/ges-monitor>

	<p>set of non-legislative measures on gender-based and domestic violence. For instance, the Commission plans to propose a recommendation on the prevention of harmful practices against women and girls. The envisaged recommendation will address the strengthening of public services, prevention and support measures, capacity-building of professionals and victim-centred access to justice.</p> <p>The Commission will base its initiative on broad public consultations, including with the Member States. The consultations will be announced on the ‘Have your say’ Commission portal in the upcoming months.</p> <p>On 25 June 2020, the Commission adopted the EU Strategy on Victims’ Rights (2020-2025). The strategy deals with all victims of all crime, but pays particular attention to the most vulnerable victims, such as victims of domestic violence and gender-based violence. In particular, under the Strategy, the Commission will assess the existing legislation in relation to victims’ physical protection and if necessary may propose legislative changes by 2022. In addition, the Commission will promote access to targeted support services for victims of domestic violence and will work on creating a safe environment for victims of domestic violence to report crime. In that context, police and judicial authorities will be encouraged to strengthen cooperation to ensure better support and protection for victims. It will be ensured that Member States comply with the existing legislation, an EU awareness-raising campaign will be launched and EU funding will be made available.</p>
<p>18. requests that local and regional authorities be involved in a structured way in the European Union network on the prevention of gender-based violence and domestic violence that will be launched as part of the strategy so as to exchange best practices, and provide</p>	<p>Effective prevention of violence is essential. Among other measures, it involves educating boys and girls from an early age about gender equality and supporting the development of non-violent relationships.</p> <p>To support this work in the Member States, the</p>

<p>funding for training, capacity-building and support services. Violence prevention work focusing on men, boys and masculinities will be of key importance;</p>	<p>Commission will launch an EU network on the prevention of gender-based violence and domestic violence, bringing together Member States and stakeholders to exchange good practices. The Commission will support a cross-sectoral representation of the Member States in this network. Member States' work on preventing and combating gender-based violence is also supported by data collection on violence done by EIGE and Eurostat.</p>
<p>19. points out that the lockdowns resulting from the COVID-19 crisis have increased the number of known cases of gender-based violence. In this regard, the CoR stresses the urgent need to improve relevant measures for effectively assisting with and responding to cases of gender-based violence, giving local and regional authorities resources as they are in the front line in the fight against the pandemic;</p>	<p>The Commission is closely following the gendered impact of the COVID-19 pandemic. It has urged Member States to develop gender-sensitive response measures to address gender inequalities resulting from or heightened by the pandemic.</p> <p>To facilitate Member States' exchange of good practices on addressing the gendered impact of the COVID-19 pandemic, the Commission organised a webinar series from May to September 2020 in the framework of the Mutual Learning Programme in Gender Equality. The subsequent webinars addressed gender equality aspects of work and care, as well as gender equality in decision-making. All the materials are available on the Mutual Learning Programme's website².</p> <p>The Commission delivered on its commitment to present a proposal for binding pay transparency measures on 4 March 2021. The purpose of this initiative is to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency measures and reinforced enforcement mechanisms. The full respect and enforcement of the right to equal pay is a cornerstone for gender equality in the workplace and therefore for women's economic empowerment. The proposal applies to all</p>

² https://ec.europa.eu/info/policies/justice-and-fundamental-rights/gender-equality/who-we-work-gender-equality/mutual-learning-programme-gender-equality_en#mutuallearningprogrammeingenderequality

	<p>workers, including those who often are in a more vulnerable situation - part-time workers, fixed-term contract workers, domestic workers or intermittent workers. With this initiative, the Commission aims to empower workers to enforce their right to equal pay by giving them access to the necessary information on pay and by improving their right to access to justice. To that end, all workers will have the right to access information on how their own pay compares with average pay levels, broken down by sex, of co-workers doing the same work or work of equal value. If they suspect there is discrimination, the Commission further empowers workers to make claims for equal pay including rules on legal representation, the burden of proof, legal costs and the right to compensation.</p> <p>The European Regional Development Fund contributes to tackling gender-based violence by supporting women in employment through increased quality of and access to childcare services and by improving business support measures for women entrepreneurs. Access to specialised support, social services, social housing, investment in shelters for women experiencing violence and safe public spaces for women and girls are also supported.</p> <p>The European Social Fund contributes to tackling gender-based violence by funding domestic and gender-based violence prevention, protection, assistance and cooperation measures as well as employment and socio-economic inclusion of victims of domestic and gender-based violence.</p>
<p>28. asks the European Commission to consider a care agreement for Europe, similar to the Youth Guarantee, to satisfy care needs as part of a rights-based approach that puts care at the heart of economic activity, increasing investment in health and care, in line with the wellbeing economy strategy. The CoR also asks the Commission and urges the Member</p>	<p>The Commission deems it important to have a systematic and holistic approach to care issues; this applies to childcare as well as elderly care and long-term care of dependant persons. Closing the gender care gap is an explicit policy objective of the Gender Equality Strategy and is essential for achieving gender equality, fighting gender stereotypes, increasing women's labour market</p>

<p>States to include the demands made by domestic workers regarding working conditions in ILO Convention No 189;</p>	<p>participation and economic empowerment.</p> <p>A range of policy measures are needed in various policy areas to support a gender equal division of care work, develop sufficient care provisions and mitigate the effects of stereotypical division of unpaid care work between women and men.. As stated in the Gender Equality Strategy, the Commission will, for example, explore with Member States and stakeholders the provision of pension credits for care-related career breaks in occupational pension schemes.</p> <p>The Commission will continue supporting Member States' work on improving the availability and affordability of quality care services for children and other dependents through investments from the European Social Fund Plus, the European Regional Development Fund, the InvestEU programme and the European Agricultural Fund for Rural Development.</p> <p>During the COVID-19 pandemic, the importance of care and health care work has been underlined, including through calls for a reflection on the value of this work. The Commission's report on the Impact on Demographic Ageing³ underlines the crucial importance of care issues in the long-term. The Gender Equality Strategy also addresses the issue of the value of work, including health care and care work, in the context of the measures on equal pay.</p> <p>The availability of affordable and high quality childcare and long-term care structures is crucial for female labour market participation. Investment in health and care services can be considered in the context of the Recovery and Resilience Facility.</p> <p>The International Labour Organization (ILO) Convention 189 is an important instrument concerning decent work for domestic workers, who are overwhelmingly women, aiming to</p>
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³ https://ec.europa.eu/info/sites/info/files/demography_report_2020_n.pdf

	<p>ensure adequate working conditions. The Council has adopted a decision regarding the authorisation of Member States to ratify the ILO Domestic Workers Convention No 189 taking into account its significance for domestic workers' rights⁴. The Commission will continue monitoring its follow-up. In the context of their High Level Meeting of 2 October 2020, the ILO and the Commission further agreed to strengthen their cooperation to promote the ratification and effective application of Convention 189 and to organise an event on the 10th anniversary of the adoption of this Convention in 2021.</p>
<p>33. calls on the European Commission to analyse and address the short- and long-term impact that COVID 19 will have on equality between genders. Women and men have different experiences of the pandemic, and it is very important to have sex-disaggregated data in order to fully understand how women and men are affected by the virus – not only its impact on those directly affected by the disease or on the front line of the health crisis, but also its effects on the economy, education, the distribution of care work and the scale of domestic violence;</p> <p>AND</p> <p>48. points out that the COVID-19 crisis has a clear gender dimension. It will therefore be vital to incorporate a gender perspective into the Recovery Fund by conducting impact assessments and applying gender responsive budgeting principles to all funds;</p>	<p>The Commission pays close attention to the gender dimensions of the COVID-19 crisis, and agrees with the Committee that it is essential to include a gender equality perspective in policy responses. Thus, the Commission works to ensure that response measures to this crisis include a gender equality perspective.</p> <p>On 27 May 2020, the Commission put forward a revamped MFF and Recovery Plan to tackle the consequences of the Covid-19 pandemic and start the recovery. The Plan states that equality is at the heart of the recovery. The European Council conclusions on the Recovery Funds and the Multiannual Financial Framework (MFF) from 21 July 2020 underline that gender equality is essential to the recovery efforts. The recovery framework will promote equal opportunities by ensuring that activities and actions are gender mainstreamed and contribute to equality between women and men. The Council conclusions state that the EU budget is pivotal in supporting effective implementation of EU-wide policy objectives, such as equality between women and men as well as rights and equal opportunities for all. Equality between women and men, as well as</p>

⁴ 2014/51/EU: Council Decision of 28 January 2014 authorising Member States to ratify, in the interests of the European Union, the Convention concerning decent work for domestic workers, 2011, of the International Labour Organisation (Convention No 189); OJ L 32, 1.2.2014, p. 32–32.

	<p>rights and equal opportunities for all, and the mainstreaming of these objectives, should be taken into account and promoted throughout the preparation, implementation and monitoring of relevant programmes.</p> <p>The 2021-2027 MFF will serve as a significant tool for promoting gender equality. Funding under the Multiannual Financial Framework 2021-2027 and NextGenerationEU is expected to support actions promoting women’s labour market participation and work-life balance, invest in care facilities, support female entrepreneurship, combat labour market segregation and address the imbalanced representation of girls and boys in some sectors of education and training. Gender gaps are being addressed particularly in actions such as the Charter for the Pact for Skills⁵, the EU support for strategic national upskilling action, and skills to support the twin transitions.</p> <p>It is envisaged to provide dedicated funding for projects carried out by civil society organisations and public institutions, for example on tackling gender-based violence and promoting gender equality.</p> <p>Gender equality as a horizontal principle is to be taken into account in all the Funds covered by the Common Provisions Regulation.</p>
<p>35. requests that the European Commission ask the Member States to organise and support initiatives to empower women with regard to local and regional elections, so as to overcome discrimination and the obstacles that women face in these processes, including stereotypes and social norms that lead to female leadership being valued less than male leadership. It is also vital to support women to stand as candidates in municipal and regional elections;</p>	<p>In its Gender Equality Strategy 2020-2025, the Commission stresses that equal opportunities in participation are essential for representative democracy at all levels – European, national, regional and local. The Commission calls on the Member States to develop and implement strategies to increase the number of women in decision-making positions in politics and policy-making. It will support Member States in making progress on this, including through providing funding and facilitating the exchange of good</p>

⁵ <https://ec.europa.eu/social/main.jsp?catId=1517&langId=en>

	<p>practices.</p> <p>The Commission also recognises that gender stereotypes are a root cause of gender inequality and affect all areas of society. It will launch an EU-wide communication campaign combatting gender stereotypes in all spheres of life.</p>
<p>37. asks the EU institutions, including the Committee of the Regions, to adopt codes of conduct favouring the participation of women and men on equal terms with regard to composition and leadership positions, with the ultimate aim being gender parity between CoR members;</p>	<p>As far as the Commission is concerned, President Ursula von der Leyen’s efforts to reach parity in the College of Commissioners succeeded. The Commission has also committed to aim at gender balance of 50% at all levels of its management by the end of 2024. The Commission expects all EU institutions to commit to similar targets. High level political will is crucial for achieving gender parity in decision-making.</p>
<p>45. asks to be involved in the Task Force for Equality recently set up by the European Commission to ensure effective gender mainstreaming in all policies and programmes;</p>	<p>The Task Force on Equality comprises officials at senior and expert level in each of the Commission’s services as well as the European External Action Service. This Task Force supports Commissioner Dalli in her daily work, under the guidance of Vice-President Jourová. A key objective of the Task Force is to promote equality mainstreaming within the Commission and the European External Action Service and to ensure that EU policies promote equality between women and men and combat discrimination on grounds of gender, sexual orientation, age, disability, racial or ethnic origin and religion or belief. Whilst the Task Force remains internal to the Commission, exchanges of experience with other EU institutions would be welcome.</p>
<p>50. stresses that the EU's external action should comply with its legal commitments to promote gender equality and the empowerment of women in its international partnerships and its trade, neighbourhood and enlargement policies, in particular in relation to accession negotiations, the association process, and asylum and migration policies.</p>	<p>On 25 November 2020 the EU launched the Gender Action Plan III⁶, which is the flagship instrument for pursuing EU commitments to gender equality and women’s empowerment in the EU's external actions with partner countries, both through projects and programmes and in policy dialogues.</p>

⁶ JOIN(2020) 17 final.

<p>This is laid down in Article 208 TFEU, which enshrines the principle of coherence of development policy, which requires the SDGs and the EU Plan of Action on Gender Equality and Women's Empowerment in Development to be taken into account;</p>	<p>Equality between women and men and the fight against violence are topics highlighted in the EU Enlargement strategy as particular areas where further work is required. These issues are addressed in accession negotiations and in the Stabilisation and Association Process. The Commission monitors developments with regard to equality between women and men and the fight against gender-based violence in the enlargement packages, mainly under the political criteria and chapters 19, 23, 24 and 28.</p> <p>Candidate countries are expected to comply with the EU acquis on gender equality, and have the institutional framework needed to be able to enforce it. Enlargement countries must adopt appropriate measures to ensure gender equality as a necessary step towards membership.</p>
<p>51. calls the European Commission to assess how to utilise the EU's trade policy to advance women's rights and women's participation in the economy beyond its borders;</p>	<p>The EU uses its trade policy to advance gender equality and women's economic empowerment in a number of different ways.</p> <p>The Special Incentive Arrangement for Sustainable Development and Good Governance (GSP+) contains binding provisions related to the application of the Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW). All free trade agreements signed since 2009 also contain binding provisions related to non-discrimination in employment, through the application of ILO Conventions 100 and 111.</p> <p>The EU has committed to including trade and gender provisions in all its future free trade agreement (FTA) negotiations. This is already being done in the ongoing negotiations on the EU-Chile Association Agreement. The EU and Canada have issued a joint recommendation on trade and gender, as part of the implementation of the Comprehensive Economic and Trade Agreement (CETA). At the multilateral level, the EU is also an active engager and promoter in the implementation of the Buenos Aires Declaration</p>

	<p>on Trade and Women's Economic Empowerment.</p> <p>The EU is also working on data collection, to increase our understanding of the nexus between trade and gender issues; this involves conducting studies and improving statistics and indicators for a more gender-responsive trade policy.</p>
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<p>N°24 Local Democracy Challenges in the Western Balkans Council Presidency referral COR-2020-00840 – CIVEX-VII/003 140th plenary session – October 2020 Rapporteur-General: Nikola DOBROSLAVIĆ (HR/EPP) DG NEAR – Commissioner VÁRHELYI</p>	
<p>Points of the European Committee of the Regions opinion considered essential</p>	<p>European Commission position</p>
<p>34. is convinced that the three European Committee of the Regions' Joint Consultative Committees, with Montenegro, North Macedonia and Serbia, and its Working Group on the Western Balkans are key tools for engagement, and that their use should be maintained to support positive developments in local democracy in the Western Balkans;</p>	<p>The Commission would welcome topics related to the issue of local democracy in the Western Balkans including on the rule of law and anti-corruption, being on the agenda of the three Joint Consultative Committees with Montenegro, North Macedonia and Serbia.</p>
<p>35. recommends that the European Commission, in close cooperation with the European Committee of the Regions and the European Parliament, actively encourages efforts to tackle the problem of local state capture in the Western Balkans;</p>	<p>The Commission is already providing a range of technical support that aims at tackling the existing elements of state capture, also on the local level, in the region.</p> <p>The Commission will also take this issue into consideration in the preparation of its future assistance to the candidate countries and potential candidates.</p>
<p>36. suggests that the EU institutions provide additional support to stakeholders that are working to promote local democracy and the rule of law, such as independent, non-profit organisations that monitor respect for human rights, transparency and/or corruption in public authorities (watch-dog organisations). Local government associations in the countries of the Western Balkans are also important actors in tackling corruption and strengthening democracy at local level, and can be strategic partners;</p>	<p>The Commission takes note of this point and, based on results and lessons learned from various ongoing bilateral, regional and thematic programmes, including for example the European Instrument for Democracy and Human Rights (EIDHR), will take it into consideration in the preparation of its future assistance to the candidate countries and potential candidates.</p>
<p>37. suggests cooperation with other international organisations active at local level</p>	<p>The Commission intends to continue the already longstanding cooperation with international</p>

<p>(IOM, UNDP, UNICEF) in moves to strengthen the rule of law, protect human rights and empower the public;</p>	<p>organisations in the Western Balkans. With the United Nations Development Programme, the successful regional project ReLOaD (Regional Programme on Local Democracy in the Western Balkans), seeks to strengthen partnerships between local governments and civil society by scaling-up a model of transparent and project-based funding of civil society organisations from local government budgets. A second phase is under preparation. Furthermore, under the regional migration programme with the International Organization for Migration and the United Nations High Commissioner for Refugees, the Commission supports hosting communities to address migration challenges at local level. The Commission also works with the Council of Europe under the Horizontal Facility II, targeting local institutions and local communities to boost democratic culture, anti-discrimination, and protect human rights including tackling human trafficking.</p>
<p>38. strongly urges all the EU institutions to step up their communication and contacts with the public in Western Balkan countries in order to develop partnerships and synergy with a view to achieving the mutual goal of effectively implementing the necessary reforms, strengthening the rule of law and building a democratic society.</p> <p>One area where people are aware of the benefits of local democracy and of rapprochement with the EU is the provision of municipal services. It is also an area which is not infrequently subject to corruption and local state capture. Greater openness and transparency is called for in this area, together with more consultations with the public on providing municipal services where the focus is on people's needs and demands;</p>	<p>Different measures and programmes already target administrations and public at municipal level. In terms of partnerships to build a democratic society, EU assistance, such as the programmes for Civil Society Organisations and Local Authorities (CSO-LA) or town twinning, aims at fostering local democracy, increasing contacts and cooperation with civil society, and raising awareness of the EU in both Member States and partner countries.</p> <p>To improve the provision of municipal services, the Technical Assistance and Information Exchange instrument (TAIEX) operates a small pilot in three Western Balkan countries (Albania, Bosnia and Herzegovina and Serbia) since January 2018. Through the 'TAIEX Strategic support for local authorities' on targeted topics of human resource management and service delivery to citizens it serves as a platform for peer-to-peer exchanges with EU Member States and with the</p>

	<p>key support of EU Delegations.</p> <p>Moreover, the principle of services delivery is one of the six guiding principles of public administration reform supported by the Commission, and is horizontally applied in its support to the region. The Commission is also in the process of developing an approach towards multi-level governance, which highlights the role of regional/local governance, and acknowledges the importance of the clear allocation of responsibilities and corresponding resources across layers of government (national/regional/local), in order to improve the functioning of the state in terms of policy delivery and service provision.</p>
<p>39. calls on the European Commission, in this context, to pay even more attention to the above-mentioned shortcomings at national, regional and local level when negotiating EU accession and relations with the Western Balkans. This includes thoroughly examining cases of local state capture, monitoring implementation of legislative and institutional solutions for limiting politicians' discretionary powers over financial and human resources, and promoting media freedom through financial and educational incentives;</p>	<p>The new enlargement methodology¹ puts a stronger focus on fundamental reforms, including the rule of law, the functioning of democratic institutions and public administrations. Progress in these areas will determine the overall pace of the negotiations. Further, the implementation and enforcement of legislative and institutional anticorruption reforms are closely monitored and thoroughly examined in the enlargement packages.</p>
<p>40. points out that when setting the criteria to be applied to relations with the Western Balkans, the EU should take into account the reality at national and local level, and not only monitor formal fulfilment of the criteria, which mainly aims to align national legislation with the EU acquis. This approach is more ambitious, but the results could be much more useful;</p>	<p>In its messaging towards the Western Balkans the EU consistently points out the need for countrywide reforms to be implemented more vigorously and produce sustainable results to the benefit of all citizens.</p>

¹ https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/enlargement-methodology_en.pdf

<p>41. considers that EU delegations in the Western Balkans, the European Committee of the Regions and potentially the European Economic and Social Committee should play a greater role in verifying the real state of local democracy, the rule of law and good governance in the Western Balkans, including via direct contacts with local and regional authorities and members of the political opposition, the business world, academia and civil society, as well as by structuring and supporting dialogue with members of the public.</p>	<p>The European Union Delegations closely follow the political developments in the Western Balkans at national, as well as at local and regional level, and are in direct contact with local and regional authorities and members of the political opposition, the business world, academia and civil society.</p>
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<p>N°25 European Year of Rail 2021 COM(2020) 78 final COR-2020-02633 – COTER-VII/006 140th plenary session – October 2020 Rapporteur: Jarosław STAWIARSKI (PL/ECR) DG MOVE – Commissioner VÁLEAN</p>	
<p>Points of the European Committee of the Regions opinion considered essential</p>	<p>European Commission position</p>
<p>The role of rail and its contribution to the socio-economic development of Europe’s regions, sustainable mobility and achieving the climate goals set out in the European Green Deal and the EU’s transport policy</p>	
<p>1. welcomes the proposed 2021 European Year of Rail as a way to promote rail among citizens, businesses and authorities – through projects, debates, events, exhibitions and initiatives across Europe – as an attractive and environmentally sustainable way to travel across Europe;</p>	<p>The Commission welcomes that the Committee fully endorses its proposal for a European Year of Rail 2021 and supports its goals.</p>
<p>6. points out that all modes of transport should help meet the external costs they generate, in line with the polluter pays principle. Accordingly, calls on the German Presidency of the EU Council to speed up debate on the Eurovignette so that a general approach can be adopted over the next few months. This will finally make it possible to conduct trilogue negotiations with the European Parliament and so promote the switch from road to rail;</p>	<p>The Commission agrees with the Committee that the revision of the Eurovignette Directive¹ can better reflect the cost of road use and therefore make a real difference to reduce emissions from transport. The Commission stands ready to continue to provide support in the trilogues between the co-legislators.</p>
<p>12. ahead of the planned revision of Regulation 1315/2013 (TEN-T), encourages the EU institutions to continue to support the development of this network and to invest in new corridors, wherever needed in the</p>	<p>Ahead of the planned revision of the TEN-T Regulation², the Commission is committed to continue to support the development of the TEN-T network and to encourage more investment by Member States. To this end,</p>

¹ Directive 1999/62/EC of the European Parliament and of the Council of 17 June 1999 on the charging of heavy goods vehicles for the use of certain infrastructures; OJ L 187, 20.7.1999, p. 42–50.

² Regulation (EU) No 1315/2013 of the European Parliament and of the Council of 11 December 2013 on Union guidelines for the development of the trans-European transport network and repealing Decision No 661/2010/EU; OJ L 348, 20.12.2013, p. 1–128. https://ec.europa.eu/transport/themes/infrastructure/ten-t/review_en

<p>European Union, particularly in the regions which have less developed railway infrastructure. The amber corridor and Rail Baltica are examples of corridors with European added value;</p>	<p>future calls under the Connecting Europe Facility (CEF)³ will cover investment in rail-road terminals and multimodal logistics platforms.</p> <p>The upcoming revision of the TEN-T Guidelines will also be an opportunity to better align the rail freight corridors with TEN-T.</p>
<p>17. is of the opinion that EU decision-makers should take advantage of the period of economic recovery following the pandemic to focus more on green modes of transport, such as rail. Future EU transport strategies and investment plans must reflect this new approach.</p>	<p>The COVID-19 outbreak has shown the need to reinforce our transport systems so that they can withstand potential future shocks. A well-functioning and fully accessible transport system is essential for the successful economic recovery. To address these challenges, the Commission should adopt a strategy for sustainable and smart mobility by the end of the year, in line with the objectives of the European Green Deal⁴ and the digital transition.</p> <p>As one of the most sustainable transport modes available, and with a great safety record, the Commission agrees that rail should play a starring role in the EU future transport mix – for both passengers and freight. The upcoming Strategy should reflect on new initiatives to encourage the modal shift to rail. Furthermore, as announced in its Work Programme for 2021⁵, the Commission will propose a series of measures to promote rail transport, both for passengers and freight.</p>
<p>The challenges facing European rail and the Committee of Regions recommendations for how to promote and develop the sector</p>	
<p>19. calls on the EU institutions and the national authorities to take urgent action to create a level playing field between the different modes of transport, particularly by factoring in negative externalities on the environment and aligning taxation, and to consistently promote rail.</p>	<p>The European Green Deal underscores that the price of transport must reflect the impact it has on the environment and on health. As announced in the Work Programme for 2021, the Commission will revise the Energy Taxation Directive⁶ and, in this context, will look closely</p>

³ <https://ec.europa.eu/inea/en/connecting-europe-facility>

⁴ COM(2019) 640 final.

⁵ https://ec.europa.eu/info/publications/2021-commission-work-programme-key-documents_en

⁶ <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12227-EU-Green-Deal-Revision-of-the-Energy-Directive>

<p>Would point out here that the European Committee of the Regions supported the European Citizens' Initiative Fairosene calling for taxation of aviation fuel;</p>	<p>at the current tax exemptions including for aviation and maritime fuels and at how to best close any loopholes.</p> <p>Similarly, the Commission will revise the EU Emissions Trading System⁷ in 2021 to extend it to the maritime sector, and to reduce the EU Emissions Trading System allowances allocated for free to airlines. This will be coordinated with action at global level, notably at the International Civil Aviation Organization and International Maritime Organization.</p> <p>Furthermore, the Commission calls on the European Parliament and the Council to maintain the high level of ambition in the Commission's original proposal for the 'Eurovignette Directive', which will help achieve effective road pricing in the EU.</p>
<p>21. calls on the EU institutions and governments to strengthen strategic cooperation to tackle climate change by providing urgent support for a range of measures, including:</p> <ul style="list-style-type: none"> - introducing the principle of full internalisation of external costs in transport; ensuring equal and safety concerned standards between all forms of transport; - making rail (in line with the obligation entered into by Member State ministers in the Graz Declaration) a focal point for sustainable mobility in the EU in passenger traffic as well as freight transport; - providing further support for electrification and modernisation of the rail network; - supporting the modal shift towards rail, including, in particular, rail passenger transport in local traffic and regional transport as well as for journeys up to 1000 km and the implementation of aid and financial programmes for rail freight transport, which 	<p>The European Green Deal gives priority to boosting multimodal transport. This includes, as a matter of priority, measures to better manage and increase the capacity of railways, thereby improving the efficiency of the transport system, including with respect to decarbonisation and climate change mitigation efforts.</p> <p>The Connecting Europe Facility (CEF) for Transport contributes to the decarbonisation of the European economy by investing heavily in environmentally friendly transport modes. 72% (€16.3 billion) of the Connecting Europe Facility (CEF) 2014-2020 budget supports actions aiming to adapt, upgrade and improve several thousand kilometres of railway lines all over Europe. Another €18.7 billion in support from the EU budget for rail investment are provided by the Cohesion Fund and the European Regional Development Fund.</p> <p>In line with the European Green Deal and as announced in its Work Programme, the</p>

Taxation-Directive.

⁷ https://ec.europa.eu/clima/policies/ets/revision_en

<p>will enable it to increase its share of transport in the EU from 17% at present to a minimum 30% in 2030;</p> <p>- taking stock of the work carried out under the Shift2Rail initiative and stepping up support for R&D and innovation in the rail sector, including through further measures under the Horizon Europe programme;</p>	<p>Commission will propose a series of measures to promote the modal shift towards rail in 2021, both for passenger and freight transport, including: (i) the revision of the Directive on Intelligent Transport Systems⁸ with a multimodal ticketing initiative; (ii) the revision of the Regulation on the trans-European transport network (TEN-T); (iii) the EU 2021 Rail Corridor Initiative⁹, including the revision of the Rail Freight Corridor Regulation¹⁰ and actions to boost passenger rail.</p> <p>With regards to research, development and innovation in the rail sector, the Commission is planning to put forward a proposal for a European Partnership on Rail Research and Innovation in accordance with the Treaty on the Functioning of the European Union as a successor to Shift2Rail¹¹. The Rail European Partnership will focus on accelerating research, development and demonstrations of innovative technologies and operational solutions (enabled by digitalisation and automation) with an integrated system approach to deliver on EU priorities.</p>
<p>25. calls for full support for the public investments needed in rail infrastructure, as well as for measures drawing on rail's potential and its role in the European economy's recovery from the COVID-19 crisis;</p>	<p>The Commission considers that rail should play a starring role in the economic recovery from the COVID-19 crisis. Investing in rail is investing in sustainable, accessible and inclusive, digital mobility as well as in Europe's supply and rail companies and their customers. It is also an investment in resilience, as shown by the COVID-19 outbreak, whereby rail freight has been much less disrupted than other modes and can shift greater volumes with fewer drivers, making it a particularly safe and reliable</p>

⁸ [https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12534-Revision-of-the-Intelligent-Transport-Systems-Directive-](https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12534-Revision-of-the-Intelligent-Transport-Systems-Directive)

⁹ Regulation (EU) No 913/2010 of the European Parliament and of the Council of 22 September 2010 concerning a European rail network for competitive freight; OJ L 276, 20.10.2010, p. 22–32
<https://www.europarl.europa.eu/legislative-train/api/stages/report/current/theme/a-european-green-deal/file/eu-2021-rail-corridor-initiative>

¹¹ <https://shift2rail.org/about-shift2rail/>

29. furthermore, calls on the EU institutions to opt for a broader approach to supporting and developing secondary rail networks and the additionally required intermodal infrastructure (e.g. terminals) when improving or expanding rail infrastructure, and to adapt or enlarge the support instruments accordingly;

transport option in these circumstances.

With regards to secondary rail networks and intermodal infrastructure, the Commission recalls that one of key objectives for the development of the TEN-T is fostering cohesion across the Union. The TEN-T defines networks of priority infrastructure (the so-called core and comprehensive networks, linking the most important cities and ports in the EU) and set out minimum infrastructure parameters for these lines. Member States are to implement them by 2030 as regards the core network and by 2050 on the comprehensive network. The Commission is currently reviewing the TEN-T Guidelines to see whether they are still fit for purpose and may propose modifications depending on the outcome of this evaluation.

The Cohesion Fund and the European Regional Development Fund are important sources of EU co-funding for TEN-T projects, in particular in Member States and regions lagging behind in their infrastructure development. Furthermore, the Connecting Europe Facility funding has already helped Member States address the issue of rail accessibility, especially in regions lagging behind and create or improve cross-border connections.

Connecting Europe Facility (CEF) 2021-2027 will provide a higher support to the TEN-T comprehensive network, ensuring accessibility to all regions, in particular:

- 15% of the budget dedicated to the development of the TEN-T will focus on the comprehensive network and
- 40% of the budget dedicated to modernisation of the TEN-T network will apply both on the TEN-T core and comprehensive network without any distinction (as opposed to the previous situation where those horizontal priorities apply mainly on the core network).

<p>31. calls for the 2021-2027 EU budget and Member States' budgets to ensure that sufficient resources are made available to cover rail's investment needs; notes that the countries of Central and Eastern Europe are facing problems due to the obsolescence or lack of rolling stock. Investments are essential in order to make rail more competitive;</p> <p>32. in view of the financial challenges facing the rail sector and its ambitious development goals, the Committee calls for a relaxation of cohesion rules so as to allow for a vital increase in funding to support rail investments under the ERDF and the Cohesion Fund. Also calls for an increase in the budget for the Connecting Europe Facility with a view to contributing to the green transition of Europe's transport system;</p> <p>33. recommends that consideration be given to a long-term EU financing mechanism for sustainable transport, using resources from less environmentally friendly modes of transport, in line with the polluter pays principle;</p>	<p>To date, more than 70% of CEF transport investment has been directed to rail. The Commission strongly agrees that rail should maintain its central place in transport investments in the next Multiannual Financial Framework 2021-2027.</p> <p>It is envisaged that the Connecting Europe Facility (CEF) 2021-2027 will double its budget from the general envelope (40%) to the modernisation of the TEN-T network (i.e. in terms of digitalisation, the European Rail Traffic Management System (ERTMS), freight transport services, new technologies and innovations, etc.) compared to the CEF 1 (~20%).</p> <p>In addition, 60% of the CEF 2021-2027 transport expenditures will contribute to climate objectives. This implies a strong focus on sustainable modes of transport such as railways.</p> <p>Fostering a balanced development of a sustainable and smart European transport system will also be a priority for the Cohesion Fund and the European Regional Development Fund providing support in particular in the less developed Member States and regions.</p>
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Effective ways to promote rail transport as part of the 2021 European Year of Rail

<p>39. encourages the EU institutions and national and regional authorities to take action in line with the objectives of the European Year of Rail, with a view to promoting rail as an environmentally friendly, innovative and safe mode of transport. In cooperation with railways and railway organisations, they could organise and promote:</p> <ul style="list-style-type: none"> - initiatives, exhibitions and events to promote political, business and social debate highlighting the importance of rail in the EU's transport and economic system (including the TRAKO 2021 rail fair in Gdańsk); 	<p>The Commission fully shares the Committee's views and aims for an inclusive European Year, involving authorities and stakeholders at all levels. The Commission wants to reach out to the broader public, in particular young citizens, and to convince those who may not yet use rail transport. The Commission wants also to explain and promote the assistance available for persons with disabilities and reduced mobility and the efforts (done and planned) to make infrastructures more accessible. Throughout the year, there will be events, debates and other activities across the EU – creating opportunities</p>
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<ul style="list-style-type: none"> - information and educational campaigns on the role and added value of rail transport and measures to encourage the public to help meet the objective of sustainable transport; - exchanges of experience and good practices between regional and local authorities, rail companies and representatives of the EU institutions, in order to promote rail; 	<p>to exchange views, ideas and best practices.</p> <p>To this end, the Commission counts on national, regional and local authorities, the rail sector, communities and other actors to organise dedicated events to multiply our messages and reach out to as many citizens as possible. In this regard, we welcome the Committee's suggestion of adding the TRAKO 2021 rail fair to the European Year of Rail programme.</p>
<p>40. is committed to increasing the contribution and role of rail in public transport, and to making its image more economically and socially attractive. In addition to promoting rail's climate neutrality, it would be worth taking steps to improve and highlight the attractiveness of employment in this sector, in light of the emerging generational gap and changes in rail professions. This is why the CoR in particular:</p> <ul style="list-style-type: none"> - encourages national and regional authorities to promote education in rail-related careers and to set up schools and courses of studies focussing on rail at universities, reflecting market demands, particularly in the fields of engineering, automation, signalling and other specialised areas; - encourages railway companies to offer additional training, and to make working in the rail sector more attractive; - recommends that rail companies and schools, with the support of regional and national authorities, organise competitions for students to test their rail knowledge; - encourages the European Commission to maintain and expand the #DiscoverEU programme. The CoR also proposes a joint initiative linking this programme with the rail sector. The aim would be to connect the Interrail trips that young people make to a programme of events in cities and regions 	<p>The European Year framework is open and goes beyond purely sectorial policies. In particular, it will cover aspects related to culture, heritage, education and youth.</p> <p>In this regard, the European Year of Rail will be an opportunity to showcase rail's inclusive social model, in which workers' rights are duly protected. In this respect, the communication campaign will promote the various career opportunities offered by the rail sector. Several Commission departments and a number of stakeholders are working together to organise events under the European Year of Rail related to the themes mentioned in the Committee's Recommendation. A number of events with a focus on social issues and rail in 2021 are expected, such as the European Youth Day and Week, the European Vocational Skills Week, the European Tourism Day, the European Day of Persons with a Disability, or an event on rail accessibility for persons with disabilities organised by the European Passengers' Federation.</p> <p>With regards to DiscoverEU, it is also expected that a series of activities will be organised under its umbrella, revolving around community-building, communication and learning activities for young applicants. Several stakeholders in the field of Youth and Culture have also been encouraged to promote the European Year, in particular when it comes to promoting travelling by train to their events or to motivate</p>

<p>focusing on local railway stations as vehicles of culture or technical visits so that young people can learn more about rail;</p> <ul style="list-style-type: none"> - welcomes the involvement of the rail sector in the 2021 Europalia international art festival, which will focus on rail's influence on art and the role of rail as a promoter of change; 	<p>participants in their projects to embrace this sustainable means of transport. Finally, the Commission is closely cooperating with the Europalia arts festival¹², which will dedicate its 2021 edition to rail, in order to develop the European Year programme and build bridges with rail museums and other cultural institutions throughout Europe. In cooperation with Europalia, the Commission is planning to have a Meet-up gathering around 30 young DiscoverEU ambassadors in Brussels in November 2021.</p>
<p>41. recognises the need to support rail at EU and national level, not least given the challenges faced by the sector. Therefore:</p> <ul style="list-style-type: none"> - encourages rail to increase its contribution to sustainable tourism by creating new rail links and restoring ones that have been closed down; - calls on the rail sector and the Member States to extend services offered by night trains and car-carrying trains; - calls on the European Commission to set up a coherent European high-speed rail network as an alternative to or alongside air and private transport without compromising the expansion of the regional and freight train infrastructure; - encourages rail to continuously improve the digitalisation and accessibility of services by developing applications and ticketing platforms, and to work towards a common European rail ticketing scheme; - supports rail and Member States in their efforts to promote interoperability in international transport; - encourages Member States to promote and fund programmes to shift freight from road to rail by developing new projects such as tiry na tory)(lorries onto rail) and to share their best 	<p>Sustainable tourism, cultural aspects, industrial heritage, and regional connectivity should indeed be covered under the European Year. As the Commission proposed in its recent transport, borders and tourism package¹³, the European Year of Rail 2021 could focus on this specific travel mode to promote intra-EU tourism. In this context, the European Year could also give visibility to the revival of night trains in Europe.</p> <p>With regards to the communication campaign, the Commission plans to promote all European Year events through a dedicated website and social media. The Commission also counts on national, regional and local authorities, the rail sector, communities and other actors to organise dedicated events (including in train stations) and disseminate information about them.</p> <p>The European Year of Rail will also be an opportunity to shed light on developments in the rail sector and to raise awareness of the challenges that remain in seeking a true Single European Railway Area. In this context, key issues such as digitalisation, ticketing and regional connectivity could be addressed.</p>

¹² <https://europalia.eu/en/about-europalia>

¹³ https://ec.europa.eu/commission/presscorner/detail/en/QANDA_20_870

<p>practices for modal shift;</p> <ul style="list-style-type: none"> - encourages regional and national authorities to draw up long-term transport plans with a leading role for rail, where appropriate, and points to the need to promote rail as a key element in addressing the issue of the transport exclusion of outlying and/or less developed regions. In regions where there is no rail transport, as is the case in the outermost regions, the CoR recommends finding alternative mobility solutions that are suited to the situation in these regions; - encourages regional authorities to support existing rail monuments, museums, and historical engine houses as cultural heritage in their regions; - recommends that local authorities, in cooperation with rail companies, promote and implement joined-up, door-to-door transport solutions, taking account of collaborative economy projects, including bike sharing; - recommends that comprehensive joint campaigns promoting regions and rail be carried out using various media and information channels, and that the role of railway stations and rolling stock as cultural vehicles be highlighted, in order to expand education and build relationships with passengers, and to generate public awareness of the fact that, as a means of transport, rail can play a key role in tackling climate change; - encourages national and regional authorities to support investment in construction of intermodal terminals along rail routes and at borders with third countries, to modernise and maintain railway stations and stops, including access roads, and to mark out and create parking spaces for people arriving at train stations by car; 	
<p>44. recommends that the EUR 8 million budget</p>	<p>In its proposal, the Commission estimated the</p>

referred to in the proposed Commission decision (COM(2020) 78) be increased to EUR 12 million.

necessary financial allocation for the implementation of this Decision for the period 2020-2021 to be €8 million. However, the Commission takes note of the Committee's request for a more ambitious budget for the European Year of Rail.
