

**FOLLOW-UP PROVIDED BY THE EUROPEAN COMMISSION**  
**TO THE OPINIONS OF THE**  
**EUROPEAN COMMITTEE OF THE REGIONS**  
**PLENARY SESSION OF APRIL 2022**  
**101<sup>st</sup> REPORT**

N°	TITLE / LEAD DG	REFERENCES
<b>SG</b>		
<p><b>1.</b> (assoc. EEAS)</p>	<p><a href="#"><u>Strengthening the EU-UK relationship at subnational level and remedying the territorial impact of the UK's withdrawal from the EU</u></a>  Rapporteur: <b>Michael MURPHY</b> (IE/EPP)</p>	<p>Own-initiative COR-2022-00108-00-00-AC-TRA CIVEX-VII/011</p>
<b>DG JUST</b>		
<p><b>2.</b></p>	<p><a href="#"><u>Reinforcing democracy and integrity of elections</u></a>  Rapporteur: <b>Vincenzo BIANCO</b> (IT/PES)</p>	<p>COM(2021) 730 final COM(2021) 731 final COM(2021) 732 final COM(2021) 733 final COM(2021) 734 final  COR-2022-01120-00-00-AC-TRA  CIVEX-VII-013</p>
<b>DG ENER</b>		
<p><b>3.</b></p>	<p><a href="#"><u>Amending the Energy Efficiency Directive to meet the new 2030 climate targets</u></a>  Rapporteur: <b>Rafał TRZASKOWSKI</b> (PL/EPP)</p>	<p>COM(2021) 558 final COR-2021-04548-00-00-AC-TRA  ENVE-VII/024</p>
<p><b>4.</b></p>	<p><a href="#"><u>Amending the Renewable Energy Directive to meet the new 2030 climate targets</u></a>  Rapporteur: <b>Andries GRYFFROY</b> (BE/EA)</p>	<p>COM(2021) 557 final COR-2021-04547-00-00-AC-TRA  ENVE-VII/023</p>
<b>DG CLIMA</b>		
<p><b>5.</b></p>	<p><a href="#"><u>Revision of LULUCF and Effort Sharing regulations</u></a>  Rapporteur: <b>Åsa ÅGREN WIKSTRÖM</b> (SV/EPP)</p>	<p>COM(2021) 554 final COM(2021) 555 final COR-2022-00061-00-00-AC-TRA  ENVE-VII-025</p>

<b>DG CLIMA &amp; TAXUD</b>		
<b>6.</b>	<a href="#"><u><b>Making ETS and CBAM work for EU cities and regions</b></u></a> Rapporteur: <b>Peter KURZ</b> (DE/PES)	COM(2021) 551 final COM(2021) 552 final COM(2021) 564 final COM(2021) 571 final COR-2021-04546-00-01-AC-TRA ENVE-VII/021
<b>7.</b>	<a href="#"><u><b>Towards a socially fair implementation of the Green Deal</b></u></a> Rapporteur: <b>Csaba BORBOLY</b> (RO/EPP)	COM(2021) 563 final COM(2021) 568 final COR-2021-04801-00-01-AC-TRA ENVE-VII/022
<b>DG TAXUD</b>		
<b>8.</b>	<a href="#"><u><b>Ensuring a global minimum level of taxation for multinational groups in the Union</b></u></a> Rapporteur-general: <b>Federico BORGNA</b> (IT/PES)	COM(2021) 823 final COR-2022-01727-00-00-AC-TRA ECON-VII/022
<b>DG ECFIN</b>		
<b>9.</b>	<a href="#"><u><b>The EU economy after COVID-19: implications for economic governance</b></u></a> Rapporteur: <b>Elio DI RUPO</b> (BE/PES)	COM(2021) 662 final COR-2022-00194-00-00-AC-TRA ECON-VII/020
<b>DG COMP</b>		
<b>10.</b>	<a href="#"><u><b>Future EU State aid in the agricultural and forestry sectors and in rural areas</b></u></a> Rapporteur: <b>Guido MILANA</b> (IT/PES)	Own-initiative COR-2021-05123-00-00-AC-TRA NAT-VII-022
<b>DG AGRI</b>		
<b>11.</b>	<a href="#"><u><b>EU Forest Strategy for 2030</b></u></a> Rapporteur: <b>Joan CALABUIG RULL</b> (ES/PES)	COM(2021) 572 final COR-2021-04822-00-00-AC-TRA NAT-VII-024

<b>DG HERA</b>		
<b>12.</b>	<a href="#"><u>Health Emergency Response Authority</u></a> Rapporteur: <b>Christophe CLERGEAU</b> (FR/PES)	COM(2021) 576 final COR-2021-04928-00-00-AC-TRA NAT-VII/023
<b>DG EAC</b>		
<b>13.</b>	<a href="#"><u>European strategy for universities</u></a> Rapporteur: <b>Emil BOC</b> (RO/EPP)	COM(2022) 16 final COR-2022-00328-00-00-AC-TRA SEDEC-VII/029
<b>JRC</b>		
<b>14.</b>	<a href="#"><u>New European Bauhaus - Beautiful, Sustainable, Together</u></a> Rapporteur: <b>Kieran MCCARTHY</b> (IE/EA)	COM(2021) 573 final COR-2021-05640-00-00-AC-TRA SEDEC-VII/025
<b>RTD</b>		
<b>15.</b>	<a href="#"><u>European Missions</u></a> Rapporteur: <b>Markku MARKKULA</b> (FI/EPP)	COM(2021) 609 final COR-2021-05656-00-00-AC-TRA SEDEC-VII/026

**N°1 Strengthening the EU-UK relationship at subnational level and remedying the territorial impact of the UK's withdrawal from the EU**  
**COR-2022-00108 – CIVEX-VII/011**  
**149<sup>th</sup> plenary session – April 2022**  
**Rapporteur: Michael MURPHY (IE/EPP)**  
**Secretariat-General – Vice-President ŠEFČOVIČ**

<b>Points of the European Committee of the Regions opinion considered essential</b>	<b>European Commission position</b>
<p>6. The Committee (CoR) calls for the formal recognition of the CoR-UK Contact Group and as an official sub-national interlocutor between EU and UK local and regional government under the TCA in order to provide an assessment of the subnational dimension of the key policy and legislative issues that will have an impact on the UK-EU bilateral relationship, just as the Parliamentary Assembly, the Civil Society Forum and the UK-EU specialised committees will undertake in their areas of interest.</p>	<p>The Treaties do not provide for a formal role of the Committee with respect to EU international agreements. Article 13(2) of the Treaty on European Union (TEU) lays down that each institution is to act within the limits of the powers conferred on it.</p> <p>The Parliamentary Partnership Assembly, the Civil Society Forum and the joint bodies established by the Trade and Cooperation Agreement constitute constituent parts of the agreement's institutional framework.</p> <p>The Commission will remain at the disposal of the Committee to provide information and to listen to the voice of the regions on matters pertaining to EU-UK relations, including through continued engagement with the Committee' UK Contact Group.</p>
<p>7. The CoR urges the Commission to re-examine the structures of the Joint Partnership Council, which oversees the implementation and application of the TCA, to seek to address the lack of territorial depth by involving LRAs in the monitoring and governance of the TCA.</p>	<p>Pursuant to Article 17 TEU, the Commission represents the Union within the Partnership Council and all other joint bodies (Trade Partnership Committee, Trade Specialised Committees and Specialised Committees) of the Trade and Cooperation Agreement.</p> <p>Pursuant to Article 2(1) of Council Decision (EU) 2021/689 of 29 April 2021<sup>1</sup>, each Member State shall be allowed to send one representative to</p>

<sup>1</sup> Council Decision (EU) 2021/689 of 29 April 2021 on the conclusion, on behalf of the Union, of the Trade and Cooperation Agreement between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part, and of the Agreement between the European Union and the United Kingdom of Great Britain and Northern Ireland concerning security procedures for exchanging and protecting classified information; OJ L 149, 30.4.2021, p. 2–90.

	<p>accompany the Commission representative, as part of the Union delegation, in meetings of the Partnership Council and of other joint bodies established under the Trade and Cooperation Agreement.</p>
<p>13. The CoR insists that the provisions of the BAR Regulation relating to the involvement of regions and local communities in the implementation of the BAR and the reporting at NUTS 2 level are fully respected. The CoR also recalls that, with a view to the programming of BAR funds, it had requested a focus on SMEs, on measures aimed at the reintegration of EU citizens and on technical assistance. In terms of distribution of funds, the CoR advocated a minimum coverage/threshold for the new maritime border regions with the UK and an allocation of the envelope on fisheries without national indexation.</p>	<p>The BAR regulation<sup>2</sup> acknowledges at several instances the varied impact of the UK's withdrawal from the EU in economic, social, territorial and environmental terms. It encourages Member States to embark upon a multi-level dialogue with local and regional authorities and communities of regions and sectors that are most adversely affected by the UK's withdrawal, as well as social partners and civil society, where relevant, and in accordance with their institutional, legal and financial framework. The important role of small and medium-sized enterprises (SMEs) is also acknowledged. Article 4(4) specifies the minimum support to local and regional coastal communities, including the fisheries sector, in particular the small-scale coastal fisheries sector depending on fishing activities.</p>
<p>23. The CoR regrets that the impact of Brexit has not been taken into account by the European Commission in the 8<sup>th</sup> Cohesion Report. The impact has contributed to the disruption of the economy, interregional cooperation, research ecosystems, training systems and demography for a certain number of EU regions. The European Committee of the Regions would like to see geopolitical developments better taken into account in the prospective approach to the post-2027 period.</p>	<p>The withdrawal of a Member State from the EU is an extraordinary event and its impact was impossible to forecast given the varied interlinkages and exposure of Member State economies with the UK. Against this background, the EU established the Brexit Adjustment Reserve as a flexible and rapid measure to mitigate the varied impact of the withdrawal of the UK from the EU. It will take time to be able to analyse the actual impact of the withdrawal on Member States.</p>

<sup>2</sup> Regulation (EU) 2021/1755 of the European Parliament and of the Council of 6 October 2021 establishing the Brexit Adjustment Reserve; OJ L 357, 8.10.2021, p. 1–26.

<p><b>N° 2 Reinforcing democracy and integrity of elections</b>  <b>COM(2021) 730 final,</b>  <b>COM(2021) 731 final,</b>  <b>COM(2021) 732 final,</b>  <b>COM(2021) 733 final,</b>  <b>COM(2021) 734 final</b>  <b>COR-2022-01120 -- CIVEX-VII-013</b>  <b>149<sup>th</sup> plenary session - April 2022</b>  <b>Rapporteur: Vincenzo BIANCO (IT/PES)</b>  <b>DG JUST – Commissioner REYNDEERS</b></p>	
<p><b>Points of the European Committee of the Regions opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1. The CoR welcomes the Commission's package of measures on Reinforcing democracy and integrity of elections; shares the goals pursued by these measures, and firmly supports all efforts to ensure an open, fair and pluralistic political debate, and equal democratic participation and engagement.</p>	<p>Democracy is a common value of the EU. Support for free and democratic elections in the EU is a shared objective among the national, regional, local and European levels of governance.</p>
<p>2. The CoR regrets that the proposed measures in the package on Reinforcing democracy and integrity of elections do not adequately reflect their implications at the local and regional level; underscores the specific knowledge at local and regional level with regard to identifying potential threats to the integrity of democratic processes.</p>	<p>The Commission is currently conducting a number of initiatives with involvement of local players.</p> <p>The European Cooperation Network on Elections<sup>1</sup> brings together national networks of competent authorities to exchange information and best practices to promote free and fair elections in the EU. Meetings of the network have included representatives from local governments and funded projects involving local government, and participants in the Network are encouraged to disseminate its material widely. Meetings have exchanged on practices to combat disinformation, from supporting awareness-raising among citizens to the provision of training for particularly exposed persons such as political candidates and journalists.</p> <p>The Commission has also provided around</p>

<sup>1</sup> [https://ec.europa.eu/info/policies/justice-and-fundamental-rights/eu-citizenship/democracy-and-electoral-rights/european-cooperation-network-elections\\_en](https://ec.europa.eu/info/policies/justice-and-fundamental-rights/eu-citizenship/democracy-and-electoral-rights/european-cooperation-network-elections_en)

	<p>€ 10 million through its Rights, Equality and Citizenship programme from 2015 to 2020<sup>2</sup> to fund projects to support the participation of mobile EU citizens, which has included support for resilience against disinformation and to projects organised by local authorities.</p>
<p>3. The CoR supports the approach to strengthen cooperation and exchange of best practice in the area of democratic and electoral resilience, and in this context welcomes the establishment of the "joint mechanism for electoral resilience"; furthermore, believes that the local and regional dimension should be incorporated into such cooperation given its aim to protect elections at all levels.</p>	<p>As of 2022, the Commission has been rolling out a 'joint mechanism for electoral resilience'<sup>3</sup>. This supports the deployment of joint expert teams and expert exchanges between Member States. It helps to build electoral processes that are resilient to various types of threats, in particular in the area of online forensics, disinformation and cybersecurity of elections. These exchanges can incorporate local and regional dimensions. A number of exchanges has been held so far this year at the initiative of Member States, and further exchanges are foreseen in the autumn.</p>
<p>8. The CoR would like to see the legislative proposals recognise the fact that local and regional authorities contribute to strengthening European democracy by promoting and facilitating the participation of European citizens in European and local elections, a task that cannot be kept solely within the remit of state authorities in the individual Member States.</p>	<p>The Commission's proposal for a regulation on the transparency and targeting of political advertising<sup>4</sup> would apply equally to political advertising used in local and other elections, as well as referenda. It would establish a common high standard of transparency and strengthened personal data protection in the context of political advertising and will help empower citizens and strengthen accountability in electoral processes in the Union.</p> <p>The proposals to recast the electoral directives are without prejudice to the important role of municipal authorities in actively informing mobile EU citizens about their rights, entitlements and duties and about the practicalities of living in their new community, including participation in elections. Their part in supporting the electoral participation of mobile EU citizens has been recognized in the Report on the application of Directive 94/80/EC on the right</p>

<sup>2</sup> [https://ec.europa.eu/justice/grants1/programmes-2014-2020/rec/index\\_en.htm](https://ec.europa.eu/justice/grants1/programmes-2014-2020/rec/index_en.htm)

<sup>3</sup> [https://ec.europa.eu/commission/presscorner/detail/en/qanda\\_20\\_2251](https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_2251)

<sup>4</sup> COM(2021) 731 final.



	<p>to vote and to stand as a candidate in municipal elections<sup>5</sup>. In addition, in its Report on the 2019 elections to the European Parliament<sup>6</sup>, the Commission also committed to involve local actors in ensuring access to accurate information about the European Union and in supporting citizens' active involvement in the European political life and the exercise of their electoral rights.</p>
<p>10. The CoR, as part of efforts to counter falling voter turnout and encourage young people to vote, advocates that the right of citizens to participate by means of advance voting, postal voting, electronic voting and internet voting should be promoted.</p>	<p>Member States are responsible for the organisation of elections, including on means of voting. Currently, different remote and internet voting options are available across Member States. The European Democracy Action Plan (EDAP) announced the preparation of a compendium of e-voting practices to strengthen cooperation in the Union to ensure free and fair elections. The Commission is currently working on it in the context of the European Cooperation Network on Elections (ECNE). In particular, a joint expert team with representatives from those Member States interested in preparing the compendium was established in spring 2022, as a sub-group of the ECNE. The compendium will deal with practices in remote voting and specifically e-voting or online tools that can facilitate electronic democratic participation while addressing security and confidentiality concerns, among other topics. Member States have been asked to prepare contributions to populate the compendium during summer 2022.</p> <p>With regard to mobile EU citizens, the Commission's proposals introduce an explicit obligation to ensure that where remote voting is allowed for nationals in European or municipal elections, this should also be accessible to mobile EU citizens residing in that country, under the same conditions as nationals.</p>

<sup>5</sup> COM(2018) 044 final.

<sup>6</sup> [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_20\\_1123](https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1123)

<p>11. The CoR acknowledges the need to provide appropriate, comprehensive and targeted information to mobile EU citizens on electoral participation and in this regard welcomes the establishment of a contact point on electoral rights at Commission level; highlights the associated need to ensure capacity building and adequate funding for local and regional authorities.</p>	<p>The increase of the complexity of electoral procedures and the role of digital means has been accompanied by a similar increase of the need for more and better access to information. Therefore, the provision of information on electoral rights and procedures is a key and an effective tool in ensuring the effective exercise of electoral rights of mobile EU citizens. The Commission’s proposals seek to introduce clearer and increased responsibilities for Member States to inform mobile EU citizens about their electoral rights, as this remains their primary responsibility.</p> <p>This action is complemented by the establishment of a contact point on electoral rights at Commission level by autumn 2023. The main objective of the contact point is to make best use of the existing resources at EU level, while avoiding duplications, to support the exercise of electoral rights by EU citizens, and in particular mobile EU citizens in their Member State of residence.</p> <p>The promotion of citizens’ engagement in the implementation of EU funding is high on the Commission’s agenda.</p>
<p>12. While acknowledging the need for a level playing field for all actors involved, the CoR requests due attention to be given to the principles of subsidiarity and proportionality, especially taking into account the effects of the proposed Regulation on forming the political will also at the purely national, regional and local level in the Member States.</p>	<p>With respect to the proportionality of the measures, the Commission reiterates that the proposed Regulation on transparency of political advertising does not go beyond what is necessary to address EU-wide problems stemming from fragmentation of national rules in the field of transparency of political advertising and the increasing cross-border nature of the provision of such services. The Commission’s proposal is a focused intervention to provide harmonised transparency standards and stronger protections of personal data specifically in the context of political advertising, and respects the political traditions and the practices and procedures involved in organising the democratic life of each Member State.</p> <p>The relevant Explanatory Memorandum and</p>

	<p>impact assessment explain the need for EU action is demonstrated with respect to both aims that the proposal pursues and to the principle of subsidiarity. The Member States acting individually cannot sufficiently achieve these aims. This is particularly the case in a context where national concerns regarding regulatory gaps in relation to political advertising have already prompted Member States to intervene with measures, which cannot address the cross border issues, and contribute to the fragmentation in legislation identified.</p>
<p>14. The CoR calls for related initiatives to be accompanied by capacity building of public authorities to address disinformation at all levels in a targeted manner; notes that there is a lack of recognition that local and regional authorities, being closest to the citizens, can be a valuable asset in fighting disinformation.</p>	<p>In 2019, the Commission established a European Cooperation Network on Elections. This network brings together representatives of Member States’ authorities and allows for concrete and practical exchanges on a range of topics relevant to ensuring free and fair elections. It supports Member States in combating disinformation related to elections, through its capacity-building tools, which include ensuring data gathering, peer exchanges and coordinating common actions among others.</p> <p>In addition, the Commission established a joint mechanism on election resilience this year in the framework of the European Cooperation Network on Elections to support Member States as a capacity-building tool to support the exchange of expertise in areas such as disinformation, cybersecurity, and online forensics. Member States can use the mechanism to build their capacity to fight illegal interference, discover covert political funding or ensure effective implementation of their electoral rules online.</p>
<p>15. The CoR calls on the Commission to invest further efforts in safeguarding European rights and values, including by pursuing the remaining commitments outlined in the European Democracy Action Plan; emphasises strongly the need to ensure utmost coherence</p>	<p>The Commission adopted its European Democracy Action Plan (‘EDAP’) in December 2020. It includes measures to strengthen democratic resilience in the EU, according the President’s priority for a new push for European Democracy. It set out a reinforced EU policy</p>

<p>among the various proposed instruments; and underscores that local and regional authorities are an indispensable building block in the European democratic structure.</p>	<p>framework and specific measures to promote free and fair elections and strong democratic participation, support free and independent media and counter disinformation. Considering the importance of what is at stake, the Commission will report on the implementation of the Action Plan by 2023, to assess whether further steps are needed. In these efforts, the Commission will continue to engage with the European Parliament and the Council, the Committee of the Regions and the European Economic and Social Committee as well as to involve the wide circle of national actors, public and private, beyond government authorities that are all key to strengthening the resilience of our democracies.</p>
<p>COM(2021) 734 final</p>	
<p><b>Points of the European Committee of the Regions opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>Article 4 (1)</p> <p>The statutes of a European political party shall comply with the applicable law of the Member State in which it has its seat and shall include provisions covering at least the following:</p> <p>....</p> <p>(j) <i>explicit and precise</i> internal rules regarding gender balance, <i>specifying the concrete measures applied with a view to reaching gender parity in terms of membership, political representation and the exercise of democratic mandates.</i></p>	<p>Promoting and streamlining gender balance across policies is a Commission priority.</p> <p>However, international guidelines on the functioning and governance of political parties, such as the ones prepared by the Venice Commission, advocate for non-interference with internal party democracy. For this reason, the Commission’s proposal aims at promoting a balanced gender representation through transparency requirements.</p>
<p>Article 4 (2)</p> <p>The statutes of a European political party shall include provisions on internal party organisation covering at least the following:</p> <p>...</p> <p>(e) its approach to transparency, in particular in relation to bookkeeping, accounts and</p>	<p>Fighting disinformation, misinformation and hate speech is key to safeguarding the integrity of democracies, and is one of the core objectives of the Commission’s package on reinforcing democracy and integrity of elections.</p> <p>The inclusion of specific, legally binding rules to ensure the transparency of political advertising in the proposal to recast the Regulation on the</p>

<p>donations, privacy and the protection of personal data;</p> <p><i>(f) a statement of commitment to pursue the values on which the Union is founded, as expressed in Article 2 TEU, to combat disinformation and to refrain from the dissemination of incorrect or misleading information, hate speech and messages that incite violence;</i></p> <p>(g) the internal procedure for amending its statutes</p>	<p>statute and funding of European political parties and European political foundations<sup>7</sup> serves this particular purpose. The Commission’s proposal for a regulation on the transparency and targeting of political advertising will also serve to deter the misuse of political advertising as a vector for disinformation, providing a high standard of transparency for the provision of political advertising services and strengthened specific protections for the processing of personal data in this context.</p> <p>In addition, existing tools, such as the Commission’s recommendation on election cooperation networks, online transparency, protection against cybersecurity incidents and fighting disinformation campaigns in the context of elections to the European Parliament<sup>8</sup>, also apply to the European political parties, and the continuing work in the European Cooperation Network on Elections and the joint mechanism on resilient electoral processes, includes supporting efforts to combat disinformation.</p> <p>The Commission considers that the mix of these soft and legally binding instruments provide sufficient safeguards against disinformation, misinformation and hate speech and an additional statement of commitment, which is legally non-binding, would be superfluous.</p>
<p>Donations, contributions and own resources</p> <p>Article 23 (9)</p> <p>Contributions <i>only</i> from members of a European political party that have their seat in, or are citizens of, a Member State shall be permitted. The total value of contributions from members shall not exceed 40% of the annual budget of a European political party. The value of contributions from member parties that have their seat in a country outside the Union shall</p>	<p>Currently, all European political parties have member parties located outside the EU. These are often political parties in the opposition to tough regimes, which fight for democracy and human rights under very difficult circumstances. For them, belonging to a European political party and receiving its support in the international scene is of the utmost importance.</p> <p>Limiting the possibility to receive contributions only to member parties and organisations located</p>

<sup>7</sup> Regulation (EU, Euratom) No 1141/2014 of the European Parliament and of the Council of 22 October 2014 on the statute and funding of European political parties and European political foundations; OJ L 317, 4.11.2014, p. 1–27.

<sup>8</sup> C(2018) 5949 final.

<p>not exceed 10% of the total contributions from members.</p> <p>Article 23 (10)</p> <p>Contributions <i>only</i> from members of a European political foundation that have their seat in, or are citizens of, a Member State, and from the European political party with which it is affiliated, shall be permitted. The total value of contributions from members shall not exceed 40% of the annual budget of a European political foundation and shall not derive from funds received by a European political party pursuant to this Regulation from the general budget of the European Union. The value of contributions from member organisations that have their seat in a country outside the Union shall not exceed 10% of the total contributions from members.</p>	<p>within the EU would limit the meaningful cooperation of European political parties with their members located outside the EU. This would go against the political message of support and encouragement that, in the current geopolitical context, the EU is sending to the democratic forces in our eastern borders.</p> <p>Nevertheless, the Commission’s proposal contains the necessary safeguards so that this collaboration, including the financial one, can take place safely, mitigating as much as possible the risk of foreign interference in the EU democratic processes.</p> <p>In this sense, the Commission proposes:</p> <ul style="list-style-type: none"> <li>- to allow only contributions from member parties/organisations located outside the European Union but inside the Council of Europe;</li> <li>- to cap those contributions at 10% of total contributions received by a European political party or foundations (which are, in turn, capped at 40% of the overall budget of a European political party or foundation);</li> <li>- to require for European political parties and foundations to ensure that their member parties and member organisations outside the EU observe values that are equivalent to those of Article 2 of the Treaty on European Union (TEU).</li> </ul>
<p>Article 24 (2)</p> <p>The funding of European political parties and European political foundations from the general budget of the European Union or from any other source may be used to finance referendum campaigns when those campaigns concern the implementation of the Treaties of the Union, <i>with due regard to the principle of subsidiarity</i>.</p>	<p>The EU level is the only level at which rules governing the statute and funding of European political parties and European political foundations can be laid down.</p> <p>Since the existing Regulation provides for an EU-level system – including a specific European legal personality for parties and foundations, and funding from the EU budget – any shortcomings in this system can only be remedied through EU legislation. Action by Member States alone</p>

	<p>would not be a relevant option.</p> <p>Therefore, the proposed focused changes fully comply with the principle of subsidiarity.</p> <p>The objective of the provision is twofold. On the one hand, it aims at strengthening the European dimension of these campaigns via the participation of the best-placed political actors to bring in and explain such dimension, which should be the core of any discussion on Treaty implementation. On the other hand, it aims at promoting greater cooperation between European political parties and their national affiliates, in particular on EU-related issues.</p>
<p>Provision of information to citizens</p> <p>Article 35</p> <p>Subject to Articles 24 and 25 and to their own statutes and internal processes, European political parties <i>shall</i>, in the context of elections to the European Parliament, take all appropriate measures to inform citizens of the Union of the affiliations between national political parties and candidates and the European political parties concerned.</p>	<p>The Commission considers that the ‘may’ clause is more appropriate in this context to respect the principle of subsidiarity, as introducing an obligation may interfere with national electoral laws.</p>

**N°3 Amending the Energy Efficiency Directive to meet the new 2030 climate targets  
COM(2021) 558 final  
COR-2021-04548 – ENVE-VII/024  
149<sup>th</sup> plenary session – April 2022  
Rapporteur: Rafal TRZASKOWSKI (PL/EPP)  
DG ENER – Commissioner SIMSON**

**Points of the European Committee of the  
Regions opinion considered essential**

**European Commission position**

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



**N°4 Amending the Renewable Energy Directive to meet the new 2030 climate targets**  
**COM(2021) 557 final**  
**COR-2021-04547 – ENVE-VII/023**  
**149<sup>th</sup> plenary session – April 2022**  
**Rapporteur: Andries GRYFFROY (BE/EA)**  
**DG ENER – Commissioner SIMSON**

Points of the European Committee of the Regions opinion considered essential	European Commission position
<p><b>4. The Committee of the Regions (CoR) stresses</b> that it is paramount to ensure <b>coherence among the legislative texts</b> under the "Fit for 55" package, and that the “energy efficiency first principle” as well as of technological neutrality are upheld in order to achieve net-zero emissions by 2050 in the most sustainable and cost-effective manner.</p>	<p>The Impact assessment of the proposal to amend the 2018 Renewable Energy Directive (‘RED II’)<sup>1</sup> rests on the <b>Climate Target Plan (CTP)</b> scenarios, which proposes to raise the EU's ambition on reducing greenhouse gas emissions to at least 55% below 1990 levels by 2030. It is thus not only fully aligned with the greenhouse gas targets proposed in the <b>Climate Law</b><sup>2</sup> for 2030 and 2050 but the use of the Climate Target Plan underpinning all the Fit for 55 proposals ensures coherence for the whole package. The impact assessment focuses on how to deliver the necessary level of ambition, mindful of interaction with other instruments, the governance process and the subsidiarity principle. It looks at ways to formulate the sectoral renewable targets, what fuels are eligible to fulfil them, which tools are proposed for Member State choice and which elements are binding. In addition to delivering the levels of ambition as defined in the CTP, the revision of RED II also assesses certain tools to achieve better energy system integration (ESI) and ensure that biomass sustainability criteria are fit for purpose.</p> <p>In order to address the key interactions with legislative instruments mentioned above, scenarios (so-called ‘Fit for 55’ core scenarios) were modelled to show how all instruments together can deliver the increased climate target of 55% net</p>

<sup>1</sup> COM(2021) 557 final ([https://ec.europa.eu/info/sites/default/files/amendment-renewable-energy-directive-2030-climate-target-with-annexes\\_en.pdf](https://ec.europa.eu/info/sites/default/files/amendment-renewable-energy-directive-2030-climate-target-with-annexes_en.pdf)).

<sup>2</sup> COM(2020) 80 final ([Proposal for a Regulation of the European Parliament and of the Council establishing the framework for achieving climate neutrality and amending Regulation \(EU\) 2018/1999 \(European Climate Law\)](#)).

	greenhouse gas reductions. RED II revision is reflected in those scenarios.
<p><b>Subsidiarity and Impact Assessment</b></p> <p>8. The CoR reiterates the importance for the Union of taking into account existing regional disparities and the specific features of each region, and supporting cost-effective and resource-efficient solutions, while ensuring that energy costs remain affordable for citizens and companies;</p> <p>9. The CoR calls for the <b>Member States to fully involve local and regional authorities</b> in defining and implementing national climate measures.</p> <p>The CoR proposes several amendments to reflect the local and regional dimension of the promotion of renewable energy sources.</p>	<p>As set out in the Governance Regulation<sup>3</sup>, the national contributions for Member States' share of energy from renewable sources consider, among others, the potential for cost-effective renewable energy deployment, the economic conditions and potential of each Member State, including gross domestic product (GDP) per capita, or the geographical, environmental and natural constraints. These specificities have been taken into account when preparing the impact assessment for the proposal for a revised Renewable Energy Directive and in particular when proposing targets and benchmarks for renewables overall and in individual sectors.</p> <p>As regards the involvement of regional and local authorities in the planning and implementation of national climate measures, the Renewable Energy Directive acknowledges the important role played by these entities and supports the development of networks such as the Covenant of Mayors, Smart Cities or Smart Communities initiatives, and the development of sustainable energy action plans. In addition, cohesion policy provides specific support to regional and local authorities to implement climate measures, including the ones part of national climate plans and strategies, and including across borders where relevant. It also includes specific instruments for sustainable urban development.</p>
<p><b>Renewable Energy Communities</b></p> <p>10. The CoR regrets the decision not to amend</p>	<p>Under the Clean Energy Package<sup>4</sup>, extensive provisions were introduced in the Electricity Directive<sup>5</sup> ('citizen energy communities') and</p>

<sup>3</sup> Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council; OJ L 328, 21.12.2018, p. 1–77.

([https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L\\_.2018.328.01.0001.01.ENG](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_.2018.328.01.0001.01.ENG))

<sup>4</sup> [https://energy.ec.europa.eu/topics/energy-strategy/clean-energy-all-europeans-package\\_en](https://energy.ec.europa.eu/topics/energy-strategy/clean-energy-all-europeans-package_en)

<sup>5</sup> Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the

the Article on Renewable Energy Communities in the light of the lessons learnt from the current transposition and the lack of new provisions to facilitate permitting, reduce administrative difficulties and other factors inhibiting grid access, and to enhance the deployment of technologies such as solar thermal and photovoltaic, hydropower, wind, and geothermal technologies;

11. The CoR stresses the need to fully encompass and benefit from the contributions of "prosumers", renewable energy communities and new technologies, such as energy storage, demand side response, micro-grids (possibly cross-border), electric mobility;

12. The CoR calls on the Commission to provide a framework for the aggregation of several smaller projects, in order to allow them to meet the criteria under the current legislation. Flexibility in this regard is of high importance for Local and Regional Authorities to be able to set up certain aggregated projects and to potentially obtain financing for these efforts.

The CoR proposes a new recital and amendments to recital 19, Article 2, Article 23 to strengthen the role and importance of energy communities.

Renewable Energy Directive ('renewable self-consumers and 'renewable energy communities') to promote energy communities and prosumers.

The 2018 Renewable Energy Directive ('RED II') establishes new provisions to foster both concepts (in particular Articles 21 and 22), including the introduction of enabling frameworks by Member States to facilitate their development, to ensure that unjustified barriers to renewables self-consumption and renewable energy communities are removed and that relevant distribution system operators cooperate with them. Member States also have to take the characteristics of renewable energy communities into consideration when they design their support schemes. The Commission is committed to make the most out of the EU framework and we are closely monitoring the transposition of relevant provisions of the Directive.

The Commission has also financed studies to provide guidance to Member States on how to effectively implement the legal framework for energy communities and prosumers. These studies (such as the ASSET study on 'Energy communities in the clean energy package - Best practices and recommendations for implementation'<sup>6</sup> of March 2021) provide valuable information and good practice on how to effectively implement the applicable legal framework.

Finally, the Commission is currently in the process of setting up an 'Energy Community Repository'<sup>7</sup> to map and provide technical support to citizens, renewable energy communities and public authorities.

In the future, projects may continue to receive support under cohesion policy, Horizon Europe and the Life programme in order to further fine-

internal market for electricity and amending Directive 2012/27/EU; OJ L 158, 14.6.2019, p. 125–199.

<sup>6</sup> <https://www.apren.pt/contents/publicationsothers/eu-energy-communities-in-the-clean-energy-package.pdf>

<sup>7</sup> [https://ec.europa.eu/info/events/launch-european-commissions-energy-communities-repository-2022-apr-20\\_en](https://ec.europa.eu/info/events/launch-european-commissions-energy-communities-repository-2022-apr-20_en)

	<p>tune knowledge on how to build communities, ensure their economic viability and integrate them into the wider energy system.</p> <p>Finally, the Commission would like to point to the strong interlinkages between renewable energy communities and local authorities. Local authorities, including municipalities, are among the potential members or shareholders of renewable energy communities, for which the Renewable Energy Directive asks Member States to put in place an enabling framework in order to foster their development, to the benefit of the local communities.</p> <p>As regards the topic of permitting procedures, the Commission has adopted on 18 May 2022 a legislative proposal<sup>8</sup>, which amends, among other aspects, the permitting-related provisions of the Renewable Energy Directive. As part of this package, the Commission has also adopted a Recommendation and Guidance to help member States tackle slow and complex permitting for major renewable projects within the current legislative framework.</p>
<p><b>Cross-border cooperation</b></p> <p>15. The CoR reaffirms the importance of promoting and supporting cross-border cooperation projects (such as Projects of Common Interest) among local and regional authorities to ensure a cost-effective, integrated, decarbonised and decentralised energy system; in this line, highlights also the importance of interconnectivity for stabilisation of the grid in light of the variability of renewable energy sources and the environmental pressures of climate change impacting the functionality of electricity infrastructure.</p> <p>The CoR proposes amendments to Article 9, in particular an obligation for Member States or</p>	<p>The Commission welcomes the proposed amendment to introduce an obligation for Member States to cooperate on more than one joint project. The voluntary nature of regional cooperation has been insufficient so far, and thus the overall support and the proposal to even increase the number of joint projects are very positive.</p> <p>The Commission would like to underline that Article 9 specifies that the obligation comprises projects for the production of renewable energy. Projects of Common Interest (PCIs) are grid infrastructure projects, not energy production projects. The reference to smart grids in the corresponding recital (7) also does not belong in the Renewable Energy Directive, since it concerns electricity grids.</p>

<sup>8</sup> COM(2022) 230 final ([https://energy.ec.europa.eu/system/files/2022-05/COM\\_2022\\_230\\_1\\_EN\\_ACT\\_part1\\_v5.pdf](https://energy.ec.europa.eu/system/files/2022-05/COM_2022_230_1_EN_ACT_part1_v5.pdf)).

<p>regions to establish more than one joint project.</p> <p>16. The CoR underlines the need to provide local and regional authorities with financial and technical assistance to enhance their capacity to attract and mobilise investments and proposes an amendment to Article 9 in this regard.</p>	<p>The Commission takes notes of the amendment proposed to Article 9(7), which indicates that local and regional authorities are eligible for financial support and technical assistance (e.g., 'Technical Support Instrument'). However, it is not clear upon whom the obligation is placed. Moreover, it appears difficult to pre-determine eligibility for financial support and technical assistance in a Directive.</p> <p>More generally, as an integral part of EU cohesion policy, Interreg provides specific support for cooperation across borders, including on renewable energy and smart energy systems, grids and storage outside the Trans-European Energy Network (TEN-E), allowing to benefit from local and regional complementarities also across borders.</p> <p>The Commission takes note of the proposed addition in Article 9(8) on consulting regional and local authorities and other stakeholders.</p>
<p><b>Bioenergy</b></p> <p>17. The CoR believes sustainable production of biomass is necessary to ensure environmental and biodiversity protection; stresses nonetheless that the introduction of new and more stringent criteria applying to all existing small scale biomass, heat and power installations would undermine the stability of the legal framework and have a huge social impact on vulnerable consumers, especially in rural areas, as well as on businesses, whose existing installations and planned investments cannot be neglected.</p> <p>The CoR makes an amendment to recital 36 to reflect this.</p> <p>18. The CoR points out that lowering reporting requirements from 20 MW to 5 MW would add a substantial administrative burden on many medium size energy plants and demands that existing RED sustainability criteria are maintained, along with national legislation, to</p>	<p>The Commission affirms the importance of sustainable production of biomass and takes note of the proposed amendment. The Commission has proposed a wider application of the greenhouse gas (GHG) saving criteria, also to existing heat and power installations above the threshold of 5 MW to ensure that all solid biomass and biogas in heat and power deliver optimal lifecycle GHG emission savings compared to fossil fuels. Applying the GHG saving criteria would exclude the less-carbon efficient production pathways and ensure further direct GHG savings. The Commission believes that the addition of the GHG saving criteria is unlikely to constitute a significant additional burden, as at most it will require to switch to fuels with lower supply chain emissions.</p> <p>With the aim to reduce the administrative burden on small companies, the Commission has included a specific provision in the amending proposal for the Renewable Energy Directive, which calls on Member States to establish simplified national</p>

<p>take into account different national and regional conditions, new requirements should only be introduced if assessments show that the present ones lead to environmental risks that motivate a more stringent approach.</p> <p>19. The CoR calls to unlock the potential of biomethane production in Europe as a way to urgently diversify and reduce the EU's dependence on Russian gas whilst stepping up on the ambition for the climate targets; supports the target to deliver the production of 35 billion cubic metres (bcm) of biomethane within the EU by 2030 as proposed by the REPowerEU plan.</p>	<p>verification schemes for installations between 5 MW to 10 MW. A wider application of the sustainability criteria, also to installations above the 5 MW threshold, will help covering more biomass use and therefore increasing the overall environmental effectiveness of the criteria, while also providing better information on biomass supply and use.</p> <p>The Commission appreciates the support of the Committee with regard to the target to achieve 35 bcm of annual bio-methane production by 2030. With the action plan proposed under the RepowerEU Plan, the Commission looked at how to address best the barriers holding back higher production, to develop network capacity nationally and regionally and to promote bio-methane production on locally-available sustainable feedstock such as waste and residues.</p> <p>The Commission will also work with the European Investment Bank to prepare a new product backing commercial banks willing to incentivise citizen investment in biogas and bio-methane plants.</p>
<p><b>Circular economy and resource efficiency</b></p> <p>22. The CoR advocates for a coordinated action between alternative fuel vehicle manufactures, alternative fuel producers and refuelling infrastructure providers, with a view to ensuring the decarbonisation of the transport sector.</p>	<p>Under the Directive on the deployment of alternative fuels infrastructure<sup>9</sup> the Commission has established the Sustainable Transport Forum (STF) aimed at fostering the deployment of alternative fuels infrastructure to contribute to the European Union energy and climate goals. The STF serves as a platform for structural dialogue, exchange of technical knowledge, cooperation and coordination between Union Member States and relevant public and private stakeholders.<sup>10</sup> With regard to aviation and waterborne transport modes, the Commission has recently initiated a new industrial alliance to coordinate an industry action to boost supply of renewable and low-carbon fuels which will enable aviation and waterborne sectors</p>

<sup>9</sup> Directive 2014/94/EU of the European Parliament and of the Council of 22 October 2014 on the deployment of alternative fuels infrastructure; OJ L 307, 28.10.2014, p. 1–20.

(<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014L0094> ).

<sup>10</sup> [https://transport.ec.europa.eu/transport-themes/clean-transport-urban-transport/sustainable-transport-forum-stf\\_en](https://transport.ec.europa.eu/transport-themes/clean-transport-urban-transport/sustainable-transport-forum-stf_en)

	to start decarbonisation while preserving existing fleets and infrastructure, increasing resource efficiency and circular economy <sup>11</sup> .
<p><b>Heating and cooling</b></p> <p>23. The CoR calls for respect of the subsidiarity principle related to heating and cooling;</p> <p>24. The CoR supports the aim to increase the shares of renewables and waste heat in the heating and cooling sector as well as in district heating and cooling. However, sees a need to rephrase targets to combine waste heat and renewable energy on an equal footing, instead of formulating separate targets. Recovering waste heat from industry, data centers etc. should be a preferred activity when available, and not discriminated against to attain a stipulated share of renewables.</p> <p>The CoR makes an amendment to Article 23 in this regard.</p> <p>25. The CoR points out that upskilling through training programmes for installers and designers on renewable heating and cooling and storage technologies should be ensured by the competent authority in the Member States; targeted actions should be taken in the framework of the REPowerEU plan in close cooperation with national, regional and local authorities and in accordance with the principle of subsidiarity.</p> <p>The CoR makes an amendment to Article 18, paragraph 3.</p>	<p>Heating and cooling is a sector, which – due to its weight in the energy consumption – will need to significantly contribute to the overall renewables share. As indicated in Chapter 3.2 of the impact assessment accompanying the proposal, action at EU-level in combination with action at Member State level is needed and is the most effective. The preferred options are thus articulated around (1) locking-in a minimum cost-effective deployment of renewables in all Member States and (2) adding to the existing list of measures in REDII.</p> <p>The list of measures already exists in REDII and has been extended to give a broader choice in view of the different national circumstances in Member States, but also to provide additional guidance to Member States in a sector, which is very fragmented and covers several subsectors. Member States can choose from these building blocks according to their national circumstances to address the most pertinent non-market barriers and to help them reach the proposed binding minimum annual increase in renewable heating and cooling. The expanded list of measures gives flexibility to their implementation by the Member States. Waste heat and cold is not strictly speaking a renewable source of energy. This said, it is treated on equal footing with renewables under Article 24 on district heating and cooling, as these can fulfil 100% of the target. The new paragraph 6 of Article 24 on waste heat framework aims to ensure that waste heat from industry and the tertiary sector, such as data centres, is fully utilized via district heating and cooling.</p> <p>The Commission does not oppose the proposed amendments to Article 23, paragraph 4. However, the reference to regional and local authorities in the</p>

<sup>11</sup> [https://transport.ec.europa.eu/transport-themes/clean-transport-urban-transport/alternative-fuels-sustainable-mobility-europe/renewable-and-low-carbon-fuels-value-chain-industrial-alliance\\_en](https://transport.ec.europa.eu/transport-themes/clean-transport-urban-transport/alternative-fuels-sustainable-mobility-europe/renewable-and-low-carbon-fuels-value-chain-industrial-alliance_en)

	<p>proposed amendment to Article 24 appears to raise subsidiarity issues. The Commission welcomes the reference to the energy efficiency first principle as a positive development.</p> <p>The Commission takes note of the amendment in Article 18 paragraph 3. The Commission takes very seriously the issue of upskilling and over the years has made an effort to facilitate and support upskilling initiatives at any level public or private.</p>
<p><b>Hydrogen and green molecules</b></p> <p>31. The CoR notes that import of significant share of renewable hydrogen will still be needed on the short term in order to compensate for limited production in the EU.</p> <p>The CoR makes an amendment to recital 5 in this regard.</p> <p>34. The CoR asks the Commission to reconsider the forthcoming Delegated Act on Renewable Fuels from Non-Biological Origin produced on the basis of Directive 2018/2001 to ensure its alignment with this revision.</p> <p>33. The CoR recalls that renewable hydrogen should be the priority and low-carbon hydrogen could be used for decarbonisation purposes as a short-term transitional solution until renewable hydrogen can play this role alone; calls therefore on the EU institutions, Member States and industry to ramp up renewable electricity and hydrogen capacity.</p> <p>The CoR proposes amendments to recital 33 and articles 2, 3, 20, 22a, 27 and 29a.</p>	<p>The Commission welcomes the importance that the Committee grants to renewable hydrogen. The Commission would like to stress the importance of having a very ambitious Renewable Energy Directive, without expanding its scope to other non-renewable solutions including low carbon hydrogen. The Commission has proposed changes to the accounting of renewable hydrogen to allow imported renewable hydrogen to count towards the renewable energy contribution by Member States.</p> <p>Renewable hydrogen is the most compatible option with the EU's climate neutrality in the long term and the most coherent with an integrated energy system. The Renewables Directive should remain an instrument focused on the promotion of renewable energy across the EU. The Commission REDII revision proposal includes dedicated sub-targets for Renewable Fuels from Non-Biological Origin (RFNBOs), because they are still more expensive than conventional fuels and mature types of renewable fuels. The sub-targets for RFNBOs are needed to foster the deployment of such fuels and to ensure their availability in the long term.</p> <p>Low-carbon hydrogen can play a role during a transition period, and it is included in the Hydrogen and Decarbonised Gas Market Package that the Commission presented in December 2021<sup>12</sup>, which is a more suitable instrument to</p>

<sup>12</sup> [https://energy.ec.europa.eu/topics/markets-and-consumers/market-legislation/hydrogen-and-decarbonised-gas-market-package\\_en](https://energy.ec.europa.eu/topics/markets-and-consumers/market-legislation/hydrogen-and-decarbonised-gas-market-package_en)



	<p>deal with non-renewable gases. In this regard, the Commission considers that the proposal to include a definition for low-carbon hydrogen in RED cannot be accepted since the Renewable Energy Directive should not be extended to low carbon fuels, which is not a renewable fuel.</p> <p>Finally, the Commission notes that two draft delegated Regulations supplementing Directive (EU) 2018/2001 of the European Parliament and of the Council respectively by establishing a Union methodology setting out detailed rules for the production of renewable liquid and gaseous transport fuels of non-biological origin and by specifying a methodology for assessing greenhouse gas emissions savings from renewable liquid and gaseous transport fuels of non-biological origin and from recycled carbon fuels are currently being finalised taking into account the input received during the public consultation in May/June 2022.</p>
<p><b>Other Aspects</b></p> <p>The CoR makes an amendment on Article 20a on facilitating energy system integration.</p>	<p>The Commission takes note of the proposed amendment and would like to point out that the new Article 20a introduces necessary provisions to increase information to electricity market players and consumers on the share of renewable electricity in the grid in line with the existing Electricity Market Design rules. In addition, the proposed amendment to include additional types of batteries exceeds the scope of the REDII proposal and would not be consistent with the Commission proposal on Batteries Regulation. Finally, the amendment to add ships and trucks as vehicle types would not be relevant for energy system integration purposed and are already covered by the Commission proposal for Alternative Fuels Infrastructure Regulation.</p>

**N°5 Revision of LULUCF and Effort Sharing regulations**  
**COM(2021) 554 final and**  
**COM(2021) 555 final**  
**COR-2022-00061 – ENVE-VII/025**  
**149<sup>st</sup> plenary session – April 2022**  
**Rapporteur: Åsa ÅGREN WIKSTRÖM (SE/EPP)**  
**DG CLIMA – Executive Vice President TIMMERMANS**

<b>Points of the European Committee of the Regions opinion considered essential</b>	<b>European Commission position</b>
<p>Amendment 1 – Recital 7 deleted</p> <p>Amendment 5 – Art 1(1)(e) deleting <i>“including emissions by the non-CO<sub>2</sub> agriculture”</i> from the Commission proposal</p> <p>Amendment 6 – Art 2(2) “2. This Regulation also applies to emissions and removals of the greenhouse gases listed in Section A of Annex I, reported pursuant to Article 26(4) of Regulation (EU) 2018/1999 and occurring on the territories of Member States in the period from 2026 <i>onwards</i>, in any of the following land reporting categories and/or sectors:”</p> <p>Amendment 7 – Art 2(3) deleted</p> <p>Amendment 10 – Art 4(4) deleted</p>	<p>The Commission proposes for post-2030 a land sector – combining biogenic emissions from agriculture (mainly livestock and fertilizer) with net removals from Land Use, Land Use Change and Forestry (LULUCF) – with the aim to reach EU climate neutrality by 2035. The forthcoming proposal would ensure that all Member States contribute in a fair and just manner to EU climate action via national climate targets to be established following Better Regulation Guidelines by 2025.</p> <p>Clear orientation for the land sector is crucial, because of long lead times. Setting up of mitigation measures such as afforestation and reforestation according to ecological principles and rewetting require investments and results from measures that only materialize several years after implementation.</p> <p>The Commission has assessed the potential of land sector climate neutrality at the scale of the EU<sup>1,2</sup> and noted that cost-efficient solutions will require both emission reductions in the agriculture sector and enhanced net removals in LULUCF.</p> <p>Emissions from agriculture, e.g. from fertilizer application on agricultural land and from cattle grazing on grassland, are intrinsically interwoven with net removals from LULUCF; both take place on the same parcel of land but are accounted for in</p>

<sup>1</sup> COM(2020) 562 final.

<sup>2</sup> SWD(2021) 609 final.

	<p>different sectors, which in turn fall currently under different EU climate policy tools. Economic modelling shows that additional mitigation by emission reduction from livestock and fertilizer combined with better management of cropland and grassland will supersede enhanced net removals from forest lands. Addressing emission reductions and enhanced net removals by different policy instruments bears the risk of implementing measures with adverse effects, not only on climate, but also on biodiversity, soils and air quality.</p> <p>Moreover, science considers emissions from land in an integrated way, thus the Intergovernmental Panel on Climate Change (IPCC) issues guidelines on Agriculture Forestry and Other Land Use. In addition, a combined land sector is a crucial, cost-effective and powerful mitigation step towards the logic of climate neutrality as enshrined in the EU Climate Law<sup>3</sup>.</p>
<p>Amendment 2 – Recital 8a (new) <b><i>“Cropland, grassland and wetlands are currently net emitters of greenhouse gases in the Union, but have the potential to become a source of net removals of greenhouse gases, in particular through the restoration of wetlands and peatlands.”</i></b></p> <p>Amendment 4 – Recital 11a (new) <b><i>“Considering that sustainable forest management enhances carbon sequestration and counters forest-ageing and natural disasters, which are among the factors contributing to the decreasing carbon removals in the land sector in recent years, this Regulation should encourage sustainable forest management practices, in all forest types in the EU, that contribute to climate mitigation and adaptation, as outlined in the</i></b></p>	<p>The Commission proposal sets out the EU target of -310 million tonnes of CO<sub>2</sub> equivalents in 2030. The Commission welcomes ambitions that go beyond proposed Member States targets, e.g. by additional national contributions. Technical corrections should ensure consistency with the greenhouse gas inventory methods and data used for compliance with Member State targets set out in this regulation. The Commission emphasizes that the final wording is subject to the outcome of the interinstitutional negotiation.</p> <p>The Commission agrees with the strengthening of the role and ambition of the LULUCF sector in National Energy and Climate Plans, Yet, the legally binding obligation towards the target will remain in the LULUCF Regulation, and proposed additional contributions would be of voluntary nature.</p>

<sup>3</sup> Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 (‘European Climate Law’); OJ L 243, 9.7.2021, p. 1–17.

***EU Forest Strategy for 2030.”***

Amendment 8 – Article 4(2) “2. The 2030 Union target for net greenhouse gas removals is 310 million tonnes CO<sub>2</sub> equivalent as a sum of the Member States targets established in accordance with paragraph 3 of this Article, and shall be based on the average of its greenhouse gas inventory data for the years 2016, 2017 and 2018. [...]

***By 30 June 2024 each Member State set a national contribution to the 2030 net greenhouse gas removals target referred to in paragraph 2 of this Article that is higher than the national target set out in Annex IIa. Such contribution may be included in the integrated national energy and climate plans submitted pursuant to Article 14 of Regulation (EU) 2018/1999.***

***The national contribution shall include information and goals regarding lowering emissions or increasing removals of greenhouse gases from cropland, grassland and wetlands in relation to the reported data for 2016, 2017 and 2018.”***

Amendment 9 – Art 4(3) “3. [...]These national trajectories shall be based on the average greenhouse gas inventory data for the years 2021, 2022 and 2023, reported by each Member State. The value of the ***Member State target set out in Annex IIa and the*** 310 million tonnes CO<sub>2</sub> equivalent net removals as a sum of the targets for Member States set out in Annex IIa may be subject to a technical correction due to a change of methodology by Member States. The technical correction to be added to the ***target of a Member State should correspond to the effect of the change in methodology and data sources on the targets and*** be set out in these implementing acts. [...]”

The Commission welcomes the underlining of the role of emission reduction and enhanced removals in croplands, grasslands and wetlands, in particular by wetland restoration and on peatlands, which can effectively contribute to the Member State target and contributions that go beyond.

The Commission supports Sustainable Forest Management as defined by Forest Europe and explained in the Forest Strategy<sup>4</sup>. The focus should be to increase carbon sinks, maintain high carbon stocks, e.g., in primary and old-growth forests, and preserve and restore biodiversity, overall ensuring the multifunctionality of forests and its ecosystem services that are necessary for climate mitigation and adaptation.

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<sup>4</sup> COM(2021) 572 final.

Amendment 3 – Recital 10 “In order to enhance greenhouse gas removals, individual farmers or forest managers need a direct incentive to store more carbon on their land, *in their forests and in carbon storage products*. [...] [...]Such incentives and business models will enhance climate mitigation in the bioeconomy, including through the use of durable harvested wood products *and the substitution of fossil- or carbon-intensive materials*, in full respect of ecological principles fostering biodiversity and the circular economy. Hence, new categories of *all carbon storage products, including new innovative solutions, and bioenergy with carbon capture and storage*, should be introduced in addition to the harvested wood products. *Estimates on the mitigation potential of substituting fossil- or carbon-intensive materials with wood should also be provided by Member States*. The emerging business models, *further development of bioenergy with carbon capture and storage technologies*, farming and land management practices to enhance removals *and long-term investments in the bioeconomy* contribute to a balanced territorial development and economic growth in rural areas. [...]”

Amendment 11 – Art 9(2) is replaced by the following “2. The Commission shall, *in the near future*, adopt delegated acts in accordance with Article 16 in order to amend paragraph 1 of this Article and Annex V by adding new categories of carbon storage products, including harvested wood products, *bioenergy with carbon capture and storage and all other relevant bio-based product categories*, that have a carbon sequestration effect, based on IPCC Guidelines as adopted

The existing LULUCF Regulation<sup>5</sup> already contained possibilities to include additional harvested wood product categories by delegated acts once science-based methodologies would become available. The aim of changing the title and adjusting Article 9 is to broaden the scope to biomass sources from land uses other than from forest land.

The possibilities to include negative emissions from bioenergy with carbon capture and storage under this Article or the scope of the LULUCF Regulation in general will require thorough analysis and a solid science-based approach. Member States should actively contribute, e.g. with their research institutions and via an Expert Group that would be required to assist the Commission in developing delegated regulations.

Effects from material substitution are recognized in the greenhouse gas inventory total of a Member State but are not necessarily reflected in the sectorial totals. This approach is fully in line with IPCC Guidelines for reporting greenhouse gas emissions and removals. Member States may demonstrate the effects from material substitution across sectors, e.g. in their National Energy and Climate Plans, yet legal frameworks for sectors must avoid double counting of mitigation action. Of course, combining sectors, such as the proposed land sector for a post 2030 framework in Articles 1(1)(e), 2(3), and 4(4), could reflect effects from substitution more explicitly within the widened sector scope.

Concerning bioenergy with carbon capture and storage (BECCS), the Commission reminds its Communication on Sustainable Carbon Cycles<sup>6</sup>: ‘BECCS deployment should be approached in full consideration of the limits and availability of sustainable biomass in order to avoid excessive

<sup>5</sup> Regulation (EU) 2018/841 of the European Parliament and of the Council of 30 May 2018 on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry in the 2030 climate and energy framework, and amending Regulation (EU) No 525/2013 and Decision No 529/2013/EU; OJ L 156, 19.6.2018, p. 1–25.

<sup>6</sup> COM(2021) 800 final.

<p>by the Conference of the Parties to the UNFCCC or the Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement, and ensuring environmental integrity.”</p> <p>Amendment 13 – Art 14(1) “[...]”</p> <p>The compliance report shall include an assessment of:</p> <p>a) the policies and measures regarding trade-offs;</p> <p>b) the synergies between climate mitigation and adaptation;</p> <p>c) synergies between climate mitigation and biodiversity.</p> <p><b><i>d) synergies between climate mitigation, adaptation and bioeconomy development, including estimates on the GHG savings associated with the substitution of carbon- and fossil-intensive materials with wood-based materials.</i></b></p> <p>[...]”</p>	<p>demand of biomass for energy that would have negative effects on carbon sinks and stocks, biodiversity and air quality’.</p>
<p>Amendment 12 – Article 13c deleted</p>	<p>Under the current LULUCF Regulation, LULUCF governance, including the multiplier of 1.08 for deficits at the end of the compliance period, is part of the Article 9 of the Effort Sharing Regulation<sup>7</sup>. To ensure a stand-alone governance of LULUCF, in line with the Climate Law, the Commission proposal merely replicated the previously agreed governance concept under new Article 13c.</p> <p>The deletion of the governance for LULUCF targets or the multiplier puts in question the binding nature of the regulation, the enforcement of the targets, and is a step back from previously agreed legal strength of the Regulation.</p>
<p>Amendment 15 – Recital 18 a (new)</p>	<p>The Commission has not proposed separate targets for the sectors covered by the Effort Sharing</p>

<sup>7</sup> Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013; OJ L 156, 19.6.2018, p. 26–42.

Article 4 – paragraph 3(a) new

*(18a) Keeping 1.5°C within reach and ensuring climate justice require a collective effort of all sectors of the economy, including from agriculture. In its long-term strategic vision for a prosperous, modern, competitive and climate-neutral economy<sup>[1a]</sup>, the Commission has confirmed that non-CO<sub>2</sub> GHG emissions from agriculture could be reduced to 211 MtCO<sub>2</sub>e in 2050, thereby reducing the need for unsustainable negative emissions technologies to reach net-zero GHG emissions. However, some sectors under this Regulation have made very little progress in the past years. Minimum sector contributions to the achievement of the EU-level greenhouse gas emissions reduction target set by this Regulation for the year 2030 and beyond, accompanied by proper monitoring, Reporting and measures by the Commission, would work to ensure that all ESR sectors contribute to the timely achievement of climate objectives. Regulation (EU) 2018/1999 of the European Parliament and of the Council requires Member States to develop long-term strategies contributing to the fulfilment of the Member States' commitments to the Paris Agreement objectives and the achievement of long-term GHG emission reductions and enhancements of removals by sinks in all sectors in line with the Union's climate neutrality objective. These strategies, as well as other Member State plans and reports under Regulation (EU) 2018/1999, will be used by the Commission to set and monitor the collective achievement of EU-level ESR sector targets.*

*[1a] Communication from the Commission to the European parliament, The European Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank “A Clean Planet for all - A European strategic long-*

Regulation. This Regulation set national targets for all effort sharing sectors, based on solidarity and cost-efficiency criteria. Member States have the flexibility to set sectoral policies and instruments to meet their overall targets. Setting sector-specific targets would be at odds with this approach. Furthermore, the proposed provisions risk interfering with the Commission's right to initiate, or not, legislation.

<p><i>term vision for a prosperous, modern, competitive and climate neutral economy’</i></p>	
<p>Amendment 17 – Article 5 – paragraphs 1 and 2</p> <p><i>(3a) In Article 5, paragraphs 1 and 2 are replaced by the following:</i></p> <p><i>“1. In respect of the years 2021 to 2029, a Member State may borrow a quantity of up to 5 % from its annual emission allocation for the following year.”</i></p> <p>Amendment 18 – Article 5 – paragraph 4</p> <p><i>(3b) In Article 5, paragraph 4 is replaced by the following:</i></p> <p>4. A Member State may transfer up to 5 % of its annual emission allocation for a given year to other Member States in respect of the years 2021 to 2030. The receiving Member State may use that quantity for compliance under Article 9 for the given year or for subsequent years until 2030.</p>	<p>The Commission considers the proposed framework for transfers commensurate to the increased ambition for the attainment of the increased climate ambition for 2030, to allow the attainment of Member States’ targets in the most cost-effective manner possible, as called for by the December 2020 European Council.</p> <p>The Commission’s approach does not propose changes to borrowing in the Effort Sharing Regulation. The rules appear appropriate to respond to possible uncertainty on the way to meeting the national effort sharing targets in 2030.</p>
<p>Amendment 19</p> <p>Article 8</p> <p>1. [...] <i>(c) in case of significant regional disparities in performance or serious structural challenges at regional level, and in the case of certain island territories, the corrective action plan shall include specific provisions for these problems.</i></p> <p>3. [...] <i>The Member State shall publish the Commission’s opinion and shall ensure its dissemination among local and regional authorities.</i></p> <p><i>4. The Member State shall ensure publication of the corrective action plan and potential reviews and dissemination among local and regional authorities.</i></p>	<p>This proposed amendment relates to the provisions of the legislation currently in force on corrective action plans to be developed by the Member State. In this context, considering the regional dimension, where relevant, is appropriate.</p>
<p>Policy recommendation no. 13</p>	<p>In line with the principle of subsidiarity, the Effort</p>



<p>Urges the Commission to set out a methodology for regional and local authorities to be able to calculate their emission reduction efforts in a way that is consistent with national goals and avoids disproportionate distortions.</p>	<p>Sharing Regulation leaves it to Member States to decide through which measures they achieve their targets.</p>
<p>Policy recommendation no. 17</p> <p>Stresses the importance of compliance checks and suggest assessing the possibility of financial penalties in case of lack of compliance. Revenues from penalties should be reinvested in climate action and just transition with a specific focus on regional challenges.</p>	<p>From a legal point of view, financial penalties are not possible in the context of the Effort Sharing Regulation.</p>

**N°6 Making ETS and CBAM work for EU cities and regions**  
**COM(2021) 551 final**  
**COM(2021) 552 final**  
**COM(2021) 564 final**  
**COM(2021) 571 final**  
**COR-2021-04546 – ENVE-VII/021**  
**149<sup>th</sup> plenary session – April 2022**  
**Rapporteur: Peter KURZ (DE/PES)**  
**DG CLIMA / DG TAXUD – Executive Vice-President TIMMERMANS /**  
**Commissioner GENTILONI**

**Points of the European Committee of the  
Regions opinion considered essential**

**European Commission position**

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

**N°7 Towards a socially fair implementation of the Green Deal**  
**COM(2021) 563 final**  
**COM(2021) 568 final**  
**COR-2021-04801 – ENVE-VII/022**  
**149<sup>th</sup> plenary session – April 2022**  
**Rapporteur: Csaba BORBOLY (RO/EPP)**  
**DG CLIMA/ DG TAXUD – Executive Vice-President TIMMERMANS/  
 Commissioner GENTILONI**

<b>Points of the European Committee of the Regions opinion considered essential</b>	<b>European Commission position</b>
<p>3. The Committee of the Regions (CoR) requests that, when assessing and approving the plans, the main focus be on ensuring that the measures provided for are tailored to the target groups so that the groups specified in the proposal are effectively supported. The resources earmarked under the Social Climate Fund are limited, so special care must be taken to ensure that they support the most vulnerable households, micro-and-small enterprises, mobility users, including in rural and remote areas.</p>	<p>Vulnerable households, transport users and micro-enterprises are generally in a significantly weaker financial position than small and medium-sized enterprises, which generally have access to more sources of financing, including EU funding, to invest in the reduction of their fossil fuel consumption. Therefore, it would be disproportionate to include small enterprises, also from a budgetary perspective compared to the size of the fund, and would risk undermining the social purpose of the Fund and limit its capacity to act upon identified objectives.</p> <p>The Commission’s proposal for a Social Climate Fund envisages that the Member States’ social climate plans under the Fund take into account the specificities of remote areas. In addition, the Communication ‘Putting people first, securing sustainable and inclusive growth, unlocking the potential of the EU’s outermost regions’ of 3 May 2022<sup>1</sup> calls on the Member States concerned to take into account the outermost regions’ specificities in their national plans.</p>
<p>9. The CoR recalls that the Covenant of Mayors for Climate and Energy (CoM) has shown its usefulness in contributing to energy efficiency and climate issues, so the recast of Energy Taxation Directive (ETD) and the new Social Climate Fund (here in after 'new Fund') should</p>	<p>The Commission agrees that all relevant stakeholders, such as local and regional authorities, including the Covenant of Mayors for Climate and Energy (CoM), social partners, civil society organisations, youth organisations and organisation responsible for gender equality, are</p>

<sup>1</sup> COM(2022) 198 final.

<p>take advantage of CoM members' insights and expertise, and fast-track actions included in Sustainable Energy and Action Plans (SEAPs) at local or regional level.</p> <p>18. The CoR, as the body representing local and regional authorities, recommends to play a facilitating role in shaping and implementing the Social Climate Plans, providing an additional opportunity to reach the local and regional level beyond the Member States' national frameworks.</p> <p>19. The CoR calls for a recognition of local and regional authorities' role as key contributors to the national Social Climate Plans, given that they are the level of government closest to citizens and they can provide great knowledge and expertise developed on the ground, while ensuring that the drafting of Social Climate Plans does not add an administrative burden to the local and regional authorities.</p>	<p>to be involved in the elaboration of the Member States' Social Climate Plans.</p> <p>Therefore, the proposal requires Member States to set out in their Social Climate Plans, a summary of the consultation process for the preparation and, where available, for the implementation of the plan, conducted in accordance with Article 10 of the Governance Regulation, and how the input of the stakeholders is reflected in the plan.</p> <p>Hence, while it is Member States that are responsible for preparing and implementing the Social Climate Plans and that will receive the payments for the achievement of the milestones and targets set in the Plan, the Commission fully supports the involvement of local and regional authorities as well as other relevant stakeholders at every stage of the process.</p>
<p>10. The CoR welcomes the fact that the Commission accompanies the proposal for a revision of the Energy Taxation Directive with a subsidiarity grid, although regrets its absence for the Social Climate Fund proposal. The reasoning provided in relation to the European added value of the proposals and the roll-out of measures deriving from EU competencies in the areas of transport, climate change, environment and internal market, is in compliance with the principles of subsidiarity and proportionality.</p>	<p>Since the new Emissions Trading System is proposed at EU level, the Commission agrees it is appropriate to also propose to establish the Fund at EU level.</p>
<p>11. The CoR emphasises that there are regions across Europe where district heating and cooling might be a more reliable, more efficient and affordable solution for citizens, so the new Fund should be harmonised with other ESIF in order to deliver sufficient support for the costs of refurbishing apartments and dwellings so that they are able to connect to the new systems.</p>	<p>The Commission agrees that the proposed Social Climate Fund (SCF) should have strong synergies with all other financial resources and programmes to implement the green transition.</p> <p>Member States should foster synergies and ensure effective coordination between the Fund and other Union programmes and instruments, including InvestEU Programme, the Technical Support Instrument, the Recovery and Resilience Facility, and cohesion policy programmes. The</p>

	<p>Social Climate Plans should be coherent with the reforms planned and the commitments made by the Member States in their updated integrated national energy and climate plans under the Governance Regulation, as well in other relevant Union legislation and programmes, in particular the Energy Efficiency Directive, the European Pillar of Social Rights Action Plan, the European Social Fund Plus, the Council Recommendation on ensuring a fair transition towards climate neutrality and the territorial just transition plans.</p>
<p>16. The CoR demands that at least a 35% of the financial envelope of the Social Climate Fund should be directly managed by local and regional authorities, since they can provide a more accurate mapping of vulnerabilities and they are responsible for the successful, targeted and efficient implementation of measures defined in the plans that can target and truly address the needs of lower income groups, including those at risk of poverty;</p> <p><i>Amendment 14</i></p> <p>It shall provide support under shared-management to Member States, and regions, for the financing of the measures and investments included in their National or Regional Social Climate Plans ('the Plans') as part of their structural funds. [...]</p>	<p>After careful assessment, the Commission proposed the SCF under performance-based '<i>sui generis</i>' direct management. The SCF has a very concrete <i>raison d'être</i>: addressing the social and distributional impacts of the new emissions trading for buildings and road transport. In order to achieve this, Member States will propose comprehensive Social Climate Plans with investment and measures but also direct income support for a limited period of time to vulnerable households. Given the necessity to implement the measures and investment as soon as possible, the Commission proposal ensures a strong ownership by Member States of their national plans. At the same time, it encourages Member States to work closely with regional authorities and other stakeholders when designing their plans.</p> <p>The Commission considers that this performance- and plan-based direct management mode is vital to realise the core policy objective of the Fund by ensuring that all Member States' Social Climate Plans are relevant, effective, efficient and coherent and payments are linked to concrete results on the ground to mitigate the social impact of the new EU Emissions Trading System (ETS).</p>
<p>17. The CoR regrets that no concrete and specific impact assessment was carried out before putting forward the proposal for the Social Climate Fund. Such an assessment would have allowed an accurate evaluation of distributional impacts of</p>	<p>When proposing the establishment of the SCF, the Commission was explicit that no specific impact assessment was carried out, as the problems addressed by the proposed Fund and the possible solutions were analysed in two</p>

<p>the mechanism, functioning, management and measures of the Fund, focusing on the consequences and benefits for the most vulnerable citizens and at local and regional level, and permitting a better identification of the financially weakest groups, in order to channel appropriately support to those who need it the most.</p>	<p>relevant impact assessments, i.e. the Climate Target Plan Impact Assessment (CTP IA)<sup>2</sup> and the revision of the ETS Directive (ETS IA)<sup>3</sup>.</p> <p>The CTP IA found that an increase of the 2030 emission target to -55% increases the share of energy related household expenditures by around 0.7 to 0.8 percentage points. The ETS IA refines this analysis, finding that emissions trading for buildings will not affect households equally, but would likely have a regressive impact on disposable income, as low-income households, in particular in low-income Member States, tend to spend a greater proportion of their income on heating. Regarding road transport, the CTP IA recognised the central importance of investments and the ETS IA found that it is typically the lower-middle and middle parts of the household income classes for which the proportion of spending on transport is highest.</p> <p>The ETS IA concludes that, while carbon pricing reduces carbon emissions and increases energy and transport costs for consumers, it raises revenues which can be used to address the social impacts.</p> <p>Moreover, the Commission put forward a proposal for a Council Recommendation on ensuring a fair transition as well as a Staff Working Document<sup>4</sup> which summarises current trends and expected impacts of the measures under the Fit for 55 package, and the impact of policies to overcome potentially unintended effects, with a particular focus on the EU labour markets and distributional and welfare aspects.</p>
<p>21. The CoR underlines that energy prices and the general purchasing power are very poorly connected, and while using GDP or GNI in PPS as an overall indicator is suitable for general cohesion policy, when it comes to energy</p>	<p>The distribution of the financial allocation of the SCF has been carefully calibrated. The proposed allocation key takes into account the uneven impact expected across and within Member States and is directly linked to the objectives</p>

<sup>2</sup> SWD(2020) 176.

<sup>3</sup> SWD(2021) 601.

<sup>4</sup> SWD(2021) 452.

<p>consumption, asks the Commission to find an indicator that is as reliable as GDP and GNI, but better reflects the energy consumption related behaviour of households and businesses in Europe and that provides Member States with more flexibility to level discrepancies caused by statistics in allocating EU funds.</p>	<p>pursued by the Fund: to tackle energy and transport poverty challenges. Vulnerable transport users are captured by the share of population at risk of poverty living in rural areas. The vulnerability in the energy consumption is reflected through households' emissions adjusted for a dimension of energy poverty – arrears in utility bills.</p> <p>In order to provide a fair distribution of the funds across Member States, caps on certain variables are implemented as well as an adjustment for the relative prosperity of each Member State by the respective national gross national income (GNI) per capita.</p>
<p>22. The CoR emphasises that while the aim of the Social Climate Fund is a step in the right direction to deliver a just green transition, further efforts in financial terms should be developed. The Social Climate Fund itself will not be enough to tackle the undesirable social effects and economic shortcomings of the measures to achieve climate neutrality. Demands that the revenues derived from the ETS II should in part be allocated to the Social Climate Fund and to measures directed to ensure that no one suffers disadvantages from achieving climate neutrality; suggests that in case the carbon price leads to higher revenues than expected, the financial envelope of the Social Climate Fund will be increased accordingly. [...]</p>	<p>The size of the SCF has been carefully calibrated. The Commission considers that with the proposed size, the Fund provides an adequate amount to protect vulnerable groups from cost increases due to the new emission trading for buildings and road transport. The size as proposed by the Commission corresponds in principle to an amount equivalent to 25% of the expected revenues from the new emissions trading, matched by an equivalent share of national contribution. Total spending on social impacts of the new carbon pricing should, therefore, correspond to around half of projected emissions trading revenue.</p> <p>Finally, the proposal foresees an evaluation of the SCF to be prepared by the Commission by July 2028, including with regard to its financial envelope.</p>

**N°8 Ensuring a global minimum level of taxation for multinational groups in the Union**  
**COM(2021) 823 final**  
**COR-2022-01727 – ECON-VII/022**  
**149<sup>th</sup> plenary session – April 2022**  
**Rapporteur: Federico BORGNA (IT/PES)**  
**DG TAXUD – Commissioner GENTILONI**

<b>Points of the European Committee of the Regions opinion considered essential</b>	<b>European Commission position</b>
<p><i>I Recommendations for Amendments</i></p> <p>Amendments 1 – 7, which modify the scope of the Directive by effectively removing investment funds from the definition of “an excluded entity”.</p>	<p>The Commission considers that the objective of the directive is to faithfully implement the global agreement on minimum effective taxation. Deviations from the global agreement should be generally limited to what is required to ensure compatibility with EU law. Therefore, as these amendments suggest departing from the global agreement, the Commission cannot endorse them.</p>
<p>7. The Committee of the Regions (CoR) considers it essential that the OECD's comments and further technical details on the model rules are included in the EU Directive in a comprehensive manner, and are not subject to hasty transposition, without excluding the possibility of measures being triggered by regulation in the future.</p>	<p>The aspects covered in some of the Organisation for Economic Co-operation and Development's (OECD) comments are sufficiently reflected in the latest Council Presidency Compromise text. Moreover, the discussions on the various outputs of the OECD Implementation Framework are likely to be of relevance to the aspects covered by some proposed amendments. The Commission is taking part in those discussions and will consider the best way for addressing the various outputs of the Implementation Framework in the EU in due time.</p>
<p>10. The CoR calls on the EU, when transposing the OECD's minimum tax rate into law, to constantly engage with its global partners and uphold its political guidelines, in order to avoid European companies facing stricter rules than their direct competitors, relegating the EU to a less open business environment with lower economic growth, fewer jobs, limited capacities and resources to respond to innovation challenges. It considers, in particular, that the failure of the US to</p>	<p>The Commission is fully committed to ensuring the timely implementation of both pillars of the OECD/G20 Inclusive Framework agreement as it considers both pillars are equally important. To date, 137 jurisdictions have committed to implementing the global agreement and the Commission is engaging with its global partners on this aspect.</p> <p>The mechanics of Pillar 2 ensure that minimum level of taxation is applied not only to large</p>



<p>participate in Pillar 1 could undermine the purpose and balance of the OECD agreement as a whole.</p>	<p>multinational enterprise (MNE) groups headquartered in a jurisdiction applying Pillar 2, such as EU Member States, but as well to those companies operating in the EU, which are headquartered in a jurisdiction that does not apply Pillar 2. As such, the EU and other jurisdictions applying Pillar 2 will not be at competitive disadvantage.</p>
<p>13. The CoR considers it essential to prevent the possibility of EU companies being double taxed, due, for example, to the lack of coordination between Base Erosion and Profit Shifting (BEPS) or the European Income Inclusion Rule (IIR) and the US rules BEAT or GILTI.</p>	<p>The Directive contains clear and objective criteria for assessing the equivalence of the rules of third country jurisdictions, including the US, to the GloBE Income Inclusion Rule<sup>1</sup> In a separate process, the OECD Inclusive Framework will establish conditions under which the US GILTI, which is in the process of being reformed, will co-exist with the Income Inclusion Rule under the GloBE rules, to ensure a level playing field. If, nevertheless, the US GILTI is not reformed, it will be treated as a non-qualifying Income Inclusion Rule for the purposes of the Directive, i.e. the tax levied under the GILTI will count as ‘Covered Tax’ in the calculation of the effective tax rate of the low-taxed subsidiaries of the group.</p>
<p>14. The CoR suggests launching, as part of the considerable reduction to the taxation of business profits at European level (halved over the last 25 years), an evaluation of the many anti-avoidance measures taken over the last ten years, and assessing their efficiency, effectiveness, coherence and EU added value in terms of tax revenue (including how Member States have implemented this legislation in their audit work).</p>	<p>The Commission takes note of the suggestion to evaluate the efficiency of the anti-tax avoidance measures taken over the last ten years.</p> <p>Separately, the Commission assesses whether national measures transposing EU Directives comply with EU law. This will be the case also for national measures transposing the directive for ensuring a global minimum level of taxation for multinational groups in the EU, once agreed. In addition, the Commission will follow the peer reviews put in place by the OECD in order to assess the implementation of Pillar 2 by participating tax jurisdictions and will actively participate in any follow-up discussion on the effectiveness of Pillar 2 implementation to achieve its objectives.</p>

<sup>1</sup> <https://www.oecd.org/tax/beps/pillar-two-model-GloBE-rules-faqs.pdf>

<p>15. The CoR calls on the Commission to assess whether the 2017 EU dispute resolution mechanism could be used for the second pillar, or whether changes are needed.</p>	<p>The discussions on administrative arrangements including dispute resolution mechanisms have recently started at the OECD level. It is envisaged that the EU will follow the globally agreed solution for those aspects of Pillar 2. The Commission is taking part in the discussions at the OECD level and will consider the suggestion of possibly using the 2017 Directive on dispute resolution mechanisms<sup>2</sup>, at least for disputes between Member States. In this regard, the Commission wishes to note that to make this Directive functional for the type of disputes, which may arise under Pillar 2, significant number of adjustments will be necessary to the mechanism laid down in the Directive. In all cases, it will first be needed to assess the outcome of the global discussions on the possibility of making a dispute resolution mechanism available for disputes under Pillar 2.</p>
<p>20. The CoR calls for red tape to be cut in order to limit the costs of adapting to the new rules, for companies as well as tax authorities: every effort should be made to keep the administrative burden as low as possible. Legislation that is not overly convoluted can make it easier for companies to learn about the new rules, shortens the necessary transition period and will make it easier for tax authorities to verify the effective application of these new rules.</p>	<p>The discussions on safe harbours, simplifications and administrative arrangements have recently started at the OECD level. It is envisaged for the EU to follow such globally agreed provisions.</p> <p>The latest Presidency compromise text of the Directive implementing minimum effective taxation in the EU includes an explicit reference to the future safe harbours that are expected to be developed at the OECD level, so that Member States can implement those without the need to amend the directive.</p>

<sup>2</sup> Council Directive (EU) 2017/1852 of 10 October 2017 on tax dispute resolution mechanisms in the European Union; OJ L 265, 14.10.2017, p. 1–14 (<http://data.europa.eu/eli/dir/2017/1852/oj>).

<p><b>N°9 The EU economy after COVID-19: implications for economic governance</b>  <b>COM(2021) 662 final</b>  <b>COR-2022-01194 – ECON-VII/020</b>  <b>149<sup>st</sup> plenary session – April 2022</b>  <b>Rapporteur: Elio DI RUPO (BE/PES)</b>  <b>DG ECFIN – Commissioner GENTILONI</b></p>	
<p><b>Points of the European Committee of the Regions opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>The Committee of the Regions (CoR) reiterates its support for the activation of the general escape clause of the Stability and Growth Pact (SGP), for the first time in the history of the euro area; this activation has played an important role in the response to the crisis from Member States, regions, and local and regional authorities by enabling full use of public budgets to mitigate the consequences – most notably social – of the COVID-19 pandemic.</p>	<p>The Commission agrees. The activation of the general escape clause of the Stability and Growth Pact (SGP) was an important element of the unprecedented and coordinated policy response to the COVID-19 crisis that has been successful in cushioning the impact of the crisis.</p>
<p>The CoR believes that if the escape clause of the SGP were to be deactivated in the economic governance framework's current state and against the backdrop an energy crisis, geopolitical instability and the recovery from the COVID-19 pandemic, the required debt reduction would lead to a return to austerity policies, and consequently result in great economic, social and environmental costs; therefore calls for the general escape clause to remain active until a revised economic governance framework is put in place as quickly as possible.</p>	<p>Given the implications of heightened uncertainty and strong downside risks on the economic outlook for the EU and euro area as a whole, the Commission considers that the Union is not yet out of a period of severe economic downturn. On this basis, the conditions to maintain the general escape clause in 2023 and to deactivate it as of 2024 are met. The Commission will provide orientations on possible changes to the economic governance framework after the summer break 2022 and well in time for 2023.<sup>1</sup></p>
<p>The CoR reiterates its repeatedly-expressed request for a "golden co-financing rule" which states that: public spending by Member States and local and regional authorities as part of Structural and Investment Fund co-financing in</p>	<p>See answer to point 30 below.</p>

<sup>1</sup> COM(2022) 600 final, '2022 European Semester – Spring Package.

<p>line with the respective EU co-financing limits should not be considered as national or equivalent structural expenditure as defined within the SGP; underlines that public government investments, such as the sustainable green, digital and social transition and maintaining European competitiveness are important for future generations and should therefore be treated adequately when it comes to public government investments.</p>	
<p>1. The CoR welcomes the European Commission's communication <i>The EU economy after COVID-19: implications for economic governance</i>, and the willingness it shows on the part of the Commission to reform the economic and budgetary rules, including taking into account the impact of the COVID-19 crisis; also welcomes the announcement to present a legislative proposal for mid-2022;</p>	<p>The Commission will provide <i>orientations</i> on possible changes to the economic governance framework after the summer break 2022 and well in time for 2023.<sup>2</sup></p>
<p>7. The CoR welcomes the success of the SURE programme, financed by bonds issued by the Commission, and asks the Commission to ensure its proper follow up by submitting a White Paper, which, based on an assessment of the SURE programme, would present the policy options for a permanent European unemployment reinsurance scheme.</p>	<p>The Commission's current priority is to deploy the existing SURE instrument and the Recovery and Resilience Facility (RRF)<sup>3</sup> including the proposal to amend the RRF Regulation as regards REPowerEU chapters in recovery and resilience plans<sup>4</sup>. SURE is still active and will remain available until 31 December 2022. The Commission will continue to monitor the progress on the implementation of SURE with the 4<sup>th</sup> bi-annual report, due on the 24 September 2022. In the previous reports, it was shown that SURE was not only efficient in retaining jobs during the COVID-19 crisis but also in facilitating the rapid rebound in 2021 and early 2022.</p>
<p>10. The CoR underlines that the war in Ukraine has demonstrated the importance of energy independence for the European Union and stresses that the energy transition must be accelerated; fears, however, that the</p>	<p>The EU Taxonomy is a transparency tool providing a classification of economic activities that are aligned with the EU climate and environmental goals, including in the energy sector, in order to help channel more private financial flows to</p>

<sup>2</sup> COM(2022) 600 final, '2022 European Semester – Spring Package.

<sup>3</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021R0241>

<sup>4</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52022DC0230&qid=1656066686924>

<p>classification of gas and nuclear power as sustainable energies in the Taxonomy Regulation will provide incentives that are at odds with the rapid expansion of renewable energies.</p>	<p>sustainable investments in support of EU environmental objectives. The first Climate Delegated Act already in application since 1 January 2022<sup>5</sup> introduces technical screening criteria for determining – within each covered sector – which economic activities make a substantial contribution to climate mitigation and climate adaptation, while doing no harm to the other environmental objectives of the taxonomy. It covers a wide range of energy activities based on renewable energy sources, and a wide range of energy efficiency measures. The Complementary Climate Delegated Act currently under scrutiny by co-legislators recognises the role of certain nuclear and gas-related activities in decarbonisation away from dirtier fossil fuels, while renewables will continue to have priority in the EU Taxonomy. By helping channel investments into the most environmentally friendly technologies to support Member States in their energy transition, the Complementary Delegated Act (CDA) is a necessary piece in the move towards low carbon energy and away from Russian fossil fuels, including gas.</p> <p>The CDA and REPowerEU Plan are realistic and pragmatic, both acknowledge that Member States have different energy mixes and are at very different starting points towards climate neutrality and deploying renewables at sufficient scale. The Commission proposal to include – under certain conditions – nuclear and gas energy activities is part of the transition efforts that all Member States are committed to.</p>
<p>12. The CoR believes that if the escape clause of the SGP were to be deactivated in the economic governance framework's current state and against the backdrop an energy crisis,</p>	<p>Given the implications of heightened uncertainty and strong downside risks on the economic outlook for the EU and euro area as a whole, the Commission considers that the Union is not yet out</p>

<sup>5</sup> Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives; OJ L 442, 9.12.2021, p. 1–349 ([https://ec.europa.eu/info/publications/210421-sustainable-finance-communication\\_en#taxonomy](https://ec.europa.eu/info/publications/210421-sustainable-finance-communication_en#taxonomy) ).

<p>geopolitical instability and the recovery from the Covid-19 pandemic, the required debt reduction would lead to a return to austerity policies, and consequently result in great economic, social and environmental costs; therefore calls for the general escape clause to remain active until a revised economic governance framework is put in place as quickly as possible.</p>	<p>of a period of severe economic downturn. On this basis, the conditions to maintain the general escape clause in 2023 and to deactivate it as of 2024 are met. The Commission announced on 2 March 2022 that compliance with the debt reduction benchmark would imply a too demanding frontloaded fiscal effort that risks jeopardising growth. Therefore, in the Commission’s opinion, compliance with the debt reduction benchmark is not warranted under the current exceptional economic conditions. At the same time, the general escape clause does not suspend the Stability and Growth Pact. The monitoring of debt and deficit developments will continue and the Commission will re-assess the relevance of proposing to open Excessive Deficit Procedures (EDPs) in autumn 2022. It will do so again in spring 2023, in particular taking into account compliance with the fiscal country-specific recommendations addressed to the Member States by the Council.</p> <p>Furthermore, the Commission will provide orientations on possible changes to the economic governance framework after the summer break and well in time for 2023.<sup>6</sup></p>
<p>13. The CoR supports the European Fiscal Board's assessment on the need for an SGP reform to achieve public debt sustainability, with one main operational rule – a public expenditure benchmark – to target a gradual reduction of the debt ratio towards the anchor, at a pace tailored to country circumstances<sup>7</sup>.</p>	<p>Ensuring fiscal sustainability by reducing high public debt ratios in a realistic, gradual and sustained manner is central to a reform of the EU fiscal framework. The current complexity of the fiscal rules calls for simplification using one operational rule at the EU level with observable indicators, such as a net expenditure aggregate, for assessing compliance. Subject to clear EU level guidance, more scope for Member States to set and implement their fiscal adjustment plan in a medium term perspective, incorporating their investment and reform agendas into their fiscal trajectory, could strengthen ownership and thus compliance. Were more scope to be given to Member States for the design of fiscal trajectories,</p>

<sup>6</sup> See: COM(2022) 600 final, ‘2022 European Semester – Spring Package’.

<sup>7</sup> See the Board's Annual Report for 2021: <https://bit.ly/3HqqvIQ>.

	<p>a balance should be found with a more stringent enforcement of the framework by the Commission and the Council in case of non-compliance<sup>8</sup>.</p>
<p>16. The CoR believes that a revised EU economic governance framework must ensure transparent policy-making by involving European and national parliaments and, depending on the internal competences of the Member States, parliamentary assemblies with legislative powers. This involvement must also include local and regional authorities, social partners, civil society, and the academic community.</p>	<p>During the public debate, it should be discussed what insights can be drawn from the design, governance and operation of the Recovery and Resilience Facility (RRF). The focus should be on lessons with regard to improving ownership, mutual trust, enforcement and the interplay between the economic and fiscal dimensions, and the EU and national dimensions. The RRF's commitment-based approach to policy coordination, with strong national ownership of policy design and outcomes, and based on ex-ante guidance to Member States on investment and reform priorities, merits consideration. The European Semester should remain the reference framework for conducting integrated surveillance and the coordination of economic and employment policies in the EU.</p>
<p>18. The CoR reiterates its position in favour of abandoning unanimous decision-making in taxation, in order to allow the European Union to take the necessary decisions by qualified majority, as in other areas of action as it allows for progress in the fight against tax abuse and information sharing between Member States. This provision continues to respect the competence at national, regional or local level for collecting taxes or setting tax rates;</p>	<p>The Commission has been, for some time, exploring all possible means to ensure that the EU's tax policy delivers on its full potential, including a possible shift towards greater use of qualified majority voting in decision-making. Efforts to launch the debate on this issue are well known and ideas can be traced back to the Commission's 'Communication toward a more efficient democratic decision making' from January 2019<sup>9</sup>. Therein, the Commission set out its views on why there is a need for change and how the gradual and targeted use of qualified majority voting could support better tax policy with an objective of promoting a stronger and more competitive Single Market that is founded on highly integrated economies. The Commission has also always held the opinion that any move towards the use of qualified majority voting would in no way reduce the competences of Member</p>

<sup>8</sup> See: COM(2022) 85 final 'Communication from the Commission to the Council: Fiscal policy guidance 2023'.

<sup>9</sup> COM(2019) 8 final.

	<p>States on taxation or change the EU’s competence in this area but instead provide for more efficient decision-making in order to better and more effectively tackle cross-border problems, address shared challenges and protect revenues by exercising sovereignty on points of common interest. The Commission will continue to work on ways to move this issue forward.</p>
<p>19. The CoR once again insists that national, regional and local governments and the public should be able to clearly understand the rules to be applied; welcomes, in this regard, the Commission's position in support of simpler fiscal rules using observable indicators; recalls that it is of utmost importance to incorporate cyclically adjusted countercyclical stabilisation.</p>	<p>Simplification, stronger national ownership and better enforcement are key objectives. The current complexity of the rules calls for simplification using one operational rule at the EU level with observable indicators, such as a net expenditure aggregate, for assessing compliance. It also includes considering whether a clear focus on ‘gross policy errors’, as set out in the Treaty, could contribute to a more effective implementation of the framework. These goals are interconnected. In particular, a simpler framework would improve the readability of EU budgetary surveillance and thereby contribute to clearer communication, increased ownership, better compliance and stronger enforcement. Moreover, were more scope to be given to Member States for the design of fiscal trajectories, a balance should be found with a more stringent enforcement of the framework by the Commission and the Council in case of non-compliance.<sup>10</sup></p>
<p>20. The CoR believes that a governance framework aimed at ensuring sound budgets must be based not only on wise spending but also on sound and balanced revenues; recalls that in the EU, tax avoidance and fraud deprive public budgets of several hundreds of billions of euros each year, and that the fight against tax fraud is one of the key areas in which more Europeans would like to see greater EU intervention.</p>	<p>The Commission is committed to fighting tax evasion, tax avoidance and tax fraud with all means and in all possible instances where it can intervene under the Treaties. Tax abuse in general is causing unacceptable loss of substantial tax revenues for Member States. Taxation plays a fundamental role to ensure that citizens and companies pay their fair share and economic and social inequalities be substantially reduced.</p> <p>In its Communication on ‘Business Taxation for the 21<sup>st</sup> Century’<sup>11</sup>, the Commission set out a</p>

<sup>10</sup> See: COM(2022) 85 final ‘Communication from the Commission to the Council: Fiscal policy guidance 2023’.

<sup>11</sup> COM(2021) 251 final.



	<p>long-term vision for a fair and sustainable business environment and EU tax system and a tax agenda including a number of legislative initiatives in this field. The first initiative adopted on 22 December 2021 was the proposal for a Directive to tackle the misuse of shell entities for tax purposes<sup>12</sup>. Furthermore, a new proposal for the publication of effective tax rates paid by multinationals in order to ensure greater public transparency and a fairer EU tax system is planned.</p> <p>In addition, the Commission is actively supporting the ongoing discussions on the partial reallocation of taxing rights to market jurisdictions (Pillar 1) and the establishment of a global minimum effective taxation (Pillar 2). This global initiative has great potential in tackling aggressive tax planning in the EU and at the global level, and the Commission will strive to show the EU's leadership in global tax fairness by ensuring a swift and consistent implementation throughout the EU.</p>
<p>22. The CoR again suggests that the MIP be extended to auxiliary indicators relating to regional disparities, and thinks that it could also take into account the progress made in the implementation of the Sustainable Development Goals (SDGs) that cover not only environmental protection but also social, economic and governance criteria, and which are supported by 193 states worldwide.</p>	<p>Regional developments are considered in the context of surveillance under the European Semester. The same is true for developments reflected under the United Nations Sustainable Development Goals. The macroeconomic imbalance procedure (MIP) is conducted in this context with focus on assessing risks for the macroeconomic stability of the economy of a Member State or of the economic and monetary union or the EU as a whole. In this assessment, regional, environmental or social developments that create significant risks to macroeconomic stability are relevant. However, it is important that the scoreboard, including its auxiliary indicators, remains parsimonious and focused on the MIP objectives set in the legal provisions.</p>
<p>24. The CoR continues to believe that the European economic governance framework is</p>	<p>The decline in the level of public investment during periods of fiscal consolidation primarily</p>

<sup>12</sup> COM(2021) 565 final.

<p>partly responsible for the sharp drop in public investment that occurred following the euro area crisis because it does not sufficiently take into account the distinction between current expenditure and long-term investment expenditure; between 2009 and 2018, public investment as a whole fell in the EU by 20% (as a share of GDP); investment by local and regional authorities decreased by almost 25% and by 40% or more in some of the Member States worst affected by the crisis<sup>13</sup>; believes that it is imperative to avoid repeating such events in the aftermath of the COVID-19 crisis; notes that investment at local and regional level could play a decisive role in economic recovery.</p>	<p>reflects deliberate policy choices in the Member States. Indeed, there is no clear evidence that investment was actually hampered by the fiscal rules. However, the current fiscal framework did not prevent such a decline in the level of public investment during periods of fiscal consolidation.<sup>14</sup> Going forward, the framework should be consistent with today and tomorrow's challenges, including an appropriate role in helping to sustain adequate levels of investment.<sup>15</sup></p>
<p>26. The CoR emphasises that the CoR already felt in its opinion on the 2015 interpretative communication on the matter<sup>16</sup> that the existing flexibility for investments in the SGP was too restrictive and limited. Furthermore, it was only requested by two Member States, and even then, only resulted in minimum impact.</p>	<p>Whilst the operationalisation of the investment clause in 2015 and 2016 sought to strengthen the growth orientation of the SGP by protecting investment during downturns, it does not appear to have had a substantial positive impact on public investment. In particular, its focus on protecting investments in the specific situation of a deep downturn entailed overall a limited use of this clause.<sup>17</sup></p>
<p>28. The CoR believes that in this current context of extraordinary investment needs, discouraging deficit financing for public investment (as the current financial framework does), including investment by local and regional authorities, could encourage underinvestment, to the detriment of future generations and future goals, such as the EU climate goals.</p>	<p>The framework should be consistent with today and tomorrow's challenges, including an appropriate role in helping to sustain adequate levels of investment. Public investment will need to be sustained at high levels for years to come, highlighting the importance of promoting a good composition and quality of public finances to ensure sustainable and inclusive growth. The EU fiscal framework should play an appropriate role in incentivising national investment and reforms, paying particular attention to ensuring the</p>

<sup>13</sup> Eurostat, data code: [TEC00022](#).

<sup>14</sup> COM(2020)55 final 'Communication on the economic governance review'.

<sup>15</sup> COM(2022) 85final 'Communication from the Commission to the Council: Fiscal policy guidance 2023'.

<sup>16</sup> CoR opinion on [Making the best use of the flexibility within the existing rules of the stability and growth pact](#), COR-2015-01185, rapporteur: Olga Zrihen (BE/PES), adopted on 9 July 2015.

<sup>17</sup> COM(2020) 55 final 'Communication on the economic governance review'.

	coherence between investment and reform policies in Member States and between national and EU objectives. <sup>18</sup>
30. The CoR reiterates its repeatedly-expressed request for a 'golden co-financing rule' which states that: public spending by Member States and local and regional authorities as part of Structural and Investment Fund co-financing in line with the respective EU co-financing limits should not be considered as national or equivalent structural expenditure as defined within the SGP; underlines that public government investments, such as the sustainable green, digital and social transition and maintaining European competitiveness are important for future generations and should therefore be treated adequately when it comes to public government investments.	<p>The ongoing public debate shows that there are mixed views regarding a golden rule, or variations like a green golden rule.</p> <p>The urgency of the twin transition and energy security calls for prioritising green and digital investment, and making the best use of permanent spending reviews and Public Investment Management to be efficient and effective. The EU fiscal framework should play an appropriate role in incentivising national investment and reforms, consistent with the need to ensure that public finances remain on a sustainable path. These objectives can be achieved in different ways. The Commission is considering all different options.</p>
32. The CoR calls on the Commission to present a white paper on an overhaul of economic governance based on the potential establishment of a golden rule in line with the respective EU co-financing limits, after it has reformulated its proposals to take account of the economic and budgetary damage caused by COVID-19. The Commission should in its assessment also consider other instruments such as an expenditure rule, which on the basis of trend economic growth and the level of debt imposes a limit on the annual growth of total government expenditure, and can serve to safeguard public trust by boosting transparency, reducing administrative burdens and striking a balance between budgetary discipline and preserving sufficient capacity for public investment.	The Commission will provide orientations on possible changes to the economic governance framework after the summer break 2022 and well in time for 2023. <sup>19</sup> As announced in its Communication of 2 March 2022 <sup>20</sup> , key issues include among others ensuring debt sustainability and promoting sustainable growth through investment and reforms; as well as simplification, stronger national ownership and better enforcement, including through simpler fiscal rules using one operational rule at the EU level with observable indicators, such as a net expenditure aggregate, for assessing compliance.
35. The CoR suggests that another solution could be to exempt the local and regional	The rules of the Stability and Growth Pact, based on the Treaty, apply to the Member States as a

<sup>18</sup> COM(2022) 85 final 'Communication from the Commission to the Council: Fiscal policy guidance 2023'.

<sup>19</sup> COM(2022) 600 final, '2022 European Semester – Spring Package'.

<sup>20</sup> COM(2022) 85 final.

<p>government sector from having to apply the Stability and Growth Pact rules. In 2019, public investment in this sector at the European Union level totalled 49.2% of total public investment<sup>21</sup>, while the gross debt of the European Union's local government sector represents only 6.0% of the European Union's gross domestic product<sup>22</sup> and is therefore not the cause of high public debt. Moreover, the local government sector only takes on debt for investment and not for macroeconomic stabilisation with current expenditure, and local governments are subject to internal budgetary oversight by the regional or national government. The Committee strongly urges the Commission to examine the possibility of exempting local authorities from having to apply the rules of the Stability and Growth Pact.</p>	<p>whole ('general government sector') and not to subsectors of general government.</p>
<p>36. The CoR considers it necessary, in general, that the "do no harm to cohesion" principle, which is included in the Commission's Communication on the 8th Cohesion Report, be taken into account in order to ensure complementarity and synergies between cohesion policy and other EU policies, thus avoiding both hampering the process of convergence and an increase in regional disparities.</p>	<p>Cohesion policy programmes and the Recovery and Resilience Facility promote cohesion. The Common Provision Regulation<sup>23</sup> governing cohesion policy establish the need to set out, in the Partnership Agreements, complementarities and synergies with other Union instruments (Article 11 (1) (iii)). The RRF Regulation<sup>24</sup> establishes that Member States have to explain in the recovery and resilience plans the arrangements that aim to avoid double funding from the Facility and other Union programmes (Article 18 (4) (r)). The same Regulation requires Member States to outline how their plan will contribute to enhancing cohesion (Article 18 (4) (c)), taking into account local, regional and national disparities. Moreover</p>

<sup>21</sup> Source: Eurostat National Accounts.

<sup>22</sup> Source: Eurostat National Accounts.

<sup>23</sup> Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy; OJ L 231, 30.6.2021, p. 159–706.

<sup>24</sup> Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility; OJ L 57, 18.2.2021, p. 17–75.

	<p>it stipulates (Article 28) that the Commission and the Member States concerned shall foster synergies and ensure effective coordination between the Facility and other Union programmes and instruments.</p>
<p>37. The CoR calls on the Commission to submit, between now and the end of 2022, a legislative proposal for a recast of the economic governance framework, based, in particular, on the implementation of these 'golden' rules combined with the expenditure rule, which can strike a balance between budgetary discipline and preserving sufficient capacity for public investment.</p>	<p>The Commission provided orientations on possible changes to the economic governance framework well in time for 2023.<sup>25</sup> As announced in its Communication of 2 March 2022<sup>26</sup>, key issues include among others ensuring debt sustainability and promoting sustainable growth through investment and reforms; as well as simplification, stronger national ownership and better enforcement, including through simpler fiscal rules using one operational rule at the EU level with observable indicators, such as a net expenditure aggregate, for assessing compliance.</p>
<p>40. The CoR also stresses that the scope of the reforms considered under the European Semester has never been defined in EU legal texts, particularly with regard to their relevance and their added value at EU level. This lack of definition limits potential interactions between reforms undertaken at national level and EU policies (financial legislation and programmes) and is problematic with regard to the principle of subsidiarity.</p>	<p>The European Semester has been a key tool for effective coordination of national economic and employment policies for a decade now. It is a strong partnership between the Commission, the Member States and the Council, focusing on the priorities of the Member States and the European Union to carry out structural reforms while investing in a green and sustainable future. The fact that around 70% of the country-specific recommendations have seen at least 'some' progress since 2011 is a qualified success. This confirms that important reforms are being carried out, though some may take long time given their complexity, wide scope and the need for consensus building among many stakeholders.</p> <p>The scope of the reforms considered by the European Semester result from its legal basis namely Articles 121 and 148 of the Treaty on the Functioning of the European Union. Article 121 features in Chapter I (<i>Economic Policy</i>) of Title VIII (Economic and Monetary Policy);</p>

<sup>25</sup> COM(2022) 600 final, '2022 European Semester – Spring Package'

<sup>26</sup> See: COM(2022) 85 final.

	Article 148 appears in Title IX ( <i>Employment</i> ).
<p>42. The CoR firmly believes that its proposed code of conduct for the involvement of local and regional authorities in the European Semester<sup>27</sup> is likely to rectify the Semester's lack of efficiency and effectiveness, as local and regional realities would be better taken into account, and that its implementation remains necessary, especially as the national plans in the context of the RRF are, in part, based on the country-specific recommendations of the European Semester.</p>	<p>The Commission repeatedly highlighted its conviction that the implementation of the 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. The regions will be key partners when it comes to translating our ambitious objectives for the green and digital transition into concrete measures, with tangible impact on the ground for people and businesses.</p>

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<sup>27</sup> CoR opinion on [Improving the governance of the European Semester: a Code of Conduct for the involvement of local and regional authorities](#), COR-2016-05386, rapporteur: Rob Jonkman (NL/ECR), adopted on 11 May 2017.

<p><b>N°10 Future EU State aid in the agricultural and forestry sectors and in rural areas</b>  <b>Own initiative</b>  <b>COR-2021-05123 – NAT-VII/022</b>  <b>149<sup>th</sup> plenary session – April 2022</b>  <b>Rapporteur: Guido MILANA (IT/PES)</b>  <b>DG COMP – Executive Vice President VESTAGER</b></p>	
<p><b>Points of the European Committee of the Regions opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>32. The Committee of the Regions (CoR) suggests not requiring Member States to submit notifications on a yearly basis relating to events that can be assimilated to natural disasters, animal or plant diseases or infestations, as, if they are recognised as such by the national authorities, they do not need to also be notified to the Commission.</p>	<p>The notification obligation, as laid down in Article 108(3) of the Treaty on the Functioning of the European Union (hereafter the ‘TFEU’), covers all plans of Member States to grant or alter aid. However, neither the TFEU, nor the ‘Procedural regulation’<sup>1</sup> or specific State aid instruments require a notification on an annual basis. On the contrary, Member States may notify multiannual aid schemes, which, moreover, can be prolonged. Furthermore, aid schemes concerning both adverse climatic events and animal diseases and plant pests can be established ex-ante. The Commission can authorise such schemes in order to facilitate rapid crisis management, when such events effectively occur. With the same objective, the Member States can also establish in advance criteria for recognising a crisis event. In practice, the general annual reporting obligation, which stems for the Member States from Council Regulation (EC) No 659/1999<sup>2</sup>, has to include, in case of ex-ante schemes, certain additional information, in order to enable the Commission to carry out effective monitoring.</p>
<p>33. The CoR suggests not requiring Member States to publish information on individual beneficiaries of aid under € 75 000 for agricultural production, and under € 500 000 for the processing and marketing of agricultural</p>	<p>The thresholds for publication of individual aid awards in the agricultural and forestry sectors and in rural areas are set consistently with State aid instruments applicable to other areas of the economy. In the proposals of future State aid rules,</p>

<sup>1</sup> Council Regulation (EU) 2015/1589 of 13 July 2015 laying down detailed rules for the application of Article 108 of the Treaty on the Functioning of the European Union (Text with EEA relevance); OJ L 248, 24.9.2015, p. 9–29.

<sup>2</sup> Council Regulation (EC) No 659/1999 of 22 March 1999 laying down detailed rules for the application of Article 93 of the EC Treaty; OJ L 83, 27.3.1999, p. 1–9.

<p>products.</p>	<p>which were subject to a public consultation from 11 January to 13 March 2022<sup>3</sup>, the thresholds are proposed so as to better cater for the transparency objective, namely to reduce negative effects of State aid by ensuring that competitors, other stakeholders and the general public have access to relevant information about supported activities.</p>
<p>34. The CoR suggests not making procedures linked to the part of the common evaluation for notified aid more cumbersome.</p>	<p>The ‘common evaluation’, i.e. assessment of aid pursuant to Article 107(3)(c) of the TFEU, is based on horizontal principles introduced in order to align the assessment of common features of State aid in a consistent manner across the different State aid instruments. The proposal of the future Guidelines for State aid in the agricultural and forestry sectors and in rural areas, as submitted for public consultation between 11 January and 13 March 2022, proposes to follow the horizontal approach adopted in other State aid instruments and to align them to the judgement of the Court of Justice of the EU in Case C-594/18 P, <i>Austria v Commission</i><sup>4</sup>, in which the Court provided an important clarification on the interpretation of Article 107(3)(c) TFEU. The draft of the Guidelines for State aid in agriculture, forestry and in rural areas should follow the horizontal approach.</p>
<p>35. The CoR suggests providing for the possibility of granting investment aid through the Agricultural Block Exemption Regulation (ABER), even for products from a single sector, and particularly where the aid is intended to mitigate the consequences of events that can be assimilated to natural disasters or to provide compensation for damages caused by animal or plant diseases or pests.</p>	<p>Investment aid is usually provided for on the basis of a scheme. It is the intention that Member States may in the future design the schemes for a single sector. For example: specific investments in improved welfare conditions may be limited to the poultry sector and no longer have to be extended to the entire animal sector.</p>
<p>36. The CoR suggests providing for a single window approach for notifying state aid in the NSPs referred to in Regulation (EU) 2021/2115.</p>	<p>In compliance with Article 42 TFEU, a single-window approach can only concern production of and trade in agricultural products, while State aid rules fully apply to aid in favour of forestry and</p>

<sup>3</sup> [https://ec.europa.eu/competition-policy/public-consultations/2022-agri\\_en](https://ec.europa.eu/competition-policy/public-consultations/2022-agri_en)

<sup>4</sup> <https://curia.europa.eu/juris/liste.jsf?num=C-594/18>



	<p>rural areas (which are also included in National Strategic Plans, hereafter the ‘NSP’). For these areas, the TFEU does not provide for any discretion to the EU legislator. A State aid clearance that is independent from the approval procedure of the National Strategic Plans under the Common Agricultural Policy (CAP) cannot, therefore, be avoided. However, for the future State aid rules, the Commission proposes to block exempt many more categories of aid so that in most cases aid can swiftly be provided under the new agricultural block exemption Regulation<sup>5</sup>. Moreover, under the future Guidelines, the Commission proposes a simplified procedure, which would allow more straightforward handling of notifications of compatible measures from the Member States where that will still be necessary.</p>
<p>37. The CoR suggests defining a <i>lex specialis</i> for implementing the <i>De minimis</i> Regulation in agriculture, given the sizeable differences between the agricultural sector and the other sectors. In particular, we call for the <i>De minimis</i> aid ceiling to be raised to EUR 50 000 over a period of three years, and for an amount (e.g. EUR 1 000) to be set, below which the <i>De minimis</i> Regulation would not apply (very limited amounts of aid).</p>	<p>The <i>de minimis</i> Regulation in agriculture was modified in 2019 and the revised and increased <i>de minimis</i> ceilings are currently in force<sup>6</sup>. It is not part of the revision of the agricultural State aid rules during the ongoing exercise.</p> <p>In general, the <i>de minimis</i> ceiling is set so as to ascertain that such amount creates no risk of distortion of competition and trade so that Article 107(1) TFEU can be considered not to apply.</p>
<p>38. The CoR suggests amending the <i>De minimis</i> Regulation for the agricultural sector in such a way as to make it simpler, in particular to remove monitoring of the single undertaking requirement.</p>	<p><i>De minimis</i> ceilings are carefully set in a way to ascertain that there is no distortive effect of such aid on competition and trade. The monitoring mechanism has been put in place in order to ascertain this objective. The conditions attached to <i>de minimis</i> aid, in particular the maximum aid amounts, are defined at the level of a single undertaking. Therefore, the monitoring must also be carried out at that level. The monitoring mechanism represents a balance between the simplification of granting small aid amounts and</p>

<sup>5</sup> <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/11548-Agriculture-simplified-EU-approval-scheme-block-exemption-for-state-subsidies-review- en>

<sup>6</sup> <https://eur-lex.europa.eu/EN/legal-content/summary/small-scale-de-minimis-aid-for-farming.html>.

	the obligation of the Commission to exercise State aid control.
39. The CoR suggests leaving it up to the Member States to define an undertaking in difficulty.	The definition of an ‘undertaking in difficulty’ is a horizontal concept under EU law, defined primarily for the purpose of the Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty. The same definition is used in the State aid horizontal rules as well as across the State aid instruments applicable to different sectors of industry and given particularly distortive effects of aid granted to an undertaking in difficulty, it is important to implement the criteria for considering an undertaking as being in difficulty in a harmonised manner.
40. The CoR suggests simplifying administrative procedures for aid to local authorities, especially when they are recipients of state aid support. In particular, we ask for them not to be considered large undertakings.	The definition of large undertakings reflects a horizontal concept under EU law, which also applies to the State aid rules in the agricultural sector. However, in the texts published for stakeholders’ consultation, the Commission proposed a derogation for local authorities from the obligation to provide a counterfactual scenario: according to the draft future rules, municipalities with an annual budget of less than € 10 million and fewer than 5 000 inhabitants should not be obliged to present a counterfactual scenario.
41. The CoR suggests establishing simpler procedures for local and regional authorities to manage local and regional needs and emergencies in the first instance.	Fast response for emergencies is possible under the agricultural block exemption regulation <sup>7</sup> with minimal procedural requirements, or under the <i>de minimis</i> Regulation, which does not require Commission involvement.
42. The CoR suggests simplifying the procedures for granting state aid for advertising and promotion campaigns, in particular considering general institutional promotion activities which do not refer to specific brands and do not encourage consumers to purchase a	Whether or not a given measure constitutes State aid is based on an objective notion and it is therefore not a question that can be decided at the discretion of the Commission. This is an objective notion established in the Treaty and subject to the judicial review of the Union courts. Where a

<sup>7</sup> Commission Regulation (EU) No 702/2014 of 25 June 2014 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union; OJ L 193, 1.7.2014, p. 1–75.

<p>product as NOT being aid.</p>	<p>measure does not constitute State aid, State aid rules do not apply. However, where a given promotion activity does indeed constitute State aid, experience shows that such measures bear a risk of distortion of competition.</p>
<p>43. Simplified costs are currently deemed compatible with state aid rules only in the context of aid benefiting from co-financing from EU sources. The CoR calls for it to be possible to use simplified cost options irrespective of European co-financing. There seems to be no valid justification for continuing to stipulate different methods for calculating eligible costs depending on where the aid scheme's funding comes from.</p>	<p>The Commission recognises advantages of the use of the simplified cost option and therefore the use of this method is proposed for the future agricultural State aid Guidelines for a number of measures, irrespective of their European co-financing. However, since the application requires an assessment by the Commission, it will not be possible to allow for this method under the block exemption regulation for pure State aid.</p>
<p>44. The CoR suggests supporting agricultural and forestry holdings, especially microenterprises, in the green transition.</p>	<p>There are several measures that can help agricultural and forestry enterprises, regardless of their size, in the green transition, such as:</p> <ul style="list-style-type: none"> <li>– agri/forest-environment-climate commitments;</li> <li>– organic farming;</li> <li>– aid to areas facing natural or other area-specific constraints (both agriculture and forestry);</li> <li>– aid for investments improving the resilience and environmental value of forest ecosystems;</li> <li>– other aid to the forestry sector with ecological, protective and recreational objectives.</li> </ul>
<p>47. The CoR suggests introducing higher investment rates for agricultural SMEs investing in the green transition.</p>	<p>The aid rates will be aligned with those of the Strategic Plans Regulation under the CAP.</p>
<p>48. The CoR suggests creating <i>ad hoc</i> aid for carbon farming to pay farmers for this important task.</p>	<p>Aid for carbon farming is limited to schemes, in line with the Strategic Plans Regulation under the CAP.</p>
<p>50. The CoR considers it essential to redefine the concept of SMEs in the agricultural sector, and revise the definition of microenterprise set out in Annex I, Article 2(3) of Regulation 702/2014, to create an <i>ad hoc</i> definition for the agricultural sector, given the specific nature of</p>	<p>The concept of small and medium-sized enterprises (SMEs) is a horizontal concept and shall not differ from one sector to another. Therefore, it should not be changed to an <i>ad hoc</i> definition for the sake of a particular sector.</p>

<p>the sector, and therefore proposes defining a new type of microenterprise in agriculture.</p>	
<p>53. The CoR calls for it to be possible for holdings in high mountain areas to purchase land for an amount exceeding 10% of the total eligible expenditure for the operation concerned, as set out in Article 73(3)(c) of Regulation (EU) 2021/2115 of the European Parliament and of the Council, in order to allow the land consolidation necessary to keep them economically active and to carry out their tasks of safeguarding and protecting the landscape.</p>	<p>It should be noted that Article 73(3)(c) of Regulation (EU) 2021/2115<sup>8</sup> provides for a general ineligibility of expenditure for the purchase of land for an amount exceeding 10% of the total eligible expenditure for the operation concerned, with the exception of land purchase for environmental conservation and carbon-rich soil preservation or land purchased by young farmers through the use of financial instruments. The provision does not allow for the possibility for holdings in high mountain areas to purchase land for an amount exceeding 10% of the total eligible expenditure for the operation concerned. Investment aid, including the possibility to grant aid for the purchase of land, risks to have a knock-on effect on the prices of land altogether. In the draft of the future Guidelines, published for stakeholders' consultation, the Commission proposed certain exceptions, in line with the mentioned Article of the Strategic Plans Regulation under the CAP.</p>
<p>54. The CoR suggests allowing the forestry sector to benefit from the notification exemption procedure outside NSP measures as well.</p>	<p>One of the Commission's objectives in designing the new agricultural block exemption Regulation is indeed to extend the exemptions in relation to aid to the forestry sector. Therefore, the draft of the new regulation published for stakeholders feedback, provides for further block-exempted types of aid including aid for forestry measures outside the National Strategic Plans of the Member States.</p>
<p>56. The CoR suggests amending the current risk management rules, in particular by lowering the damage threshold for defining events which can be assimilated to natural disasters to 20%, as</p>	<p>Regulation (EU) 2021/2115 lowers the damage threshold for defining events, which can be assimilated to natural disasters to 20% for support in favour of insurance premiums and contributions</p>

<sup>8</sup> Regulation (EU) 2021/2115 of the European Parliament and of the Council of 2 December 2021 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) No 1305/2013 and (EU) No 1307/2013; OJ L 435, 6.12.2021, p. 1–186.

<p>provided for in Regulation (EU) 2021/2115.</p>	<p>to mutual funds. Such a lower threshold would promote the use of insurances by farmers. The Commission proposes to align the State aid rules with the CAP and to decrease the minimum damage threshold to 20% for these types of aid as well.</p>
<p>57. The CoR suggests providing for an increase in the compensation threshold for subsidised insurance and other risk management tools as provided for by Article 76 of Regulation (EC) No 2021/2115; this threshold must allow current insurance prices for agricultural holdings to be maintained.</p>	<p>The Commission proposes to align the future State aid rules with the Article 76 of the Regulation (EU) No 2021/2115.</p>
<p>58. The CoR suggests that aid compensating damage caused by protected animals be exempt from notification.</p>	<p>The draft of the new agricultural block exemption regulation that was published for stakeholders feedback, indeed provides for the possibility to block exempt aid to compensate for the damage caused by protected animals.</p>
<p>59. The CoR suggests that, for such damage, it be possible to provide for compensation for loss of income, as is already provided for with regard to damage resulting in a loss of production equipment.</p>	<p>The Commission proposes to include in the new State aid rules the possibility to provide damage compensation for the loss of income in cases where the damage has been caused by protected animals.</p>
<p>60. The CoR suggests that, in addition to the damage caused by protected animals, compensation for other animals also be envisaged, leaving it up to national, regional and local authorities to establish a definition of these animals, as the impact varies from country to country.</p>	<p>The Commission proposes to define in the new State aid rules the term ‘protected animal’, which includes any animal protected either by Union or by national law, including animal species for which national legislation provides specific rules to preserve the population of the animal concerned.</p>
<p>61. The CoR suggests considering institutional promotion campaigns which do not refer to specific brands as NOT being aid.</p>	<p>State aid is an objective notion under the review of the Union Courts. Whether or not a given measure of a Member State constitutes State aid is therefore a question that needs to be assessed on a case-by-case basis and cannot be answered abstractly.</p>
<p>62. The CoR suggests sufficient support should be provided for non-agricultural start-ups in rural areas, with the ceiling for the limited</p>	<p>Non-agricultural start-ups in rural areas are outside the scope of the State aid instruments in the agricultural and forestry sectors and in rural areas.</p>

<p>amount of aid aligned with the ceiling for agricultural start-ups (EUR 100 000). There is no reason to make a distinction that penalises diversification in non-agricultural businesses, as the amounts in question are in any case very small.</p>	<p>There are specific rules provided for in Article 22 of the General Block Exemption Regulation (GBER<sup>9</sup>) for this type of support. Moreover, such start-ups may profit from aid under the general <i>de minimis</i> Regulation (EU) No 1407/2013<sup>10</sup> of up to € 200 000 per beneficiary during a given period of three fiscal years.</p>
<p>63. in order to help SMEs benefiting from CLLD projects or Operational Group projects, we call for:</p> <ul style="list-style-type: none"> <li>– the scope to be extended to local authorities, LAGs, universities, and other bodies regardless of their size, in view of the great diversity of these projects, which involve many different entities working together;</li> <li>– the total amount of limited aid granted per project to be increased to EUR 300 000 for community-led local development projects and EUR 500 000 for EIP Operational Group projects.</li> </ul>	<p>Regulation (EU) 2015/1588<sup>11</sup> sets the framework for the Commission to adopt block exemption regulations in State aid control. It does not contain a category for Community-led local development (CLLD) projects. That is why in order to block-exempt such projects, the Commission had to use the section ‘aid to SMEs’. For this reason, the scope of those projects is limited to SMEs.</p> <p>As to the proposed maximum amounts, average project budgets were taken into account to establish the limited amounts of aid. For larger projects, Member States always have the possibility to design block-exempted measures based on the compatibility conditions set out in Article 19 GBER (thus increasing the limit to € 2 million per undertaking) or to notify the measure (in the future) under the new Guidelines.</p>

<sup>9</sup> Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty; OJ L 187, 26.6.2014, p. 1–78.

<sup>10</sup> 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.

<sup>11</sup> Council Regulation (EU) 2015/1588 of 13 July 2015 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to certain categories of horizontal State aid; OJ L 248, 24.9.2015, p. 1–8.

<p><b>N°11 New EU Forest Strategy for 2030</b>  <b>COM (2021) 572 final</b>  <b>COR-2021-04822 – NAT-VII/024</b>  <b>149<sup>st</sup> plenary session – April 2022</b>  <b>Rapporteur: Joan CALABUIG RULL (ES/PES)</b>  <b>DG AGRI – Commissioner WOJCIECHOWSKI</b></p>	
<p><b>Points of the European Committee of the Regions opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>6. The Committee of the Regions (CoR) calls for the Commission to deal with the climate and biodiversity objectives and the forest bioeconomy objectives in a balanced, environmentally, socially and economically fair way, which is one of the fundamental pillars of the European Green Deal.</p>	<p>At the core of the New EU Forest Strategy for 2030 are the economic, social and environmental functions of forests. The strategy covers the whole forest cycle and aims at promoting the many services that forests provide, highlighting their multi-functional role.</p> <p>The Commission is well aware of forests’ social value. Horizon Europe’s cluster 6 on ‘Food, Bioeconomy, Natural Resources, Agriculture and Environment’ provides opportunities to enhance and create synergies between environmental, social and economic goals of forests.</p>
<p>12. The CoR recommends that stakeholders specifically affected by the measures set out in the EU Forest Strategy (local and regional authorities, civil society and businesses) should be involved in their implementation, minimising administrative burdens, especially for forest owners and businesses, but also for local and regional authorities.</p>	<p>The implementation of the New EU Forest Strategy for 2030 will greatly rely on and seek the active engagement of all relevant actors and levels of governance, from Member States to forest owners and managers, forest-based industries, scientists, civil society and other stakeholders.</p> <p>The Commission will in particular seek and build on the engagement, motivation and dedication of forest owners and managers.</p> <p>The Commission will update the EU Forest governance bodies, building on the extensive experience and cooperation within different Commission expert groups, to ensure policy coherence, synergies and effective engagement of all actors.</p>
<p>20. In the context of biodiversity, it should be highlighted that, thanks to certain outermost regions, the EU possesses primary, Amazonian</p>	<p>The Commission notes that such scientific research and innovation has been supported in the past under the Seventh Framework Programme, Horizon 2020</p>

<p>and subtropical forests, which constitute a unique laboratory for scientific research, specialisation and innovation (such as pharmaceutical research and the development of plant extracts). Biodiversity in these regions represents nearly 80% of European biodiversity and is vital for the ecological balance of the planet. Local and regional authorities are the guardians of this priceless treasure and ought to be given adequate support for its management and preservation.</p>	<p>and reinforced under Horizon Europe Cluster 6. In case of such scientific research and innovation, international cooperation is strongly encouraged, and appropriate provisions of Access and Benefit Sharing under the Nagoya Protocol of the UN Convention of Biodiversity are included.</p>
<p>22. The CoR welcomes the fact that the EU Forest Strategy was the result of a joint effort by DG AGRI, DG ENV and DG CLIMA but recommends involving the various Commission departments working in the forestry sector (DGs GROW, ENER, REGIO) in order to include all social, economic and environmental aspects and implications as part of a systemic and inclusive approach; otherwise, their approach may be incomplete and biased.</p>	<p>While the development of the EU Forest Strategy was co-lead by DG AGRI, DG CLIMA and DG ENV, the strategy is a Commission Communication adopted by the college of commissioners, following an inter-Service consultation involving all relevant DGs. The actions and initiatives foreseen in the strategy will be carried out by the relevant Commission services.</p>
<p>23. The CoR recommends clearly defining the role of the Standing Forestry Committee as a key player in the EU Forest Strategy, so that the views of the sector and other key stakeholders are expressed, enabling the active use of forests across the various regions of the EU.</p>	<p>The Commission, as announced in the New EU Forest Strategy for 2030, will propose an updated forest governance that brings the Standing Forestry Committee and the Working Group on Forest and Nature into a single expert group with a mandate that reflects all environmental, social and economic objectives of the new EU Forest Strategy and membership ensuring that multiple Member State representatives from different Ministries are members of this group.</p>
<p>30. The CoR points out that biodiversity conservation, restoration of ecosystems and an increase in carbon sinks are the fundamental aspects of the EU Forest Strategy, but that the resulting lack of coherence with climate objectives and sustainable socio-economic growth is one of the most problematic points.</p>	<p>Healthy, biodiverse and resilient forests will help achieving a healthy and prosperous future, thus ensuring socio-economic growth, in line with the European Green Deal's objectives.</p> <p>The strategy aims to support the social and economic roles of forests, in particular for securing decent livelihoods for rural dwellers and forest owners, workers and managers. The strategy aims at diversifying local economies and job</p>



	<p>opportunities, through the promotion of wood and non-wood forest products and services, and ensuring the facilitation of financial flows through public and private schemes. It is also backed by an ambitious research and innovation agenda that addresses all elements of sustainable forest management, the bio-economy, etc.</p>
<p>35. The CoR recommends strengthening the content of the EU Forest Strategy with regard to some environmental objectives (water, soil, landscape) while placing greater emphasis on the key contribution made by industrially and sustainably processed and managed forest products to the bioeconomy – which is a basic pillar of the Green Deal. As regards these forest products, technologically innovative processes need to be financed in order to develop various businesses, particularly first-stage processing businesses which are the weak link in the forestry and wood industry and which have the greatest potential for making the best use of local resources.</p>	<p>Forest related research and innovation activities will be supported through Cluster 6 under Horizon Europe. As noted below (point 43), forest-based industry is also a partner and a beneficiary of funding under the Circular Bio-based Europe Joint Undertaking<sup>1</sup>, providing support to processing of sustainable biomass into innovative bio-based products.</p>
<p>36. The CoR advises that greater emphasis be placed on sustainable forest management definitions and measures aimed at improving water cycles and soil conservation, especially in Mediterranean and mountain ecosystems and points out that indicators need to be enhanced to improve the sustainable management of forests, which is a prerequisite for the long-term provision of ecosystem services.</p>	<p>As announced in the strategy, the Commission together with Member States, and in close cooperation with different forest stakeholders, will identify additional indicators as well as thresholds or ranges for sustainable forest management concerning forest ecosystem conditions, such as health, biodiversity and climate objectives. The indicators, thresholds or ranges will build on existing work and take into account forest variability, biogeographic regions and forest typology, in addition to providing the necessary flexibility.</p>
<p>43. The CoR recommends redefining the EU Forest Strategy's objectives and its synergies</p>	<p>Aiming at boosting the forest-based bio-economy, the strategy includes a number of actions/initiatives</p>

<sup>1</sup> [https://european-union.europa.eu/institutions-law-budget/institutions-and-bodies/institutions-and-bodies-profiles/circular-bio-based-europe-joint-undertaking-cbe-ju\\_en](https://european-union.europa.eu/institutions-law-budget/institutions-and-bodies/institutions-and-bodies-profiles/circular-bio-based-europe-joint-undertaking-cbe-ju_en)

<p>with the 2012 Bioeconomy Strategy, which was revised in 2018<sup>2</sup>, incorporating and promoting forest products, both wood (not only construction wood, but also biocomposite materials, biofuels, wood for biorefineries and products with high added value for the chemical, food, and cosmetics and perfume industries) and non-timber forest products (cork, fungi, wild fruits, aromatic and medicinal plants, and resins), taking into account their contribution to climate change mitigation as carbon sinks throughout their life cycles and the effect of substituting these products for other materials that are net emitters of greenhouse gases.</p>	<p>related to the promotion of long-lived wood products, to wood-based resources for bioenergy, for the promotion of the non-wood bio-economy (e.g. non-wood forest products, eco-tourism), and to the development of the skills necessary to support the bio-economy.</p> <p>The Forest Strategy explicitly mentions that innovative uses of wood for bio-based materials and products, including short-lived ones, is encouraged as long as the cascading principle is applied. As such, it is fully in line with the Bio-economy Strategy.</p> <p>The Circular Bio-based Europe Joint Undertaking is a partnership between the European Union and the Bio-based Industries Consortium under Horizon Europe funding programme, which supports research and innovation into exactly this type of circular and sustainable uses of biomass, including forest biomass, for innovative bio-based products.</p>
<p>47. The CoR recommends that clear definitions be established for forests, at least distinguishing between primeval forests that have never been managed (0.7% of all forests) and forests that were managed in the past but have not been in recent decades, in order to effectively protect old-growth forests, especially in some regions in central and eastern Europe and revitalising the mountains in which management has been abandoned, leading to a risk of forest fires, diseases and pests.</p>	<p>Together with Member States and relevant stakeholders, the Commission is currently developing guidelines on the definition of primary and old-growth forests, including their mapping, monitoring and strict protection.</p>
<p>48. The CoR recommends revising the proposed amendments to the sustainability criteria for bioenergy or forest treatment, as some of the proposed measures may increase the burden on local and regional authorities as forest owners and as the institutions responsible for sustainable forest management in many Member States, as restrictions related to the strict legal protection of 10% of forests will generate</p>	<p>Bioenergy plays an important role in the renewables mix. In view of the EU's increased ambition for renewables and the need to protect biodiversity and increase carbon sink in European forests, the EU have to ensure that woody biomass is harvested sustainably in the years to come. Land Use, Land Use Change and Forestry reporting and accounting show a trend of declining carbon sink in European forests. The current sustainability criteria</p>

<sup>2</sup> COM(2018) 673 final and SWD(2018) 431 final.

<p>significant compensation without a clear financial commitment from the Commission; considers that the sustainability criteria for bioenergy set out in the 2018 Renewable Energy Directive should apply.</p>	<p>for bioenergy are therefore not sufficient and should be strengthened, as proposed by the Commission in the revision of the Renewable Energy Directive<sup>3</sup>, in order to avoid unsustainable harvesting pathways and unsustainable support schemes with a view to ensure a balance between carbon sink, biodiversity protection and energy use of wood.</p>
<p>54. The CoR calls for the sustainable forest management definitions, and especially the FOREST EUROPE process, derived from the international commitments made by the EU and its Member States to be used.</p>	<p>A common understanding of sustainable forest management has been agreed upon under the Forest Europe process. In order to better respond to new challenges and needs, and in light of the increasing role of forests in the delivery of the EU’s climate and biodiversity objectives, the sustainable forest management framework will have to be enhanced, notably as regards criteria relating to ecosystem health, biodiversity and climate change so that it can become a more detailed screening tool to determine and compare different management approaches, their impact and the overall state of EU forests.</p>
<p>55. The CoR recommends carrying out further studies on planning possible implementation in order to avoid overlap with existing systems, and clarifying the synergies, added value and cost-benefit ratio that could be offered by the proposed close-to-nature forest management certification and an independent EU certificate, as well as the strategic forest plans, in relation to the existing forest certification systems (Programme for the Endorsement of Forest Certification (PEFC) and Forest Stewardship Council (FSC)), which are recognised and implemented internationally, and to the sustainable forest management strategies, plans and programmes already available in the Member States and local and regional authorities; there is also a lack of clarity regarding whether the new scheme should be</p>	<p>The strategy specifies that the ‘closer to nature’ certification scheme will be voluntary and its development subject to an impact assessment and stakeholder engagement. Existing schemes, added value and cost-benefit will be taken into account in this preparatory phase together with different options for its format.</p> <p>The scheme will be based on the Commission’s closer to nature guidelines currently under preparation and aim to reward the most biodiversity friendly management practices.</p>

<sup>3</sup> Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources; OJ L 328, 21.12.2018, p. 82–209.

<p>mandatory or voluntary and regarding the legal basis on which such actions would be carried out.</p>	
<p>57. The CoR calls for a review and analysis of the assessments made by forest scientific experts including forest ecologists across Europe, which warn that the proposed policies may not take sufficient account of the potential increase in risks related to major disturbances (fires, hurricanes, heavy snowfall and pests), with particular attention being paid to forests, which are especially vulnerable to the climate emergency.</p>	<p>The EU invests considerably in research and innovation through Cluster 6 under Horizon Europe, to increase the resilience of European forests under changing climate conditions. The strategy also aims to implement complementary actions in support of Disaster Risk Reduction policies (including forest fires) through the Horizon Europe Civil Security for Society programme to enhance capacities in risk management and governance.</p>
<p>63. The CoR recommends clarifying how the new sustainable forest management indicators, thresholds and ranges will relate to the FOREST EUROPE sustainable forest management criteria and indicators, given that the EU and its Member States are signatories to FOREST EUROPE; believes that there is also a need for information on the legal basis that would justify this action and on what "starting on a voluntary basis" would involve with regard to possible future steps, and for clarification regarding the link between sustainable forest management and the concept of "close to nature".</p>	<p>The Commission, together with the Member States and in close cooperation with different forest stakeholders, will identify additional indicators as well as thresholds or ranges for sustainable forest management building on the Forest Europe sustainable forest management criteria. In thorough consultation with the Member States, the Commission will assess how these could best be used, in respect of the subsidiarity principle and starting on a voluntary basis, to allow for a better comparative understanding of the overall sustainability of forests within the EU and demonstrate the contribution of sustainable forest management to EU objectives, in particular those related to climate, biodiversity and circular economy. The Commission will consider further steps in consultation with the Member States as a subsequent step.</p> <p>The guidelines on closer-to-nature forestry currently being developed by the Commission in close collaboration with Member States and stakeholders will feed into the work on indicators and new thresholds.</p>
<p>64. The CoR recommends that the scope and feasibility of the development of payment for ecosystem services be discussed in depth with the Member States and the sector's stakeholders,</p>	<p>The Commission has supported significant research and innovation on the topic of valuation and design of Payments for Ecosystem Services' schemes under the 'Societal challenges - Food security,</p>

<p>and subsequent reality checks be carried out to assess whether the financial mechanisms provided for in the EU Forest Strategy (CAP, carbon farming and carbon certification) would enable the set objectives to be achieved.</p>	<p>sustainable agriculture and forestry, marine, maritime and inland water research, and the bio-economy’ of the Horizon 2020 funding programme. By capitalising on previous results, the integration of forest ecosystem services into payment schemes will be further explored in Horizon Europe with a view to create new value chains and to diversify incomes.</p> <p>In addition, it is assessing how these could be further supported by removing barriers in State Aid and promoting knowledge sharing and guidance on design and uptake.</p> <p>In the context of the strategy, new schemes will be promoted for supporting forest management practices that enhance the provision of certain ecosystem services, including through guidance and facilitation of financial flows through public and private schemes.</p> <p>Moreover, the strategy highlights the role that carbon farming could play in rewarding foresters to protect and enhance further the carbon sink in forests.</p>
<p>65. The CoR welcomes the introduction of EU-wide and coordinated forest monitoring but believes that there is a need for an assessment of the added value and cost-benefit ratio of the new EU forest observation, reporting and data collection proposal, and of existing and missing data and information, with remote data, including information from satellites and other media, being recognised as a cost-effective way to improve the knowledge base in cooperation with existing and ongoing national forest inventories; in this regard, subsidiarity, costs and administrative burdens are key aspects that should be addressed. Forest monitoring across the EU could generate added value provided that it is supported by the Member States and local and regional authorities and is based on data on the ground collected by national and regional forest inventories and on the</p>	<p>The legislative proposal on a new EU Framework on Forest Monitoring and Strategic Plans will be subject to a detailed impact assessment and be developed in full respect of the subsidiarity principle. The focus will lie on regular and more frequent cost-efficient reporting, which could lead to substantial cost-savings through the increased use of existing remote-sensing technologies and economies of scale.</p> <p>The Strategic Plans would be prepared by Member States’ authorities, but will not be subject to an approval by the Commission. They would contain common elements and a general structure to be developed in cooperation with the Member States and subject to an impact assessment and stakeholder engagement, in order to allow for comparability.</p>

<p>experience of Forest Focus. Moreover, the nature (voluntary or mandatory), format and exact purpose of the national strategic plans need to be clearly defined and cost-effective incentives must be created for forest owners to contribute to data collection.</p>	
<p>67. The CoR advises the Commission to help local and regional authorities to ensure that the available EU funds (EAFRD, ERDF, Next Generation) can be used more for sustainable forest management by simplifying the administrative processes.</p>	<p>The strategy aims to increase the uptake of rural development funds available for forests. Under the new common agricultural policy, more leeway is given to Member States to design their intervention measures, and to adapt them better to national needs. This will result in less administrative burden. The strategy also commits to carry out a study on behavioural science regarding the uptake of public funds by forester.</p> <p>The Commission has put in place various tools available to Member State to help the uptake of cohesion policy funds. That includes initiatives to strengthen the administrative capacity of national and regional administrations and simplification measures for beneficiaries (e.g. the TAIEX-REGIO Peer2Peer programme and the REGIO communities of practitioners).</p>
<p>68. The CoR recommends committing more financial resources for training, R&amp;D and knowledge sharing at European and international level in order to facilitate cooperation, and exchange and implement best practices in sustainable forest management and forest-based value chains across Europe and around the world.</p>	<p>In terms of research and development funding, Horizon Europe and in particular Cluster 6 and its Partnerships commit a significant funding for the different aspects of the forest-based bio-economy at European and international level. In addition, the European Innovation Partnership EIP-AGRI will continue to play a key role for building bridges between research and practice, knowledge exchange, training and advice.</p>

**N°12 Health Emergency Response Authority**  
**COM(2021) 576 final**  
**COR-2021-04928 – NAT-VII/023**  
**149<sup>th</sup> plenary session – April 2022**  
**Rapporteur: Christophe CLERGEAU (FR/PES)**  
**HERA – Commissioner KYRIAKIDES**

<b>Points of the European Committee of the Regions opinion considered essential</b>	<b>European Commission position</b>
<p>5. The Committee of the Regions (CoR) advocates giving HERA very broad scope for action, as proposed by the Commission, while respecting the remits of other existing bodies<sup>1</sup>. The aim is to tackle threats to human health caused naturally, accidentally or deliberately, including as a result of terrorist acts, whether from pandemics or of biological, environmental, nuclear or unknown origin.</p> <p>6. The CoR stresses that, over and above its scope for action, the extent of HERA's activities is also very broad, including identifying and analysing the risks ahead of crises, encouraging proactive measures, increasing societies' and regions' capacity to deal with crises, defining management scenarios including appropriate responses, strengthening the industrial and research and innovation (R&amp;I) ecosystem to develop and produce appropriate countermeasures, and finally to ensure that these countermeasures are available in all EU cities and regions and to all communities.</p> <p>7. Given these huge challenges, the European Committee of the Regions is concerned about HERA's ability to succeed in its tasks.</p>	<p>The Commission values the opinion of the Committee and welcomes its constructive suggestions. The Commission is of the opinion that HERA has been set up to successfully deliver on its task and objectives. HERA complements the current EU institutional health security architecture and the work carried out by the Commission on health security.</p> <p>The core mission of HERA is to improve preparedness and response to serious cross-border threats in the area of medical countermeasures by:</p> <ul style="list-style-type: none"> <li>• strengthening health security coordination within the EU during preparedness and crisis response times, and bringing together the Member States, the industry and the relevant stakeholders in a common effort;</li> <li>• addressing vulnerabilities and strategic dependencies within the EU related to the development, production, procurement, stockpiling and distribution of medical countermeasures;</li> <li>• contributing to reinforcing the global health emergency preparedness and response architecture.</li> </ul> <p>HERA supplements and brings added value to the work conducted by the European Centre for Disease Prevention and Control (ECDC) and European Medicines Agency (EMA) in both</p>

<sup>1</sup> In particular, the Emergency Response Coordination Centre (ERCC – Civil Protection), the European Medicines Agency (EMA) and the European Centre for Disease Prevention and Control (ECDC).

	preparedness and crisis times, in full respect of the respective mandates of both Agencies.
8. While establishing HERA as an internal Commission department has to be seen as a pragmatic choice allowing rapid progress and coordination between the different activities of the Commission, this should only be a temporary solution, to be reviewed in due course. [...]	<p>The Commission Decision establishing the Health Emergency Preparedness and Response Authority<sup>2</sup> final of 16 September 2021, established HERA as an internal structure within the Commission. Article 8 of this Commission Decision contains a review clause. The Commission’s review will cover the implementation of the operations of HERA, including its structure and governance. It is on the basis of this review that a concrete assessment of the advantages and disadvantages of the current structure and governance shall be made.</p> <p>The internal structure within the Commission has so far shown a strong added value, notably for enhanced coordination and synergies with other Commission services.</p>
9. The 2022 action plan published on 10 February provides for an annual budget of EUR 1.3 billion, which sends out a positive signal, but is not consistent with the budget forecast of EUR 6 billion over six years. A close look at this annual budget shows the importance being attached to countermeasure purchases and to setting up and managing European stocks (EUR 675.5 million), but there is no mention of the impact on the financing of other European civil protection measures, of the support for new production capacities (EUR 160 million) or of the Horizon Europe research programmes (EUR 350 million), most of which are not new. That leaves only EUR 100 million for measures to anticipate risks and adapt health systems;	As announced in the Communication introducing HERA <sup>3</sup> , HERA activities will rely on an indicative budget (2022-2027) of € 6 billion from the current Multiannual Financial Framework. HERA’s annual budget for 2022 of € 1.3 billion is consistent with the overall budget forecast <sup>4</sup> . The HERA Work Plan 2022 clearly specifies the actions funded by a given programme. For instance, Horizon Europe aims at supporting research and innovation to develop effective, safe and affordable medical countermeasures, and innovative technologies against emerging threats; and establishing a long-term and large-scale EU platform for clinical trials, as well as data platforms.
10. HERA's governance is a third weak point. It is strictly limited to the Commission and the Member States, confining the European	The Commission believes that its cooperation with the Member States, European Parliament, the European Economic and Social Committee, local

<sup>2</sup> C(2021) 6712 final.

<sup>3</sup> COM(2021) 576 final ([https://ec.europa.eu/health/system/files/2021-09/hera\\_2021\\_comm\\_en\\_0.pdf](https://ec.europa.eu/health/system/files/2021-09/hera_2021_comm_en_0.pdf)).

<sup>4</sup> COM(2021) 577 final ([hera\\_2021\\_propcouncreg\\_medical-countermeasures\\_en\\_0.pdf](hera_2021_propcouncreg_medical-countermeasures_en_0.pdf) (europa.eu)).



<p>Parliament to an observer role and excluding all stakeholders, cities and regions as well as civil society players from HERA's permanent bodies. This governance is neither adequate nor effective, as crisis preparedness and management require a wide variety of players and expertise. Cities and regions, health professionals of all types, patients' associations, other key science and research players and health and solidarity NGOs are vital players in successfully tackling crises, and need to be fully taken into account. At the very least, the various stakeholders should be permanent members of the advisory forum, which should be able to provide recommendations to HERA's governing bodies and be involved in the various aspects of its work.</p>	<p>authorities, various stakeholders in the health area and civil society, including social partners, is crucial to strengthen Europe's ability to prevent, detect, and rapidly respond to cross-border health emergencies, by ensuring the development, manufacturing, procurement, and equitable distribution of key medical countermeasures.</p> <p>HERA will work across all sectors, such as research, academia, non-governmental organizations and governments. Moreover, regarding external stakeholders, the HERA Advisory Forum has set up two sub-groups, the Civil Society Forum and the Joint Industrial Cooperation Forum, for which the calls for application have been closed on 19<sup>th</sup> April 2022 and 17 June 2022 respectively. Furthermore, a representative of the European Parliament has been invited as an observer in the HERA Board.</p>
<p>13. The CoR calls for equal attention to be paid to developing resilient societies and a common culture of crisis and disaster management. Within this framework, greater support should be given to the European Civil Protection Mechanism, whose budget should not be undermined by the establishment of HERA. Including the word "emergency" in HERA's title should not create confusion or lead HERA to duplicate the crisis management arrangements already developed within the EU's Civil Protection Mechanism, the cornerstone of which is the Commission's Emergency Response Coordination Centre (ERCC). There is a need for very close coordination and a clear division of roles between these two Commission tools, which could be aligned in the future. It is also necessary to draw a distinction from the measures under the revised legislative act on cross-border health threats currently being negotiated between the Council and Parliament,</p>	<p>The Commission agrees with the opinion that equal attention should be given to address all types of emergencies and crises and supports the opinion of the Committee supporting the development of resilient societies.</p> <p>In this regard, the recent legislative revision of the Decision 1313/2013<sup>5</sup> further strengthened the role of the Union Civil Protection Mechanism (UCPM) as the first entry point for emergency management at European level as most recently demonstrated in response to the needs in and around Ukraine.</p> <p>In case of a health emergency, HERA will work in close cooperation with the UCPM and its Emergency Response Coordination Centre (ERCC), DG ECHO, DG SANTE, EMA and ECDC to provide a coordinated effective response with relevant medical countermeasures. There is no risk of duplication of crisis management arrangements as the mandate of HERA is focusing specifically on ensuring the availability and accessibility of medical countermeasures in</p>

<sup>5</sup> 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>and from the tasks of the European Medicines Agency (EMA) and, in particular, the European Centre for Disease Prevention and Control (ECDC).</p>	<p>response to serious cross-border health threats.</p> <p>In response to Russia’s invasion of Ukraine, DG ECHO, DG SANTE and HERA collaborated to meet the most urgent medical needs of Ukraine and of people fleeing the war in Ukraine. For example, rescEU funds were used to procure urgently needed items such as potassium iodide tablets, which can be used to protect people from the harmful effects of radiation. These items were quickly dispatched to Ukraine, which demonstrates the capacity and the efficiency of the current arrangements.</p>
<p>16. The CoR would like HERA to have the role of analysing regions' and communities' vulnerabilities to health crises. This role of analysing vulnerabilities must factor in the availability of stocks across Europe and the operational capacity to reach all communities, prioritising those whose health is most fragile and those living in a situation of exclusion and instability. It must also cover the ability of health systems, hospitals and other healthcare facilities to increase their capacity in the event of a crisis in order to keep planned care going as much as possible while accommodating additional patients arising from the crisis.</p> <p>17. It therefore considers it essential for HERA to develop, in partnership with the other relevant EU bodies, a health security vulnerability scoreboard and to build, together with the Member States and regions, response programmes for the various kinds of emergencies and stress test programmes for health systems. On the basis of the results of these tests, the Commission and the Council should draw up recommendations for Member</p>	<p>HERA will work actively to identify vulnerable communities and to support preparedness with regard to the availability of medical countermeasures, noting that planning and implementation should be targeted to social groups, as well as geographical areas of need.</p> <p>HERA is also planning to assist Member States in organising a national/regional assessment process of public procurement practices in the health sector.</p> <p>Moreover, HERA plans to carry out a gap analysis on knowledge and skills to offer appropriate training in complementarity to existing training to improve Member States’ capacities in preparedness and response related to medical countermeasures at national and regional level.</p> <p>HERA will also work with other Commission services and notably DG SANTE towards the implementation of a strong EU Health Union<sup>6</sup>. A provisional political agreement has been reached on a new Regulation on serious cross border threats to health<sup>7</sup>, which will allow for rigorous reporting on and monitoring of preparedness and response planning and capacities in the EU. As part of this reinforced EU Health Union, the Commission will be able to carry out stress tests</p>

<sup>6</sup> [https://ec.europa.eu/info/strategy/priorities-2019-2024/promoting-our-european-way-life/european-health-union\\_en](https://ec.europa.eu/info/strategy/priorities-2019-2024/promoting-our-european-way-life/european-health-union_en)

<sup>7</sup> <https://www.consilium.europa.eu/en/press/press-releases/2022/06/23/provisional-agreement-on-new-eu-law-on-serious-cross-border-threats-to-health>

<p>States and regions, which should be followed up, to strengthen their health systems and consolidate, where necessary, the health response capacities of regions and equality in the protection of the various communities.</p>	<p>and issue recommendations related to preparedness and response planning. HERA will work alongside other Commission services, notably DG SANTE, as well as with the ECDC in ensuring that these tests are carried out and that the recommendations are made.</p>
<p>18. Similarly, HERA should help to develop research programmes under Horizon Europe to address the most vulnerable communities (people experiencing poverty or exclusion, minorities, refugees, female victims of violence, older people and people with disabilities, people with co-morbidity factors, etc.), who the COVID-19 experience has shown are often the first victims. These research programmes should also specifically address inequalities in access to healthcare [...]</p>	<p>HERA is integrally involved in the development of the Horizon Europe biennial Work Programmes. This co-creation process reflected in the HERA work plans notably enables HERA to help address inequalities in access to healthcare including for the most vulnerable communities.</p>
<p>19. Preparing people for future disasters and epidemics is a key challenge which HERA must help to meet. At European level we also need to reinforce and coordinate public health prevention programmes and programmes for promoting public health and for combating the digital divide and disinformation. These health prevention measures must span all public policies. HERA's activities must be part of a more ambitious European prevention policy set out in the framework of EU4Health, which should be strengthened and take better account of the challenges of mental health, disability and fighting chronic diseases as well.</p>	<p>HERA is involved in the programming process under EU4Health following the programme's governance. HERA actions are by nature linked to specific objectives laid down in Article 4 (b), (c), (d) and (j), but additional objectives such as the one defined under Article 4 (a) could be pursued if there are relevant actions falling under the remit of HERA.</p> <p>The Regulation on cross-border threats to health specifically emphasises the need to prevent such threats. Prevention is an important aspect in the tools the Regulation provides e.g. the Union preparedness plan. EU4Health funding will be used in order to implement the Regulation.</p>
<p>20. It is also necessary to draw specific lessons from both the COVID-19 crisis and the war in Ukraine through research. Actions should thus be initiated focused on the rapid response of health systems and the accelerated deployment on the ground of countermeasures (modular hospitals, mobile and simplified medical devices, mobile medical units, small vaccination centres, enlisting sufficient</p>	<p>According to its mandate, HERA has the task of promoting research and innovation (R&amp;I) for medical countermeasures. This is done through the Horizon Europe programme, which is HERA's only source of funding for R&amp;I.</p> <p>HERA is involved in the co-creation of the Horizon Europe biennial Work Programmes and will take into account also the lessons from both the COVID-19 crisis and the war in Ukraine in the</p>

<p>qualified medical staff, etc.).</p>	<p>identification of research topics.</p>
<p>30. The war in Ukraine, which has resulted in the influx of millions of unvaccinated people into the EU, is prompting us to develop closer international cooperation on access to countermeasures, particularly vaccines, with priority given to our neighbouring countries. The CoR is therefore concerned at the inadequacy of these measures in the 2022 HERA work programme;</p>	<p>The 2022 HERA work plan does not undermine the mission of HERA. HERA contributes to the Commission coordinated response to the Russian's invasion of Ukraine notably by:</p> <ul style="list-style-type: none"> <li>– anticipating and assessing short and medium-term health needs of Ukrainian refugees, e.g. on paediatric vaccines and treatment for tuberculosis and HIV;</li> <li>– supporting Member States on wastewater surveillance for different pathogens, to monitor the health of Ukrainian refugees;</li> <li>– coordinating the EU crisis response on health aspects with the World Health Organization, UNICEF, US Department for Health and Human Services, and US Agency for International Development.</li> </ul> <p>Thanks to these efforts, HERA in full coordination with DG ECHO has ensured the provision of vaccines through the Union Civil Protection Mechanism (UCPM), through private donations from industries and through purchase of stocks.</p> <p>The European Centre for Disease Prevention and Control (ECDC) has provided guidance to EU countries regarding infectious diseases and vaccination in the frame of the Russian military assault on Ukraine and the resulting migrant flux.</p>
<p>38. The CoR takes note of the recent progress made in structuring R&amp;I in the area of preparedness for health crises. Indeed, the French presidency is strongly in favour of an important project of common European interest (IPCEI) "in order to strengthen the EU's industrial policy and strategic positioning in the health sector by fostering innovation in the various segments of the healthcare industry." Furthermore, in April 2021 the Commission began consultations with a view to launching a public-public European partnership on</p>	<p>The Horizon Work Programme 2021-2022 includes a Coordination and Support Action (CSA) aimed at building a European partnership for pandemic preparedness. One of the objectives of the CSA is to lay the foundations for the creation of a long-term Strategic Research and Innovation Agenda (SRIA) for pandemic preparedness, developed in consultation with future partners and relevant stakeholders. The governance of the future European partnership could include a structure corresponding to the proposed scientific council in the area of pandemic preparedness.</p>

<p>pandemic preparedness in the framework of Horizon Europe's 2023-2024 work programme in order to coordinate research carried out by the Member States. However, there is currently no framework for ensuring the consistency of all Horizon Europe actions that can contribute to the tasks of HERA and the planned budget of EUR 1.7 billion, whereas EUR 4 billion was mobilised under the previous two framework programmes for pandemic and vaccine research. The CoR therefore calls for:</p> <ul style="list-style-type: none"> <li>– the creation of a scientific council for HERA which is pluralist and involves stakeholders, to establish scientific priorities and an R&amp;I roadmap which Horizon Europe should address;</li> <li>– an increased budgetary mobilisation under Horizon Europe to meet HERA's R&amp;I needs;</li> <li>– the launch of a reflection on the creation of a future "mission" dedicated to health crisis management and preparedness that would allow for a cross-cutting approach within Horizon Europe, scientific and operational coordination, and the involvement of all stakeholders, with particular emphasis on promoting public-private collaboration.</li> </ul>	<p>The Horizon Europe budget is limited and it is important to ensure a balanced approach to address all societal needs.</p> <p>The creating of a future sixth Mission under Horizon Europe is not under consideration for the time being, as the development of the pandemic preparedness partnership is already paving the way for a reflection on a more cross-cutting approach for health crisis management and preparedness and rally efforts, public and private to achieve a common goal.</p>
<p>39. Research on antimicrobial resistance would seem to be a top priority for HERA. The overuse of antimicrobials, in livestock farming and in human healthcare, is a ticking time bomb. Unless a solution is found rapidly, the "no cure, no treatment" scenario is likely to happen soon. Almost all of the new antibiotics that have been marketed in recent decades are variations of antibiotic families that were discovered in the 1980s. So far, no conclusive results have been obtained by the Commission in this area, as demonstrated by the Court of Auditors' 2019 report. It is therefore necessary</p>	<p>HERA shares the views of the Committee on the burden represented by antimicrobial resistance (AMR) and for this reason included AMR in the preliminary priority list of threats included in its Work Plan 2022<sup>8</sup>. HERA's work on AMR is embedded in the wider action plan on AMR that the Commission, in particular DG SANTE, is implementing<sup>9</sup>. The Commission also acknowledges the difficulties in developing novel antimicrobials because of market failures and the scientific challenges.</p> <p>HERA aims at playing an important role to</p>

<sup>8</sup> [https://ec.europa.eu/health/publications/hera-work-plan-2022\\_en](https://ec.europa.eu/health/publications/hera-work-plan-2022_en)

<sup>9</sup> [https://health.ec.europa.eu/system/files/2020-01/amr\\_2017\\_action-plan\\_0.pdf](https://health.ec.europa.eu/system/files/2020-01/amr_2017_action-plan_0.pdf)

to reinforce preventive health services so that they can coordinate all those involved in controls on the use of antimicrobials locally, in hospitals and in the community and to invest in research into new antibiotics and alternative preventive methods.

prevent the spread of AMR by promoting the development and availability of medical countermeasures relevant to combat AMR (AMR multicriteria mapping (MCM)), including preventative (vaccines against resistant pathogens), diagnostic and therapeutics (antimicrobials and alternatives).

The work of HERA on AMR MCM will support policies of other Commission services on AMR, in particular on AMR surveillance and stewardship, and on infection prevention and control.

HERA is considering the following actions, in coordination with other Commission services and global initiatives:

- need assessment and priority signalling;
- support to research and development (R&D) (push funding), in particular later stages development of AMR MCM;
- pull incentives support mechanisms (e.g. implementation of revenue guarantee or subscription models);
- support Member States’ actions on manufacturing, stockpiling and procurement of AMR MCM;
- improving the continuity of supply, notably by gathering intelligence on supply and demand.

HERA launched two studies, whose outcome in the course of 2022 will help identify the best options for action:

- Study on bringing AMR MCM to the Market (9 months)
- Study on Stockpiling of AMR MCM (6 months).

In Horizon Europe, the Commission (DG RTD) will continue to support R&D (PUSH incentives) on different aspects of AMR, including all stages of development of novel therapeutic and preventive candidates. The Commission (RTD) is

	<p>also working on a <u>European partnership on One Health (OH) AMR</u> research and innovation, with an EU co-fund investment up to € 100 million. The partnership will allow the EU to team up with Member States and third countries. Its scientific scope should tackle better prevention, control and treatment of infections, including contribution to the development of novel antimicrobials and alternatives. The Global Health EDCTP3 (European and Developing Countries Clinical Trials Partnership 3) Joint Undertaking launched under Horizon Europe, will support capacity building and clinical trials on infectious diseases with a new added focus on AMR.</p>
<p>41. Consideration should also be given to the R&amp;I measures envisaged and the role of HERA there. The implementation of this strand within Horizon Europe needs to be improved fast so that HERA can quickly be given an R&amp;I roadmap to clarify the procedure for deploying the EUR 1.8 billion in its budget that come from the programme.</p>	<p>The deployment of the overall budget foreseen for HERA under the Horizon Europe depends on the regular programming rules and schedules that apply to the programme. HERA is integrally involved in the co-creation process and regular discussion are held with the relevant services in the Commission. Member States provide their opinion on the draft Work Programmes based on a qualified majority.</p>
<p>43. This will involve considerable investment and increasing the capital of the businesses concerned. The European Innovation Council (EIC) needs to be brought into play, in order to better structure a European innovation ecosystem around developing countermeasures and managing health crises and to strengthen risk and development capital intervention tools to enable innovative companies to grow while keeping their roots in Europe. [...]</p>	<p>HERA is in contact with the European Innovation Council to develop synergies and build a structured collaboration.</p>
<p>44. The effectiveness of the medical countermeasures goes hand in hand with a more flexible management of clinical trials, while ensuring compliance with rules on ethics and the protection of personal data. HERA must propose a stronger framework for cooperation with the EMA for the coordination of medium and large-scale clinical trials, which</p>	<p>As indicated in the Communication introducing HERA as well as in the HERA Work Plan 2022, HERA is working with the EMA to create a long-term and large-scale EU platform for multi-centre clinical trials and corresponding data platforms. The Commission will also work with EMA and the Member States, including through the newly established Emergency Taskforce, to ensure that</p>

<p>was sorely lacking at the height of the COVID-19 crisis. The "Vaccelerate" and "HERA incubator" initiatives are a promising start in making up for these shortcomings, but clearer operational links must be established with national authorities in order to remove any regulatory or protocol barriers faster. [...]</p>	<p>clinical trials approvals under the Clinical Trials Regulations<sup>10</sup> can be expedited in an emergency.</p>
<p>45. Research infrastructure is also crucial. When it comes to combating major cross-border health scourges, proper analytical facilities, high-performance computers, repositories of data from epidemiological studies and comprehensive cohort studies are essential so that emerging threats and model response scenarios can be analysed.</p>	<p>Analysis of emerging threats and modelling of response rely on integrated data from population-level (mobility, behavioural, wastewater, mortality), targeted cohort or case-control studies and sentinel surveillance from healthcare services. The ideal is to plan these activities to sample from the same groups, thus maximising the power of data or information and allowing a robust handling of bias and uncertainty.</p>
<p>46. To this end, HERA should forge partnerships with civil society players, local and international NGOs and multilateral organisations involved in risk prevention programmes.</p>	<p>Strengthening the health security coordination with the Union requires a strong international dimension, notably through exchange of information with international partners and being aware of the best practices in addressing global health emergencies. Therefore, HERA intends to enhance international cooperation and sign administrative arrangements regarding the development and provision of medical countermeasures, with key international organisations, in particular the World Health Organization, with regional organisations, like the Africa Centres for Disease Control and Prevention (CDC) and the Africa Medicines Agency, with agencies, such as the Biomedical Advanced Research and Development Authority.</p>

<sup>10</sup> The European Union (EU) pharmaceutical legislation known as the [Clinical Trials](#) Regulation entered into application on 31 January 2022. It aims to ensure the EU offers an attractive and favourable environment for carrying out clinical research on a large scale, with high standards of public transparency and safety for [clinical trial](#) participants. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014R0536> .



<p><b>N°13 European Strategy for Universities</b>  <b>COM(2022) 16 final</b>  <b>COR-2022-00328 – SEDEC-VII/029</b>  <b>149<sup>th</sup> plenary session – April 2022</b>  <b>Rapporteur: Emil BOC (RO/EPP)</b>  <b>DG EAC – Commissioner GABRIEL</b></p>	
<p><b>Points of the European Committee of the Regions opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1. The Committee of the Regions (CoR) endorses the EU's engagement in and support for promoting excellence in education; in connection with this, highlights the key role played by the European strategy for universities, part of the higher education package which will deliver the European Education Area by 2025.</p>	<p>The strategy recognises excellence and inclusion as distinctive features of European higher education, exemplary for our European way of life. This makes the higher education sector in Europe different from other parts of the world.</p> <p>Universities have a unique position at the crossroads of education, research, innovation, serving society and economy: they play a critical role in achieving the European Education Area (EEA) and the European Research Area (ERA), in synergy with the European Higher Education Area.</p>
<p>4. The CoR acknowledges that universities play a crucial role in society and contribute to the sustainable, resilient and inclusive development, founded on democratic values, of Member States, local communities and regions alike. Universities are even more important during times of crisis, when they can help overcome the crisis and contribute to post-crisis recovery<sup>1</sup>.</p>	<p>Today, our society needs more than ever the contribution of its universities. Excellent and inclusive universities are a condition and foundation for open, democratic, fair and sustainable societies as well as sustained growth, entrepreneurship and employment. The EU, Member States, regions and local communities have a shared interest in supporting the higher education sector by joining their forces around a joint vision for the higher education sector, building on the richness of its diversity.</p>
<p>6. The CoR points out that universities must be seen as a fundamental component of European culture and that the diversity of the university sector, which brings together teaching bodies, research institutes and vocational training institutions, etc., is a strategic advantage.</p>	<p>Europe can build on a diverse and flourishing higher education sector, deeply enrooted in European culture. Europe is home to close to 5 000 higher education institutions, 17.5 million tertiary education students, 1.35 million people teaching in tertiary education and 1.17 million</p>

<sup>1</sup> Howard, G., Weinstein, R., Yang, Y. (2021), Do universities improve local economic resilience? IZA DP No. 14422, online at <https://docs.iza.org/dp14422.pdf>.

	<p>researchers. Be it research universities, institutes of technology, schools of arts or higher vocational education and training institutions – the different types of higher education institutions are all hallmarks of the European way of life. This diversity is a strength, as it allows for choice, creativity and synergy through mobility and cooperation. The strategy calls on the Member States to support the diversity within the European higher education sector.</p>
<p>7. The CoR notes that at local and regional level, the presence of universities generally gives a significant competitive advantage to the communities hosting them<sup>2</sup>. For instance, investors are interested in and attracted to communities with a highly qualified labour force and opportunities for both cooperation with academic circles and the transfer of technology and know-how from universities to the business sector. The presence of a university also generates significant local income<sup>3</sup>, as students and staff, both teaching and otherwise, spend considerable amounts of money at local shops and businesses (there is a significant multiplier effect as regards university-generated consumption). Above and beyond these advantages which are economically quantifiable, university towns tend to be cosmopolitan due to the presence of students and teaching staff from various countries and the promotion of values such as tolerance and cultural, religious and ethnic diversity<sup>4</sup>.</p>	<p>The Commission agrees that universities are key actors for local and regional development. Excellent education, research and innovation environments are an enabler for developing high-level skills and creating breakthrough knowledge and practical applications. Cooperation among universities and with the knowledge ecosystems is mutually beneficial in this respect, with the higher education sector supporting skills development in Europe’s regions and local communities. In addition, universities are promoters of European democratic values, diversity, inclusion and gender equality and contribute to active citizenship.</p>
<p>8. The CoR welcomes the multilevel approach taken by the European strategy for universities, which seeks to align policy objectives with EU,</p>	<p>The European strategy for universities is indeed a call to Member States and higher education institutions across Europe to join forces. The local</p>

<sup>2</sup> Fonseca, L., Nieth, L. (2021), The role of universities in regional development strategies: A comparison across actors and policy stages, *European Urban and Regional Studies*, 22(3); Goddard, J, Puukka, J. (2008), The engagement of higher education institutions in regional development: an overview of the opportunities and challenges, *Higher Education Management and Policy*, 20(2): 11–41.

<sup>3</sup> Chirca, A., Lazar, D.T. (2021), Cluj-Napoca without students: an estimation of the gap in the city’s economy, *Transylvanian Review of Administrative Sciences*, 66E: 44-59.

<sup>4</sup> Goddard, J., Vallance, P. (2014), The university and the city, *Higher Education*, 68(2): 319–321.

<p>national, regional and local investment; would however point out that a stronger local and regional dimension in the design and implementation of the ideal model for universities in future would be beneficial.</p>	<p>and regional dimension is crucial in this respect, as higher education institutions have a key role to play in the development of their regions and local communities. Learners and academics should have more opportunities to be engaged as actors of change in their community to positively impact the society around them.</p> <p>The strategy promotes the creation of ‘living labs’<sup>5</sup> as a good example of how students can be trained to work on challenges in a holistic way, across disciplines, and how to support students’ critical thinking, problem-solving, creative and entrepreneurial skills.</p> <p>While EU funds and programmes are significant, they must not replace, but operate in addition to sufficient national public funding and other public and private investments. It is key that Member States and actors of the higher education sector make effective use of the EU tools and explore synergies with national, regional and local funding to mobilise EU and national efforts towards the common vision as set out in this European strategy for universities.</p>
<p>11. The CoR notes that within the EU, there is already an excellent tradition of universities from various Member States cooperating through the ERASMUS+ programme, and this must be continually developed and strengthened.</p>	<p>The EU celebrates 35 years of life-changing experiences for 12 million young learners through its emblematic Erasmus+ programme. The Commission will continue to mobilise the Erasmus+ programme to promote mobilities and cooperation between higher education institutions across Europe, to the benefit of the regions and local communities they are located in. The Erasmus+ programme will be a key element in the implementation of the European strategy for universities.</p>
<p>14. The CoR notes that universities can provide solutions and tools for tackling some of the</p>	<p>Higher education institutions are centres of gravity for upskilling and reskilling adult learners,</p>

<sup>5</sup> Living Labs in universities enable students, staff and researchers to cooperate with other key stakeholders to solve societal challenges and encourages application of knowledge to the real-world context, enhances skills of those involved, increases connections between people, and provides more opportunities to connect with society.

major problems facing the EU, such as brain drain<sup>6</sup> and rural exodus. The detrimental effects associated with brain drain and the key role of brain circulation are closely linked to cooperation and partnerships between universities, LRAs, the business environment and civil society. Stresses that efforts should be significantly stepped up to narrow the knowledge and innovation divide within Europe and close the innovation gap between Europe and the US.

including active professionals, with high-level and forward-looking competences amid a twin digital and green transition. Importantly, this will support job creation/preservation at local and regional level helping businesses in short of skilled workforce. Higher education institutions need to offer flexible and innovative learning and training opportunities, fitting the various adult learners' needs.

Balanced mobility and brain circulation<sup>7</sup> are a prerequisite for cohesion and a balanced development for all the regions in Europe. To support positive effects of brain circulation, The European Education Area aims to create a genuine European learning space with the automatic recognition of qualifications and initiatives, such as that of the European Universities, to stimulate brain circulation. The Erasmus+ programme have at their core the increase in mobility of students and staff around Europe and beyond, thereby further stimulating brain circulation and balanced mobility in all parts of Europe (South, North, East and West). Erasmus+ mobility typically implies a temporary stay abroad (credit mobility) where the student goes back and finishes his/her degree at the home institution. Erasmus+ thereby contributes to brain circulation. An analysis of Erasmus+ mobility trends at European level shows that student and staff mobility in Europe is rather balanced albeit with variations at country level.

The Erasmus+ flagship European Universities initiative promotes excellence, inclusiveness and wide geographical balance to allow students, staff, graduates and researchers to benefit from the same opportunities. It enables the full variety of higher education institutions across Europe to pool their resources and study programmes in geographically inclusive alliances covering Northern, Southern, Eastern and Western Europe, allowing students

<sup>6</sup> Hammerbauer, M., Pavletić, P., Vespa, M. (2021) Brain drain in higher education in European context, Final report-ESC41, online at <https://www.esu-online.org/wp-content/uploads/2021/03/Brain-Drain-final-report-ESC41-Google-Docs.pdf>.

<sup>7</sup> Defined as the possibility for countries to draw on the skills, know-how and other forms of experience gained by their migrants - whether they have returned to their country of origin or not - and members of their diaspora.

	<p>from these alliances to access the same excellent education and training from wherever they are. Also, the creation of European knowledge co-creating teams (‘challenge-based approach’) of students and academics, possibly together with researchers, businesses, regional actors and civil society to address together societal and other challenges of their choice in a multi-disciplinary approach will be instrumental to reinforce the links with the regional and local communities, paving the way for interesting job opportunities for students in their home countries and for further innovation capacity at all levels.</p>
<p>16. The CoR points out that universities are encountering significant problems and obstacles as they change and take on new responsibilities. Financial challenges are in all likelihood being encountered in every Member State. Therefore proposes that an investment strategy be devised which takes account of regional, national and European financing and calls for cooperation between the public, private and non-profit sectors to be taken into consideration with a view to building the capacities of European universities. Also notes that there are challenges relating to issues such as the degree of university autonomy and/or political intervention in major decisions on university financing, recruiting and selecting teaching staff, freedom of expression and choice of subjects and direction of research, and opportunities for free communication without any censorship of the outcome of research.</p>	<p>In the strategy, it is announced that as part of the mid-term review of the Multiannual Financial Framework (MFF) programmes, the Commission, in close cooperation with the stakeholders and the Member States will develop an investment pathway that takes into account regional, national and European funding. The strategy also calls upon Member States to maximise the impact of EU interventions, by seeking further synergies with national financing, to develop adequate funding mechanisms for universities, to ensure flexibility in funding programmes to allow for interdisciplinarity, to strengthen and respect university autonomy in its various dimensions and to promote and protect academic freedom and integrity.</p>
<p>18. The CoR notes that deepening transnational cooperation between universities and developing the European dimension of higher education are fundamental priorities of the European strategy for universities. Accordingly, considers that LRAs can act in support of transnational cooperation between universities</p>	<p>The strategy indeed seeks to take transnational cooperation to a new level of intensity and scope and to develop a genuinely European dimension in the higher education sector, built on shared values. The Strategy proposes a set of four flagship initiative, amongst which also the European Universities initiative<sup>8</sup> and the scaling up of the</p>

<sup>8</sup> <https://education.ec.europa.eu/education-levels/higher-education/european-universities-initiative>

<p>wherever possible (the Erasmus+ European Universities Initiative is a key mechanism for university alliances aiming to achieve excellence). LRAs can adopt good practices set out in the strategy, such as the European Student Card. As well as serving academic purposes, the card could be used by transnational students, researchers and teaching staff when communicating with local administrations (for instance, for residence permits, public transport passes and access to museums).</p>	<p>European Student Card initiative<sup>9</sup>. Taken together, they will leverage the strength of universities across Europe's regions and local communities and further strengthen both their inclusion and excellence in all their activities.</p>
<p>29. The CoR welcomes the clear roadmap, annual indicators and benchmarks for the delivery of the strategy, which the CoR has already called for, which will be used to evaluate the progress made towards meeting the objectives of the European Education Area. Nonetheless, would point out that the local and regional dimension must be factored into the European Higher Education Sector Observatory, as this would ensure that the planned scoreboard is also geared to the local and regional level.</p>	<p>The Commission would like to highlight that the European Higher Education Sector Observatory will be co-developed with the higher education sector stakeholders and Members States representatives. The role of the local and regional dimension will be discussed during the consultation and co-creation process.</p>
<p>30. The CoR notes that LRAs can help European universities to go international and to promote the European Union on the global stage. This assistance should include supporting European universities in joining ambitious transnational alliances developing systemic, long-term cooperation on excellent education, research and innovation and providing students, teachers, researchers and staff with permanent opportunities for academic mobility.</p>	<p>The Erasmus+ European Universities initiative, in combination with Horizon Europe, Digital Europe and other EU and national instruments, will support ambitious transnational alliances of higher education institutions to develop and share a common long-term structural, sustainable and systemic cooperation on education, research and innovation, creating European inter-university campuses where students, staff and researchers from all parts of Europe can enjoy seamless mobility and create new knowledge together, across countries and disciplines. In close cooperation with stakeholders and public actors at all levels, the Commission aims to expand to 60 European Universities with more than 500 universities by mid-2024, with an Erasmus+ indicative budget totalling € 1.1 billion for 2021-2027.</p>

<sup>9</sup> <https://education.ec.europa.eu/education-levels/higher-education/european-student-card-initiative>

**N°14 New European Bauhaus – Beautiful, Sustainable, Together**  
**COM(2021) 573 final**  
**COR-2021-05640 – SEDEC-VII/025**  
**149<sup>th</sup> plenary session – April 2022**  
**Rapporteur: Kieran MCCARTHY (IE/EA)**  
**DG JRC – Commissioner GABRIEL**

<b>Points of the European Committee of the Region’s opinion considered essential</b>	<b>European Commission position</b>
<p>4. The Committee of the Regions (CoR) considers that throughout the EU, cities and regions are at the forefront of culture-led development, and that the local and regional levels have key responsibilities for sustainable urban, regional and cultural policies; therefore, local and regional elected representatives are pivotal when it comes to making the NEB more accessible and engaging members of the public in the transformation process in order to advance the implementation of the NEB.</p>	<p>The Commission shares the view of the Committee as regards the leadership of cities and regions in culture-led development, and appreciates the Committee’s intention to actively engage with the New European Bauhaus initiative.</p> <p>The Commission agrees that the cultural and creatives sectors are powerful drivers for the kind of transformative change aimed for by the New European Bauhaus.</p> <p>The Commission agrees that the New European Bauhaus needs to reach people and communities at local level within European cities and regions accordingly. For the initiative, rural areas are part of that ecosystem and should not be left out of the culture led-development discourse. The cities and regions are indeed the hubs for transformation on the ground that the initiative expects to achieve in the long run.</p>
<p>6. The CoR acknowledges the cross-disciplinary nature of the NEB which is woven into a range of EU programmes and funding strands; however, outlines that continued buy-in from current and future partners will be needed.</p>	<p>Engaging members of the public comes as a transversal theme under the multi-level governance and multi-disciplinary, holistic approach the initiative takes overall.</p> <p>In an effort to increase engagement with the Community of Partners and Friends, the recently launched (7 April 2022) NEB Lab represents a co-creation space for the New European Bauhaus community to deliver beautiful, sustainable and inclusive projects with a view to improving daily lives.</p> <p>The NEB Lab projects will translate the New</p>

	<p>European Bauhaus into concrete actions with two missions:</p> <ul style="list-style-type: none"> <li>○ create favorable conditions for the green transition, such as new tools, frameworks, policy recommendations, etc.;</li> <li>○ trigger tangible transformation on the ground.</li> </ul> <p>More specifically, the NEB Lab is a project-based structure, where teams organise themselves to make tangible changes in a specific location or context.</p> <p>The New European Bauhaus Community and the European institutions are independently developing project proposals for the NEB Lab. Proposals become NEB Lab projects following a process that ensures a clear objective, transparency towards the community and well defined beneficiaries.</p>
<p>8. The CoR is pleased that the Commission's vision is for rural areas to be represented in the NEB. The various declarations<sup>1</sup> and the Rural Pact provide a framework for the future of rural development policy and action in Europe and are a crucial tool for the NEB to connect with rural areas, which can also be considered as "testing grounds" for small-scale transformative projects.</p> <p>Areas of concern:</p> <p>10. The CoR is concerned that the Communication remains vague on how LRA engagement will be ensured; the CoR calls for specific proposals on how LRAs and the CoR will be involved in the implementation of the initiative, at the same time taking into account the principle of geographical balance, thus representing local and regional authorities of the whole EU.</p>	<p>The Commission Long Term Vision (LTVRA) for EU's rural areas<sup>2</sup> provides an ambitious yet realistic and pragmatic idea on how Europe wants its rural areas to look in 2040, taking into account expectations from citizens, when it comes to living and doing business in rural areas. It also spells out how to reach this future through a list of tangible options and tools. This is all the more important when considering the need for economic diversification in rural areas, notably non-agricultural value chains. The Communication on the LTVRA makes a specific link to the NEB.</p> <p><b>The New European Bauhaus makes the European Green Deal a cultural, human-centred, positive and tangible experience for everyone, promoting the transformation and adaptation of cities, towns, villages and other localities – irrespective of their size – all around Europe – in rural, mountainous, sparsely populated, islands, cross border and outermost regions – to beautiful, sustainable and inclusive places.</b></p>

<sup>1</sup> Such as the Cork 2.0 Declaration 2016: A Better Life in Rural Areas.

<sup>2</sup> COM(2021) 345 final.



The New European Bauhaus is not just about buildings. It is a multi-dimensional initiative fostering co-creation and co-participation, thus not only improving the quality of life, but also reinforcing the sense of local identity. Inclusion – affordability, accessibility – is particularly relevant here: the Commission needs to make sure that sustainability with style is not the benefit of a few but an opportunity for the many.

Cohesion policy already empowers the local and territorial authorities to address urban and territorial challenges through sustainable development strategies, taking a place-based approach in a globalised context. In the 2021-2027 period, cohesion policy will continue to invest in sustainable urban development and strengthen capabilities of public authorities to make European regions and cities smarter, greener, connected, social and closer to all. The Commission is encouraging Member States to incorporate their surrounding rural areas when designing urban sustainable strategies.

Communication activities closer to citizens and local communities are initiated together with the Official Partners and Friends of the New European Bauhaus. That also happens in the framework of the 2022 Festival – Fair, Forum and Fest – with numerous other side-events and workshops throughout the year, beyond the days of the Festival (9-12 June 2022).

The Commission also set up a network of National Contact Points, already up and running in 27 Member States, as well as the Call for Friends, i.e. local and regional authorities, public bodies and businesses that was launched in April 2022, both aiming to improve collaboration and communication.

The role of the New European Bauhaus National Contact Points network, is (among others) to contribute to the dissemination and exchange of best practices, to collect information on relevant

	<p>developments in the national territory, and to disseminate information on the New European Bauhaus initiative in the respective country, such as calls for proposals in EU programmes.</p> <p>Since April 2022, any public authority (and profit-making organisations) can become a Friend of the New European Bauhaus. Cities and regions, for example, are ideal candidates. The Friends represent a resource for the Community. In particular, they declare their readiness to support NEB Lab projects, offering a context for the development or implementation of specific actions or by providing more direct financial or other support. The Friends can also propose their catalogue of solutions to advance the initiative.</p> <p>In the above-mentioned NEB Lab, Friends can contribute to Commission-led or Community-led projects upon invitation. Friends can also recommend projects to partners and support them in several ways, for example by implementing projects in a region.</p>
<p>12. The CoR calls for its and other EU institutions' involvement in the High Level Round Table on NEB.</p>	<p>The Members of the High Level RoundTable were identified and notified of their role around April 2021. Since then, they have acted as ambassadors to the New European Bauhaus Initiative in Europe and beyond. They collaborate with all relevant stakeholders, including with other EU institutions and the Committee is welcome in engaging with them accordingly.</p>
<p>15. The CoR calls on the Commission to ensure that local and regional authorities are at the centre of the strategy, providing technical assistance, appropriate funding and flexibility. The success of the NEB will depend on sustainability and feasibility, taking into account the differences between rural areas and cities.</p>	<p>The Commission shares the opinion of the Committee that the role played by local and regional authorities remains central in Europe.</p> <p>Appropriate funding, as well as flexibility, taking into account the differences between rural areas and cities is addressed within the various funding programmes, which the Commission mobilises to address the New European Bauhaus (NEB) within the programme policy area.</p> <p>For instance, from 2021 to 2022, the European Institute of Technology organised a series of online</p>

educational courses, both for the general public to raise awareness and for civil servants, public authorities and public decision-makers to integrate the New European Bauhaus into public policies<sup>3</sup>. Four additional short online courses on the thematic axes of the NEB are in preparation and will be released by the EIT Community NEB in the last quarter of 2022.

In addition, on 30 March 2022, the Commission (DG REGIO) launched the call ‘Support to New European Bauhaus Local Initiatives’ for the incubation of around 20 NEB projects across the EU with cohesion policy funding. The call targets municipalities with less than 100 000 inhabitants. On 15 July 2022, the Commission announced the 20 winners of the call. 87 proposals from 18 different Member States had been submitted and winners come from 15 Member States (Bulgaria, Denmark, Croatia, Cyprus, Greece, Finland, France, Hungary, Italy, Latvia, Portugal, Romania, Slovenia, Spain, and Sweden).

The municipalities will receive technical assistance, tailor made and adapted to the specific needs and bottlenecks identified by the transdisciplinary expert team on the ground. Amongst others, the assistance may cover methodological and technical, project management, as well as regulatory, financial and socio-economic expertise. The knowledge and lessons learned during this process will feed into a tool box aimed at other municipalities, as well as the wider public interested in developing new or replicating existing NEB projects.

Later in 2022 (either in the third or fourth quarter), the Commission (DG REGIO) will announce a dedicated call within the Urban Innovative Actions targeting municipalities above 50 000 inhabitants, including support to infrastructure. The call will support the implementation of innovative solutions

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<sup>3</sup> The following two courses are currently online on the platform ‘Future Learn’: [Creating Ethical and Sustainable Cities at the Local Level](#) and [Bringing Urban Nature Into the Cities of Tomorrow](#).

in different dimensions of urban live including infrastructure components in line with the NEB.

The Commission, together with the European Investment Bank (EIB), has also developed a model of a financial instrument, the so-called New European Bauhaus territorial development model. Member States can use it under the new cohesion policy programmes 2021-2027 with no specific financial allocation (the amount depends on the contributions decided by the Member States and on how the instrument will be integrated into their operational programme). This financial instrument can also address projects developed particularly by local and regional authorities.

In the field of cultural heritage, the Commission has set up an initiative in the European Framework for Action on Cultural Heritage ('Cultural Heritage in Action', run by Eurocities, in partnership with KEA European Affairs, ERRIN, Europa Nostra and the Architects Council of Europe)<sup>4</sup>, which organises peer-learning visits for local and regional officials in several cities across Europe. The aim is to empower cities and regions to strengthen their cultural heritage policies and initiatives as well as develop innovative solutions to preserve cultural heritage assets. Some of the topics and main priorities of this action are in line with those of the New European Bauhaus.

In addition, under the Climate neutral and smart cities mission, the CRAFT project will work with 3 'sand-box' cities and a cohort of 70 other cities to bring a NEB dimension in zero carbon local strategies; a capacity building scheme is also accompanying the demonstrators on affordable housing.

Based on the model of this successful project, the Commission will launch towards the end of the third or in the fourth quarter of 2022 a call for tender for similar peer-learning activities, which will aim at facilitating exchanges and identify best

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<sup>4</sup> [Home - Cultural Heritage In Action](#)

	practices at regional and local level regarding high quality architecture and the built environment for everyone.
<p>Financing the New European Bauhaus Initiative:</p> <p>16. The CoR calls for sufficient resources from state budgets and EU cohesion policy programmes to be allocated at local and regional level. However, calls for a balance to be struck between creative synergies within the NEB cultural movement and the parameters of EU-funded programmes.</p>	<p>So far, the New European Bauhaus has built on the mobilisation of various programmes. This will still be necessary in the future to reach the different communities that are invited to join the NEB and to ensure that all dimensions relevant to the NEB receive targeted support. Several examples are given above.</p> <p>The Commission also stresses that the New European Bauhaus related references and activities that are now embedded in the 2022 Creative Europe and Erasmus+ work programmes reinforce NEB as an additional dimension in the respective cultural and creative programme activities.</p>
<p>19. The CoR calls for public-private partnerships and investments in the broader field of culture and cultural heritage, as called for in Europa Nostra's Venice Call to Action<sup>5</sup>.</p>	<p>The Commission considers public private partnerships and other funding schemes as a complement to public financial support for cultural heritage sites.</p> <p>Under the Work Plan for Culture 2019-2022, a large collection of good practices from Member States and heritage stakeholders has been published in 2021 to promote cultural heritage economic sustainability<sup>6</sup>; these good practices on complementary funding for cultural heritage were also presented to EU Member States in a dedicated workshop in January 2021.</p> <p>Cohesion policy also promotes cultural heritage investments.</p>
<p>22. The CoR asks that geographical balance, as well as the climate, economic, social and cultural diversity of the EU be taken into account, as well as funding opportunities and the allocation of funds, when designing and implementing NEB strategies, projects and</p>	<p>Good geographical balance in the scope of activities behind the New European Bauhaus is crucial and Commission therefore welcomes this observation.</p> <p>While advancing with the mainstreaming of the</p>

<sup>5</sup> *Venice Call to Action, For a New European Renaissance* which seeks to ‘enable closer and stronger synergies between the business community and the wide cultural, heritage and creative ecosystem, among others through strengthening a strategic alliance between the European heritage movement and the European Investment Bank and its institute’.

<sup>6</sup> <https://culture.ec.europa.eu/news/workshop-on-complementary-funding-for-cultural-heritage>

<p>actions and territorial cohesion should remain one of the key objectives.</p>	<p>NEB in cohesion programmes for the 2021-2027 programming period, the Commission will continue assessing the capacity needs at local level and explore how to best address these.</p> <p>EU cohesion policy will also play a crucial role in reflecting the core values of the New European Bauhaus in the investments co-funded by the EU at the local level. Its policy objective ‘Europe Closer to Citizens by fostering the sustainable and integrated development of urban, rural and coastal areas and local initiatives’ is of particular relevance in this context. The Commission actively encourages managing authorities at the national and regional levels to mainstream the New European Bauhaus into particular programmes, which will invest EU funds in this policy objective. A number of Member States have specifically referred to the NEB in their cohesion policy 2021-2027 partnership agreements and are working on developing NEB support under the relevant operational programmes.</p> <p>Successfully addressing the challenges of climate change and the green transition also requires reaching out to local areas, adopting a local approach and supporting small-scale initiatives.</p> <p>This is why the Commission focuses in particular on measures and activities to mobilise and support local communities in urban and rural areas.</p> <p>This commitment is firmly anchored in the initiative, also through the thematic axes where the first steps in the implementation of the New European Bauhaus are being developed. <i>‘Prioritising places and people most in need’</i> highlights the need to improve connections between rural and urban areas, for example. The <i>‘Re-inventing a sense of belonging’</i> axis focuses on local conditions that make a unique place, such as cultural assets, local crafts and social assets.</p>
<p>23. The CoR stresses that local and regional authorities should, in the limits of their</p>	<p>The Commission is committed to share knowledge, findings and lessons learned from the</p>

<p>competencies, monitor to what extent national governments use the NEB in the various programmes, tools and procedures and expects the Commission to present clear indicators for such monitoring.</p> <p>24. The CoR is concerned that there are no indicators in the current EU funding cycle (2021-2027) and this is a missed opportunity for measuring success.</p>	<p>early stages of preparation and implementation of NEB projects, supporting and expanding the community of NEB practitioners under cohesion policy.</p> <p>A series of monitoring and evaluation frameworks still needs to be developed for the New European Bauhaus initiative. They will be developed for specific types of projects and outputs, streamlining existing standards, and guidance around the three dimensions of the initiative. The frameworks will be declined into self-assessment tools and used to define precise criteria for funding instruments or the labelling of projects and outputs. The starting point will have a focus on buildings.</p> <p>This action is part of the NEB Labelling Strategy, a Commission-led project launched inside the NEB Lab that has the aim to characterize and recognize what makes concrete initiatives New European Bauhaus.</p>
<p>26. The CoR suggests that a NEB regional scoreboard should be created to establish a strong regional monitoring policy that will ensure that the NEB is implemented at all levels and that regional investments act on the NEB's principles.</p>	<p>The New European Bauhaus is a transversal, Europe-wide initiative: all regions and territories of the European continent and even beyond are welcome to join. A number of initiatives (see above) are launched to promote the engagement of regions and NEB activities at the regional level, including with the support of cohesion policy.</p> <p>Since the start of the initiatives, some regions in Europe have been particularly active initiating regional NEB actions and promoting the key principles of the New European Bauhaus. Such Lead Regions are closely monitored.</p>
<p>27. The CoR notes that LRAs are responsible for large stocks of local public buildings and urban public spaces and play an important regulatory and funding role in the renovation of these buildings and urban areas. Accordingly, LRAs should focus on identifying regulatory bottlenecks and contribute to simplifying regulation and devising new regulatory approaches.</p>	<p>The Commission works on setting up a favourable framework for the integration of the New European Bauhaus initiative into the legislative framework of the EU.</p> <p>In this context, the Commission also agrees on the importance of regulatory analysis, which is one of the first projects taken on by the NEB Lab as part of its Commission-led agenda.</p>

	<p>The NEB Lab will carry out an analysis how the regulatory framework at European, national and also regional or local level can support the development of the New European Bauhaus projects in construction, energy-intensive industries, mobility, proximity and social economy, cultural and creative industries, tourism and textiles.</p> <p>As a pilot exercise, this regulatory analysis will first focus on the built environment and the construction ecosystem. Through a survey and participatory workshops in the NEB Lab, the Commission invites contributions from diverse range of practitioners and experts from that sector.</p>
<p>The NEB Festival, prizes and lab concept:</p> <p>32. The CoR acknowledges the creation of the European Seal of Excellence as a first step towards the NEB label concept, but is concerned that people may expect the NEB Label to have a funding stream. The use of a dedicated label could be considered as a tangible CoR contribution to the development of the NEB initiative, as advocated by the CoR in 2021.</p>	<p>As announced in its Communication<sup>7</sup> of September 2021, the Commission is currently developing a NEB Labelling Strategy.</p> <p>In a first step, a self-assessment tool for the evaluation of buildings will be developed. The tool will reflect/ consider the three NEB pillars: sustainability, accessibility, aesthetic/comfort.</p> <p>This work on the ‘labelling strategy’ includes projects at two complementary levels:</p> <ul style="list-style-type: none"> <li>○ a New European Bauhaus Compass developed to cover all types of New European Bauhaus projects and define the main features and principles, such as sustainability, aesthetics and inclusiveness, transdisciplinarity and participation. It will also guide the development of generic policies and funding initiatives, both at EU level and in the Member States;</li> <li>○ a series of evaluation frameworks developed for specific types of projects and results, streamlining existing standards, and guidance around the three dimensions of the New European Bauhaus. Frameworks will be broken down into self-assessment tools and used to define criteria for funding instruments or the labelling of projects</li> </ul>

<sup>7</sup> COM(2021) 573 final  
[https://europa.eu/new-european-bauhaus/system/files/2021-09/COM%282021%29\\_573\\_EN\\_ACT.pdf](https://europa.eu/new-european-bauhaus/system/files/2021-09/COM%282021%29_573_EN_ACT.pdf).



	<p>and outputs.</p> <p>In that context, the Commission will also ensure the articulation with a European Parliament’s Preparatory Action on a New European Bauhaus Knowledge Management Platform and take into account the Open Method of Coordination Experts’ group report ‘Towards a shared culture of architecture – Investing in a high-quality living environment for everyone’<sup>8</sup>.</p> <p>In addition, and independently of the work on the labelling strategy, the Commission explores the possibilities for a ‘Seal of Excellence’ that could highlight high quality projects that could not be funded by EU programmes due to budgetary constraints.</p> <p>The main objectives of the Seal of Excellence is to create opportunities to promote these high-quality projects, recognised as such through the selection processes of European programmes, by helping them to find alternative sources of funding.</p>
<p>33. The CoR welcomes the NEB Lab and its co-creation methodology, but asks for further information on how it will operate and for the CoR to be an active member of the NEB Lab and its governance.</p>	<p>See answer to point number 6 above.</p> <p>The friend category was put in place for for-profit organisations and public authorities in Member States (cities, regions and villages) who can thus directly contribute to the NEB Lab projects in role of hosts or sponsors. In this regard, the Committee’s role is integral, as it can function as an interlocutor, continuously encouraging public authorities to join the NEB.</p> <p>The Commission invites the Committee to have an active role in following up the activities in the NEB Lab.</p>
<p>39. The CoR points out that the NEB should connect up with Horizon 2020 missions, particularly on Adaptation to Climate Change</p>	<p>The Commission welcomes this observation by the Committee and confirms that both Horizon Europe Missions are closely linked to the funding opportunities behind the initiative. For further</p>

<sup>8</sup> European Commission, Directorate-General for Education, Youth, Sport and Culture, Towards a shared culture of architecture: investing in a high-quality living environment for everyone: report of the OMC (Open Method of Coordination) group of EU Member State experts, 2021, Publications Office, 2021, (<https://data.europa.eu/doi/10.2766/579515>).

<p>and Climate-Neutral and Smart Cities.</p>	<p>information, please refer to the ‘Delivery Page’ of the official New European Bauhaus where all past and future calls are listed.</p>
<p>42. The CoR notes the ongoing Urban Innovative Actions (the Urban Lab of Europe) and the forthcoming European Urban Initiative. Calls for the NEB to be linked to EU Urban Agenda partnerships, as this Agenda has been working on concepts related to the Green Deal and the NEB for nearly four years.</p>	<p>The Commission confirms that during the <i>High Level Meeting on the implementation of the UN New Urban Agenda</i>, which took place in New York in April 2022, the Commission reiterated its commitments to the implementation of the New European agenda, including the New European Bauhaus.</p> <p>A statement was also produced on behalf of the EU and its Member States with the renewed voluntary commitments to support the acceleration of the delivery of this global framework for sustainable urban development.</p> <p>The six EU commitments to implement the New Urban Agenda are now the following and have been reiterated in the conclusions of the June 2022 World Urban Forum in Katowice, Poland<sup>9</sup>:</p> <ul style="list-style-type: none"> <li>• <i>The renewed Urban Agenda for the EU</i> is part of the commitment to fostering multi-level governance and improving the urban dimension of EU policies;</li> <li>• <i>The Degree of Urbanisation</i>, proposed together with partners as a new global method for aggregating subnational urban data, will be supported with tools for wider comparability, better measuring and reporting on the implementation of Sustainable Development Goals (SDGs) at local level;</li> <li>• <i>The extension of the International Urban and Regional Cooperation Programme (IURC)</i>, which supports cooperation between cities and regions globally to enable them to work on sustainable solutions to common urban challenges, in the green and digital transitions and for recovery;</li> <li>• <i>The EU support to external cooperation and</i></li> </ul>

<sup>9</sup> <https://wuf.unhabitat.org/>.

	<p><i>partnerships for sustainable urban development</i></p> <ul style="list-style-type: none"> <li>- within the framework of the Global Gateway and the external dimension of the European Green Deal, the EU will significantly scale up its engagement in, and support to, integrated sustainable urban development in EU partner countries, including enhancing access to finance;</li> <li>• <i>The Horizon Europe Mission on climate-neutral cities by 2030</i> will support 100 European cities to act as hubs of experimentation and innovation for green, digital and inclusive transformations - in turn, these cities will serve as models and inspiration for cities worldwide, through initiatives such as the Global Covenant of Mayors;</li> <li>• <i>Introducing the New European Bauhaus</i> to start a global conversion on this cultural movement inspiring green transformation - this initiative aims at designing sustainable spaces for all and improving citizens' lives through an innovative and human-centred way<sup>10</sup>.</li> </ul>
<p>The CoR suggests that a training programme for 100 interested cities could be created based on the principles of the NEB. This could use the methodologies of the Digital Cities Programme or the 100 Intelligent Cities programme and its market place concept.</p>	<p>The Commission actively supports peer-learning programmes for local and regional policymakers to exchange knowledge and create synergies with key European policy initiatives and potential relevant projects, led by the Commission or by key stakeholders, to be identified by the tenderer (both for their topics as well as methodologies used).</p> <p>The peer-to-peer exchange tool (TAIEX-REGIO Peer 2 Peer) addresses authorities managing and implementing cohesion policy in the Member States. It provides further support and facilitate knowledge sharing and networking among Member States managing authorities and beneficiaries implementing NEB.</p> <p>Moreover, Interreg Europe, a programme aimed at</p>

<sup>10</sup> The EU takes on fresh voluntary commitments to the New Urban Agenda - Regional Policy - European Commission ([https://ec.europa.eu/regional\\_policy/en/newsroom/news/2022/04/29-04-2022-the-eu-takes-on-fresh-voluntary-commitments-to-the-new-urban-agenda](https://ec.europa.eu/regional_policy/en/newsroom/news/2022/04/29-04-2022-the-eu-takes-on-fresh-voluntary-commitments-to-the-new-urban-agenda)).

	<p>policymakers to improve regional development policies (including Investment for jobs and growth goal programmes) through exchange of experience also contributes to the New European Bauhaus by promoting the NEB to the Interreg Europe Community, supporting projects in areas relevant to the NEB and organizing dedicated Policy Learning Platform activities.</p>
<p>Built environment, architecture and renovation concepts:</p> <p>51. The CoR stresses that the Commission should help the building and construction sector to tackle unsustainable resource use and waste and promote circularity, with a focus on the reuse and recycling of materials. This could be done by closing gaps in knowledge and skills and digitising design.</p>	<p>The Commission welcomes the Committee’s observations under this Chapter and reiterates that it wishes to continue working closely with the building and construction sector within the framework of the New European Bauhaus, including the NEB Lab. Promoting circularity and the use of recyclable and recycled materials is part and parcel of the core values of the initiative.</p> <p>Topics in Horizon Europe Work Programme 2023-2024 will also tackle such issues, some of which with specific references to the NEB.</p>
<p>56. The CoR stresses that the NEB needs to connect up with the European Pillar of Social Rights (EPSR) Action Plan and the 2021 Porto Social Summit Declaration in order to contribute to the reflection on post COVID-19 social and affordable housing at EU level.</p>	<p>Social aspects and the social rights of Europeans, in all their forms, are part of the New European Bauhaus core values: sustainability, beauty and inclusion. Affordability is also a key element of what the Commissions wishes to see developed in terms of housing, but also affordability beyond the construction sector, such as affordable services, and the inclusiveness dimension. The Commission also wishes that ‘spatial segregation’ of social groups (including people with a minority racial or ethnic background), as well as spatial distribution of quality services, particularly those related to childcare, education and healthcare are dully taken into account.</p>
<p>Cultural heritage quality principles:</p> <p>62. The CoR calls for synergies to be identified between the Davos Baukultur Quality Principles, the NEB and the European quality principles for EU-funded interventions with potential impact on cultural heritage, and for these synergies to be mainstreamed in all</p>	<p>The Commission welcomes the Committee’s opinion with links to the overall Davos Baukultur Quality Principles. It works on several levels within this remit.</p> <p>For instance, as part of the revision process for the 2016 EU Green Public Procurement (GPP) criteria for ‘office building design, construction and</p>

<p>European policy and funding programmes.</p>	<p>management’, in March 2022, the Commission presented initial proposals for new GPP criteria for buildings, including office buildings, educational buildings and social housing. The proposals include criteria that are applicable to designing, demolition, construction, renovation and management activities for buildings.<sup>11</sup></p> <p>Furthermore, the Level(s) common framework and the EU Taxonomy for environmentally sustainable economic activities have had a significant influence on these proposals.<sup>12 13</sup></p> <p>Additionally, the Big Buyers collective intelligence and action programme (Big Buyers 3 – BB3), due to be published this summer, aims to foster cooperation between participants to improve procurement practice, share expertise, jointly engage the market, and foster the use of innovation procurement. At least one of the 10 Working Groups that will be established must be set in the area of the New European Bauhaus.<sup>14</sup></p> <p>Last but not least, the Commission will launch, towards the end of the third quarter on in the fourth quarter of 2022, an action for peer learning activities at regional and local level on high quality architecture and the built environment for everyone. The action will capitalise on the findings of the Experts’ group report ‘Towards a shared culture of architecture – Investing in a high-quality living environment for everyone’, based on the Davos Baukultur Quality System, as well as on the International Council on Monuments and Sites (ICOMOS) report on European Quality Principles for EU-funded Interventions with potential impact upon Cultural Heritage.</p> <p>All these documents are being considered in the ongoing work of the NEB Lab project on NEB</p>
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<sup>11</sup> <https://susproc.jrc.ec.europa.eu/product-bureau/product-groups/408/documents>

<sup>12</sup> [https://ec.europa.eu/environment/levels\\_en](https://ec.europa.eu/environment/levels_en)

<sup>13</sup> [https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities\\_en](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en)

<sup>14</sup> [https://europa.eu/new-european-bauhaus/transformation-enabling-environment-innovation\\_en](https://europa.eu/new-european-bauhaus/transformation-enabling-environment-innovation_en)

	labelling strategy.
<p>64. The CoR calls for the CoR to work with stakeholders to promote an NEB and "Heritage Mayor of the Year" award.</p> <p>65. The CoR calls for cultural heritage and the EU Green Deal to be closely interconnected, as demonstrated by the EU Cultural Heritage Green Paper<sup>15</sup>.</p>	<p>Since 2011, the European Heritage label highlights sites, which have played a significant role in the history, culture and development of the European Union, through information and educational activities. The label is complemented by other prizes and actions (such as the European Heritage Awards, European Heritage Days, or the Mies van Der Rohe awards) that put the spotlight on and raise awareness of European tangible and intangible, ancient and contemporary heritage, as well as its richness and diversity.</p> <p>Under the current Work Programme for Culture, the Commission and the Member states have been actively working on the links between cultural heritage and sustainability. Several Open Method of Coordination groups have been established dealing with aspects such as: high quality architecture and built environment for everyone<sup>16</sup>, or cultural dimension of sustainable development and the resilience of cultural heritage to climate change<sup>17</sup>. Sustainability is, furthermore, a cross cutting objective of the Creative Europe programme.</p>
<p>Conclusions:</p> <p>67. The CoR asks the Commission to establish better links between the NEB and existing conceptual, culture-related, aesthetics-oriented and design-oriented frameworks. This would translate principles into action and enable the NEB to harness the creative, cultural and cultural heritage potential of local and regional authorities to renovate and revitalize neighbourhoods across the EU. Proposes therefore a NEB Lab voucher scheme whereby interested cities and regions could receive such a voucher which would entitle them to get the</p>	<p>The Commission agrees that the establishing links between all these frameworks is one of the main drivers for the kind of transformative change aimed for by the New European Bauhaus.</p> <p>Sustainability skills will be instrumental in helping people of all ages understand the ecological boundaries of the planet, understanding the connections between the environment, our economy and society and their links to culture and aesthetics. The Commission published in January 2022 a proposal for a Council Recommendation on Learning for Environmental Sustainability.<sup>18</sup></p>

<sup>15</sup> 'Putting Europe's Shared Heritage at the Heart of the European Green Deal', published by Europa Nostra.

<sup>16</sup> <https://op.europa.eu/en/publication-detail/-/publication/bd7cba7e-2680-11ec-bd8e-01aa75ed71a1/language-en>

<sup>17</sup> Reports of the last two groups are expected by end 2022.

<sup>18</sup> COM(2022) 11 final.

necessary support for organising a NEB Lab in their constituency. A condition for receiving such a voucher would be, that 1) the NEB Lab should "co-create, prototype and test the tools, solutions and policy actions that will facilitate transformation on the ground" and 2) the results of the NEB Lab will be presented to the regional or city council.

With explicit reference to the cultural and creative dimension, which the New European Bauhaus brings to the European Green Deal, the proposal recommends investment in green and sustainable equipment, resources and infrastructure (buildings, grounds and technology) for learning, socialising and recreation to ensure healthy and resilient learning environments.

The Commission also actively encourages managing authorities at the national and regional levels to mainstream the New European Bauhaus into particular programmes, which will invest EU funds in cohesion policy objectives 2.: 'A greener, low carbon transitioning towards a net zero carbon economy', 4.: 'A more social and inclusive Europe' and 5.: 'Europe closer to citizens'.

The Commission is also advocating for more visibility of social, affordable and sustainable housing.

As regards the Neb Lab vouchers, at this stage there is limited opportunity for pursuing an EU-level call to provide the vouchers to municipalities from resources (shared or direct management) administered directly by the Commission.

The Commission could revisit the approach later on, once a critical mass of programmes are adopted, the Member States' intentions regarding the NEB are known, and the Commission has summarised lessons learned from the pilot calls.

At the same time, the Commission encourages Member States to set up such voucher schemes, through the technical assistance under the particular cohesion policy programmes.

In conclusion, the Commission expects that all shared management programmes for the programming period 2021-2027 are adopted in the next months and thus Member States will be able to mobilise funding to NEB preparing and implementing NEB projects, including by enhancing local participation in their design.

**N°15 European Missions**  
**COM(2021) 609 final**  
**COR-2021-05656 – SEDEC-VII/026**  
**149<sup>th</sup> plenary session – April 2022**  
**Rapporteur: Markku MARKKULA (FI/EPP)**  
**DG RTD – Commissioner GABRIEL**

<b>Points of the European Committee of the Regions opinion considered essential</b>	<b>European Commission position</b>
<p>4. The Committee of the Regions (CoR) urges the key decision-makers in the EU and the Member States to react with a swift and decisive response to the situation in Ukraine, including in the launch of the EU Missions, especially the City Mission. Funding criteria in Next Generation EU Funds and other public financing sources need to be flexibly geared towards getting part of the City Mission activities to form European energy transformation highways. These should support public-private research in the development of new energy system solutions. In particular, cities and other public actors can use innovative public procurement, together with companies, to accelerate the deployment of renewable energy sources and create sustainable, innovative energy solutions to replace fossil fuels now purchased from Russia to EU countries.</p>	<p>The Commission has mobilized significant resources to respond to the Ukrainian crisis in the aftermath of Russia’s unjustified aggression. In the context of research and innovation, the recent Work Programme amendment adopted on 10 May 2022 includes actions to support refugee researchers previously active in Ukraine. A package of €25 million will allow displaced researchers to continue their work at an academic or non-academic host organisation in the EU Member States or in countries associated to Horizon Europe, through the ongoing ‘InspireEurope’ project, as part of the Marie Skłodowska-Curie Actions. Hundreds of Ukrainian scientists will also be able to benefit from an increased budget of €1 million to the Human Frontier Science Programme for the initiative of ‘scientists help scientists’, as part of Horizon Europe’s Cluster 1 ‘Health’. Moreover, the amendment introduces that legal entities established in Russia, Belarus, or in non-government controlled territories of Ukraine are not eligible to participate in actions supported by Horizon Europe in any capacity. Exceptions may be granted on a case-by-case basis for duly justified reasons in line with Article 51(2) of Council Regulation 833/2014<sup>1</sup>.</p> <p>Furthermore, the Commission has put forward a plan (Communication REPowerEU adopted on</p>

<sup>1</sup> Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine; OJ L 229, 31.7.2014, p. 1–11.



	<p>18 May 2022<sup>2</sup>) to make Europe independent from Russian fossil fuels well before 2030. This plan outlines a series of measures to respond to rising energy prices in Europe and to replenish gas stocks for next winter.</p> <p>As part of the Cities Mission, the Commission is encouraging investment in cities that contributes to reducing their dependency on fossil fuels.</p>
<p>8. The CoR reminds that each EU Mission should define a clear roadmap and create a systemic new multi-governance approach and methodologies on experimenting, prototyping, monitoring, and scaling-up activities at all governance levels. Special attention is needed for creating portfolios of actions both at the EU and regional/local levels and disseminating these effectively in all phases of planning and implementation. This requires the involvement and engagement of local and regional authorities and partnerships in sharing the effective innovative governance experiences; scaling-up activities at all governance levels.</p>	<p>In their Implementation Plans, EU missions have defined a roadmap for reaching their goals. New governance structures of EU Missions are currently being developed in order to allow for multilevel policy coordination and monitoring, including mirror groups at the national level. The recently launched TRAMI project<sup>3</sup> will create a transnational network of stakeholders at all levels of government, which will allow for collaboration and the exchange of best practices between national, regional and local authorities.</p>
<p>11. The CoR stresses that the EU Missions need to co-create new ways to operate. The development requires all the actors to learn new competencies by integrating technology and research with a human-centric approach, committing to implement joint green and digital transformation processes, and securing access to the needed resources. The requirements are essential in creating well-functioning regional and local RDI ecosystems which build new innovative knowledge bridges to connect top-level European knowledge creators with regional and local living labs and other experimentation centres, as well as demonstration activities such as lighthouses. With the help of these, all cities and regions can create bench-learning processes and peer</p>	<p>EU Missions aim to bring about a new way of operating, which combines several dimensions: (i) aligning priorities and policies at European, national and regional level, ensuring higher coordination and efficiency; (ii) implementing an ‘all-in’ approach, whereby a wide range of stakeholders, including public authorities at several levels of government, universities, research institutes, private and public investors and citizens work closely together; (iii) promoting a new relation with citizens, which places them at the heart of the research and innovation cycle; and (iv) linking EU programmes and building synergies to increase impact. Among other instruments, this new way of operating will translate itself into lighthouses, living labs and demonstrators, which will allow for collaboration</p>

<sup>2</sup> COM(2022) 230 final.

<sup>3</sup> <https://www.trami5missions.eu/>

<p>networking to use the concepts and solutions of forerunners in smart and sustainable practices.</p>	<p>and mutual learning across regions.</p> <p>The TRAMI project mentioned above will help achieving this ambitious degree of transformation in terms of the working methods of public institutions.</p>
<p>14. The CoR underlines, in accordance with the Joint Action Plan signed 2020 by Commissioner Mariya Gabriel and the CoR, that the CoR with the Member States and European regions and cities is ready to have an active role in co-creating a multi-level governance system to reach the EU Mission targets. Measures to ensure the necessary development will be based on regional place-based innovation ecosystems, and Smart Specialisation Strategies (S3/S4).</p>	<p>The support of the Committee is instrumental to ensure that EU Missions can happen on the ground. The multiple and fruitful exchanges between the Commission and the Committee, including the highly attended conference on the Cities and Climate Adaptation Mission in November 2021 co-organized by the two bodies are an important component of a broader strategy to mobilize regional and local stakeholders, which are key to the success of EU Missions.</p>
<p>19. The CoR emphasises that the ambitious targets require, as a crucial precondition, decision-makers, civil servants, and innovation professionals to gain competencies to operate as change agents in acquiring new knowledge and capabilities. The three critical processes are:</p> <ul style="list-style-type: none"> <li>a) the operational learning processes of cities and regions, with a focus on integrating mission-related activities into other local activities to be part of the normal strategic and operational decision-making,</li> <li>b) motivating and supporting companies and research institutes, universities, vocational institutes, and their place-based and thematic ecosystems to contribute to co-creating new innovative frontrunning solutions, and</li> <li>c) using new inclusive methods in innovation.</li> </ul> <p>The means in these processes should include broad-scale partnerships, innovative public procurement, rapidly developed prototypes and experimentation with new solutions.</p>	<p>Capacity building at the regional and local levels is an important dimension of the implementation strategy of the EU Missions. This is being done not only through targeted communications actions by each Mission, such as thematic seminars and events, but also through the launch of several Mission Implementation Platforms, which will allow for the development of competencies and knowledge which are necessary to accelerate change at the local and regional levels. Companies, research institutes and universities are being reached out by the Mission secretariats through diverse communication channels to participate in the co-creation of new solutions. This co-creation will take place in innovative settings, such as the lighthouses and living labs.</p>
<p>24. The CoR proposes creating the concept of the EU Mission Label for those cities and</p>	<p>The Commission welcomes the call for a Mission label, and is exploring the possibility of creating a</p>

<p>regions which will take the responsibility as demonstrating forerunners and supporters of the European green and digital transition in reaching the EU Mission targets and scaling-up the results of their innovative solutions, and calls for learning from already existing practices, such as the Covenant of Mayors.</p>	<p>general Mission Label scheme, which is also encouraged in the Council Conclusions on Missions (adopted by the Competitiveness Council in June 2022<sup>4</sup>). The Mission Label scheme would be a tool to facilitate the creation of synergies, create a community of practice, communicate to those interested in participating in a mission and facilitate access to different sources of funding and financing. For this to function well, the Mission label will need buy-in from European, national and regional funding programmes. The Committee's support in this respect will be very valuable. The label is expected to be rolled out first in the Mission on Climate-Neutral and Smart Cities.</p>
<p>32. The CoR reminds that the ambitious targets of the EU Missions can be achieved only by supporting effective learning processes for regional and organisational political leaders, managers, experts, and citizens. European city/region-driven concepts must be tailored to the region's situation by a systemic professional development anchored in local learning-by-doing for all.</p>	<p>EU missions set clear goals and targets. Yet by allowing regional and local actors to choose the specific ways of reaching these purposes, they acknowledge that there is not a one-size-fits-all strategy for success. Therefore, Missions combine a degree of directionality with the much-needed flexibility to develop tailored solutions. An illustrative example is that the Climate Cities Contracts under the Climate-Neutral and Smart Cities Mission will be co-created with the local authorities and citizens of each selected city.</p> <p>To support countries in reforming their research and innovation (R&amp;I) systems, DG Research and Innovation has set up a 'Policy Support Facility' (PSF) under Horizon 2020, aimed at improving the design, implementation and evaluation of national R&amp;I policies. One of the services offered by the PSF to the Member States and Associated Countries is Mutual Learning Exercises (MLE). MLEs are demand-oriented, focused on specific R&amp;I topics of interest to several countries and intended to promote mutual learning between countries volunteering to take part. The MLE will facilitate the exchange of good practices and</p>

<sup>4</sup> <https://presidence-francaise.consilium.europa.eu/en/news/press-release-conclusions-of-the-competitiveness-council-research-and-space-10-june-2022/>

	<p>information between the participating countries on national policies related to the implementation of EU Missions.</p>
<p>36. The CoR proposes increasing the EU interinstitutional collaboration on foresight with special roles for the JRC, European Parliament Research Services and the CoR. The CoR proposes considering at national, regional and municipal levels arranging participatory citizen science activities in general and above all for youth, especially university and secondary school students, for entrepreneurs, and for political decision-making by establishing committees for the future focusing on foresight and technology assessment.</p>	<p>The Missions have been supported by specially designed foresight studies, which explore long-term horizons and build on existing future-oriented work. These reports have identified external and internal drivers, trends and practices for each mission, which were taken into account by the Mission Boards.</p> <p>Participatory citizen science activities are foreseen in the Implementation Plans of several missions and it has already been translated into calls under the two last Horizon Europe ‘main’ Work Programme 2021-2022 amendments (15 December 2021 and 10 May 2022). For example, the following calls comprise a citizen science dimension: HORIZON-MISS-2021-OCEAN-05-03: Piloting citizen science in marine and freshwater domains and HORIZON-MISS-2021-CLIMA-01-01: Better prepared regional and local authorities to adapt to climate change; HORIZON-MISS-2021-OCEAN-02-02: Danube river basin lighthouse – restoration of fresh and transitional water ecosystems; HORIZON-MISS-2022-SOIL-01-09: Citizen science for soil health.</p>
<p>42. The CoR reiterates the need for new technology. The International Energy Agency (IEA) report<sup>5</sup> shows analytical evidence that 25% of the reduction in carbon emissions needed to put the Earth's climate on a sustainable path will come from mature technologies. In comparison, 41% of the necessary tech will come from new technologies in the early adoption phase, and 34% will come from technology at the demonstration stage, the prototype stage, or those not even conceived yet.</p>	<p>Technologies are means to achieve objectives or facilitate certain tasks. Often the application of new technologies embedded in products and services is hindered by cultural norms, legislation, lack of skills or a feeling of exclusion. The ambitious EU Missions create an environment in which new and known technologies are brought into innovative use ‘for a purpose’ by uniting regional stakeholders to create an enabling environment. In this sense, Missions aim at developing new technologies and provide local and European learning platforms for stakeholders but rely on regions as testbeds for disruptive innovation.</p>

<sup>5</sup> IEA Energy Technology Perspectives 2020.

	<p>Technology development, in the sense of making knowledge ‘usable’ through products and services, is the primary objective of many parts of Horizon Europe and MFF funding. For example, the European Research Council aims at expanding knowledge in physics as base for new technologies; Cluster 5 ‘Climate, Energy and Mobility’ of Horizon Europe and Joint undertakings like ‘Clean Hydrogen’ aim at developing the tangible technologies for production, use and recycling (like for example for batteries); and the European Innovation Council aims at accelerating the product development for entrepreneurial action.</p> <p>Therefore, Missions play an important, complementary and enabling role for new technologies.</p>
<p>44. The CoR emphasises the role of the EU Missions at the heart of the EU's priorities in making the green and digital transition a reality. The European Commission has launched the piloting phase of the ERA Hubs initiative to facilitate regional RDI collaboration and exchange of best practices, with the incentive of maximising the value of knowledge production, circulation, and use. The CoR encourages the EU Missions to explore the use of the ERA Hubs as a tool to connect local and regional R&amp;I ecosystems and to actively partner with local and regional decision-makers in piloting the ERA Hubs in order to develop concrete cooperation.</p>	<p>ERA Hubs are a new initiative and is still in its piloting phase. It is also only one of the possible tools that could be used to link EU Missions to the local and regional levels. The Commission is exploring other tools, including the establishment of a Mission Core Network (through the TRAMI project) to enable and facilitate interaction, knowledge exchange, mutual learning, and, where necessary, coordination and alignment at the national, regional, and local levels. Additionally, a Mutual Learning Exercise (MLE) within the framework of the Policy Support Facility is envisioned. MLEs are demand-oriented, focused on specific R&amp;I topics of interest to several countries and intended to promote mutual learning between countries volunteering to take part. The MLE will facilitate the exchange of good practice and information between the participating countries on national policies related to the implementation of EU Missions. With the help of external experts, the MLE will reflect on the advantages, trade-offs and drawbacks of the different approaches to implement EU Missions at national level.</p>
<p>57. The CoR proposes the following mission-</p>	<p>The Commission agrees that the approach to</p>

<p>specific activities to increase the impact of the EU Missions:</p> <p>a) Adaptation to Climate Change</p> <p>The CoR emphasises that the Climate Adaptation Mission should have an essential overall role, especially on foresight and motivating all the actors of Europe to actively contribute to the EU Missions. This Mission should focus on social and societal awareness and to achieve a general commitment to create large-scale systematic solutions. In particular, it should address the challenges of the green transformation of industry, housing and mobility. The losses due to climate change already average 12 billion euros per year, and the EU should do macro-fiscal analyses on climate to convince accelerating adaptation measures parallel with mitigation. The approach to protecting people against climate change must also include social aspects and cohesion issues.</p>	<p>protecting people against climate change must also include social aspects and cohesion issues. Indeed, collaboration with regions, and especially with vulnerable regions, is a core element of the Mission and so is citizen engagement and administrative change. These latter two elements should ensure full consideration of social aspects. Foresight is for all Missions a very important element and the Commission shares the view that knowledge about future climate impact might influence and shape various foresight scenarios. The Commission also agrees that the Mission should be instrumental to achieving a general commitment to create large-scale systematic solutions. It is among other things for that purpose that a call was launched for regions and local authorities in Europe to adhere to the Mission Charter.</p>
<p>b) Cancer</p> <p>The CoR highlights the importance of top global research and encourages researchers and innovators to increase European and cross-sectoral collaboration among stakeholders for the success of this Mission. The CoR stresses the importance of expanding HPV vaccination and biobanking and access to the most innovative therapies, as well as the importance of disseminating best practices among countries and regions. One of the main challenges is the disparities in access to cancer care between and within EU countries and regions, as well as the quality of life of patients. Therefore, improving access to early screening, new diagnostic tools, and innovative cancer treatments in European countries and regions is vital and requires investment in infrastructure, equipment, digital transformation of healthcare, healthcare</p>	<p>The Commission fully supports these suggestions concerning the EU Mission on Cancer. In particular, it fully agrees with the importance of HPV vaccination, one of the flagship initiatives of Europe's Beating Cancer Plan. To help reaching the goal to vaccinate at least 90% of the Union target population of girls and significantly increase the vaccination of boys by 2030, several actions have been already included in the work programme 2021 of the EU4Health Programme, including to support the exchange of validated best practices between the Member States. Fighting against disparities and improving access to cancer research and care is another topic at the core of the EU Mission on Cancer. Several actions, such as the future set-up of an EU network of Comprehensive Cancer Infrastructures/Centres across Member States and several Associated Countries by 2025, should help reducing inequalities in term of access to</p>

<p>workforce, and new care models. Another challenge is access to affordable treatment and medical products, as is the quality of individualised patient support and social innovation in support of carers.</p>	<p>screening, diagnostic and care in European countries and regions. Last but not least, improving the quality of life of patients, survivors and their families is one of the main objectives of the Mission on Cancer. Actions have been already included in the Horizon Europe work programme 2021-2022 of the EU Mission on Cancer. The creation of a European Cancer Patient Digital Centre will be another important step, not only to advance the digital transformation of healthcare, but also to allow clinicians to collaborate more closely with patients to develop the best methods of care and personalized treatments regardless of their location, thus improving the quality of life and the support received.</p>
<p>c) Restore our Ocean and Waters by 2030</p> <p>The CoR highlights that the recovery of healthy oceans and waters and securing freshwater are the global questions of fate, short and long term. The pollution problems can only be solved by stressing the international dimension: the sea basin dimension such as the Mediterranean, the Atlantic, the Baltic Sea, the Black Sea, and the Danube River basin, and increasing collaboration between regions. The particular focus on the Arctic is needed. The CoR calls for the sea and waters to become a new common ambition at the heart of the relaunch of the European project; it stresses that the specific focus on research and clean water technologies and on more efficient supply is vital for the Mission, as well as the blue ocean economy, with an emphasis on entrepreneurship, sustainable tourism, decarbonisation of maritime transport and marine renewable energy. These will create new extensive opportunities for cross-border and out-of-the-box business collaboration. The CoR stresses the need to mobilise cities and regions to build European networks that bring local maritime innovation ecosystems together</p>	<p>The Commission agrees with this analysis.</p> <p>The Mission will deploy innovative solutions at basin-scale for each of the three specific objectives. It will support the development of technical, social, governance innovation and business models linked to the restoration of aquatic ecosystems and the development of a sustainable, resilient and climate-neutral blue economy. That effort implies by necessity a far-reaching technological, economic and social transition that must involve large parts of society. For instance, the Mission will deploy sustainable blue economy solutions for circularity and climate-neutrality, including technical solutions for the use of renewable energy in coastal areas and ports, actions for multi-use of the sea and water space, circular and zero-carbon aquaculture for low-impact food systems, and nature-based solutions for greenhouse gas emissions reductions and carbon sequestration.</p> <p>The Committee rightly highlights the need to mobilise cities and regions for this mission and to build European networks that bring local maritime innovation ecosystems together around value chains and create innovations in maritime industries, which will create new opportunities for</p>

<p>around value chains and create innovations in maritime industries.</p>	<p>cross-border and trans-national co-operation. The Mission ‘lighthouses’ will develop, test and implement innovation involving the coastal cities and communities. To achieve its objectives the Mission will seek to coordinate and cooperate with important partners, platforms and international networks active in the ocean and water sectors. International fora and third countries (for instance Union for the Mediterranean) carry out many activities with important synergies with the Mission’s strategic objectives. Engagement with key third countries through existing structures and initiatives such as International River will contribute to the success of the Mission Commissions and Sea Basin Conventions, the All Atlantic Ocean Research Alliance, as well as through the UN system, will importantly support the Mission and provide further opportunities to exchange experience and coordinate activities and synergies with partner third Countries.</p> <p>The mission Restore our Ocean and Waters will cooperate with the Climate-Neutral and Smart Cities’ and Climate Adaptation Missions to also mobilise their networks for the restoration of our seas and waters.</p>
<p>d) Climate-Neutral and Smart Cities</p> <p>The CoR urges that Europe needs active frontrunner cities to co-create new urgent solutions and share the results of their experiments with the others – all cities and regions throughout Europe need to be engaged and supported. The frontrunner cities should be used as innovation hubs co-creating replicable and directly applicable solutions to be scaled-up for all other European cities in their transition to climate neutrality by 2050. Cities that have applied but have not been selected should be brought together into an extended group by the EU Commission so that they can in many ways use the progress and outcomes</p>	<p>The Commission fully agrees with this analysis and with its conclusions. The intention of the Mission is indeed to work towards climate neutrality with an active and ambitious group of over 100 cities (taken not only from cities that are already frontrunners, but also from highly ambitious cities that have a steeper path ahead of them) to share their results with all other cities and to inspire them to achieve the same.</p> <p>In view of the extraordinary level of interest from cities in the Mission (377 cities applied to take part in it), it will indeed be particularly important to keep non-selected cities engaged and to help them benefit from the Mission approach. To this end, the Commission is expanding the services of</p>



<p>of the frontrunner cities, including directly applying reproducible solutions. Already existing successful programmes and projects or related "green initiatives" are listed in the Addendum to this Mission's implementation plan. The lessons learnt should be taken as a basis for creating multilevel roadmaps towards the climate neutrality of cities. Multi-actor transformation communities with joint instruments should be applied, preventing every community from operating on its own. The CoR stresses the preparation of Climate City Contracts by participating cities as a demand-driven process that should allow for local solutions but needs strong support from the national and regional levels.</p>	<p>the Mission Platform and is considering other means of support.</p> <p>As the Committee rightly highlights, strong support from national and regional levels will be crucial to support both the Mission cities and all other cities that are working towards climate neutrality. The Commission very much appreciates the Committee's support in this respect.</p>
<p>e) A Soil Deal for Europe</p> <p>The CoR emphasises the need for systems thinking and instrumental transformation management, including RDI and learning, to reach the targets of the Soil Mission, which covers all types of land uses, and to explore new paths for a more ambitious EU CAP policy transformation. To increase carbon farming and carbon sequestration in forests, the re-designing of agricultural production systems and setting-up of transnational clusters of living labs are crucial for the success of the Mission. Supporting biodiversity and citizens' preference for forest-based bioproducts and sustainable and locally sourced food are necessary actions in rural and urban environments. Another vital point is how to make the forest activities attractive and economically sustainable without losing lucrativeness in supporting the Soil Mission targets.</p>	<p>The Mission 'A Soil Deal for Europe works in a systemic manner through the implementation of four building blocks that target all types of soils and of land use (agriculture, forestry, etc.), both in urban and rural areas.</p> <p>Indeed, the Mission leads the transition towards healthy soils by:</p> <ul style="list-style-type: none"> <li>– funding an ambitious research and innovation programme;</li> <li>– putting in place an effective network of 100 living labs (real-life sites for experimentation) and lighthouses (places to show case good practices) to co-create knowledge, test solutions and demonstrate their value in real-life conditions;</li> <li>– developing a harmonised framework for soil monitoring in Europe;</li> <li>– raising people's awareness on the vital importance of soils.</li> </ul> <p>The core element of the Mission, the Living labs and lighthouses, are key to accelerate the adoption of sustainable practices by users and to co-develop methods adapted to the local conditions. Carbon farming and other activities aimed at increasing the</p>

	<p>capacity of soils to act as carbon sinks in agriculture and forests receive targeted R&amp;I support, in close alignment with relevant legislative initiatives.</p> <p>The Mission works in synergy with the common agricultural policy (CAP) and three CAP instruments, namely the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD) are particularly relevant for soil protection: conditionality, eco-schemes and agri-environmental and climate measures.</p> <p>In addition, several CAP instruments build the bridges between research and innovation and agricultural practices, such as the Agricultural Knowledge and Innovation System (AKIS) that provides assistance for adapting innovative practices; and the European Innovation Partnerships (EIP) that links research and farming practices and encourage the wider use of innovation. Up to now, 2352 EIP operational groups were set up with the support of the CAP, of which 337 targets directly soil management and functionality; others covering soil issues as part of objectives. The EIP-AGRI network, a network of stakeholders, has the potential to multiply and upscale the results that will be achieved under the Mission.</p>
<p>50. The CoR urges that the EU Missions should build on the experience and knowledge of the existing EU initiatives and programmes to operate in synergy. Systemic change requires co-creation of transformational ecosystems based on learning and RDI with interdisciplinary scientific and operational synergy across Europe and covering all five EU Missions.</p>	<p>EU Missions are not an isolated R&amp;I initiative and the Commission is working towards creating the necessary synergies with relevant existing initiatives and programmes not only at EU level but also at national, regional and local levels. Missions are creating an enabling structure to pool effort, resources and means, and coordinate these different actions towards their common objectives. The ambition of the Mission-approach is to federate all these initiatives and activities undertaken across different programmes and levels, build bridges in between them, and drive the necessary systemic change. In particular, the 5</p>

	<p>Missions are building on the results of programmes such as Horizon 2020, Framework Programme 7, the 3<sup>rd</sup> Health Programme, the LIFE programme, the European Maritime and Fisheries Fund, the Connecting Europe Facility, the Interreg programme and the European Agricultural Fund for Rural Development.</p>
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