

**FOLLOW-UP PROVIDED BY THE EUROPEAN COMMISSION**  
**TO THE OPINIONS OF THE**  
**EUROPEAN COMMITTEE OF THE REGIONS**  
**PLENARY SESSION OF OCTOBER 2023**  
**109<sup>th</sup> REPORT**

SG.A5		
1. assoc. JRC	<a href="#"><u>Strategic foresight as an instrument of EU governance and better regulation</u></a> Rapporteur: <b>Giorgio MAGLIOCCA</b> (IT/EPP)	Own-initiative COR-2023-01562-00-00-AC-TRA CIVEX-VII/022
DG NEAR		
2.	<a href="#"><u>The Ukraine Facility</u></a> Rapporteur-General: <b>Dario NARDELLA</b> (IT/PES)	Own-initiative COM(2023) 338 final COR-2023-03816-00-00-AC-TRA CIVEX-VII/025
DG ECFIN		
3.	<a href="#"><u>Reform of the EU economic governance framework</u></a> Rapporteur: <b>Elio DI RUPO</b> (BE/PES)	Own-initiative COM(2022) 583 final COM(2023) 240 final COM(2023) 241 final COM(2023) 242 final COR-2023-00157-00-00-AC-TRA ECON-VII/030
DG BUDG		
4. assoc. SG.A3	<a href="#"><u>Review and proposal for the revision of the MFF 2021-2027</u></a> Rapporteur-General: <b>José Manuel Pedro Miguel César RIBEIRO</b> (PT/PES)	Own-initiative COM(2023) 330 final; COM(2023) 331 final/2; COM(2023) 332 final/2; COM(2023) 333 final/2; COM(2023) 335 final; COM(2023) 336 final; COM(2023) 337 final COR-2023-03512-00-01-AC-TRA COTER-VII/032

DG MOVE		
5.	<a href="#">A Drone Strategy 2.0</a> Rapporteur: <b>Wladyslaw ORTYL</b> (PL/ECR)	Own-initiative COM(2022) 652 final SWD(2022) 366 COR-2023-01050-00-00-AC-TRA COTER-VII/028
DG REGIO		
6. assoc. GROW	<a href="#">A just and sustainable transition for Automotive Regions</a> Rapporteur: <b>Sven SCHULZE</b> (DE/EPP)	Own-initiative COR-2023-01449-00-00-AC-TRA COTER-VII/029
7.	<a href="#">European Cross-Border Mechanism 2.0</a> Rapporteur: <b>Magali ALTOUNIAN</b> (FR/renew E)	Own-initiative COR-2022-06083-00-01-AC-TRA COTER-VII/025
DG JUST & DG ENV		
8.	<a href="#">Consumers' protection package</a> Rapporteur: <b>Dan BOYLE</b> (IE/GREENS)	Own-initiative COM(2023) 166 final COM(2023) 155 final COR-2023-02019-00-00-AC-TRA NAT-VII/036
DG CLIMA		
9. assoc. SG.D2	<a href="#">UNFCCC COP28: the role of subnational authorities in keeping climate ambition on track</a> Rapporteur: <b>Rafal Kazimierz TRZASKOWSKI</b> (PL/EPP)	Own-initiative COR-2023-00904-00-00-AC-TRA ENVE -VII/038
DG EAC		
10.	<a href="#">Mentoring: a powerful and meaningful tool for the Europe of tomorrow</a> Rapporteur: <b>Anne RUDISUHLI</b> (FR/renew E)	Own-initiative COR-2023-01537-00-01-AC-TRA SEDEC-VII/038

\*\*\*OPINIONS ADOPTED DURING PREVIOUS PLENARY SESSION\*\*\*

**DG NEAR**

<p align="center"><b>11.</b></p> <p>Opinion adopted during the Plenary session of July 2023</p>	<p><a href="#"><u>EU Enlargement package 2022</u></a></p> <p>Rapporteur: <b>Anna MAGYAR</b> (HU/ECR)</p>	<p>Own-initiative</p> <p>COM(2022) 528 final</p> <p>COR-2023-00018-00-01-AC-TRA</p> <p>CIVEX-VII/021</p>
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**DG ENER**

<p align="center"><b>12.</b></p> <p>Opinion adopted during the Plenary session of July 2023</p> <p><b>DG CLIMA</b> <b>assoc.</b></p>	<p><a href="#"><u>Fostering the potential and synergies of EU Green Deal initiatives for regions and cities</u></a></p> <p>Rapporteur: <b>Andries GRYFFROY</b> (BE/EA)</p>	<p>Own-initiative</p> <p>COR-2023-00229-00-00-AC-TRA</p> <p>ENVE-VII/036</p>
<p align="center"><b>13.</b></p> <p>Opinion adopted during the Plenary session of July 2023</p>	<p><a href="#"><u>Reform of the EU electricity market design</u></a></p> <p>Rapporteur-General: <b>Josef FREY</b> (DE/GREENS)</p>	<p>Mandatory</p> <p>COM(2023) 148 final</p> <p>COR-2023-02118-00-01-AC-TRA</p> <p>ENVE-VII/039</p>

**N°1 Strategic foresight as an instrument of EU governance and better regulation**  
**Own-initiative**  
**COR-2023-01562 – CIVEX-VII/022**  
**157<sup>th</sup> plenary session – October 2023**  
**Rapporteur: Giorgio MAGLIOCCA (IT/EPP)**  
**SG – Executive Vice-President ŠEFČOVIČ**

<b>Points of the European Committee of the Regions opinion considered essential</b>	<b>European Commission position</b>
<p>2. The European Committee of the Regions (CoR) emphasises that the goal of strategic foresight is not to predict the future, but to prepare for it, thereby contributing to an anticipatory governance at all levels. Therefore, highlights the importance of foresight, especially in situations that are complex, uncertain, and fast-evolving, in order to increase resilience and ensure that all institutional levels of the EU are better equipped to respond to change in a timely and innovative way, in line with the principle of subsidiarity.</p>	<p>The Commission agrees that strategic foresight is key for strengthening culture of preparedness and evidence-based anticipatory policymaking. By building on collective intelligence in a structured and systematic way, it can help to better develop possible transition pathways, prepare the EU to withstand shocks and shape the future.</p>
<p>8. The CoR underlines the need to mainstream strategic foresight more systematically into EU policies in order to improve the EU's resilience and ensure future-proof EU policy-making. Stresses by the same token that developing a culture of strategic foresight geared towards better governance at local and regional level, and linking it more closely to other levels of decision-making, is integral to building resilience and anticipatory as well as participatory governance across the EU and globally.</p>	<p>Since the beginning of this mandate, the Commission's efforts are geared towards embedding strategic foresight into its work. In this context, strategic foresight anticipates trends, risks, emerging issues, and their potential implications and opportunities to draw useful insights for strategic planning, policymaking and preparedness. It also informs the design of new Commission initiatives and the review of existing policies, as the Commission has mainstreamed strategic foresight into its Better Regulation approach.</p>
<p>16. The CoR stresses that strategic foresight is an integral part of the EU's efforts and instruments under the Better Regulation agenda, aimed at creating evidence-based, sustainable, transparent and future-proof legislation that creates the highest added value</p>	<p>The Commission agrees that strategic foresight is an integral part of the EU's efforts and instruments under the Better Regulation agenda. That is why the revamped Commission's Better Regulation toolbox includes a dedicated tool (#20) on using strategic foresight for impact assessments and</p>

<p>for EU citizens. The CoR notes that this approach is fully in line with its concept of "active subsidiarity".</p>	<p>evaluations.</p>
<p>17. The CoR reiterates its call for a territorial vulnerability scoreboard to be developed in close collaboration with the Joint Research Centre of the Commission to better understand and consider risks related to such vulnerabilities.</p>	<p>In the frame of its activities on disaster risk management, the Commission's Joint Research Centre has developed a vulnerability dashboard down to the NUTS 3 level<sup>1</sup>. This work is on-going.</p>
<p>22. The CoR is committed to contributing to existing inter-institutional cooperation activities, such as actively participating in ESPAS, "horizon scanning" and identifying the most relevant trends for the future, enhancing the local and regional perspective. Therefore, calls for this dimension to be incorporated into the Commission's Strategic Foresight Report and the ESPAS report on global trends.</p>	<p>The Commission welcomes the Committee's involvement in the horizon scanning work and more broadly in the cooperation under the European Strategy and Policy Analysis System (ESPAS) framework, and is looking forward to an even greater involvement in the future.</p>
<p>27. The CoR encourages the Commission (specifically the JRC) and the Parliament (in particular the EPRS) to work with the CoR in developing easily accessible and multilingual tools (manuals, training courses, toolkits, etc.) in order to promote the sharing of expertise and to strengthen LRAs' strategic foresight structures;</p>	<p>The Commission has developed a series of publicly available tools and materials for capacity building in foresight, and welcomes support from the Committee in promoting them also among relevant stakeholders at the local and regional level.</p>
<p>29. The CoR calls on the JRC to work closely with the CoR in order to develop methodological approaches and thematic applications tailored to the needs of sub-national governments and local and regional stakeholders; therefore welcomes the cooperation between the CoR and the JRC in organising a foresight activity on the future of the Green Deal (the CoR's Green Deal Going Local working group).</p>	<p>Regional foresight is a well-established area of work, with a lot of available materials, methodologies, and know-how. The recent foresight activity of the Committee on the Green Deal Going Local can be seen as an example of foresight capacity building and transfer of know-how to the Committee that can be extended.</p>

<sup>1</sup> <https://drmkc.jrc.ec.europa.eu/risk-data-hub#/vulnerabilityhome>

<p>30. The CoR stresses the importance of including the local and regional perspective and of adopting a broad strategic vision in setting and implementing the 2024-2029 agenda; therefore calls on the Parliament, the Council presidencies and the Commission to take note of the importance of this dimension and to include it in their respective reports and strategic foresight activities.</p>	<p>The Commission agrees that various perspectives, including the local and the regional ones, are relevant. That is why the Commission considers them in its strategic foresight activities, when relevant. For instance, the 2023 Strategic Foresight Report<sup>2</sup> touched upon various related issues, including the regional development trap. The local and regional dimensions are also considered in thematic foresight activities, e.g. Scenarios for EU Rural Areas 2040.</p>
<p>31. The CoR requests to be consulted systematically and in a timely manner when the Commission drafts its annual strategic foresight report, and commits to strengthening the strategic foresight orientation of its annual report on the state of cities and regions in the EU.</p>	<p>The Commission welcomes the Committee's increasing interest and investments in strategic foresight. In this context, the Commission is also open for stronger cooperation on foresight, including through the interinstitutional cooperation in ESPAS. Strong commitment from all the participating institutions will be crucial for the preparation of the upcoming ESPAS Global Trends Report.</p>
<p>33. The CoR stresses that a future revision of the Interinstitutional Agreement (IIA) on Better Regulation should clearly recognise strategic foresight as a key element of this agenda. In this context, stresses that the CoR should be taken more into consideration and should play a more pivotal role, particularly within the Regulatory Scrutiny Board, given the political legitimacy of its members and the experience it can bring from the local and regional level.</p>	<p>The Interinstitutional Agreement on Better Law-making is a common endeavour of the European Parliament, the Council, and the Commission. The Commission considers that the agreement is working well, but it is still to be fully implemented, in particular concerning the assessment of significant impacts of the amendments put forward by the European Parliament and the Council. The Commission acknowledges the contribution of the Committee to its better regulations work, particularly the engagement in stakeholders' consultation activities. The Commission reflects distinctively upon this contribution and refers in its synopsis reports in impact assessments and evaluations. The Regulatory Scrutiny Board (RSB) systematically assesses stakeholders' feedback in impact assessments and evaluations. As such, the Committee's views are taken into account by the RSB in its quality review of the Commission's</p>

<sup>2</sup> [SFR-23-beautified-version\\_en\\_0.pdf \(europa.eu\)](#)

	draft impact assessments and evaluations.
34. The CoR highlights that the CoR should have access to trilogues in the co-decision procedure on the basis of the revision of the IIA, and reiterates its commitment to exploring new ways of influencing EU interinstitutional dialogue. This is all the more relevant in the context of the recognition of strategic foresight, and of its local and regional dimension, as a key element of the EU agenda;	By their nature, trilogues are informal negotiations between the co-legislators, the European Parliament and the Council, together with the Commission as the initiator of legislative proposals. Arrangements for trilogues are primarily a matter for the Parliament and the Council; any adjustment in current practice would need to be initiated by them.
35. The CoR calls for the roles of LRAs and the CoR to be strengthened in EU policy-making. Believes that policy-makers should, for example, be more involved in stress-testing exercises, in order to anticipate and revise EU legislation and to adapt policies;	The Commission appreciates the standing cooperation and dialogue with the Committee in policy-making, with respect to their institutional roles. The Committee's RegHubs have a role to provide feedback from the application of EU legislation on the ground. The contributions of members of the Committee and the RegHub network within the Fit for Future Platform provide valuable input to simplify EU legislation, reduce unnecessary costs, and inform evaluations.



<p><b>N°2      The Ukraine Facility</b>  <b>Own-initiative</b>  <b>COM(2023) 338 final</b>  <b>CoR-2023-03816 – CIVEX-VII/025</b>  <b>157<sup>th</sup> plenary session – October 2023</b>  <b>Rapporteur-General: Dario NARDELLA (IT/PES)</b>  <b>DG NEAR – Commissioner VÁRHELYI</b></p>	
<p><b>Points of the European Committee of Regions opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>1. Given the damage caused by Russia's war of aggression to the Ukrainian economy, society, infrastructure, educational system and culture, Ukraine needs strong support to maintain its functions. In view of enabling the short term relief and preparing the fast recovery, the reconstruction and the modernisation, Ukraine will have to rely on a strategy to "build back better" through a people-centred recovery and transformation that focuses on sustainable development, improves inclusiveness and cohesion and reduces inequality, to create the foundations of a free, prosperous and democratic country, anchored in European values, well integrated into the European and global economy, and progressing fast towards accession to the European Union.</p>	<p>The Commission concurs with the Committee's opinion.</p> <p>The Facility should promote reconstruction in a way that modernises and improves Ukraine's economy and society, building on Union rules and standards, by investing in the transition of Ukraine towards a green, digital and inclusive economy and in the recovery, reconstruction and modernisation of its critical infrastructure, productive capacity and human capital in a resilient way. To support these objectives, measures funded under the Facility will be guided by the principles of 'do no harm' and 'leaving no one behind'.</p>
<p>2. The Ukraine Facility should be underpinned by a coherent and prioritised plan for reconstruction (the 'Ukraine Plan'), prepared by the Government of Ukraine, building on the involvement of local and regional authorities and the consultation of civil society organisations, providing a structured and predictable framework for the recovery, reconstruction and modernisation of Ukraine, clearly articulated with Union accession requirements.</p>	<p>The Commission concurs with the Committee's opinion.</p> <p>The proposal on establishing the Ukraine Facility specifically requires, in Article 17(3), that the preparation and implementation of the Ukraine Plan is done in consultation with regional, local, urban and other public authorities, in accordance with the multi-level governance principle and taking into account a bottom-up approach.</p> <p>The proposal also requires, in Article 16(2)(f), that the Ukraine Plan sets out a summary of the consultation process, conducted in accordance with the national legal framework, of relevant stakeholders, including local and regional</p>

	<p>authorities, social partners and civil society organisations, and how the input of the stakeholders is reflected in the Ukraine Plan.</p>
<p>7. In this regard, the Multi-Agency Donor Coordination Platform should be used as an already established forum for such exchange and make provision for a territorial component, in which the European Alliance of Cities and Regions for the Reconstruction of Ukraine would play a coordinating role.</p>	<p>The Commission recalls that membership in the Multi-Agency Donor Coordination Platform (MDCP) is subject to agreement by consensus of the Steering Committee of the Platform, as are all other decisions concerning the Platform and its working methods.</p>
<p>9. In this context, the Plan should in particular enhance the economic, social, environmental and territorial development of Ukraine’s regions and municipalities, which should be complemented by explicit recognition of a public legal personality for territorial entities.</p>	<p>The Commission is supporting Ukraine in developing the Ukraine Plan, which should have positive benefits in terms of enhancing the economic, social and territorial development of Ukraine’s regions and municipalities.</p> <p>The granting of public legal personality to territorial entities is a matter for Ukraine to decide upon. The Commission notes that decentralisation reform is a matter that will continue to be addressed with Ukraine as part of the accession process.</p>
<p>10.1. Under pillar III of the Facility, support should mainly aim at progressively aligning to Union rules, standards, policies and practices (‘acquis’) with a view to future Union membership, thereby contributing to the implementation of the Ukraine Plan. Relevant recommendations of international bodies and regional alliances, such as the Council of Europe, the Venice Commission and the European Alliance of Cities and Regions for the Reconstruction of Ukraine should also be taken into account in this process.</p>	<p>As part of its programming of funds under Pillar 3 of the Facility, the Commission will engage in consultations with relevant stakeholders and draw on all relevant information and recommendations, in line with best practice in programming for such forms of assistance.</p>
<p>10.2. Support should also aim at strengthening stakeholders, including social partners, civil society organisations and local and regional authorities’ capacities. Support should also enhance twinning and partnership development initiatives with European peers aiming at</p>	<p>In the explanatory memorandum of the proposal for the Ukraine Facility, the Commission stressed that peer-to-peer cooperation between the EU and Ukrainian cities and regions and continued access to the cross-border cooperation programmes will also constitute a vital part of</p>

<p>enhancing the expertise and capacity of sub-national entities in Ukraine.</p>	<p>Ukraine’s recovery, reconstruction and modernisation.</p> <p>Subject to available resources, and in line with the objectives set out in the Regulation, support for peer-to-peer partnerships between Ukrainian and other European subnational authorities could be considered as a possible capacity-building measure under Pillar 3.</p>
<p>11. foster sustainable development, environmental resilience, the green transition, economic, social and territorial cohesion, progressive integration into the Union and global economy and markets and upward economic and social convergence with the Union, as also outlined in the principles of the Lugano Declaration (July 2022).</p>	<p>The EU is committed to supporting Ukraine on the way to sustainable green and digital transitions, in line with Union policies and the principles of the Lugano Declaration that was endorsed by the Commission. At the subsequent Ukraine Recovery Conference in London in June 2023, President von der Leyen confirmed the EU’s support to a ‘cleaner, greener, more modern Ukraine’<sup>1</sup>.</p>
<p>15. In line with the principles of multi-level governance and partnership, as defined in the European code of conduct on partnership in the framework of the European Structural and Investment Funds<sup>[1]</sup>, and taking into account a bottom-up approach, the Commission shall guarantee that relevant stakeholders, including local and regional authorities, their associations, social partners and civil society organisations, are duly consulted and have timely access to relevant information to allow them to participate in shaping the design and implementation of activities eligible for funding under this Facility, and in the related monitoring processes. The Commission shall encourage coordination among the relevant stakeholders.</p>	<p>The proposal on establishing the Ukraine Facility is clear on the need for substantial consultations regarding the preparation and implementation of the Ukraine Plan, and that this should be done in accordance with the multi-level governance principle and taking into account a bottom-up approach, e.g.: the proposal specifically requires, in Article 17(3), that the preparation and implementation of the Ukraine Plan is done in consultation with regional, local, urban and other public authorities, in accordance with the multi-level governance principle and taking into account a bottom-up approach. It is up to the Ukrainian authorities to organise such consultations. This will be one of the elements that will form part of the Commission’s assessment of the Plan.</p>
<p>16. Considering that the Facility will progressively replace the bilateral allocation provided to Ukraine under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe) and support</p>	<p>On the one hand, while the Facility will replace bilateral support provided to Ukraine (Macro-financial Assistance+ (MFA+), Neighbourhood, Development and International Cooperation Instrument (NDICI) bilateral allocation), Ukraine</p>

<sup>1</sup> [Keynote speech by President von der Leyen at the Ukraine Recovery Conference 2023 \(europa.eu\)](https://europa.eu)

<p>provided in the form of macro-financial assistance, Ukraine shall remain eligible for support under NDICI regional, cross-border, thematic and crisis response programmes as well as other Union instruments. The Commission shall ensure coherence between the assistance provided under the Facility and the enlargement policy framework</p>	<p>will continue to benefit from regional, thematic, rapid response and other forms of support under NDICI, including cross-border cooperation programmes, as well as other relevant existing Union programmes. On the other hand, actions under the NDICI bilateral allocation for Ukraine adopted before the entry into force of the Facility, will continue as planned. Furthermore, the scope of the Facility will not cover, inter alia, humanitarian aid, defence or support to EU Member States providing protection for Ukrainian refugees fleeing the war, which will continue to be funded via other existing instruments.</p> <p>Preparing Ukraine for future membership of the EU is one of the general objectives of the Facility. Therefore, coherence between assistance provided under the Facility and the enlargement policy framework will be ensured.</p>
<p>23. Participation in procurement, grant and prize award procedures for activities financed under the Facility shall not be open to operators that conduct activities and pay tax in the Russian Federation.</p>	<p>All funding under the Facility will be required to comply with EU restrictive measures. As such, funding under the Facility will not be open to any individuals or entities on EU sanctions lists.</p>
<p>35. The Audit Board shall be composed of independent members appointed by the Commission. Representatives of Member States, the European Parliament, the European Committee of the Regions and other donors may be invited by the Commission to participate in the activities of the Audit Board.</p>	<p>The role of the Audit Board will be to report to the Commission on possible mismanagement of funds and recommend improvements of the control system of Ukraine. The activities of the Board will also include capacity building of Ukraine relevant stakeholders. It will be composed of independent experts to be appointed by the Commission, with the possibility of donors being invited to participate in its activities.</p>
<p>36. Within one month of the entry into force of the present Regulation, the Commission shall present guidelines for effective consultation with stakeholders on the implementation of the Facility, in particular Pillars I and III thereof, insofar as consultation with local and regional</p>	<p>The Commission will produce programming guidelines, including on stakeholder consultation, as per usual practice under other programming instruments. Furthermore, for Pillar 2, the Regulation foresees that the operational board of the Ukraine Investment Framework will include</p>

authorities, their associations and civil society organisations is required by the provisions of this Regulation. Such guidelines shall be in line with the European Code of Conduct on the Partnership Principle.

representatives of Ukraine. For Pillar 1, it is for the Government of Ukraine to determine the process to be followed for the stakeholder consultation. While the Regulation stipulates that the Plan must be developed and implemented in consultation with stakeholders in Ukraine, it cannot impose a particular model on Ukraine as a third country.

**N°3 Reform of the EU economic governance framework**

**Own-initiative**

**COM(2022) 583 final**

**COM(2023) 240 final**

**COM(2023) 241 final**

**COM(2023) 242 final**

**COR-2023-00157 – ECON-VII/030**

**157<sup>th</sup> plenary session – October 2023**

**Rapporteur: Elio DI RUPO (BE/PES)**

**DG ECFIN – Commissioner GENTILONI**

<b>Amendments by the European Committee of the Regions</b>	<b>European Commission position</b>
<p>Amendment 1, recital 4:</p> <p>The <i>structured</i> involvement of <i>national parliaments and, where relevant, regional parliaments depending on the division of competences within the Member States, local and regional authorities</i>, social partners, civil society organisations and other relevant stakeholders in the European Semester <i>and in the economic governance process as a whole</i> is key to ensure ownership and transparent and inclusive policymaking.</p>	<p>The Commission agrees that relevant stakeholders should be appropriately involved in the European Semester. However, this can only be done in accordance with the competences established by the Treaty and national legal frameworks.</p> <p>With regard to national parliaments, the Commission proposed that national medium-term fiscal-structural plan should mention whether the plan was presented to the national parliament and whether there has been parliamentary approval of the plan.</p> <p>The national medium-term fiscal structural plan should also indicate whether the national parliament had the opportunity to discuss the Council recommendation on the previous plan and other Council recommendations or decisions, or any Commission warning.</p>
<p>Amendment 2, recital 5:</p> <p>The economic governance framework of the Union should be adapted to better take into account the growing heterogeneity of fiscal positions, public debt challenges and other vulnerabilities across Member States. The strong policy response to the COVID-19 pandemic proved highly effective in mitigating the economic and social damage of the crisis,</p>	<p>The EU fiscal rules' objective is to strengthen public debt sustainability while promoting sustainable and inclusive growth in all Member States through reforms and investment. Other instruments, such as the European cohesion policy funds, are better suited to achieving the EU's social and cohesion objectives.</p>

<p>but the crisis resulted in a significant increase in public- and private-sector debt ratios, underscoring the importance of reducing debt ratios to prudent levels in a gradual, sustained and growth-friendly manner and addressing macroeconomic imbalances, while paying due attention to <i>economic, social and territorial cohesion objectives and</i> employment objectives. At the same time, the economic governance framework of the Union should be adapted to help address the medium- and long-term challenges facing the Union including <i>achieving the Sustainable Development Goals (SDGs)</i>, achieving a fair digital and green transition, including the Climate Law, ensuring energy security, open strategic autonomy, addressing demographic change, strengthening social and economic resilience and implementing the strategic compass for security and defence, all of which requires reforms and sustained high levels of investment in the years to come.</p>	
<p>Amendment 3, recital 9:</p> <p>National medium-term fiscal-structural plans should bring together the fiscal, reforms and investment commitments of each Member State and these plans should be the cornerstone of the economic governance framework of the Union. Each Member State, <i>following close and structured cooperation with local and regional authorities, civil society organisations and other relevant stakeholders</i>, should present a medium-term plan that sets out its fiscal trajectory as well as priority public investment and reform commitments that together ensure sustained and gradual debt reduction and sustainable and inclusive growth, avoiding a pro-cyclical fiscal policy, as well as broader reform and investment commitments, including in relation to <i>the Sustainable Development Goals</i>, the green and digital transitions, <i>the resilience and</i></p>	<p>Please see comment to Amendments 1 and 2.</p>

<p><b><i>promotion of economic, social and territorial cohesion</i></b>, and the implementation of the European Pillar of Social Rights. During the lifetime of the Recovery and Resilience Facility, commitments undertaken in the national Recovery and Resilience Plans should be duly taken into account.</p>	
<p>Amendment 4, recital 12:</p> <p>In order to simplify the Union fiscal framework and increase transparency, a single operational indicator anchored in debt sustainability should serve as a basis for setting the fiscal path and carrying out annual fiscal surveillance for each Member State. That single operational indicator should be based on <b><i>national</i></b> net primary expenditure, that is to say expenditure net of discretionary revenue measures and excluding interest expenditure as well as cyclical unemployment expenditure and <b><i>net of all expenditure incurred by Member States and local and regional authorities as part of Structural and Investment Fund co-financing and</i></b> Union programmes. This indicator allows for macro-economic stabilisation as it is not affected by the operation of automatic stabilisers, including revenue and expenditure fluctuations outside the direct control of the government. <b><i>It also helps encourage public investment in sustainable growth and the EU's shared priorities.</i></b></p>	<p>The Commission's reform proposals do not propose a 'golden rule' to exclude any particular type of expenditure, such as Cohesion policy fund co-financing, from the EU fiscal rules. This issue was discussed extensively as part of the public debate on the economic governance review and no consensus emerged.</p> <p>In addition, the amendment to exclude co-financing could pose data issues, as there are no national accounts data on national co-financing of EU programmes. Moreover, the more expenditure items which are removed from the net expenditure indicator, the higher the burden of adjustment on the remaining expenditure, as the overall fiscal adjustment required will be unchanged. The Commission's reform proposals seek to promote investment through an all-encompassing medium-term net expenditure path. The proposed move towards a medium-term approach with greater national ownership will give Member States more scope to decide on their public expenditure priorities. The Commission's proposals include specific provisions to promote investment, such as the potential to extend the adjustment period by committing to a set of reforms and investments.</p>
<p>Amendment 5, recital 13:</p> <p><b><i>When</i></b> Member States <b><i>draft</i></b> their medium-term fiscal-structural plan, the Commission <b><i>shall invite each Member State to</i></b> put forward a trajectory <b><i>for a sustainable debt</i></b> based on the minimum fiscal adjustment that brings the debt trajectory of the Member State on a downward path or maintains debt at a prudent level. The sustainability of <b><i>the</i></b> debt should result from</p>	<p>The 'technical trajectories' that the Commission proposes to put forward will provide guidance to Member States with debt above 60% of gross domestic product (GDP) or a deficit above 3% of GDP for drawing up their national medium-term fiscal-structural plans.</p> <p>The presentation and publication of the technical trajectories by the Commission and the discussion in the relevant Council Committees will ensure</p>



<p>appropriate fiscal policies.</p>	<p>multilateralism and transparency ahead of the submission of the plans by the Member States and their endorsement by the Council.</p>
<p>Amendment 8, Article 2 (2):</p> <p>For the purposes of this Regulation, the following definitions apply:</p> <p>[...]</p> <p>'net expenditure' means government expenditure net of interest expenditure, discretionary revenue measures, <i>local authorities' investment expenditure, including that under Cohesion policy funds co-financing and Union programmes</i>, and other budgetary variables outside the control of the government as set out in Annex II, point (a);</p>	<p>Please see comment to Amendment 4.</p>
<p>Amendment 9, Article 2 (2):</p> <p>For the purposes of this Regulation, the following definitions apply:</p> <p>[...]</p> <p>(3) 'trajectory' means, <i>on the basis of a trajectory presented by the Member State</i>, the net expenditure trajectory <i>negotiated between the Commission and the Member State</i> when drawing up <i>its</i> national medium-term fiscal-structural plans; [...]</p>	<p>Please see comment to Amendment 5.</p>
<p>Amendment 11, Article 5:</p> <p><i>Based on a proposal for an expenditure reduction trajectory made by each Member State having a public debt above the 60% of GDP reference value or a government deficit above the 3% of GDP reference value, the Commission shall consult the Economic and Financial Committee during negotiations with the Member State for the adoption of a trajectory for net expenditure covering a minimum adjustment period of 4 years of the</i></p>	<p>Please note that the agreed net expenditure paths will not be the subject of 'negotiations' between the Member States and EU institutions, as stated in Amendment 11.</p> <p>Article 10 of the proposal for a Regulation on the effective coordination of economic policies and multilateral budgetary surveillance<sup>1</sup> allows for a 'technical dialogue' prior to the submission of a Member State's national medium-term fiscal-structural plans, with the objective of ensuring that the plan complies with Articles 11, 12 and 14 of</p>

<sup>1</sup> COM(2023) 240 final.

<p>national medium-term fiscal-structural plan, and its possible extension by a maximum of 3 years pursuant to Article 13. The Commission shall make the <i>final agreement on the trajectory</i> public.</p>	<p>the proposed Regulation. Providing the technical trajectory to the Economic and Financial Committee (EFC) ahead of the technical dialogue ensure the needed transparency.</p>
<p>Amendment 12, Article 6:</p> <p>The technical trajectory shall ensure that: (a) the public debt ratio is put or remains on a plausibly downward path, or stays at prudent levels; (b) the government deficit is brought and maintained below the 3% of GDP reference value; (c) the fiscal adjustment effort over the period of the national medium-term fiscal-structural plan is at least proportional to the total effort over the entire adjustment period; and [...]</p>	<p>The conclusions of the Economic and Financial Affairs Council of 14 March 2023<sup>2</sup> highlighted a convergence of views on some core elements of the Commission’s orientations. At the same time, they identified issues requiring further discussion.</p> <p>In response to Member States’ concerns, the Commission in its legislative proposals made some changes relative to its orientations of November 2022<sup>3</sup>. This included the introduction of a provision to ensure sufficient debt reduction (bullet (d) of Article 6).</p> <p>This safeguard only applies to Member States with debt above 60% of GDP or a deficit above 3% of GDP.</p> <p>In December 2023<sup>4</sup> the Council formally agreed on the proposed reform of the EU’s economic governance framework by approving a mandate for negotiations with the European Parliament on the preventive arm regulation. The Council agreed on the framework’s overall objective of reducing debt ratios and deficits in a gradual, realistic, sustained and growth-friendly manner while protecting reforms and investment in strategic areas such as digital, green, social or defence.</p>
<p>Amendment 13, Article 9:</p> <p>Each Member State shall submit to the Council and to the Commission a national medium-term fiscal-structural plan before end-April <i>of the year</i> following <i>that of</i> the entry into force of this Regulation. The Member State concerned and the Commission may agree to extend this</p>	<p>The Commission supports that Member States involve a wide range of stakeholders in the development of their medium-term fiscal-structural plans. At the same time, the scope of such a consultation is the democratic choice of each Member State.</p>

<sup>2</sup> [pdf \(europa.eu\)](#)

<sup>3</sup> COM(2022) 583 final.

<sup>4</sup> [Economic governance review: Council agrees on reform of fiscal rules - Consilium \(europa.eu\)](#)

<p>deadline by a reasonable period if necessary.</p> <p><b><i>Before drawing up its national and medium-term fiscal-structural plan, each Member State shall set up a structured cooperation mechanism with the local and regional authorities, social partners, civil society organisations and other stakeholders concerned so that they can be fully involved in developing these plans, in accordance with the national legal framework. This shall be detailed in the plan.</i></b></p> <p>The Member State shall make its national medium-term fiscal-structural plan public.</p>	
<p>Amendment 14, Article 12, point (b):</p> <p>The national medium-term fiscal-structural plan shall: [...]</p> <p>(b) explain how it will ensure the delivery of investment and reforms responding to the main challenges identified within the European Semester, in the country-specific recommendations, correct the identified macroeconomic imbalances under the Macroeconomic Imbalances Procedure if applicable, and address the common priorities of the Union referred to in Annex VI of this Regulation, including the European Green Deal, <b><i>the promotion of economic, social and territorial cohesion, the SDGs, the</i></b> European Pillar of Social Rights and the Digital Decade while being consistent with the updated National Energy and Climate Plans and the National Digital Decade Roadmaps;</p> <p>[...]</p>	<p>Please see comment to Amendment 2.</p>
<p>Amendment 15, Article 15(2):</p> <p>When assessing the national medium-term fiscal-structural plan the Commission shall examine for all Member States:</p>	<p>Please see comment to Amendment 13.</p>

<p>[...]</p> <p>(f) whether the <i>structural cooperation mechanism referred to in Article 9 has been put in place;</i></p> <p>(g) <i>whether all information listed in Annex II has been provided by the Member State.</i></p>	
<p>Amendment 16, Article 26, first paragraph:</p> <p>The European Parliament, <i>national parliaments and, where relevant, regional parliaments depending on the division of competences in the Member States</i>, shall be duly involved in the European Semester in order to increase the transparency and ownership of, and the accountability for the decisions taken, in particular by means of an economic dialogue. The Economic and Financial Committee, the Economic Policy Committee, the Employment Committee and the Social Protection Committee shall be consulted within the framework of the European Semester. Relevant stakeholders, in particular <i>local and regional authorities and</i> the social partners, shall be involved within the framework of the European Semester, in accordance with the provisions of the TFEU and national legal and political arrangements.</p>	<p>Please see comment to Amendment 1.</p>
<p>Amendment 17, Article 27:</p> <p>Comply or explain rule: <i>“The Council is expected to, as a rule, follow the recommendations and proposals of the Commission or explain its position publicly.”</i>          (CoR comment: The separation of powers and institutional autonomy of the Council must be respected.</p>	<p>The inclusion of this Article does not constrain the freedom of the Council to reject the proposal of the Commission. It simply asks for an explanation for such a rejection.</p>
<p>Amendment 18, Annexe II(a):</p> <p>A national medium-term fiscal-structural plan shall contain the following information:</p> <p>[...]</p>	<p>Please see comment on Amendment 4.</p>

<p>(a) The national net expenditure path referred to in Article 11. The other budgetary variables outside the control of the government that are part of the definition of net expenditure referred to in Article 2 consist in expenditure <b><i>by Member States and local and regional authorities as part of Structural and Investment Fund co-financing and</i></b> programmes of the Union, and cyclical elements of unemployment benefit expenditure; [...]</p>	
<p>Amendment 19, Annexe II(q):</p> <p>A national medium-term fiscal-structural plan shall contain the following information:</p> <p>[...]</p> <p>(q) <b><i>a description of the structural cooperation mechanism with local and regional authorities</i></b>, social partners, civil society organisations and other relevant stakeholders in view of <b><i>their full participation of</i></b> the preparation of the plan, <b><i>as well as a summary of how their contributions are taken into account in the plan;</i></b></p>	<p>Please see comment to Amendment 13.</p>
<p>Amendment 20, Annex VI:</p> <p>The common priorities of the Union referred to in Article 12, point (b) are:</p> <p>(a) The European Green Deal 1, including the transition to climate neutrality by 2050 and the translation at national level through the National Energy and Climate Plans;</p> <p><b><i>(aa) the promotion of economic, social and territorial cohesion, in accordance with Article 3 of the Treaty on European Union;</i></b></p> <p><b><i>(ab) the Sustainable Development Goals;</i></b></p> <p>(b) The European Pillar of Social Rights including the related targets on employment, skills and poverty reduction by 2030;</p> <p>(c) The Digital Decade Policy Programme 2030,</p>	<p>Please see comment to Amendment 2. Furthermore, the three headline targets of the European Pillar of Social rights are already consistent with the United Nations' Sustainable Development Goals. Economic, social and territorial cohesion is also promoted in various ways through the four common priorities listed in Annex VI.</p>

<p>and reflected at national level through the National Digital Decade Strategic Roadmaps;</p> <p>(d) A Strategic Compass for Security and Defence – For a European Union that protects its citizens, values and interests and contributes to international peace and security.</p>	
<p>Amendment 21, recital 5:</p> <p>The economic governance framework of the Union should be adapted to better take into account the growing heterogeneity of fiscal positions, sustainability risks and other vulnerabilities across Member States. The strong policy response to the COVID-19 pandemic proved effective in mitigating the economic and social damage of the crisis, but resulted in a significant increase in public- and private-sector debt ratios, underscoring the importance of reducing debt ratios to prudent levels in a gradual, sustained and growth-friendly manner and addressing macroeconomic imbalances, while paying due attention to employment and <i>economic, social and territorial cohesion</i> objectives. At the same time, the economic governance framework of the Union should be adapted to help address the medium- and long-term challenges facing the Union, including achieving <i>the Sustainable Development Goals (SDGs)</i>, <i>achieving</i> a fair digital and green transition, including the Climate Law, ensuring energy security, open strategic autonomy, addressing demographic change, strengthening social and economic resilience, and implementing the strategic compass for security and defence, all of which requires reforms and sustained high levels of investment in the years to come.</p>	<p>Please see comment to Amendment 2.</p>
<p>Amendment 22, recital 8:</p> <p>In order to simplify the Union fiscal</p>	<p>Please see comment to Amendment 4.</p>

<p>framework and increase transparency, a single operational indicator anchored in debt sustainability should serve as a basis for setting the fiscal path and carrying out annual fiscal surveillance for each Member State. That single indicator should be based on nationally financed net primary expenditure, that is to say expenditure net of discretionary revenue measures and excluding interest expenditure as well as cyclical unemployment expenditure and <i>all expenditure incurred by Member States and local and regional authorities as part of Structural and Investment Fund co-financing and Union programmes</i>. This indicator allows for macro-economic stabilisation as it is not affected by the operation of automatic stabilisers, including revenue and expenditure fluctuations outside the direct control of the government. <i>It also helps encourage public investment in sustainable and inclusive growth and the EU's shared priorities.</i></p>	
<p>Amendment 23, Article 1(1), new Article 1(2):</p> <p>For the purposes of this Regulation the following definitions apply:</p> <p>[...]</p> <p>'net expenditure' means government expenditure net of interest expenditure, discretionary revenue measures, <i>local authorities' investment expenditure, including that under Structural and Investment Fund co-financing and Union programmes</i>, and other budgetary variables outside the control of the government as set out in Annex II, point (a) of Regulation (EU) of the European Parliament and the Council [on the preventive arm];</p>	<p>Please see comment to Amendment 4.</p>
<p>Amendment 24, Article 1(2), new Article 3(4):</p> <p>The Council recommendation made in accordance with Article 126(7) TFEU shall establish a maximum deadline of six months for</p>	<p>Member States have expressed a strong view that the operation of the deficit-based Excessive Deficit Procedure should not be changed as part of the reform of the EU fiscal rules. The requirement</p>

<p>effective action to be taken by the Member State concerned. When warranted by the seriousness of the situation, the deadline for effective action may be three months. The Council recommendation shall also establish a deadline for the correction of the excessive deficit. In its recommendation, the Council shall also request that the Member State implements a corrective net expenditure path, which ensures that the general government deficit remains or is brought and maintained below the reference value within the deadline set in the recommendation. For the years when the general government deficit is expected to exceed the reference value, the corrective net expenditure path shall be consistent with a <b>maximum</b> annual adjustment of 0.5% of GDP as a benchmark.</p>	<p>that the corrective net expenditure path shall be consistent with a minimum annual adjustment of at least 0.5% of GDP as a benchmark is maintained from the current legislation.</p> <p>In practice, this requirement has allowed some freedom in the design of multi-annual corrective paths, in particular with a view to minimising potential pro-cyclical effects.</p>
<p>Amendment 25, Article 1(4)(a), new Article 5(1)(a)</p> <p>(a) paragraph 1 is replaced by the following:</p> <p>'1. Any Council decision to give notice to the participating Member State concerned to take measures for the deficit reduction in accordance with Article 126(9) TFEU shall be taken within two months of the Council decision under Article 126(8) TFEU establishing that no effective action has been taken. In the notice, the Council shall request that the Member State implements a corrective net expenditure path which ensures that the general government deficit remains or is brought and maintained below the reference value within the deadline set in the notice. For the years when the general government deficit is expected to exceed the reference value, the corrective net expenditure path shall be consistent with a <b>maximum</b> annual adjustment of 0.5% of GDP as a benchmark.</p>	<p>Please see comment on Amendment 24.</p>



<p><b>N°4 Review and proposal for the revision of the MFF 2021-2027</b>  <b>Own initiative</b>  <b>COM(2023) 330 final</b>  <b>COM(2023) 331 final</b>  <b>COM(2023) 332 final</b>  <b>COM(2023) 333 final</b>  <b>COM(2023) 335 final</b>  <b>COM(2023) 336 final</b>  <b>COM(2023) 337 final</b>  <b>CoR-2023-03512 – COTER-VII/032</b>  <b>157<sup>th</sup> plenary session – October 2023</b>  <b>Rapporteur-General: José Manuel Pedro Miguel César RIBEIRO (PT/PES)</b>  <b>DG BUDG – Commissioner HAHN</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>2. The European Committee of the Regions (CoR) emphasises that the Commission itself acknowledges that the annual investment gap to meet the objectives of the Green Deal is over EUR 620 billion; underlines that this figure shows once more that the overall ceiling for commitments for the whole period 2021-27 (approx. 1.03% GNI, NGEU excluded) is not sufficient to meet the EU's political ambitions and that new tasks should always be accompanied by new fresh resources.</p>	<p>30 % of the total amount of the Union budget and the European Recovery Instrument (<i>NextGenerationEU</i>) is the overall target of expenditure supporting climate objective over the entire 2021-2027 Multiannual Financial Framework (MFF) – the highest share ever.</p>
<p>5. The CoR welcomes the increase in funding for migration and border management to ensure that all EU asylum, immigration and border policies are well equipped; stresses the importance of allocating sufficient resources tailored specifically for managing and mitigating challenges in local and regional authorities; welcomes also the increase in funding for external relations; and the introduction of the Ukraine facility<sup>1</sup>, which should be financed over and above the MFF ceiling via a Ukraine Reserve; regrets, however, that the financial means provided for</p>	<p>The Ukraine Facility proposal gives the Union a key role in the financial support for Ukraine and its transformation for its path towards accession to the Union. The Facility's proposed size is determined based on authoritative sources. International Monetary Fund estimated financial needs of EU 60 billion for the period 2024-27. The World Bank's damage estimates a total amount of EUR 110 billion. Therefore, the proposed maximum amount of EUR 50 billion for the Ukraine Facility addresses 45% of these needs. In the Commission's proposal, additional contributions to the Ukraine Facility by Member</p>

<sup>1</sup> Proposal for a Regulation of the European Parliament and of the Council on establishing the Ukraine Facility – COM(2023) 338 final, Brussels, 20.06.2023.

<p>the Ukraine Facility falls behind the current financial support and therefore calls for an increased envelope of EUR 60 000 million.</p>	<p>States, third countries and third parties are possible.</p>
<p>6. The CoR regrets that the proposed MFF revision does not include more resources to be allocated directly to cities and regions, via for instance the Mission on Climate Neutral and Smart Cities, the Mission on Climate Adaptation and the Covenant of Mayors, to boost the implementation of Green Deal projects on the ground; highlights that there are still no fast-track provisions of funding for cities and regions engaged in EU initiatives and politically committed to reach the Green Deal goals.</p>	<p>The Commission takes note of the Committee's concerns about cities and regions.</p> <p>With a substantial EUR 392 billion earmarked under Cohesion policy, approximately one-third of the EU budget, there exists significant potential to channel these funds towards urban and regional development initiatives.</p>
<p>9. The CoR notes that a major part of the increases in commitment appropriations proposed by the Commission are aimed at enhancing the flexibility of the MFF and the agility of the EU budget to respond to unforeseen events and circumstances; welcomes the Commission's "tactical" approach but underlines that it appears more to be a short-term solution than a structural answer to addressing the recurrent issues linked to the very structure of the MFF; invites the Commission to address this structural question in view of the MFF post-2027.</p>	<p>The focus of the Commission's MFF mid-term revision proposal has been primarily on addressing the most urgent current priorities. The Commission's emphasis is on the efficient delivery and the successful execution of the MFF until 2027.</p>
<p>14. The CoR deeply regrets that the Commission did not conduct any territorial impact assessment on the STEP proposal; welcomes that the CoR organised a Territorial Impact Assessment (TIA), which confirmed the possible concentration of funding under the programmes reinforced by STEP in some regions and Member States and a possible concentration of the targeted critical technologies in the same areas; takes note moreover that the "investment needs assessment" used as a reference document to justify STEP and published in March 2023</p>	<p>The Strategic Technologies for Europe Platform (STEP) proposal aims at supporting investments throughout companies' full cycle, so that they can take off, grow and become mature in the Union, through the different programmes that it builds on. It does so while preserving the cohesion objectives and contributing to a level playing field in the Single Market by enabling regions in Member States lacking the necessary fiscal space to support the development of projects contributing to STEP objectives through their resources under cohesion policy programmes.</p>

<p>does not tackle in any way the territorial dimension of the investment needs nor try to assess their impact in terms of economic, social and territorial cohesion; strongly doubts therefore that the STEP proposal is consistent with the "do no harm to cohesion" principle; calls on Member States and the European Parliament to take the results of the Territorial Impact Assessment into account during their negotiations.</p>	
<p>15. The CoR strongly regrets that no specific mechanism is foreseen under STEP to ensure the concrete involvement of local and regional authorities in the selection process for projects that would be granted the "Sovereignty Seal" label; calls for a specific mechanism to ensure this involvement; fears that the proposed mechanisms to select "Sovereignty Seal" projects will lead to a further centralisation of power and exacerbate competition between EU regions instead of reinforcing the cohesion of the EU as whole.</p>	<p>Projects contributing to STEP objectives receive a Sovereignty Seal if they meet the minimum quality requirements of the respective calls for proposals under Horizon Europe, the Digital Europe programme, the European Defence Fund, EU4Health or the Innovation Fund. It is worth noting that whether the project has received funds from these instruments or not is not a determining factor. The Sovereignty Seal provides an opportunity to utilise the rigorous evaluation processes in place for these instruments. Furthermore, the Sovereignty Seal will promote better access to EU funding, particularly by facilitating the accumulation or combination of resources from several EU programmes and instruments.</p>
<p>16. The CoR underlines the fact that since the start of the current programming period, Member States have been repeatedly encouraged to amend their operational programmes to cater for political priorities not originally foreseen; underlines that this can deviate the policy from its long-term goals, while also putting a heavy administrative burden on managing authorities; is very much concerned that, in the case of STEP, this reprogramming exercise might in many cases lead regional and local authorities to set aside long term investment projects carefully planned and designed under the partnership principle to the benefit of new investment</p>	<p>The objective of STEP is to provide Member States with additional options, while preserving the cohesion objectives. Creating a STEP priority within cohesion policy programmes is optional and is linked to the possibility to benefit from the related financial incentives for STEP projects (higher rates for pre-financing and co-financing). Moreover, the Commission proposes to extend by 12 months the deadline for the submission of the final payment application (from 31 July 2024 to 31 July 2025) and the deadline for the submission of the closure documents (by 15 February 2026) under the 2014-2020 programming period for cohesion policy programmes and the Fund for European Aid to the Most Deprived (FEAD). This</p>

<p>projects which have been selected under EU centrally managed programmes; condemns very strongly this trend as a clear violation of the multi-level governance principle which is at the core of cohesion policy; reiterates its previous position that cohesion policy instruments should not be used as a pot of money to cater for urgent and unforeseen needs.</p>	<p>is to help Member States that will face additional workload linked to the revision of the programmes under the 2021-2027 programming period towards STEP, which would have to take place around the same time.</p>
<p>17. The CoR stresses the challenges of the transformation for all regions; strongly doubts, however, that the opening up of cohesion policy instruments for large companies in more developed regions of Member States with a GDP per capita below the EU average will strengthen cohesion; notes that this proposal is in sharp contrast with the findings of the 8th Cohesion report and accumulative evidence of a "development trap" of some EU regions and the "widening of the research and innovation divide in EU regions" as underlined thereto; proposes, therefore, to delete these provisions in Article 10(4);.</p>	<p>Enabling investments in large enterprises will ensure that key projects that contribute to the Union's resilience can have greater access to funding possibilities across the EU, including in regions that rely on cohesion funding to finance such projects. Supporting the resilience of regional economies and labour markets in regions which proved the most vulnerable to external shocks and forthcoming challenges, by investing in future proof technologies, contributes to cohesion objectives. In addition, STEP also aims at preserving the level playing field in the Single Market at the benefit of most vulnerable regions.</p>
<p>18. The CoR applauds the intention of the Commission to strengthen the competitiveness of the EU economy in the global market by promoting and strengthening investments in the development, manufacturing and value chains of critical technologies; considers, however, that not all the measures proposed are appropriate to compensate for the current competitive disadvantages of some regions, especially the least developed ones; is very surprised that the Commission did not present a comprehensive ex-ante analysis of the combined impact on the level playing field in the single market of the recent relaxation of State aid rules and the STEP proposal.</p>	<p>The STEP proposal does not create a new instrument but is implemented through existing programmes and instruments under the EU budget, which are amended to be able to better mobilise investment resources into critical technologies. Those existing programmes and instruments, such as cohesion funds, InvestEU and Horizon Europe, have been subject to an impact assessment. Moreover, the proposal builds on existing proposals that have been subject to impact analysis, such as the Critical Raw Materials Act, the European Innovation Agenda, the Fitfor55 package, the European Chips Act, and the Digital Decade Compass, as well as the investment needs assessment published on 23 March 2023. For those reasons, another impact assessment is not needed.</p>

<p>20. The CoR recognises that increasing co-financing to 100% for STEP priorities may inadvertently favour the most developed regions, potentially diminishing the overall impact of cohesion policy; calls for a nuanced approach that ensures that co-financing rates are tailored to the specific needs and development levels of different regions, thereby enhancing the effectiveness of cohesion policy in supporting less developed areas.</p>	<p>The exceptional pre-financing of 30% and EU financing of 100% for STEP investments are aimed at accelerating investments in critical and emerging technologies which are much needed right now to enhance the EU competitiveness in the global arena, complete the twin transition and prevent or reduce our strategic dependencies. Such financial incentives will make it possible for all regions covered by the proposal to benefit from increased support as of 2024, with the less developed regions benefitting the most in view of their higher Funds' allocation. Those financial incentives help all less developed European regions and counter unequal capacity to grant State aid.</p>
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<p><b>N°5 A Drone Strategy 2.0</b>  <b>Own initiative</b>  <b>COM(2022) 652 final</b>  <b>SWD(2022) 366</b>  <b>CoR-2023-01050 – COTER-VII/028</b>  <b>157<sup>th</sup> plenary session – October 2023</b>  <b>Rapporteur: Władysław ORTYL (PL/ECR)</b>  <b>DG MOVE – Commissioner VÁLEAN</b></p>	
<p><b>Points of the European Committee of the Regions opinion considered essential</b></p>	<p><b>Commission position</b></p>
<p><b>Policy Recommendations</b></p>	
<p>2. The European Committee of the Regions (CoR) considers the creation in 2022 of the Drone Strategy 2.0 for a Smart and Sustainable Unmanned Aircraft Eco-System in Europe (hereinafter: "the Drone Strategy") an appropriate response to the problems in the drone technology market that enables the EU to build technological leadership in the solutions outlined therein. The document highlights the important role of local and regional authorities in shaping the new drone reality and makes it possible to see the scope of their expected activity;</p>	<p>The Commission welcomes the opinion of the Committee on the Drone Strategy 2.0 and confirms that particular attention will be given to the role of local and regional authorities (LRAs) in its implementation.</p>
<p>4. The CoR calls on the Commission to review the state of the market more frequently (than every seven years) and verify the relevance of regulations, plans and strategies for its development, given the high likelihood of underestimating the speed of its growth due to the sector's innovative nature and the rapidity of technological obsolescence, but also take into account the uptake of the use of drones for civilian purposes.</p>	<p>The Commission takes note of the recommendation to review the state of the market more frequently than every seven years. During the timeframe foreseen for the implementation of the Drone Strategy 2.0 until 2030, the Commission will in any event constantly monitor the development of the drone ecosystem and adapt the legislative framework, if and where necessary, on the basis of its risk-based operations-centric and technology-neutral approach.</p>
<p>6. The CoR calls, therefore, for decisive and coordinated regulatory measures at all levels of European governance. Such measures would give regional and local authorities basic</p>	<p>The EU regulatory framework sets out harmonised conditions for the operation of drones across the EU. This is important to avoid different interpretations and implementation approaches by</p>

<p>autonomy to organise the new drone services in their territories and to manage the U-space, including the possibility for them to restrict the use of drones by certain groups of users, in very specific areas not considered appropriate for such use.</p>	<p>Member States, or regional and local authorities, ultimately affecting market conditions. Member States may nevertheless specify certain elements (as set out in Commission Implementing Regulation on the rules and procedures for the operation of unmanned aircraft<sup>1</sup>), such as the minimum age for remote pilots and geographical zones for safety, security, privacy, and environmental reasons, such as noise. This provides some regulatory flexibility and it is therefore important to ensure coordination between all competent authorities. To that end, the Drone Strategy 2.0 introduces as its Flagship action 7 the funding of an online platform to support a sustainable implementation of Innovative Air Mobility (IAM) and U-space by regional and local authorities, communities, industry and other stakeholders. This platform, together with other initiatives such as the European Network of U-space stakeholders<sup>2</sup>, will support information and knowledge sharing between local communities, cities and regions on U-space implementation.</p>
<p>7. The CoR points out that the process of legislating for new technologies is often time-consuming, and so building resilience into the process is key given the risk of existing legal documents quickly becoming outdated. Legislation in this area should be sufficiently universal to make it possible to adapt existing regulations in the event of an unanticipated technological leap. Regulations should stimulate safe, barrier-free technological development.</p>	<p>The Commission recalls that the newly established drone regulations have been developed using a performance-based and technology-neutral approach. When demonstrating compliance to the competent authority, drone operators may propose those means of compliance that best fit their needs and may use for this purpose available industry standards. The European Unmanned Aircraft Systems (UAS) Standards Coordination Group (EUSCG)<sup>3</sup>, led by European Union Aviation Safety Agency (EASA), developed the Rolling Development Plan for UASs (U-RDP)<sup>4</sup>, listing more than 800 existing standards.</p>

<sup>1</sup> Commission Implementing Regulation (EU) 2019/947 of 24 May 2019 on the rules and procedures for the operation of unmanned aircraft; OJ L 152, 11.6.2019, p. 45–71.

<sup>2</sup> <https://www.eurocontrol.int/product/european-network-u-space-demonstrators>

<sup>3</sup> <https://www.euscg.eu/rdp/>

<sup>4</sup> [RDP - EUSCG](#)

<p>8. The CoR appreciates that the Drone Strategy was drawn up in consultation with Member State representatives. At the same time, calls for local and regional authorities to be involved in regulating the future drone reality, given the need to create safe and citizen-friendly use of drones at regional level, which will have a positive impact on building public awareness of the responsibility of local and regional authorities and their substantive involvement. Recommends that citizens and citizens' initiatives must be closely consulted for this purpose in order to ensure the highest possible level of acceptance by the public.</p>	<p>The Commission fully agrees on the importance of involving LRAs to secure the social acceptance of drone operations particularly at local and regional levels. Tools such as the IAM online platform will enable engagement, alignment, and coordination between the different stakeholders. This platform will also contribute to increasing public knowledge on the environmental impact of drones. In addition, LRAs should also use their own consultation mechanisms to engage local communities in the implementation of drone operations projects and achieve a consensus.</p>
<p><b>Transport transition</b></p>	
<p>14. The CoR welcomes the plans set out in the Strategy to adopt new standard scenarios for low- and medium-risk operations. At the same time, it calls for consultation with regional authorities on the scenarios to be implemented in order to take account of the specific characteristics, geographical circumstances, constraints and social, economic, military and political situation of the regions and the impact on the population concerned, which will help to draw up possible exceptions to be included in the scenarios and, as a result, ensure that regional authorities retain control over areas affected by specific circumstances.</p>	<p>Standard scenarios should by their nature be as wide-ranging as possible and not contain possible exceptions. If specific characteristics exist that would exclude the application of a standard scenario, the competent authorities may restrict drone operations by defining UAS geographical zones.</p>
<p>15. The CoR points out, at the same time, that the implementation of the above-mentioned standard scenarios across the EU will reduce the need to implement national standard scenarios in individual Member States. It will help make it easier to interpret the rules applicable to drone users in a given country. A major problem at present is that drone users have to carry out extensive analysis to check the requirements for missions using unmanned aircraft systems (UAS) in individual countries.</p>	<p>The Commission points out that the EU drone regulatory framework in place applies fully in all Member States since 31 December 2020. The declarations of operations launched, by derogation, under the existing national standard scenario will cease to be valid as of 1 January 2026.</p> <p>The EU regulatory framework sets out harmonised conditions for the operation of drones across the EU. The Member States may only specify certain elements such as the minimum age for remote pilots or geographical zones for safety, security,</p>



<p>Consideration should be given to setting up an EU-authorized information platform compiling national UAS legislation, with a view to making it easier to check the laws specific to each country.</p>	<p>privacy, and environmental reasons. If such additional elements are specified, they are made known on-line by the competent authorities and drone operators should always consult these websites before starting the operations.</p>
<p>16. The CoR shares the concerns of representatives of the drone sector when it comes to defining geographical areas and assessing the risk of the difficulties of checking flight requirements in their specific area. Strategic and legislative action should be carried out to reduce the risk of a proliferation of airspace zones for which approval is required. The requirements in this regard should be sufficiently precise to allow access to airspace to be restricted where justified, while maintaining an approach conducive to the development of the drone sector.</p>	<p>The Commission takes note of the difficulties communicated to the Committee. The Implementing Regulation on drone operations<sup>5</sup> requires drone operators to obtain updated information about any geographical zones and comply with them before and during each flight. Member States are currently elaborating, under the auspices of EASA and in consultation with industry stakeholders, a common approach to facilitate the uploading of data related to UAS geographical zones. However, Member States remain responsible for the setting of the geo zone in their national airspace.</p>
<p>18. The CoR shares the concerns of industry manufacturers regarding the prospect of an overly costly certification process for drones and the initial cost-effectiveness of U-space services. Action should be taken at European, national and regional level to address these risks.</p>	<p>The Commission shares this concern and points out that the Drone Strategy 2.0 aims to address this by the further harmonisation of certification requirements and the alignment of civil and military certification requirements. On the cost-effectiveness of U-space services, the Commission points out that prices for U-space services provided by U-space Service providers are not regulated but market driven.</p>
<p><b>U-space concept</b></p>	
<p>20. at the same time, given the scope of the changes linked to the implementation of the U-space concept and its direct impact on society, the CoR calls for more systematic cooperation between the European, national and regional levels in building U-space tools; in particular, calls for the promotion of technologies that make operations more reliable, safer and more secure, such as U-space environment simulators at regional level, as they will speed</p>	<p>The Commission shares the Committee's call for cooperation between relevant actors on different levels. The before-mentioned IAM online platform will enable engagement, alignment, and coordination between the different stakeholders. Furthermore, the Drone Strategy 2.0 includes a Flagship action on setting up an EU network on civil-defence drone testing centres where such new technologies can be safely tested.</p>

<sup>5</sup> Regulation 2019/947. [EUR-Lex - 32019R0947 - EN - EUR-Lex \(europa.eu\)](https://eur-lex.europa.eu/eli/reg/2019/947/oj)

<p>up technological and regulatory developments, improving the economic prospects of the sector at EU level.</p>	
<p>22. The CoR stresses that consideration should be given to mobilising financial support for regional authorities in view of the need to invest in the implementation of the U-space concept, and points out that the actions set out in the Strategy and in the cited European Commission regulations represent a significant financial burden for the regions. A separate funding stream for U-space projects could be considered; to this end, calls for a catalogue of existing U-space research, development and innovation (R&amp;D&amp;I) infrastructure to be created.</p>	<p>According to the U-space Regulation<sup>6</sup>, the Member States remain responsible for designating U-space airspace for reasons of safety, security, privacy or environment. The U-space service is provided by a certified service provider, designated by the competent national authority. Therefore, the implementation of a U-space should not introduce any significant burden for regional authorities.</p>
<p><b>Public acceptance and the role of the local and regional authorities</b></p>	
<p>28. The CoR recalls that the Commission's communication acknowledges the fact that noise, safety, privacy, environmental issues and security are at the top of the concerns of European citizens. For this reason, proposes a two-step approach to introducing new drone services: first by developing, as a test to reassure citizens, first applications with a strong public interest (health protection, environmental safety, crisis management, last mile delivery) and, second, by postponing and further regulating the more contradictory uses like human transport or urban surveillance. Examples of positive applications in crisis situations and of the daily lives of citizens being facilitated through drones will significantly increase public trust in them.</p>	<p>The Commission agrees with the proposed approach to first launch operations that are in the common public interest, for example emergency services or medical transportation, which have received strong support, as highlighted in the EASA study mentioned above.</p>

<sup>6</sup> Commission Implementing Regulation (EU) 2021/664 of 22 April 2021 on a regulatory framework for the U-space; OJ L 139, 23.4.2021, p. 161–183.

**Financial support**

42. The CoR calls for close cooperation between the European, national and regional levels in creating dedicated funding pathways and establishing a separate support stream for drone technologies.

The Commission agrees with the Committee's call for the need of close coordination between all actors and notes the call on dedicated funding pathways. At the same time, the Commission points out that the Drone Strategy 2.0 includes two Flagship actions on financing, Flagship Action 9 for research and innovation (R&I) funding and Flagship Action 10 for coordinated calls.

**N°6 A just and sustainable transition for Automotive Regions**  
**Own-initiative**  
**COR-2023-01449 – COTER-VII/029**  
**157<sup>th</sup> plenary session – October 2023**  
**Rapporteur: Sven SCHULZE (DE/EPP)**  
**DG REGIO – Commissioner FERREIRA**

**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.

<b>N°7 European Cross-Border Mechanism 2.0</b> <b>Own-initiative</b> <b>COR-2022-06083 – COTER-VII/025</b> <b>157<sup>th</sup> plenary session – October 2023</b> <b>Rapporteur: Magali ALTOUNIAN (FR/renew E)</b> <b>DG REGIO – Commissioner FERREIRA</b>	
<b>Points of the European Committee of the Regions opinion considered essential</b>	<b>European Commission position</b>
The follow-up given by the Commission to this opinion will be included in a subsequent report.	

<b>N°8 Consumers' protection package</b> <b>Own-initiative</b> <b>COM(2023) 166 final</b> <b>COM(2023) 155 final</b> <b>COR-2023-02019 – NAT-VII/036</b> <b>157<sup>th</sup> plenary session – October 2023</b> <b>Rapporteur: Dan BOYLE (IE/GREENS)</b> <b>DG JUST – Vice-President JOUROVÁ and</b> <b>DG ENV – Commissioner SINKEVIČIUS</b>	
<b>Points of the European Committee of the Regions opinion considered essential</b>	<b>European Commission position</b>
The follow-up given by the Commission to this opinion will be included in a subsequent report.	

**N°9 UNFCCC COP28: the role of subnational authorities in keeping climate ambition on track**  
**Own-initiative**  
**COR-2023-00904 – ENVE-VII/038**  
**157<sup>th</sup> plenary session – October 2023**  
**Rapporteur: Rafal Kazimierz TRZASKOWSKI (PL/EPP)**  
**DG CLIMA – Commissioner HOEKSTRA**

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

**European Commission position**

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

<p><b>N°10    Mentoring: a powerful and meaningful tool for the Europe of tomorrow</b>  <b>Own-initiative</b>  <b>COR-2023-01537-00-01-AC-TRA– SEDEC-VII/038</b>  <b>157<sup>th</sup> plenary session – October 2023</b>  <b>Rapporteur: Anne RUDISUHLI (FR/renew E)</b>  <b>DG EAC – Commissioner IVANOVA</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>38. The European Committee of the Regions (CoR) invites the Commission to rethink and actively promote the existing Europass CV so that it becomes better known among citizens in the Member States and puts a greater emphasis on volunteering and civic engagement experience, particularly experience gained through mentoring; stresses the need for close collaboration with the national public employment services and ad hoc private entities to ensure that it is actually taken into account in recruitment processes.</p>	<p>The Commission is fully committed to further improve the Europass CV module to allow end-users to better describe the skills acquired in formal or non-formal work and learning experiences, by making use of the multilingual standardised skills terminology from the European classification of skills and occupations (ESCO).</p> <p>Preliminary results from the Europass evaluation show that the Europass CV is the best known and most frequently used among the Europass tools and records the highest satisfaction rate by end-users. In the near future, the ambition for the Europass CV is to become the standard profile tool for learning and jobs in the EU and at national level.</p> <p>The European Network of Public Employment Services is regularly informed of relevant developments related to Europass.</p>
<p>39. The CoR calls on the Commission to work closely with local, regional, state and European level partners to develop a common framework for the development of quality mentoring in the EU.</p>	<p>The Commission acknowledges the operational definition proposed at point 18 of the opinion. It also understands that ‘mentoring works in a comparable way for different subjects, target groups, objectives and organisations despite differences in cultural, traditional and legal context between Member States’. The Commission considers, however, that these differences in cultural, traditional and legal contexts need better exploring before any common framework can be envisaged. Given the high variety of forms and contexts in which mentoring can take place, and the different understandings of</p>



	<p>such practices, solid preparatory work is needed to clarify concepts and definitions and mapping existing mentoring policies and practices across Europe. For mentoring activities more closely related to education, the Erasmus+ programme offers ample opportunities for projects aimed at mapping and discussing existing practices, exploring the feasibility of a common framework, starting development of its structure, and piloting and testing it, thus paving the way for further action on this topic if necessary.</p>
<p>40. The CoR recommends that the Commission support the creation of cross-border mentoring programmes for citizens by highlighting the social and economic benefits for those who participate in them.</p>	<p>As indicated above, the Commission considers that the Erasmus+ programme offers vast opportunities for cross-border cooperation on mentoring activities, including both the mobility activities and partnerships cooperation projects. In the mobility activities a dedicated support (the ‘accompanying person’) has been made available. The role of the accompanying person is to provide support, mentoring and assistance, as well as to help individuals to fully benefit from the mobility experience.</p>
<p>41. The CoR calls on the Commission to support local and regional authorities, public and private bodies and also associations so that they have the necessary financial and human resources and tools to manage mentoring programmes effectively.</p>	<p>The Commission recalls that mentoring is referenced by the 2022 Council Recommendation on Pathways to School Success<sup>1</sup>, among the good practices to provide targeted and individualised support to all learners more vulnerable to exclusion and underachievement (including social, emotional and psychological support). The Commission supports the implementation of the Recommendation by facilitating mutual learning and cooperation among European country experts and stakeholders, in particular through the European Economic Area (EEA) strategic framework Working Group on Schools, Pathways to School Success sub-group. The Working Group is currently exploring how to provide targeted and individualised support in an inclusive way; under</p>

<sup>1</sup> Council Recommendation of 28 November 2022 on Pathways to School Success and replacing the Council Recommendation of 28 June 2011 on policies to reduce early school leaving; OJ C 469, 9.12.2022, p. 1–15. ([EUR-Lex - 32022H1209\(01\) - EN - EUR-Lex \(europa.eu\)](https://eur-lex.europa.eu/eli/recommendation/2022/2022/01/01/EN)).

	<p>this priority topic, mentoring practices have been showcased and promoted withing the Working Group. The WG is working on targeted support right now and until summer; a thematic report is expected in autumn.</p>
<p>42. The CoR calls on the Commission to facilitate access to financial resources for organisations and mentoring initiatives in Europe by simplifying administrative procedures, providing information and advice on available funding sources, and encouraging the sharing of best practices in the area of mentoring funding.</p>	<p>The European Social Fund+ (ESF+) invests in youth employment, including measures funding mentoring. Under the ESF Social Innovation+ initiative<sup>2</sup>, the Commission funds different Communities of Practice gathering stakeholders involved in ESF+ implementation and providing capacity building and exchange of best practice.</p> <p>The Commission is committed to promote the use of Simplified Cost Options and Financing Not Linked to Costs.</p>
<p>43. The CoR encourages the Commission to establish a European mentoring label to recognise mentoring initiatives that meet pre-established quality criteria, thereby fostering trust and excellence in mentoring in Europe.</p>	<p>The Commission considers that this could be supported under the Erasmus+ Key Action 2 partnerships for cooperation.</p>
<p>44. The CoR calls on the Commission to explore innovative financing mechanisms, such as social impact partnerships, impact investment funds or crowdfunding initiatives, to support mentoring projects and ensure their long-term sustainability.</p>	<p>Thanks to the funds ESF+ and InvestEU, the Commission is indeed exploring innovative financing mechanisms in these fields.</p> <p>The ESF+ invests in youth employment, including measures funding mentoring. Under the ESF Social Innovation+ initiative, the Commission funds different Communities of Practice gathering stakeholders involved in ESF+ implementation and providing capacity building and exchange of best practice.</p> <p>Under the InvestEU Fund ‘Social Investment and Skills’ Window, the Commission guarantees the investments of the European Investment Fund into social impact funds that in turn support social enterprises and impact driven enterprises delivering social impact. This includes social impact funds also in the field of skills, education and training, thus contributing to the</p>

<sup>2</sup> [ESF Social Innovation+ initiative | European Social Fund Plus \(europa.eu\)](https://european-council.europa.eu/media/en/press-communications/infographic/infographic-esf-social-innovation-initiative-2020-2021-2022-2023-2024-2025-2026-2027-2028-2029-2030-2031-2032-2033-2034-2035-2036-2037-2038-2039-2040-2041-2042-2043-2044-2045-2046-2047-2048-2049-2050-2051-2052-2053-2054-2055-2056-2057-2058-2059-2060-2061-2062-2063-2064-2065-2066-2067-2068-2069-2070-2071-2072-2073-2074-2075-2076-2077-2078-2079-2080-2081-2082-2083-2084-2085-2086-2087-2088-2089-2090-2091-2092-2093-2094-2095-2096-2097-2098-2099-2100-2101-2102-2103-2104-2105-2106-2107-2108-2109-2110-2111-2112-2113-2114-2115-2116-2117-2118-2119-2120-2121-2122-2123-2124-2125-2126-2127-2128-2129-2130-2131-2132-2133-2134-2135-2136-2137-2138-2139-2140-2141-2142-2143-2144-2145-2146-2147-2148-2149-2150-2151-2152-2153-2154-2155-2156-2157-2158-2159-2160-2161-2162-2163-2164-2165-2166-2167-2168-2169-2170-2171-2172-2173-2174-2175-2176-2177-2178-2179-2180-2181-2182-2183-2184-2185-2186-2187-2188-2189-2190-2191-2192-2193-2194-2195-2196-2197-2198-2199-2200-2201-2202-2203-2204-2205-2206-2207-2208-2209-2210-2211-2212-2213-2214-2215-2216-2217-2218-2219-2220-2221-2222-2223-2224-2225-2226-2227-2228-2229-2230-2231-2232-2233-2234-2235-2236-2237-2238-2239-2240-2241-2242-2243-2244-2245-2246-2247-2248-2249-2250-2251-2252-2253-2254-2255-2256-2257-2258-2259-2260-2261-2262-2263-2264-2265-2266-2267-2268-2269-2270-2271-2272-2273-2274-2275-2276-2277-2278-2279-2280-2281-2282-2283-2284-2285-2286-2287-2288-2289-2290-2291-2292-2293-2294-2295-2296-2297-2298-2299-2300-2301-2302-2303-2304-2305-2306-2307-2308-2309-2310-2311-2312-2313-2314-2315-2316-2317-2318-2319-2320-2321-2322-2323-2324-2325-2326-2327-2328-2329-2330-2331-2332-2333-2334-2335-2336-2337-2338-2339-2340-2341-2342-2343-2344-2345-2346-2347-2348-2349-2350-2351-2352-2353-2354-2355-2356-2357-2358-2359-2360-2361-2362-2363-2364-2365-2366-2367-2368-2369-2370-2371-2372-2373-2374-2375-2376-2377-2378-2379-2380-2381-2382-2383-2384-2385-2386-2387-2388-2389-2390-2391-2392-2393-2394-2395-2396-2397-2398-2399-2400-2401-2402-2403-2404-2405-2406-2407-2408-2409-2410-2411-2412-2413-2414-2415-2416-2417-2418-2419-2420-2421-2422-2423-2424-2425-2426-2427-2428-2429-2430-2431-2432-2433-2434-2435-2436-2437-2438-2439-2440-2441-2442-2443-2444-2445-2446-2447-2448-2449-2450-2451-2452-2453-2454-2455-2456-2457-2458-2459-2460-2461-2462-2463-2464-2465-2466-2467-2468-2469-2470-2471-2472-2473-2474-2475-2476-2477-2478-2479-2480-2481-2482-2483-2484-2485-2486-2487-2488-2489-2490-2491-2492-2493-2494-2495-2496-2497-2498-2499-2500-2501-2502-2503-2504-2505-2506-2507-2508-2509-2510-2511-2512-2513-2514-2515-2516-2517-2518-2519-2520-2521-2522-2523-2524-2525-2526-2527-2528-2529-2530-2531-2532-2533-2534-2535-2536-2537-2538-2539-2540-2541-2542-2543-2544-2545-2546-2547-2548-2549-2550-2551-2552-2553-2554-2555-2556-2557-2558-2559-2560-2561-2562-2563-2564-2565-2566-2567-2568-2569-2570-2571-2572-2573-2574-2575-2576-2577-2578-2579-2580-2581-2582-2583-2584-2585-2586-2587-2588-2589-2590-2591-2592-2593-2594-2595-2596-2597-2598-2599-2600-2601-2602-2603-2604-2605-2606-2607-2608-2609-2610-2611-2612-2613-2614-2615-2616-2617-2618-2619-2620-2621-2622-2623-2624-2625-2626-2627-2628-2629-2630-2631-2632-2633-2634-2635-2636-2637-2638-2639-2640-2641-2642-2643-2644-2645-2646-2647-2648-2649-2650-2651-2652-2653-2654-2655-2656-2657-2658-2659-2660-2661-2662-2663-2664-2665-2666-2667-2668-2669-2670-2671-2672-2673-2674-2675-2676-2677-2678-2679-2680-2681-2682-2683-2684-2685-2686-2687-2688-2689-2690-2691-2692-2693-2694-2695-2696-2697-2698-2699-2700-2701-2702-2703-2704-2705-2706-2707-2708-2709-2710-2711-2712-2713-2714-2715-2716-2717-2718-2719-2720-2721-2722-2723-2724-2725-2726-2727-2728-2729-2730-2731-2732-2733-2734-2735-2736-2737-2738-2739-2740-2741-2742-2743-2744-2745-2746-2747-2748-2749-2750-2751-2752-2753-2754-2755-2756-2757-2758-2759-2760-2761-2762-2763-2764-2765-2766-2767-2768-2769-2770-2771-2772-2773-2774-2775-2776-2777-2778-2779-2780-2781-2782-2783-2784-2785-2786-2787-2788-2789-2790-2791-2792-2793-2794-2795-2796-2797-2798-2799-2800-2801-2802-2803-2804-2805-2806-2807-2808-2809-2810-2811-2812-2813-2814-2815-2816-2817-2818-2819-2820-2821-2822-2823-2824-2825-2826-2827-2828-2829-2830-2831-2832-2833-2834-2835-2836-2837-2838-2839-2840-2841-2842-2843-2844-2845-2846-2847-2848-2849-2850-2851-2852-2853-2854-2855-2856-2857-2858-2859-2860-2861-2862-2863-2864-2865-2866-2867-2868-2869-2870-2871-2872-2873-2874-2875-2876-2877-2878-2879-2880-2881-2882-2883-2884-2885-2886-2887-2888-2889-2890-2891-2892-2893-2894-2895-2896-2897-2898-2899-2900-2901-2902-2903-2904-2905-2906-2907-2908-2909-2910-2911-2912-2913-2914-2915-2916-2917-2918-2919-2920-2921-2922-2923-2924-2925-2926-2927-2928-2929-2930-2931-2932-2933-2934-2935-2936-2937-2938-2939-2940-2941-2942-2943-2944-2945-2946-2947-2948-2949-2950-2951-2952-2953-2954-2955-2956-2957-2958-2959-2960-2961-2962-2963-2964-2965-2966-2967-2968-2969-2970-2971-2972-2973-2974-2975-2976-2977-2978-2979-2980-2981-2982-2983-2984-2985-2986-2987-2988-2989-2990-2991-2992-2993-2994-2995-2996-2997-2998-2999-3000)

	<p>implementation of the European Pillar of Social Rights, the European Education Area and the European Skills Agenda. Thus, mentoring projects and crowdfunding initiatives could among others benefit from the InvestEU fund support, as described above.</p>
<p>46. The CoR calls on the Commission to draw up a report on the impact of mentoring and research into this practice so that it can serve as a basis for the development of policies and concrete measures to strengthen and promote this public policy tool in Europe, by supporting, in particular, the development of mentors' formal and informal skills and encouraging the introduction of mentoring programmes in different fields and sectors.</p>	<p>Policy frameworks in place already recognise the role of mentors in vocational education and training:</p> <p>(1) The European Framework for Quality and Effective Apprenticeships mentions that:</p> <p><i>Teachers, trainers and <b>mentors</b>, especially in micro-, small and medium-sized companies, should be supported to update their skills, knowledge and competences in order to train apprentices according to the latest teaching and training methods and labour market needs.</i></p> <p><i>Career guidance, <b>mentoring</b> and learner support should be provided before and during the apprenticeship to ensure successful outcomes, to prevent and reduce drop-outs as well as support those learners to reengage into relevant education and training pathways.</i></p> <p>(2) The Osnabrück Declaration on Vocational Education and training, mentions that Member States intend to: <i>Explore the possibility of setting up a network of voluntary experts and executives, retired or on sabbatical, to support their peers in the fields of VET and apprenticeships as part of the European Alliance for Apprenticeships.</i></p> <p>Every two years, the Commission and the Organisation for Economic Co-operation and Development (OECD) publish the Missing Entrepreneurs Report<sup>3</sup>, showing that there are substantial untapped opportunities for entrepreneurship in populations such as women, youth, the unemployed, people with disabilities and immigrants. In this context, the Report presents</p>

<sup>3</sup> [Missing Entrepreneurs Report](#)

	<p>different uses and examples of mentorship in EU Member States. It indicates that ‘Governments can also go further to leverage the experience of older entrepreneurs in supporting younger entrepreneurs’.</p>
<p>47. The CoR urges the Commission to consider developing the mentoring facet of the Erasmus+ Programme and consider including it as part of programmes, directly managed by the European Education and Culture Executive Agency (EACEA).</p>	<p>Given the numerous opportunities that might be supported in the current Erasmus+ programme to develop mentoring practices, the Commission does not consider it necessary to develop a separate facet on mentoring at this stage.</p>

**N°11 Enlargement Package 2022**  
**COM(2022) 528 final**  
**COR-2023-00018-00-01-AC-TRA – CIVEX-VII/021**  
**156<sup>th</sup> plenary session – July 2023**  
**Rapporteur: Anna MAGYAR (HU/ECR)**  
**DG NEAR – Commissioner VÁRHELYI**

<b>Points of the European Committee of the Regions opinion considered essential</b>	<b>European Commission position</b>
<p>3. The European Committee of the Regions (CoR) reaffirms its commitment to a merit-based EU enlargement, which contributes to peace, democracy, prosperity, security and stability in Europe. The CoR considers at the same time that the EU must re-energise its enlargement process to retain geostrategic relevance and credibility by setting a clear roadmap and timeline, providing more meaningful incentives to spur reform and favouring gradual integration, for example, in the single market and the energy, digital and green transitions. In turn, the CoR expects candidate countries and potential candidates to take ownership and demonstrate the credibility of their commitments and political will through implementation of necessary reforms.</p> <p>4. The CoR reiterates that it is in favour of all Western Balkan countries joining the EU, as outlined in the Thessaloniki Agenda for the Western Balkans back in 2003, provided they meet all the accession criteria; underlines the importance of sending positive signals to countries of the Western Balkans to foster their engagement in the regrettably long process of becoming EU Member States.</p>	<p>The Commission appreciates the Committee's commitment to a merit-based EU enlargement process. EU enlargement is a driving force for stability, peace and prosperity across the European continent. This became even more evident in 2022, with the membership applications of Ukraine, the Republic of Moldova and Georgia, following Russia's unjustified and unprovoked aggression against Ukraine.</p> <p>The EU's enlargement policy remains a merit-based process, fully dependent on the objective progress achieved by each country.</p> <p>At the same time, there is a need to accelerate the Western Balkans' preparations for EU membership.</p> <p>Regional economic integration, based on EU rules and standards, better integration with the EU Single Market and deepening of reforms are needed to accelerate growth in the region, to promote economic convergence and to strengthen regional stability. This is the essence of the new Growth Plan for the Western Balkans, proposed by the Commission in November 2023<sup>1</sup>, which aims at bringing our partners in the region closer to the EU's Single Market ahead of full accession to the Union.</p>
<p>5. The CoR welcomes the fact that the enlargement process gained new impetus in 2022: Ukraine, Moldova and Bosnia and Herzegovina received candidate status and</p>	<p>2023 was a fruitful year for the EU's enlargement policy. Following the Commission's recommendations, the European Council decided to open accession negotiations with Ukraine and</p>

<sup>1</sup> COM(2023) 691 final.

<p>negotiations started with Albania and North Macedonia; also welcomes the Council's decision on visa liberalisation for Kosovo.</p>	<p>Georgia, with Bosnia and Herzegovina once the necessary degree of compliance with the membership criteria is achieved, and to grant candidate status to Georgia. Visa liberalisation for the citizens of Kosovo also entered into force on 1 January 2023. The screening process with Albania and North Macedonia went smoothly and ended in December 2023. The Commission is working with all candidate countries and potential candidates to maintain this dynamism in 2024, matched by EU-related reforms in all enlargement partners.</p>
<p>6. The CoR recalls that progress in the EU-facilitated Belgrade-Pristina dialogue is an obligation on the way to accession; calls on the parties involved to make rapid progress in the normalisation process, implement past agreements and move ahead with the legally binding comprehensive agreement.</p>	<p>The Commission fully supports the EU-facilitated Dialogue on normalisation of relations between Kosovo and Serbia, which is a key component of the EU's engagement with the Western Balkans. It is more urgent than ever for Serbia and Kosovo to reach a comprehensive normalisation agreement, while fully implementing all past agreements. Kosovo and Serbia's respective European paths go through the EU-facilitated Dialogue.</p> <p>The Agreement on the Path to Normalisation that the Parties reached in February 2023 and its Implementation Annexe from March 2023 offer a clear way forward. Both Kosovo and Serbia are yet to start implementation of their respective obligations, which are binding for the Parties and part of their European paths. Both Kosovo and Serbia need to demonstrate more serious commitment, invest more effort and make compromises to take the process of normalisation of relations forward.</p> <p>Progress in the Dialogue on Normalisation of Relations between Kosovo and Serbia will be essential not only for Kosovo and Serbia's European perspectives, but also crucial for the economic cooperation of the whole region, specifically in line with the new Growth Plan for the Western Balkans.</p>
<p>7. The CoR reiterates that the rule of law, good functioning of democratic institutions, anti-</p>	<p>The Commission agrees with the assessment of the Committee. The 'fundamentals' are at the core of</p>

<p>corruption and public administration reform are key areas against which the EU assesses candidate countries' progress towards membership and expresses concern over the limited progress and numerous challenges in this area; calls on the candidate countries and potential candidates to step up their efforts to meet criteria related to fundamental rights including the protection of minorities and media pluralism.</p>	<p>the EU's revised enlargement methodology. To advance on their EU paths, all enlargement partners need to implement the necessary reforms, with an even greater focus on fundamental reforms, starting with the rule of law, the functioning of democratic institutions, public administration and economic reforms. Strong conditionality and a merit-based process are the two faces of the same coin.</p>
<p>7. The CoR welcomes the EU-Western Balkans Summit in Tirana on 6 December 2022 and the Tirana Declaration, to which all partners aligned.</p>	<p>The Commission appreciates the Committee's support for the outcomes of the EU-Western Balkans Summit that took place in December 2022 in Tirana. The latest EU-Western Balkans Summit took place in December 2023 in Brussels. The leaders mainly discussed bringing the Western Balkans partners closer to the EU and advancing on gradual integration and the new Growth Plan; tackling together the negative impact of Russia's war of aggression against Ukraine and reinforcing security and building resilience, also in the context of foreign information manipulation.</p>
<p>8. The CoR welcomes the Commission's Energy Support Package, worth EUR 1 billion in grants that will help the Western Balkans mitigate the impact of the energy crisis and accelerate the energy transition in the region.</p>	<p>In November 2022, the Commission announced a EUR 1 billion Energy Support Package<sup>2</sup> in EU grants to mitigate the impact of Russia's war of aggression against Ukraine in the Western Balkans. 90% of the first part of the package (EUR 450 million out of the EUR 500 million in budget support programmes) has been disbursed in the first semester of the 2023. The remaining 10% will be disbursed in early 2024 against the successful implementation of national action plans. The second part of the package, also worth EUR 500 million, is provided via the Western Balkans Investment Framework (WBIF) to support the energy transition of region over the short to medium term.</p> <p>In particular, the component of budget support programmes aims at assisting in the immediate term</p>

<sup>2</sup> Energy Support Package.

	<p>the Instrument for Pre-Accession Assistance (IPA III) beneficiary in reducing the socio-economic impact of the rising energy prices, in particular on small and medium sized enterprises and households, and to strengthen the authorities' overall capacity to deliver tailor-made services to vulnerable households and support the long-term socioeconomic recovery, energy security, and energy transition. The support via WBIF is provided to further advance in the short and medium-term energy diversification, renewable energy generation and gas and electricity interconnections.</p>
<p>9. The CoR stands ready to start works with Albania in a Joint Consultative Committee; calls on the Stabilisation and Association Council to adopt the relevant Declaration; stresses the need to start a similar procedure for Ukraine, Moldova and Bosnia and Herzegovina.</p>	<p>The Commission welcomes the Committee's commitment to foster engagement with the enlargement countries, including by setting up Joint Consultative Committees.</p>
<p>10. The CoR emphasises the need for more efficient communication, including at the local level, in order to highlight the benefits that EU integration offers and to counter disinformation;</p>	<p>As part of its strategic communication on EU enlargement<sup>3</sup>, the Commission and the European External Action Service (EEAS), in particular the Western Balkans Strategic Communications Taskforce, together with the EU Delegations on the ground, have been actively highlighting the benefits of EU integration. The EEAS and the Commission have been paying close attention to increasing countering disinformation activities in the enlargement partners. The High Representative/Vice-President Borrell has in this regard stepped up efforts and engagement specifically in those countries most exposed to Foreign Information Manipulation and Interference, in line with the commitments made under the EU-Western Balkans Summit 2021 and 2022. Besides debunking disinformation, the EEAS and the Commission have been engaging with the authorities to increase societal resilience against</p>

<sup>3</sup> COM(2022) 528 final.



	these threats.
<p>12. The CoR emphasises that progressive alignment with the EU's Common Foreign and Security Policy (CFSP) is key for candidate countries and potential candidates on their path towards EU accession as well as an obligation stemming from the negotiating frameworks.</p>	<p>Russia's war of aggression against Ukraine has further underlined the need for unity and solidarity among the EU and its closest partners and thus the importance of Common Foreign and Security Policy (CFSP) alignment in the enlargement process. The continued full alignment to the EU's CFSP by Albania, Montenegro and North Macedonia is a strong signal of their strategic choice of EU accession. Ukraine's overall cooperation and alignment with the EU's CFSP increased. The significant increase in the CFSP alignment rates of Moldova, Bosnia and Herzegovina and Kosovo's continued unilateral alignment were also important confirmations of their strategic direction towards the EU, although the implementation of sanctions remains a challenge in Bosnia and Herzegovina. Serbia is expected, as a matter of priority, to fulfil its commitment and step up its alignment rate, by progressively aligning with the EU CFSP, including with EU restrictive measures, in line with EU-Serbia negotiating framework. Georgia's alignment with the CFSP remains low and the country is expected to reverse this trend. Türkiye made no progress on CFSP alignment during the reporting period, maintaining a very low rate.</p>
<p>57. The CoR recalls that 70% of the EU acquis is implemented at the sub-national level; encourages exploring and applying best practices in the cooperation with and involvement of LRAs in enlargement-related matters, as they are strategic partners in the process and key actors in making the enlargement successful for citizens.</p>	<p>Cities and regions are key players in European integration. In particular, local and regional governments play an important role as an anchor of stability, by promoting socio-economic development and facilitating cross-border cooperation, and local and regional authorities indeed implement a substantial part of all EU legislation.</p>
<p>58. The CoR calls on the enlargement countries to make the best use of peer-to-peer capacity-building instruments provided by the EU, e.g. TAIEX, in order to help institutional development and capacity building at the local level and establish twinning between EU cities</p>	<p>Given the importance of building administrative capacity at local level, the Commission will continue to use TAIEX also at local level throughout the Western Balkans. Since recently TAIEX also supports local and regional authorities in Georgia, Moldova and Ukraine. Many of these</p>

<p>and cities in candidate and potential candidate countries; welcomes the readiness of the Commission to step up actively in this regard; calls on the Commission to devote the necessary funding for such capacity-building programmes; calls on the Commission to cooperate with the CoR in raising awareness about the instruments available for LRAs.</p>	<p>activities are aligned with the priorities of the Economic Investment Plan (EIP).</p> <p>The Commission remains committed to using the expertise of EU Member States through the TAIEX and Twinning Instruments (Twinning being funded from the bilateral programmes), as a proven tool of capacity building and expertise exchange.</p>
<p>64. The CoR welcomes that the importance of the local dimension and people-to-people contacts is recognised in the IPA Regulation and the related programming process; invites the Commission to explore further the possibility of facilitating the cooperation of the central and local level and the cross-border cooperation at local level, including between Member States and beneficiary countries, in order to bring the most out of the available funds.</p>	<p>The Commission is working with both central and local authorities in the Western Balkans in the implementation of IPA III. While the main contacts shall continue to be via the central authorities there are several ways where the Commission is helping to facilitate the cooperation of central and local authorities. While some mainstream bilateral programmes have important parts implemented outside the capital cities, there are also specific programmes such as the cross-border cooperation programmes, which facilitate cooperation at a local level throughout the region or an innovative access to financial instruments to municipalities as for example issuance of Green Bonds to help local governments in contributing meeting the Green Agenda targets. In addition, EU macro regional strategies including the Danube strategy<sup>4</sup> and the Strategy for the Adriatic and Ionian Region<sup>5</sup> will play an important role. In parallel, Instrument for Pre-Accession Assistance (IPA) and European Regional Development Fund (ERDF) Interreg programmes with EU Member States such as Croatia, Romania, Hungary, Greece, Italy and Bulgaria will continue to play their role in opening up the Western Balkans to further capacity building, knowledge exchange as well potentially further investment.</p> <p>The Commission will work with both central and where appropriate local authorities in the Western Balkans to optimise the use of IPA III and EU pre-accession assistance for rural development</p>

<sup>4</sup> [EUR-Lex - ev0028 - EN - EUR-Lex \(europa.eu\)](#)

<sup>5</sup> [EUR-Lex - 02\\_3 - EN - EUR-Lex \(europa.eu\)](#)

	<p>(IPARD) funds, including where relevant the LEADER approach. Within IPARD, it is underlined that it is up to the beneficiaries to select the most appropriate measures for implementation under IPARD, including measure 5 ‘implementation of local development strategies - LEADER approach’. Particular emphasis will be placed upon faster implementation as well as outreach to all levels of governance.</p>
<p>66. The CoR calls on the Commission to refine the indicators for measuring the progress made in public administration reforms by including local and regional authorities.</p>	<p>The new version of the assessment framework ‘Principles of Public Administration’<sup>6</sup> developed jointly by the Commission and Support for Improvement in Governance and Management (SIGMA) will incorporate specific principles and indicators related to multi-level and sub-national governance.</p>
<p>67. The CoR notes that depopulation is a major concern that has a significant effect on local and regional sustainability; calls on the Commission to use existing tools and instruments to counter this development, including funds in the IPA and regional programmes.;</p>	<p>Sustainable economic development and increasing job opportunities are essential to foster social inclusion and to stem the demographic challenges of the Western Balkans, with high emigration and low birth rates. Without stronger economies, these phenomena will continue, with the associated risks of widespread disenchantment, especially among the youth, brain drain and declining social cohesion. The new Growth Plan for the Western Balkans is very clear in stating the crucial importance of socio-economic development of the region, in particular when it comes to avoid brain drain and the support provided by the Commission through the IPA III is coherent in that sense. A lot has been done in the past years, and the Commission will continue to do so: the focus will be on helping the youth to build its own future in the region. Enhanced support will be provided to education, in particular vocational education and training, skills, teacher training, and pre-school education. Employment and self-employment will be at the centre of the work that will be undertaken with the countries of the region. On the one hand, the EU will work closely with the sector policy</p>

<sup>6</sup> [Online consultation on the draft revised Principles of Public Administration - OECD \(sigmaweb.org\)](http://sigmaweb.org)

	<p>makers in the region to enable the development of employment and self-employment, and on the other hand, it will provide support to the youngster wishing to create their own business through dedicated funds for start-ups. Mobility of students and young workers will feature in the coming years as a mean to positively impact on the personal development and employability of the young generations.</p>
<p>69. The CoR calls on the Commission and the countries concerned to step up efforts to enhance the integration of the Western Balkans with the EU internal market; the possibilities in the Common Regional Market (CRM) should be exploited.</p>	<p>The new Growth Plan for the Western Balkans put forward by the Commission in November 2023 builds on and takes further the Common Regional Market (CRM) based on EU rules and standards which all six leaders of the Western Balkans have agreed on building. It is based on four pillars aimed at: bringing the Western Balkans closer to the EU Single Market, deepening the regional economic integration, accelerating fundamental reforms, and increasing funding. To achieve the objectives of the new Growth Plan, the Commission needs to increase financial assistance and therefore proposed a EUR 6 billion Reform and Growth Facility for the Western Balkans. Rigorous conditions will have to be met in order to be integrated in the Single Market including <i>acquis</i> alignment, capacity to implement, competition safeguards, as well as functioning judiciary.</p>
<p>70. The CoR supports the implementation of the Commission's Economic and Investment Plan (EIP) for the Western Balkans, as well as the Green and Digital Agendas, which can be a major contribution to the green transition, digitalisation, transport and energy infrastructure, social development and regional development; recalls that LRAs play an important role in this regard and therefore should be involved in the implementation phase.</p>	<p>The implementation of the Economic and Investment Plan for the Western Balkans<sup>7</sup> is currently in full swing. To date, EUR 4.56 billion has been committed (IPA and IPARD) or approved (WBIF), expected to leverage more than EUR 11.9 billion in investments from other sources. Local and Regional Authorities do play indeed an important role and some of the Public Administration Reforms Programmes promoted by the Commission have a specific focus on supporting the Sub-national Governance also in view to increase their capacities vis-a-vis the need</p>

<sup>7</sup> COM(2020) 641 final.

	to plan, design and implement investments in cooperation with National Authorities and EU institutions.
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**N°12 Fostering the potential and synergies of EU Green Deal initiatives for regions and cities**  
**Own-initiative**  
**COR-2023-00229 – ENVE-VII/036**  
**156<sup>th</sup> plenary session – July 2023**  
**Rapporteur: Andries GRYFFROY (BE/EA)**  
**DG ENER – Commissioner SIMSON**  
**DG CLIMA assoc. – Executive Vice-President ŠEFČOVIČ**

<b>Points of the European Committee of the Regions opinion considered essential</b>	<b>European Commission position</b>
<p>1. The European Committee of the Regions (CoR) considers that the outcomes of the Conference on the Future of Europe have given a clear priority to the green transition and the need to recognise the role of local and regional authorities while involving citizens in this process. By focusing on transparent, open-source reporting of achievements and their impact, a greater connection will be established between the objectives and the efforts of citizens and local and regional stakeholders. True multi-level governance and active subsidiarity need to be promoted from the conception of policies to their execution. In this regard, it is imperative that LRAs are consulted and that all legislative proposals take into account the necessary territorial impact.</p>	<p>The Commission supports the deeper involvement of local and regional authorities (LRAs) to ensure effective multilevel governance, e.g. by engaging with Member States in the frame of the Energy Union Committee and the preparation of the National Energy and Climate Plan updates. Also, the better and intensified engagement of citizens merits increased efforts.</p>
<p>8. The CoR suggests initiatives such as the EU Climate Pact to offer citizens, especially young people, opportunities to work on local and regional projects and develop "green" skills. For this purpose, it invites the European Commission to build synergies with Erasmus+, European Solidarity Corps and the European Social Fund programmes, and to make proposals in the context of the 2023 European Year of Skills. In this context, LRAs are key for enabling concrete conversations on skills needs and identifying gaps in skills and tools to develop suitable programmes and related</p>	<p>The Commission agrees that many workers across different occupations, sectors and regions will need to gain new skills in their current jobs to contribute to the green transition, while those who are looking at new roles in green industries will need upskilling and reskilling.</p> <p>The Commission has already put in place mechanisms to ensure none of them is left behind. For example, with its Just Transition Mechanism the EU is supporting regions with a high dependence on carbon-intensive industries. With the EU's Pact for Skills, the EU supports public and private organisations to commit to training</p>

<p>solutions.</p>	<p>and investing in upskilling and reskilling workers.</p> <p>Finally, skills for the green transition played an important role in the 2023 European Year of Skills – an EU initiative that helped people get the right skills for quality jobs and helps companies, in particular small and medium enterprises, address skills shortages.</p> <p>The European Climate Pact, in line with its scope and objectives of raising awareness about climate change and EU climate policy, encouraging climate action and catalysing engagement, will continue signposting relevant opportunities from relevant EU schemes, programmes and initiatives in the field.</p> <p>Green economy, transition and skills will be the three main overarching themes in the new phase of the European Climate Pact. Besides communicating on these issues centrally, the Climate Pact will design local activities on the ground, in cooperation with relevant stakeholders, and link with existing EU initiatives (namely the EU Mission on Adaptation to Climate Change and the Covenant of Mayors) on all aspects of climate action, including green skills.</p>
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***Creating more impact from EU initiatives for local and regional authorities delivering on the Green Deal***

<p>9. The CoR considers this variety of many Green Deal-related initiatives, which focus on specific but interconnected topics, to be fruitful. However, the Committee highlights that the proliferation of and competition between initiatives might not correspond to an equivalent increase in their measurable impact, as this proliferation might hamper the accessibility and inclusivity of the initiatives for a wider group of local and regional authorities, beyond the few "usual suspects" who have more means and capacities.</p> <p>10. The CoR suggests, therefore, a comprehensive assessment and revision of the</p>	<p>Concrete synergies are already being achieved, for example where the cities that participate in the Climate-Neutral and Smart Cities Mission use monitoring and reporting mechanisms developed by the Covenant of Mayors and where participation in the Cities Mission and in the Adaptation Mission is valorised as part of a call for Innovative Actions under the European Urban Initiative. Moreover, a link between CIVITAS projects and the Climate-Neutral and Smart Cities Mission has been established.</p> <p>The Green City Accord works in establishing synergies and coordination with the Mission and with the Covenant of Mayors. The European Green</p>
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<p>initiatives and their implementation contracts in order to better understand whether more impact could be generated with a similar budget by, on the one hand, promoting stronger synergies, pooling efforts and preventing overlaps and, on the other, following a more user-centric, flexible and needs-driven approach, limiting mandatory reporting requirements to a few essential indicators, which takes into account the local and regional authorities' different needs and national contexts.</p>	<p>Capital and Green Leaf awards consider environment performance and climate change adaptation and mitigation in cities.</p> <p>Implementation contracts support initiatives launched at different moments and with different objectives. The Commission agrees that there might be closer synergies between these initiatives and that they should be considered.</p> <p>The Commission agrees with the convenience of keeping the lowest administrative burden to report, although the information obtained from this voluntary reporting will be very important to understand the achievements and progress made by cities and regions in implementing the Green Deal. In this context, the Commission would welcome the continued support of the Committee for identifying and implementing synergies with the Covenant of Mayors.</p>
<p>12. The CoR calls for the EU Missions to be recognised as an example of cross-policy integrated initiatives building on the principle of multilevel governance; further calls for financial support to be provided to the selected cities and regions so that they offer considerable experimentation potential for prototyping, have a positive impact, and lead to practices and innovation being replicated in other cities.</p>	<p>The Commission has confirmed its continued support – including in financial terms - to the missions in its recent Communication ‘EU Missions two years on: assessment of progress and way forward’<sup>1</sup>. Ring-fenced funding for cities and regions participating in the Missions, e.g. for individualised support provided by the respective Mission platforms, goes hand in hand with the need for ensuring close links with – for example – the Covenant of Mayors, the Green City Accord<sup>2</sup>, the Smart Cities Marketplace<sup>3</sup>, CIVITAS<sup>4</sup>, the EU City Facility<sup>5</sup> and the ManagEnergy initiative<sup>6</sup> to enable for all Covenant of Mayors cities concrete and tangible peer learning with respect to better planning, implementation, replication, upscaling and finance.</p>

<sup>1</sup> COM(2023) 457 final.

<sup>2</sup> [Green City Accord \(europa.eu\)](https://europa.eu/green-city-accord)

<sup>3</sup> [Creating smart cities together | Smart Cities Marketplace \(europa.eu\)](https://europa.eu/smart-cities-marketplace)

<sup>4</sup> [Home | CIVITAS](https://europa.eu/civitas)

<sup>5</sup> [EU City Facility - Energy Cities \(energy-cities.eu\)](https://europa.eu/energy-cities)

<sup>6</sup> [ManagEnergy - About \(europa.eu\)](https://europa.eu/managenergy)



<p>13. The CoR calls, furthermore, for dedicated learning environments based on the model of the URBACT communities to be set up in order to foster replication in as many cities and regions as possible. This would create more impact using the existing EU financial and capacity resources by redesigning the conditions for mutually reinforcing capacity-building and financial assistance.</p>	<p>The Commission is exploring ways of making exchange of practices between cities available also in the frame of other initiatives (including via the novel European Urban Initiative), e.g. in the form of webinars, peer learning, web platforms, etc.</p>
<p>15. The CoR believes that the implementation of the Green Deal must pay particular attention to the social and economic impact in line with the SDGs. Calls on the Commission to continue the support to the European Energy Poverty Advisory Hub (EPAH), disseminate good practices and adopt guidelines for the implementation of the Social Climate Fund at local and regional level.</p>	<p>The Commission takes note of the Committee's call on the Commission to continue its support for the Energy Poverty Advisory Hub when evaluating the results of its work. It will also follow-up with regard to an inclusive process with local and regional authorities when implementing the Social Climate Fund at local and regional level.</p>
<p>16. The CoR stresses that there is a need to develop long-term and structural synergies including vertical integration of the initiatives into national and regional supportive frameworks for local authorities.</p> <p>17. The CoR points out that in order to increase impact, this integration must follow a three-way logic:</p> <p>i. Multilevel financial integration: aligning funding instruments including cohesion policy funds with the supportive initiatives and co-funded by the national or regional governments; local and regional authorities can maximise the impact of EU initiatives by effectively leveraging funding and resources available at the European, national and local levels and explore innovative financing mechanisms, such as public-private partnerships and crowdfunding, to further amplify the impact of Green Deal initiatives;</p>	<p>The Commission supports the horizontal and vertical integration of policies and agrees with the importance of setting-up multilevel climate and energy dialogues in EU Member States to engage and discuss the different scenarios envisaged for energy and climate policies, including for the long term and review progress (Article 11 of the Governance regulation<sup>7</sup>).</p> <p>In this context, the Commission specifically welcomes the synergies with the Covenant of Mayors as regards the preparation of the National Energy and Climate Plans (NECPs) and their respective updates. Good practices of multi-level governance have been identified in the work on the Urban Agenda for the EU and also by projects supported by the Urban Innovative Actions and LIFE Clean Energy Transition sub-programme (e.g. LIFE NECPlatform<sup>8</sup>). There are also good examples of multilevel integration in terms of both policy and funding under the Cities Mission,</p>

<sup>7</sup> [EUR-Lex - 02018R1999-20231120 - EN - EUR-Lex \(europa.eu\)](https://eur-lex.europa.eu/lexuri-uri.do?uri=OJ:L:2021:R:02018R1999-20231120-EN)

<sup>8</sup> <https://energy-cities.eu/project/life-necplatform>

<p>ii. Operational integration: pooling efforts of EU supportive initiatives horizontally;</p> <p>iii. Needs-driven supporting services and multilevel governance integration: including local efforts within the National Energy and Climate Plans supported by a structural political dialogue.</p>	<p>in particular in countries with national support networks. The project LIFE GreenMe5<sup>9</sup> on Circular Economy–Governance supports Green City Accord signatory cities. However, the Commission agrees that these efforts need to be connected and scaled up massively to lead to tangible results.</p>
<p>19. The CoR calls for the adoption of a bottom up and place-based approach, based on flexible frameworks adjustable to local needs and enabling the application of the New European Bauhaus principles at the local level. This is an opportunity to promote the interaction between urban and rural areas, to take into account the specific challenges of peripheral and outermost regions, mountain regions and of islands, also fostering cross-border cooperation.</p>	<p>The Commission is already working on the long-term vision for rural areas, both in the areas of energy and of mobility.</p> <p>The pilot SMARTA-net project<sup>10</sup> contributes to this, by promoting sustainable and resilient mobility connections between rural areas, within remote areas such as islands, and between remote rural areas (including isolated regions) and urban areas, and has established the European Rural Mobility Network (ERMN), to provide a forum and a voice for those working on rural mobility. Another project to be mentioned in this context is the Rural Energy Community Advisory Hub (RECAH)<sup>11</sup>, which supports the Commission’s efforts to help implement and promote the EU legislative framework for energy communities.</p> <p>The Cohesion policy is also found on a place-based and bottom-up approach. The new cross-cutting policy objective 5 ‘Europe closer to citizens’ provides a flexible and adaptable framework for Member States, regions, and municipalities to support, via integrated territorial and local development strategies, specific interlinked territorial and local challenges. This territorial focus is open to all types of territories within and across regions at sub-regional, urban and community level (including the nine outermost regions) and provides opportunities to deliver on New European Bauhaus projects. It also supports enhancing urban-rural linkages and connecting urban areas with surrounding</p>

<sup>9</sup> [LIFE 3.0 - LIFE22-GIE-ES-LIFE-GreenMe5/101113893 \(europa.eu\)](https://ec.europa.eu/life30/life22-gie-es-life-greenme5/101113893)

<sup>10</sup> <https://www.smarta-net.eu>

<sup>11</sup> [https://rural-energy-community-hub.ec.europa.eu/index\\_en](https://rural-energy-community-hub.ec.europa.eu/index_en)

	territories. Cohesion policy also offers a unique opportunity to create new solutions through cross-border and transnational cooperation.
21. The CoR reiterates the need for cities and regions to build their Green Deal transition plans in close cooperation with citizens, stakeholders and enterprises and to set clear and concrete targets: to this end, it calls on the European Commission to further reinforce support schemes, like the European Climate Pact, in this field and to ensure that the goals proposed in its initiatives are easy to communicate to the wider public, as in the cases of the Flemish Local Climate Pact <sup>12</sup> and of the Climate Pact 2.0 in Luxembourg.	<p>The Commission agrees with this point. As part of its objectives, the European Climate Pact will continue to communicate and raise awareness about climate issues and EU actions via a range of outreach activities targeting stakeholders and the wider public, including activities and events that enable sharing of best local practices.</p> <p>In its forthcoming activities in 2024, the Climate Pact focuses on establishing synergies with existing EU initiatives (such as the Covenant of Mayors and Mission on Adaptation) for the organisation of joint actions to boost greater citizen engagement.</p>
<b><i>A new chapter for European supportive initiatives as a cornerstone in the multilevel governance framework</i></b>	
22. The CoR invites the Commission to upscale the Covenant of Mayors by exploiting stronger synergies with other initiatives as well as promoting a new multilevel governance framework. This upscaled Covenant of Mayors could become the umbrella initiative, inspired by and building on the Green Deal Going Local initiative managed by the Committee. The Committee stands ready to support the process and ensure its political rootedness.	The Commission takes note of the Committee's suggestion.
24. The CoR calls on the Commission to revise the landscape of EU Green Deal Initiatives with	The Commission has already started exploring concrete ways of alignment between EU Green

<sup>12</sup> Referring to the Flemish Local Energy and Climate Pact in this regard as a regional example where 294 local authorities build further on the framework of the Covenant of Mayors. However, as an additional layer, the Pact translates the greenhouse gas reduction target into amounts of collective renovations per 1000 households, participatory renewable energy projects per 500 inhabitants, shared electric vehicles per 500 inhabitants, an additional meter bicycle lane for each inhabitant, and a (semi-)public charging point for every 100 inhabitants. The adaptation challenge is translated into 1 additional tree for each inhabitant, a 0.5-meter-wide hedge or green facade per inhabitant, 1 m<sup>3</sup> rainwater infiltration per inhabitant and 1 m<sup>2</sup> hard surface removed per inhabitant. Preventing energy poverty is translated into concentrating collective renovations within the most socially diverse neighbourhoods and increasing energy sharing with households that are prevented from investing in solar panels themselves (because of financial means, because they are renting or because there are insufficient roof capacities). The Flemish government provides a facilitating framework via financial support, streamlined monitoring, a district renovation tool, policy dialogue for legislative improvements and technical assistance for local capacity-building of energy communities.

<p>a view to maximising synergies amongst them and integrating the commitment-level (e.g. for instance, based on the Green City Accord and Circular Cities and regions initiative) within this broader menu without losing the "tangibility" aspects.</p>	<p>Deal Initiatives, to ideally make for a more coherent and consistent offer to cities and towns. This could take place in the form of joint events, webinars, information exchange between platforms, etc.</p>
<p>25. The CoR highlights that the request for political pledges needs to be better connected with implementation mechanisms and direct funding in order to ensure that the political commitment can be followed by consequent actions. In this sense, the Committee recalls the need to build systematic links between the development of Sustainable Energy and Climate Plans of the Covenant of Mayors, and its potential future development, and access to facilities offering sectoral technical and financial assistance, as is the case with the Energy Poverty Advisory Hub and the European City Facility.</p>	<p>The Commission takes note and continues building ways of offering funding and additional co-benefits (such as capacity building support, guidance, peer learning, access to finance, etc.) to committed cities, e.g. by offering more direct incentives to Covenant of Mayors cities in the frame of the services of the Smart Cities Marketplace, on top of the mentioned platforms. Targeted funding support for innovation in cities is also provided under the European Urban Initiative. Reference should also be made to the European Local Energy Assistance (ELENA) facility and to projects supported under the LIFE Clean Energy Transition subprogramme, such as the Project Development Assistance (PDA) and the already mentioned European City Facility. A way to reflect this in the text could be ‘[...] as it is the case with the Energy Poverty Hub, the European Local Energy Assistance (ELENA) facility, the Project Development Assistance (PDA) and European City Facility (EUCF) – the two latter supported by the LIFE Clean Energy Transition sub-programme’.</p>
<p>26. The CoR suggests the regional/national governments as well as energy agencies could help channel the EU supportive initiatives, in terms of technical support and capacity-building, to small municipalities, rural and remote areas, and islands thus enhancing their inclusive character, including in the framework of cohesion policy. The Committee asks the European Commission to support structures in Member States so that they can develop their own capacities to advise small towns and villages e.g. via strengthened the role of</p>	<p>The Commission is exploring the possibility of bringing in other networks, such as the Energy Managing Authorities (EMA) Network, to help channel support to regions as well as to small and mid-sized municipalities. Technical assistance is also available for all levels of governance and types of territories under the Cohesion policy programmes. Moreover, the new European Urban Initiative and the URBACT programme are creating and financing dedicated networks and capacity building activities.</p>

<p>Covenant Coordinators also capitalising and upscaling the ManagEnergy network.</p>	
<p>29. The CoR calls on the Commission to work towards a new shared visual identity for the Covenant of Mayors in order to clearly present it as an umbrella/framework initiative while ensuring consistency and harmonised language with all others initiatives. It is important to build on existing brands in order to improve stable outreach and communication and at the same time make sure the EU visual identity is strongly reflected and easily recognisable in the initiative(s) branding.</p>	<p>The Commission appreciates the need for a single-entry point and will explore options for creating a (new) visual identity for the Covenant of Mayors in the mid to long term, fully considering that the Covenant of Mayors is an established and widely recognised ‘brand’.</p>
<p>30. The CoR highlights the importance of the monitoring methodology as a way of promoting enthusiasm and local and regional engagement, while preventing it from becoming an administrative burden with limited added value in terms of communication and support to local and regional planning. The Committee calls for the new chapter of the supportive framework to tap into the power of visualisation, digital innovation and storytelling strategies to increase the mobilisation effect. Providing insights into the shared benefits of the climate transition, by tracking progress with tangible improvements to Europeans' livelihoods, increases trust in how taxpayers' money is spent and increases the buy-in to contribute via behavioural change.</p>	<p>The Commission supports avoiding excessive monitoring, reporting and verification efforts (e.g. by exploiting the emerging work on space observation data). The Commission already works on creating a strong narrative around local initiatives, with initiatives such as the European Green Capital and Green Leaf awards.</p> <p>In addition, cities participating in the Cities Mission, for example, are exploring communication and engagement strategies with the support of the Mission Platform, using data for storytelling. Learnings will be shared with all interested cities, via the City Learning Programme and a Community of Practice.</p>
<p>31. The CoR considers that methodology proposed for the monitoring of local and regional targets should have a solid scientific foundation, and be based on the specific contribution to the EU Green Deal, in the same way that the NDCs contribute to the UN Paris Agreement. This methodology should be compatible with the one used at national level within the framework of the National Energy and Climate Plans. Making this accessible via a visually intuitive platform should increase the sense of accountability of all local governments</p>	<p>The Commission makes aware that it intends to build on ‘MyCovenant’ as an established, solid and well-functioning framework/platform. This, to avoid (additional heavy) burden in connection with monitoring, reporting and verification (MRV), and aligning with EU and national requirements, keeping the MRV system flexible and meaningful.</p> <p>On environment, the Green City Accord monitoring and reporting scheme is in line with EU legislation obligations and with indicators to</p>

<p>and feed into the national reporting framework while allowing for monitoring the transition to climate neutrality at national or regional level according to the division of competences in the Member States.</p> <p>32. The CoR understands that there is no silver bullet solution for Europe-wide monitoring. The Committee suggests a validation, verification or supportive mechanism to scientifically agree on contributions to create local and regional ownership and accountability. Politically, the progress of this contribution should be discussed within each local and regional council, enlarging the democratic support base, transparency and therefore wider public acceptance, including participation of local enterprises.</p>	<p>be reported to the European Economic Area (EEA).</p> <p>When it comes to urban mobility, within the proposal for a revised TEN-T Regulation<sup>13</sup>, the Commission proposed requirements for Member States to collect and submit data to the Commission on sustainable urban mobility indicators covering 424 urban nodes. The Commission is currently working on developing this set of urban mobility indicators and aims to develop simple and easy to use indicators, that are as much as possible based on existing monitoring practices of cities, regions, and Member States. The set of indicators will also build upon existing data collection mechanisms from other, relevant EU sectoral policies. The Commission is looking into urban nodes' capacity to collect feedback about data availability and existing data collection practices. Findings will be fed into the above work.</p>
<p>33. The CoR points to the untapped potential of further innovation in automating the monitoring process via satellite data, artificial intelligence, digital twinning etc. and thus avoiding methodologies that are causing an excessive administrative burden locally and regionally. In this sense, the Committee calls on the Commission to further explore open source, interoperable digital data platforms, which can have a major impact on triggering further innovations including software applications – crucial for local and regional climate and energy projects to thrive. Furthermore, this can encourage citizen participation and all types of business, including SMEs and start ups, to prosper.</p>	<p>The Commission already considers options for using space data to enrich/supplement reported and monitored data. The Commission will also explore the opportunities offered by digital twinning in this context. Furthermore, with the European strategy for data<sup>14</sup> and the Staff working document on common European data spaces<sup>15</sup>, the Commission has proposed the creation of EU-wide common, interoperable data spaces in strategic sectors (e.g., energy, mobility and transport, manufacturing, tourism) as well as the Green Deal data space that includes the data space for smart and sustainable cities and communities. The goal is to overcome technical and legal barriers and ensure trusted and secure data sharing by combining data governance frameworks and technical infrastructures while using where possible common design principles.</p>

<sup>13</sup> [COM\(2021\) 812 final.](#)

<sup>14</sup> [COM\(2020\) 66 final.](#)

<sup>15</sup> [SWD\(2022\) 45 final.](#)

	<p>Finally, the Commission also acknowledges the need for engaging with local companies and making them an essential pillar of urban interventions.</p>
<p>34. The CoR invites the Commission to support in-depth integration of local and regional governments' efforts and contributions. This reporting and monitoring system needs to be made compatible with National Energy and Climate Plans and include clear indicators for local and regional authorities without increasing reporting burdens. In this sense, the JRC could play a crucial role in linking the Covenant methodology to the national ones and ensure the compatibility of SECAPs with the respective national frameworks to build a sound and data-driven multilevel energy and climate governance. Covenant Coordinators and energy agencies can play a key role in supporting local authorities to implement these schemes and get access to data. In the spirit of policy consistency, further efforts should be made to better support local and regional authorities in monitoring and reporting progress towards the implementation of the whole Green Deal; a first step could be the harmonization of the Covenant of Mayors and the Green City Accord frameworks.</p>	<p>As already stressed under points 16 and 17, the Commission generally supports the vertical integration of policies and agrees in the importance of multi-level governance. In this context, the Commission specifically welcomes the references to the Covenant of Mayors in some of the National Energy and Climate Plans (NECPs). The Commission furthermore confirms that the Cities Mission already builds on the Covenant of Mayors framework and that options are being explored to strengthen the links between the Covenant of Mayors and the Green City Accord to establish a common framework. Further initiatives might follow.</p>
<p>35. The CoR calls on the Commission to analyse and reflect on the balanced channelling of financial support (grants) via calls for proposals, with a view to avoid that only a relatively small group of cities with sufficient resources to apply to the grants schemes are being supported. Besides this risk, the sustainability of the project, beyond its duration, should also be evaluated, and whether grant-dependency is actually reduced by these efforts.</p>	<p>The Commission acknowledges the need for better balanced funding/financing for local authorities which do not have the capacity/means to participate in European Programmes (mostly small and mid-sized). We also acknowledge the need for replication and upscaling to make the solutions demonstrated by funded projects available to a much larger group of towns and cities. Considering the above, the Commission already makes use of the Mission on Climate-Neutral and Smart Cities and the Smart Cities Marketplace in close collaboration with the Covenant of Mayors.</p>

<p>36. The CoR calls for the next chapter of the Covenant of Mayors to better link the planning phase (SECAPs, SUMPs) to the implementation phase, inspired by the first examples of the Climate City (investment) Contracts under the Climate Neutral and Smart Cities Mission, focusing on the bankability of the pipeline of investment projects. The Committee suggests drawing initial lessons from the Climate City Contracts, amongst other initiatives, in order to link investment plans to private investments and to funding streams and to assess the possibilities of developing fast-track funding applications for cities and regions as part of the initiatives. To this end, the model of the lighthouse smart cities and communities' projects and the circular cities and regions' demonstration projects funded under the Horizon programmes could also be a source of inspiration.</p>	<p>The Commission has acknowledged the need for a more coherent planning between Sustainable Energy and Climate Action Plans (SECAPs) and Sustainable Urban Mobility Plans (SUMPs) in its communication on the new EU urban mobility framework<sup>16</sup> and for linking it to implementation, also considering the Climate City Contracts as a possible general future model for planning and implementation. With respect to replication, the Commission already actively harvest the results of the mentioned Horizon 2020 projects and make them available for replication via the Cities Mission, the Scalable Cities Secretariat and the Smart Cities Marketplace. Plans for the Cities Mission also include a Capital Hub, to be hosted by the Mission Platform, which would help accelerate the project pipeline and align funding and finance streams.</p> <p>As a concrete example, the Sustainable Urban Mobility Plans provide a solid framework for urban mobility investments and has worked on reinforcing the link between strategic planning and investments. As a result, several EU funding instruments include requirements for the existence of a SUMP or equivalent planning document to benefit from EU support. This is the case for Connecting Europe Facility (CEF), several recovery and resilience plans (RRPs) and cohesion policy programmes.</p>
<p>37. The CoR invites the Commission to also reflect upon the possibilities to better integrate the financial support needs of the non-bankable elements of these plans, for instance by de-risking investments (e.g. first loss guarantees, mezzanine loans, ...) in cooperation with the European Investment Bank as well as providing grants for the most urgent needs of the unprofitable parts of the plan;</p>	<p>The Commission agrees that de-risking investments is indeed another important part of the picture. It is working closely with the European Investment Bank, other financial institutions, and with the Mission Platform to develop cooperation, including as part of the future Capital Hub. In addition, the ongoing work of the Smart Cities Marketplace takes this important pillar into account for its matchmaking activities.</p>

<sup>16</sup> [COM\(2021\) 811 final](#).



<p>38. The CoR calls on the Commission to better link the above-mentioned financing needs to cohesion policy funds. The upcoming mid-term evaluation of the MFF provides the right momentum. The Committee asks for consideration to be given to other financial instruments in order to leverage private and public capital for local and regional authorities, and, in particular, to link the financial support to tangible targets and outcomes, rather than the result of time-consuming procedures for calls for proposals. EGTCs, as implementation bodies for co-financed projects, can provide a multilateral and stable working structure, guarantee continuity of actions and improve the efficiency when using public funds;</p>	<p>The mid-term review of Cohesion policy programmes offers possibilities to Member States for programme modifications to accommodate new challenges and relevant country-specific recommendations issued in 2024, as well as, for example, progress in implementing the integrated national energy and climate plans.</p> <p>The Commission agrees with the strong potential of European Groupings of Territorial Cooperation (EGTC) as implementors of projects. These can indeed provide a stable structure for different actions. Nevertheless, the EGTC are mainly a tool for Territorial Cooperation, involving actors from more than one Member State.</p>
<p>39. The CoR calls on the Commission to propose direct funds to cities via the EU Mission for 100 Climate-Neutral and Smart Cities by 2030 to implement Green Deal projects on the ground. Cities produce 75% of Europe’s greenhouse emissions but are also society’s hubs for innovation and collaboration that is why tailor-made and directly accessible funds, set up in synergy with the already existing funds are of crucial importance.</p>	<p>Cities that participate in the Cities Mission will be receiving ringfenced funds via the Mission Platform (including cascading grants for pilot projects). Reference to the Cities Mission has also been made in the relevant topic from call 2 under the European Urban Initiative. They could also be given advantages in accessing funding e.g. under the Connecting Europe Facility or under the Digital Europe Programme. Cooperation with other funding programmes is being sought. However, EU funding – and public funding in general – will only be able to cover a small fraction of the cost of cities’ climate transitions. It will be crucial to have the involvement of private investors, an area, in which the Smart Cities Marketplace is already successfully active.</p>
<p><b><i>Towards a new governance of EU Green Deal initiatives</i></b></p>	
<p>40. The CoR calls for the establishment of a single platform supported by a well-equipped back-office acting as an entry-point for local and regional authorities willing to be frontrunners in the implementation of the Green Deal: the different initiatives should be</p>	<p>The Commission acknowledges the idea and highlights that several initiatives are already in place to support local and regional authorities. This for example, include the one-stop-shop for cities and urban development<sup>17</sup>, the work under the novel European Urban Initiative, the support</p>

<sup>17</sup> [https://commission.europa.eu/eu-regional-and-urban-development/topics/cities-and-urban-development\\_en](https://commission.europa.eu/eu-regional-and-urban-development/topics/cities-and-urban-development_en)

<p>interconnected among themselves and LRAs should be easily guided in choosing their priority actions and moving from the entry point into the different complementary initiatives. With the support of the European Commission, the CoR initiative Green Deal Going Local would be ready to contribute to its implementation.</p>	<p>under the Covenant of Mayor, the National Contact Points for Horizon Europe, and Europe Direct offices, that support different target groups. For cities participating in the Cities Mission, the Mission Platform with its city advisors and online portal already acts as a one-stop-shop, guiding cities to the initiatives that are most suitable to address their needs. The Commission also acknowledges and welcomes the Committee's readiness to support future efforts in this specific area.</p>
<p>41. The CoR suggests setting up a single political steering group to safeguard the long-term viability of the multilevel integration vertically (EU-national-regional-local) and horizontally at EU level.</p>	<p>The Commission takes note of the Committee's suggestion.</p>
<p>43. The CoR underlines how the initiatives contribute to strengthening international local and regional cooperation, as demonstrated by the Global Covenant of Mayors and the International Urban and Regional Cooperation Programme. In this regards, calls on the European Commission to continue supporting the increased recognition of the role of sub-national authorities at UN level by leveraging on these cooperation especially in global processes such as the UNFCCC and CBD COPs.</p>	<p>The Commission agrees with this point and will continue its support in this area.</p>

<p><b>N°13 Reform of the EU electricity market design</b>  <b>Mandatory</b>  <b>COM(2023) 148 final</b>  <b>COR-2023-02118 – ENVE-VII/039</b>  <b>156<sup>th</sup> plenary session – July 2023</b>  <b>Rapporteur: Josef FREY (DE/Greens)</b>  <b>DG ENER – Commissioner SIMSON</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><b>Amendment 15</b>  Article 19b(1)</p> <p><i>1a) Direct price support schemes for new investments for the generation of electricity from the sources listed in paragraph 2 shall take the form of a two-way contract for differences, <b>except for projects equal to or below 1 MW or citizen energy community or renewable energy community projects equal to or below 6 MW.</b> New investments for the generation of electricity shall include investments in new power-generating facilities, investments aimed at repowering existing power-generating facilities, investments aimed at extending existing power-generating facilities or at prolonging their lifetime.</i></p> <p><i>1b) <b>The level of direct support in the form of a two-way contract for difference should be determined through a competitive bidding process.</b></i></p>	<p>The possibility to exempt small-scale installation projects is already covered in the Commission proposal in recital 32 as well as by reference to the principles set out in Article 4(2) and Article 4(3) of Directive on the promotion of the use of energy from renewable sources<sup>1</sup> in the new definition of ‘two-way contract for difference’ set out in Article 2(76) (see amendment (2)).</p> <p>Regarding the addition that the level of direct support in the form of a two-way contract for difference should be determined through a competitive bidding process, this principle is already set out in Article 4(4) of the Directive for renewable energy sources, which covers all renewable technologies listed under Article 19b(2). Furthermore, the State Aid rules also prescribe the use of competitive bidding.</p> <p>For nuclear technology, this would be considered on a case-by-case basis and should be in line with Articles 107 and 108 of the Treaty on the Functioning of the European Union (TFEU).</p>
<p><b>Amendment 16</b>  Article 19b(2)  Paragraph 1 shall apply to new investments in</p>	<p>One of the main objectives pursued with Article 19b is to ensure that the energy bills of European citizens and companies become more independent from the short-term electricity</p>

<sup>1</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 (recast); OJ L 328, 21.12.2018, p. 82–209.

<p>generation of electricity from the following sources:</p> <ul style="list-style-type: none"> <li>(a) wind energy;</li> <li>(b) solar energy;</li> <li>(c) geothermal energy;</li> <li>(d) hydropower <i>for net energy produced</i>;</li> </ul>	<p>market price (often determined by volatile fossil fuel prices).</p> <p>Article 19b also serves the objective of reaching the Union’s decarbonisation targets and the objectives set out in the REPowerEU Communication<sup>2</sup> to become more energy independent.</p> <p>Article 19b does not oblige Member States to provide public support to new investments in the technologies set out in Article 19b(2).</p> <p>Article 19b solely requires that, where Member States decide to provide direct price support schemes to trigger new investments in the technologies listed in paragraph 2, the direct price support schemes shall take form of a two-way contract for difference. Two-way contracts for difference, specifically provide for an upward limitation of the market revenues of the generation assets concerned. This limitation constitutes an additional source of revenue for Member States in periods of high energy prices, which they can use to mitigate the impact of these prices on the energy bills of consumers.</p> <p>Article 19b is without prejudice to a decision of Member States to grant public support in the form of two-way contracts for differences (CfDs) to generation technologies other than those listed under paragraph 2, provided this complies with Article 107 and 108 TFEU and with sectoral legislation.</p>
<p><b>Amendment 17</b></p> <p>Article 19b(3)</p> <p>Direct price support schemes in the form of two-way contracts for difference shall:</p> <ul style="list-style-type: none"> <li>(a) be designed <i>with the aim of cost neutrality</i>, so that the revenues collected when the market price is above the strike price are <i>used to finance</i></li> </ul>	<p>The proposed principle of “cost neutrality” would interfere with the decision of Member States to decide how to finance the public support. Based on the current practice, Member States resort to different means: some apply the principle of cost neutrality whereas others reflect these costs in their taxes/levies.</p> <p>The distribution of the revenues as set out in</p>

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

<p><i>support when the market price is below the strike price. Additional revenues shall be distributed to vulnerable consumers, low-income households or vulnerable customers in the energy-intensive industries at risk of carbon leakage if they demonstrate significant decarbonisation efforts, or utilised to finance one stop shops at local or regional level as per Article 15b.</i></p> <p>(b) ensure that the distribution of the revenues to final electricity customers is designed so as not to remove the incentives of consumers to reduce their consumption or shift it to periods when electricity prices are low and not to undermine competition between electricity suppliers;</p> <p>(c) <i>contain locational elements to incentivise new investments in locations that do not lead to additional congestion in the transmission and/or distribution grid or support investments in structurally weak regions;</i></p> <p>(d) reflect system supportiveness of new investments to incentivise investments in locations or technologies with system supportive generation patterns.</p>	<p>the Commission proposal already covers the categories of consumers listed in the proposed amendment.</p>
<p><b>Amendment 19</b></p> <p>Article 19f</p> <p>Flexibility support scheme for non-fossil flexibility such as demand response and storage applied by Member States in accordance with Article 19e(2) and (3) shall:</p> <p>[...]</p> <p>(k) <i>allow cross-border participation on equal conditions;</i></p> <p>(l) <i>be adapted to local conditions;</i></p> <p>(m) <i>contain locational elements to incentivise new investments in locations that do not lead to additional congestion in the transmission and/or distribution grid or support investments in structurally weak regions.'</i></p>	<p>Some of the proposed additions are already embedded in the principles set out in Article 19f(e) and (f).</p>

<p><b>Amendment 20</b></p> <p>Article 19g</p> <p><i>The EU renewable energy financing mechanism (Regulation (EU) 2020/1294 on the Union renewable energy financing mechanisms) should provide guarantees for PPAs and tender two-way contracts for difference in case the Commission concludes that the contributions of the Member States are insufficient for the collective achievement of the target according to the Renewables Directive (EU) 2018/2001 of at least 45% share of energy from renewable sources in the Union's gross final consumption of energy in 2030 based on its assessment of the integrated national energy and climate plans.</i></p>	<p>The Commission stresses the importance to achieve the 42.5% EU binding renewable energy target for 2030, with an additional indicative 2.5% share to accelerate the deployment of renewable energy sources. This is essential to deliver on the European Green Deal and REPowerEU objectives. The targets and measures of the Renewable Energy Directive are tailored to ensure that this is the case.</p> <p>The Commission's proposal on the reform of the electricity market design provides additional elements to promote the deployment of renewable energy sources by reinforcing the framework on two-way contracts for difference and power purchase agreements.</p> <p>The EU renewable energy financing mechanism objectives are identified in the Governance Regulation<sup>3</sup> and are not affected by the Commission's market design proposal.</p>
<p><b>Amendment 21</b></p> <p>Article 15a</p> <p>1. All households, small and medium sized enterprises and public bodies have the right to participate in energy sharing as active customers.</p> <p>(a) Active customers shall be entitled to share renewable energy between themselves based on private agreements or through a legal entity.</p> <p>(b) Active customers may use a third party that owns or manages for installation, operation, including metering and maintenance a storage or renewable energy generation facility for the purpose of facilitating energy sharing, without that third party being considered an active customer.</p>	<p>The Commission considers that it is for Member States to transpose the relevant provisions enabling energy sharing into national law – this does not detract from the specific role of local and regional authorities in making best advantages of energy sharing.</p> <p>The Commission does not support restricting energy sharing to particular sub-national areas. This would discriminate against energy sharing compared to selling energy to suppliers and is also not required from the perspective of technical functioning of the market.</p> <p>Ensuring good access to information for customers using energy sharing, including e.g. the use of various platforms, is important, 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.

(c) Member States *in cooperation with local and regional authorities* shall ensure that active customers participating in energy sharing:

(d) are entitled to have the shared electricity netted with their total metered consumption within a time interval no longer than the imbalance settlement period. *Taxes, levies and network charges are to be paid on the shared energy;*

(e) benefit from all consumer rights and obligations as final customers under this Directive, except in case of energy sharing between households with an installed capacity up to **30 kW** and up to **100 kW** for multi-apartment blocks using peer-to-peer trading agreements;

(f) have access to template contracts with fair and transparent terms and conditions for peer-to-peer trading agreements between households, and for agreements on leasing, renting or investing in storage and renewable energy generation facilities for the purpose of energy sharing; in case of conflicts arising over such agreements, final customers shall have access to out of court dispute settlement in accordance with Article 26;

(g) are not subject to unfair and discriminatory treatment by market participants or their balance responsible parties;

(h) are informed of the possibility for changes in bidding zones in accordance with Article 14 of Regulation (EU) 2019/943 and of the fact that the right to share energy is restricted to *the same and surrounding local or regional administrative units as determined under national law;*

(i) *have access to energy advisory services providing relevant data and technical assistance, in particular the Energy Communities Repository and the Rural Energy Communities Advisory Hub;*

(j) are enabled to participate in digital platforms to obtain information, data and share best practices;

has been included in various amendments proposed by the European Parliament. Nonetheless, the specific references to the energy communities' repositories are not necessary, as energy sharing is distinct from energy communities.

Similarly, the increase in the exclusion to 100 kW (from 50kW) for certain customer rights for energy sharing related to production from multi-apartment blocks has been included by the European Parliament.

Network tariffs for those participating in energy sharing should be cost-reflective and approved by the relevant regulatory authority, as required by Articles 6 and 59(1)(a) of the Directive.

While it will be important to assess the implementation of these new rules, specifying annual reporting obligations on network operators could be overly burdensome. The normal processes for assessing effective implementation should be sufficient also for energy sharing.

<p>(k) can benefit from targeted network tariffs that reflect the local and regional grid infrastructure effectively used;</p> <p>(l) Member States shall ensure that relevant transmission or distribution system operators or other designated bodies:</p> <p>(m) monitor, collect, validate and communicate metering data related to the shared electricity with relevant final customers, market participants at least every month, and in accordance with Article 23;</p> <p>(n) provide a relevant contact point to register energy sharing arrangements, receive information on relevant metering points, changes in location and participation, and, where applicable, validate calculation methods in a clear, transparent and timely manner.</p> <p>(o) submit an annual report to the regulatory authority that includes information on the implementation of energy sharing at local level, including the impact on the grid, treatment of information and accessibility to new schemes. The Commission may draw up specific guidance on how to reduce the administrative burden and the regulatory barriers in the field of energy sharing</p>	
<p><b>Amendment 22</b></p> <p>New Article 15b</p> <p><b>Public action for the local energy transition</b></p> <p><b>15b)</b></p> <p><b>1) Local and regional authorities:</b></p> <p><b>a) shall develop a roadmap for climate-friendly energy supply for their region in line with the climate targets;</b></p> <p><b>b) shall facilitate integrated network planning for</b></p>	<p>Many of the objectives of this proposed amendment related to local energy planning and one stop shops have been covered by the recently agreed Energy Efficiency Directive<sup>4</sup> and the Renewable Energy Directive<sup>5</sup>. In this regard, there is no particular need to have overlapping legislative provisions on the same topic.</p> <p>Regarding specifying a role for local and regional authorities in relation to supplier of last resort designation and below cost</p>

<sup>4</sup> Directive (EU) 2023/1791 of the European Parliament and of the Council of 13 September 2023 on energy efficiency and amending Regulation (EU) 2023/955 (recast); OJ L 231, 20.9.2023, p. 1–111.

<sup>5</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 (recast); OJ L 328, 21.12.2018, p. 82–209.



*electricity, heat and gases;*

*c) shall facilitate citizen involvement during the planning and building of network and generation infrastructure;*

*d) may invest in energy production facilities and shall contribute as agent for investments, promoting the acceleration of renewables;*

*e) shall designate appropriate areas for renewables and necessary infrastructure in line with the roadmap for climate-friendly energy supply;*

*f) shall facilitate the coordination of permission processes for new generation and infrastructure and implement simple, transparent and digital processes;*

*g) may coordinate the access to electricity supply below costs during an electricity price crisis and shall coordinate the determination of the supplier of last resort.*

*2) Local and regional authorities shall develop "one-stop shops" to facilitate the energy transition. One- stop shops:*

*1. shall offer citizens advisory services in respect to affordable energy contracts, energy sharing, energy communities, renewable investments and local energy markets;*

*2. shall offer energy communities regulatory and administrative information including on licensing, permitting and grid connections;*

*3. shall facilitate the bundling of demand for PPAs;*

*4. may offer platforms for energy sharing;*

*may offer platforms for registering renewable energy systems.*

electricity supply during a crisis, these topics are covered in Articles 27a and 66a of this proposal respectively – the Commission considers it is for Member States to determine how these functions should be carried out within their territory, considering relevant local circumstances.

<p><b>Amendment 23</b></p> <p>New Article 15c</p> <p><i>15c)</i></p> <p><i>All households have the right to connect renewable energy systems of up to 1 kW for self-consumption without further requirements, except for registering the system in a local or national database and compliance with the applicable electrical safety regulations. Member States shall put in place simple procedures to register these renewable energy systems.</i></p>	<p>The Renewable Energy Directive and its recent amendments already include provisions aimed at simplifying the permitting procedure for small installations, including their connection to the grid.</p>
<p><b>Amendment 24</b></p> <p>New Article 15d</p> <p><b><i>Renewable energy communities and ownership</i></b></p> <p><i>15d)</i></p> <p><b><i>1. Renewable energy communities shall:</i></b></p> <p><b><i>1. benefit from priority use of public spaces for renewable projects;</i></b></p> <p><b><i>2. benefit from priority treatment for obtaining grid connections for their renewable projects unless the system operator shows that it is more efficient to prioritise other projects for achieving the energy transition;</i></b></p> <p><b><i>3. benefit from technical assistance and streamlined procedures for energy sharing projects.</i></b></p> <p><b><i>Ownership of renewable energy projects developed by a renewable energy community or built for energy sharing shall be offered to purchase by the energy community, those involved in energy sharing and citizens, local and regional authorities and small and medium enterprises in the respective region.</i></b></p>	<p>The Renewable Energy Directive already includes reference to technical assistance for renewable energy communities (Article 22) and provisions on spatial planning to facilitate the integration of renewable energy coming from renewable energy communities (Article 15). The strategic approach to spatial planning has been further reinforced in the recent amendment of the Renewable Energy Directive.</p>

<p><b>Amendment 26</b></p> <p>Article 27(6)</p> <p>in Article 27, paragraph 1 is replaced by the following:</p> <p>"1. Member States shall ensure that all household customers, and, where Member States consider it appropriate, small enterprises, enjoy universal service, namely the right to be supplied with electricity of a specified quality within their territory at competitive, easily and clearly comparable, transparent and non-discriminatory prices. To ensure the provision of universal service, Member States shall impose on distribution system operators an obligation to connect customers to their network under terms, conditions and tariffs set in accordance with the procedure laid down in Article 59(7) <i>and with a maximum duration of six months between a request for connection and finalising the physical connection.</i> This Directive does not prevent Member States from strengthening the market position of the household customers and small and medium-sized non-household customers by promoting the possibilities for the voluntary aggregation of representation for that class of customers."</p>	<p>While the Commission considers, in line with the proposal, that household customers and, where Member States consider it appropriate, small enterprises, have a right to a universal service, the proposed amendment regarding the obligation for distribution system operators to connect customers to their network goes beyond household customers and small enterprises.</p> <p>There may be instances where distribution system operators may not be able to connect larger customers to the grid within the proposed six months deadline due to lack of capacity. For this reason, the Commission considers that the Member States are best positioned to define the terms and conditions on which distribution system operators should carry out the connection to the grid.</p>
<p><b>Policy recommendation 17</b></p> <p>1. The European Committee of the Regions(CoR) regrets that the European Commission's proposal fully upholds the merit order principle for wholesale market pricing; calls on the European Commission to consider a reform and to commission a study, as otherwise there is a risk that the development of renewable energy will not have a positive impact on prices for end customers to the extent desired, even in the long term;</p>	<p>There have been successful developments in recent years on integrating national electricity markets and ensuring that the EU's cross-border, short-term markets are efficient, support security of supply and the integration of renewables. Short-term markets (of which the day-ahead market works based on the "pay-as-cleared" pricing model and the intraday market works based on the 'pay-as-bid' pricing model) are needed to ensure an efficient dispatch of all resources, maximising renewables generation.</p> <p>Although the current market design has over many decades delivered an efficient, well integrated market, the energy crisis has</p>

highlighted certain shortcomings. As the revenues from many inframarginal generators (e.g., solar, wind, nuclear) are dependent on the short-term market prices determined by the marginal pricing system, the crisis has led to higher commercial returns for inframarginal generators (even if realised revenues are difficult to precisely assess) while in parallel, end-consumers were suffering from high prices.

The Commission proposal aims at achieving a decoupling between wholesale electricity prices and consumers bills, while avoiding interfering with the price formation process on the short-term market – which is needed for market participants to react appropriately to system needs, and guarantee security of supply and cross-border exchanges.

The Commission proposal introduces incentives for market participants to enter longer-term pricing arrangements, which should create a buffer between consumers and short-term markets, ensuring that they will be better protected from high prices and that electricity bills better reflect the overall electricity mix and the lower cost of generating electricity from clean energy sources.

Pursuant to the public consultation carried out by the Commission in preparation of the Electricity Market Design revision, the majority of respondents consider that short term markets are functioning well, and do not see an alternative to the marginal pricing model.