

**FOLLOW-UP PROVIDED BY THE EUROPEAN COMMISSION**  
**TO THE OPINIONS OF THE**  
**EUROPEAN COMMITTEE OF THE REGIONS**  
**PLENARY SESSION OF DECEMBER 2021**  
**99<sup>th</sup> REPORT**

N°	TITLE / LEAD DG	REFERENCES
<b>SG.A2</b>		
1.	<p><a href="#"><u>Better Regulation: Joining forces to make better laws</u></a></p> <p>Rapporteur: Piero Mauro ZANIN (IT/EPP)</p>	<p>COM(2021) 219 final COR-2021-04071-00-00-AC-TRA CIVEX-VII/007</p>
<b>SG.RECOVER</b>		
2. Assoc. DG ECFIN	<p><a href="#"><u>The implementation of the Recovery and Resilience Facility</u></a></p> <p>Rapporteur: Rob JONKMAN (NL/ECR)</p>	<p>Council presidency referral COR-2021-03682-00-00-AC-TRA ECON-VII/018</p>
<b>DG GROW</b>		
3.	<p><a href="#"><u>Updating the new Industrial Strategy for Europe</u></a></p> <p>Rapporteur: Jeannette BALJEU (NL/RENEW E.)</p>	<p>COM(2021) 350 final COR-2021-02688-00-01-AC-TRA ECON-VII/017</p>
4. Opinion adopted during the plenary session of October 2021	<p><a href="#"><u>Protecting Industrial and Craft Geographical Indications in the European Union</u></a></p> <p>Rapporteur: <b>Martine PINVILLE</b> (FR/PES)</p>	<p>Own-initiative COR-2021-02689-00-01-AC-TRA ECON-VII/016</p>
<b>DG COMP</b>		
5.	<p><a href="#"><u>European Commission Report on Competition Policy in 2020</u></a></p> <p>Rapporteur: Tadeusz TRUSKOLASKI (PL/EA)</p>	<p>COM(2021) 373 final COR-2021-04309-00-00-AC-TRA ECON-VII/015</p>
<b>DG CNECT</b>		
6.	<p><a href="#"><u>European Approach to Artificial Intelligence - Artificial Intelligence Act</u></a></p> <p>Rapporteur: Guido RINK (NL/PES)</p>	<p>COM(2021) 205 final COM(2021) 206 final COR-2021-02682-00-01-AC-TRA SEDEC-VII/022</p>

<b>DG EMPL</b>		
<b>7.</b>	<a href="#"><u>Eradicating homelessness in the European Union: The local and regional perspective</u></a> Rapporteur: Mikko AALTONEN (FI/PES)	Own-initiative COR-2021-03911-00-02-AC-TRA SEDEC-VII/023
<b>DG SANTE</b>		
<b>8.</b>	<a href="#"><u>Europe's Beating Cancer Plan</u></a> Rapporteur: Birgitta SACRÉDEUS (SV/EPP)	COM(2021) 44 final COR-2021-02072-00-00-AC-TRA NAT-VII/018
<b>DG AGRI</b>		
<b>9.</b>	<a href="#"><u>EU action plan for organic farming</u></a> Rapporteur: Uroš BREŽAN (SI/GREENS)	COM(2021) 141 final COR-2021-01968-00-00-AC-TRA NAT-VII/019
<b>DG MARE</b>		
<b>10.</b>	<a href="#"><u>Sustainable blue economy and aquaculture</u></a> Rapporteur: Bronius MARKAUSKAS (LT/EA)	COM(2021) 236 final COM(2021) 240 final COR-2021-03054-00-00-AC-TRA NAT-VII/020
<b>DG REGIO</b>		
<b>11.</b>	<a href="#"><u>The gender dimension of structural and cohesion funds 2021-2027, with a focus on the preparation of the operational programmes</u></a> Rapporteur: Donatella PORZI (IT/PES)	Own-initiative COR-2021-02503-00-00-AC-TRA COTER-VII/014

<p><b>N°1 Better regulation: Joining forces to make better laws</b>  <b>COM (2021) 219 final</b>  <b>COR-2021-04071 – CIVEX-VII/007</b>  <b>147<sup>st</sup> plenary session – December 2021</b>  <b>Rapporteur: Piero Mauro ZANIN (IT/EPP)</b>  <b>SG –Vice-President ŠEFČOVIČ</b></p>	
<p><b>Points of the European Committee of the Regions opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>6. The CoR calls on the Commission to explore ways of involving regional parliaments more closely in the EU policy-making process, by harnessing the early warning mechanism.</p>	<p>The Treaties provide that national Parliaments, when preparing a reasoned opinion, can consult, where appropriate, regional Parliaments with legislative powers<sup>1</sup>. Moreover, regional Parliaments can at any time address the Commission directly. If a Commission proposal raises a significant level of subsidiarity concerns, and if regional Parliaments should express similar concerns in a timely manner, the Commission instrument of aggregate responses to national Parliaments can cover also relevant opinions of regional Parliaments.</p>
<p>→ The CoR calls on the EU institutions, Member States and Local and Regional Authorities (LRAs) to each focus on implementing the recommendations of the Task Force on Subsidiarity, Proportionality and "Doing Less More Efficiently". The CoR calls for these recommendations to be updated.</p>	<p>The Commission has already committed in the Communication on Better regulation to publish a subsidiarity assessment grid – as asked for by the Task Force – with every politically sensitive or important proposal accompanied by an impact assessment, other than for areas of EU’s exclusive competence where subsidiarity does not apply. The Fit for Future Platform, a high-level expert group tasked with simplifying EU laws and reducing burdens, can also look at density of legislation and at problematic issues raised by the Task Force.</p>
<p>14. The CoR calls for the interinstitutional agreement, guidelines and toolbox on better regulation to be reviewed, incorporating the multilevel dimension of the European regulatory process.</p>	<p>Following the Communication, the better regulation guidelines and toolbox were reviewed and published on 3 November and 25 November 2021 respectively<sup>2</sup>. These documents include guidance on how to consider multilevel dimension in better regulation.</p> <p>On the Interinstitutional Agreement on Better</p>

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

<sup>2</sup> Both documents are available here: [https://ec.europa.eu/info/law/law-making-process/planning-and-proposing-law/better-regulation-why-and-how/better-regulation-guidelines-and-toolbox\\_en](https://ec.europa.eu/info/law/law-making-process/planning-and-proposing-law/better-regulation-why-and-how/better-regulation-guidelines-and-toolbox_en)

	<p>Law-making, the Commission hopes for the advancement and further implementation of it. The agreement has proven valuable, although some parts still need progress. In particular, the Commission hopes for advancement regarding the co-legislators assessing the impacts of substantial amendments and ensuring adequate monitoring and reporting provisions.</p>
<p>→ The CoR calls on the Commission and Member States to support businesses, particularly SMEs, when they make the investments needed to adapt to the standards required under relevant EU sectoral legislation;</p>	<p>The Commission is committed to supporting small and medium-sized enterprises (SMEs) scale up and expand, including through improved access to finance. Support to SMEs' competitiveness is a priority of the European Structural and Investment Funds. Among its policy objectives, the European Regional Development Fund<sup>3</sup> aims to enhance sustainable growth and competitiveness of SMEs, including through productive investments.</p>
<p>→ The CoR highlights the added value that RegHub provides and calls on the Commission to consider long-term financial support for the development and consolidation of RegHub as a better regulation instrument.</p>	<p>Regional and local authorities play an important role in policy-making as they have a better understanding of the difficulties in implementing EU laws from the perspective of those who are most directly concerned. This is why the Commission decided to reinforce their role in the Fit for Future Platform, which is a key better regulation instrument.</p> <p>RegHub plays an instrumental role in the platform, as one of the four subgroups providing input in identifying legislation that is burdensome for citizens and business in the annual work programme of the Platform.</p> <p>Article 14 of the Decision establishing the Platform<sup>4</sup> and the horizontal rules for reimbursement of experts are the Commission's means to provide financial support to the participants from RegHub.</p>
<p>12. The CoR calls on the Commission, the Member States and the LRAs to issue compatible legislation able to remove obstacles and red tape which, by slowing down recovery, undermine people's wellbeing. The CoR asks</p>	<p>The Commission has a long-standing policy of reducing regulatory burden. The burden reduction effort is strengthened through the 'one in, one out' approach. Additionally, the Fit for Future Platform aims to provide advice on ways to ensure</p>

<sup>3</sup> [Regulation \(EU\) 2021/1058 on the European Regional Development Fund and on the Cohesion Fund](#)

<sup>4</sup> Commission Decision of 11 May 2020 establishing the Fit for Future Platform 2020/C 163/03; OJ C 163, 12.5.2020, p. 3–9.

<p>the Commission to support the regions, particularly cross-border regions and less developed by promoting common legislation, drawing on the cooperation initiatives already in place in border and vulnerable areas, such as the European Groupings of Territorial Cooperation (EGTC).</p>	<p>that EU legislation is easy to comply with, efficient and fit for the future.</p> <p>The European Grouping of Territorial Cooperation (EGTC) is an instrument that has an important role to facilitate and promote cross-border, transnational and interregional cooperation. The Commission supports the EGTC to enable regional and local authorities and other public bodies from different Member States, to team up and set up partnership and cooperation groupings. There are currently 80 active<sup>5</sup> EGTCs, founded since the introduction of the instrument in 2006, contributing to this objective.</p>
<p>14. The CoR calls for every effort to be made to enhance the linguistic aspect, terminology sharing and proper translation, as these are key to working towards the common objectives of better regulation at all levels of governance.</p>	<p>The Commission will make an additional effort to make its consultations even more accessible to the general public. The Call for evidence document will be translated in all EU languages, thus ensuring broader accessibility. Moreover, the Commission will pay special attention to have clearer questions, more tailored to different stakeholders' groups where appropriate. For initiatives, which may be more technical and of less broad political interest, the Commission will c whether or not a targeted consultation is the best way to reach the public.</p>
<p>24. The CoR calls on the Commission to link up databases, registers, archives and portals, including MIDAS. Through specific communication and training activities, the CoR and associations of LRAs, the Commission should also make the public more familiar with these sources of information.</p>	<p>To increase transparency and accessibility of evidence, the Commission is streamlining its evidence register, including improvements to the portals, such as the EU Bookshop and Have Your Say portal, and the links between them. The Commission will also gradually make internal databases and repositories publicly accessible. MIDAS is already available to the public. Ultimately, the evidence should be easy to find and understand.</p> <p>The Commission will also reach out to the Parliament and the Council to set up a common evidence register. The Interinstitutional Agreement on Better Law-Making of 13 April 2016<sup>6</sup> laid down an objective for transparency for the Parliament, Council and the</p>

<sup>5</sup> [https://portal.cor.europa.eu/egtc/CoRAactivities/Documents/Official\\_List\\_of\\_the\\_EGTCs.pdf?Web=0](https://portal.cor.europa.eu/egtc/CoRAactivities/Documents/Official_List_of_the_EGTCs.pdf?Web=0)

<sup>6</sup> Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making; OJ L 123, 12.5.2016, p. 1–14.

	<p>Commission by setting up a Joint Legislative Portal.</p>
<p>27. The CoR calls on the Commission, when applying the "one in, one out" approach, through which the Commission aims to offset new burdens arising from legislative proposals by cutting an equivalent amount of existing red tape in the same sector, to guarantee that inception impact assessments and impact assessments include an evaluation of the potential territorially differentiated impacts of each legislative initiative. Expects that the application of this principle preserves the EU's legislative objectives and high economic, social and environmental standards.</p>	<p>The Commission has strengthened its focus already at the inception impact assessment phase to identify whether territorial impacts are likely and need specific analysis in the impact assessment.</p> <p>In scrutinising impact assessments, the Regulatory Scrutiny Board pays particular attention to territorial impacts where relevant.</p> <p>The 'one in, one out' approach is about alleviating administrative burden incurred to businesses and citizens in EU as a whole including by alleviating administrative burden to those territories most affected.</p> <p>The operational and methodological details of the 'one-in, one out' are presented in the revised Better Regulation Toolbox (#Tool 59), which also includes a Tool (#34) for identifying territorial impacts.<sup>7</sup></p> <p>The Commission agrees that the application of the application of the 'one in, one out' principle should preserve the EU's legislative objectives and high economic, social and environmental standards.</p>
<p>28. The CoR calls for increased transparency and accountability and for less administrative burdens on businesses, especially small and medium-sized enterprises (SMEs). The CoR stresses that the EU should adopt a target to reduce the overall EU regulatory burden on businesses.</p>	<p>The Commission has committed to apply more systematically the SME test. Potential impacts on SMEs should be considered and reported systematically, whenever relevant and proportionate, in all impact assessment reports. When these impacts are relevant, they are analysed in greater depth. The Regulatory Scrutiny Board pays particular attention to the extent to which the impacts on SMEs are considered and assessed in relevant impact assessments.</p>
<p>38. The CoR calls on the Commission to take account of its input when establishing the Joint Legislative Portal, including opinions, territorial impact assessments, RegHub reports, studies and documents on legislative proposals</p>	<p>Work with the European Parliament and Council in establishing the Joint Legislative Portal is ongoing. The public portal will allow anyone interested in EU policymaking to easily find all the evidence supporting a given initiative. The Commission welcomes any suggestions for</p>

<sup>7</sup> [https://ec.europa.eu/info/sites/default/files/br\\_toolbox-nov\\_2021\\_en\\_0.pdf](https://ec.europa.eu/info/sites/default/files/br_toolbox-nov_2021_en_0.pdf)

<p>and reviews.</p> <p>The CoR asks to be able to contribute to the technical improvements to the "Have Your Say" portal in order to promote greater understanding of specific local features and facilitate access for LRAs.</p>	<p>technical improvements to the 'Have Your Say' portal. The Committee has a key role in promoting and disseminating public consultations of interest for LRAs.</p>
<p>43. The CoR calls on the Commission to pass on information to LRAs via the CoR and RegHub on how to use the various models developed by ESPON to perform territorial impact assessments.</p>	<p>The European Grouping on Territorial (ESPON) Cooperation Programme is co-financed by the European Regional Development Fund. ESPON, in cooperation with Commission's Directorate-General for Regional and Urban Policy (DG REGIO), has developed online tools to assess the need for and the analysis of territorial impact assessments, such as the Territorial Impact Assessment (TIA) necessity check and the ESPON TIA tool that both feature in the Better Regulation Toolbox (Tool #34)<sup>8</sup>.</p> <p>Trainings and assistance on territorial impact assessments and the tools supporting them are provided by the Commission services. Moreover, there is specific guidance in the toolbox on how to use models.</p>
<p>48. The CoR reiterates its call for the board to include a permanent member designated by itself. The CoR calls on the Commission to make available draft evaluations and impact assessments that are submitted to the board so that the CoR's contributions to better regulation can be evaluated and targeted more effectively.</p>	<p>The Regulatory Scrutiny Board consists of members with expertise in evaluations and impact assessment. Its role is to ensure the quality of impact assessments and evaluations. This assessment covers also whether impact assessments and evaluations sufficiently address territorial impacts and that subsidiarity and proportionality aspects are adequately covered.</p>

<sup>8</sup> [https://ec.europa.eu/info/sites/default/files/br\\_toolbox-nov\\_2021\\_en\\_0.pdf](https://ec.europa.eu/info/sites/default/files/br_toolbox-nov_2021_en_0.pdf), tool#34 – territorial impacts.

**N°2 Implementation of the Recovery and Resilience Facility**  
**Council Presidency referral**  
**COR-2021-03682 – ECON-VII/018**  
**147<sup>th</sup> plenary session – December 2021**  
**Rapporteur: Rob JONKMAN (NL/ECR)**  
**SG RECOVER – Executive Vice-President DOMBROVSKIS**

<b>Points of the European Committee of the Regions opinion considered essential</b>	<b>European Commission position</b>
<p>3. The CoR cautions that the European Semester as a governance mechanism for the Fund (referred to as "Facility") remains a centralised and top-down exercise that is not appropriate for a tool that is supposed to strengthen economic, social and regional cohesion; notes the importance of implementing the National Recovery and Resilience Plans (NRRPs) properly, distributing the funds objectively and transparently, in close partnership with local and regional authorities, the social partners and NGOs, based on the principle of subsidiarity, multilevel governance, and an integrated and bottom-up approach. The greater the ownership in a Member State, the greater the likelihood that the NRRPs will be implemented successfully.</p>	<p>The European Semester resumes its economic and employment policy coordination in 2022, while evolving in line with the implementation requirements of the Recovery and Resilience Facility. This was requested by many stakeholders after a temporary adjustment of the last cycle to coordinate it with a launch of the national recovery and resilience plans. The implementation of recovery and resilience plans will drive Member States' reform and investment agenda for the years to come. In addition, the European Semester will identify newly emerging challenges and challenges only partially or not addressed by the recovery and resilience plans. At the same time, there will still be a need for a continuous assessment of the macroeconomic challenges and vulnerabilities in each economy, and how these challenges will evolve.</p> <p>The Commission released in October 2021 the Autumn European Semester package<sup>1</sup>, thus entering a new era. The Commission has also recently published new guidance documents for Member States on the new format of the European Semester. The details of the new European Semester are however still being worked on as the Commission will publish Country Specific Recommendations (CSR's) and country reports in May 2022. In order to organize and manage the implementation of the National Recovery and Resilience Plan (NRRP) in each Member State, there must be an efficient national governance framework with strong interactions and communication between national, regional and local authorities at all stages of the implementation.</p>

<sup>1</sup> [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_21\\_6105](https://ec.europa.eu/commission/presscorner/detail/en/ip_21_6105)

<p>5. The CoR draws attention to the fact that, for many municipalities and regions, the COVID-19 crisis has led to a decrease in revenue and an increase in expenditure. This is a repeat of the situation that prevailed during the credit crisis (2008-2011). The level of investment by LRAs has still not returned to the level recorded prior to that economic and financial crisis.</p>	<p>The Commission understands the budgetary complications that local and regional authorities are experiencing due to the pandemic. Although Recovery and Resilience Facility (RRF) funds are not designed to bridge revenue shortfalls of municipal and regional treasuries, the investments and reforms stemming from the Facility will have a direct and long-term impact on regions and municipalities in the form of infrastructure projects, social programmes, environmental protection initiatives and other crucial objectives that will increase the economic resilience, social wellbeing and environmental sustainability of cities and regions across the EU. Municipalities and regions will come out this crisis stronger and more resilient and the dividends of recovery will be felt throughout society as a whole.</p>
<p>7. The CoR notes that as can be seen from its studies, the EPC, the Konrad Adenauer Stiftung and the CPMR<sup>2</sup>, LRAs have been insufficiently involved in the preparation process of national recovery and resilience plans, and that the extent to which LRA input into the plans has been incorporated in most cases cannot be ascertained.</p>	<p>The RRF Regulation<sup>3</sup> includes an obligation for Member States to provide a summary of the stakeholder consultations, including of social partners and local and regional authorities as part of their plan, including an explanation how the results of the consultation were taken into account (see Article 18 (4) (q), RRF Regulation). It remains up to each Member State to decide how to organise its own internal procedures and the consultation process, including the involvement of social partners and other stakeholders. Nonetheless, the Commission regularly underlines the importance of stakeholder involvement in its interactions with all Member States. The Commission has for instance emphasized the importance of consultations with stakeholders and social partners in its guidance on drafting recovery and resilience plans.</p> <p>The Commission has not formally assessed the stakeholder consultations undertaken by the Member States. However, with the vast majority of</p>

<sup>2</sup> EPC and Konrad Adenauer Stiftung Europe: Discussion paper: National Recovery & Resilience Plans: Empowering the green and digital transitions? (April 2021)  
CoR study by Alessandro Valenza, Anda Iacob, Clarissa Amichetti, Pietro Celotti (t33 Srl), Sabine Zillmer (Spatial Foresight) and Jacek Kotrasinski: Regional and local authorities and the National Recovery & Resilience Plans (June 2021), available at:

[https://cor.europa.eu/en/engage/studies/Documents/Regional%20and%20local%20authorities%20and%20the%20National%20Recovery%20and%20Resilience%20Plans/NRRPs\\_study.pdf](https://cor.europa.eu/en/engage/studies/Documents/Regional%20and%20local%20authorities%20and%20the%20National%20Recovery%20and%20Resilience%20Plans/NRRPs_study.pdf)

CPMR analysis on the National Recovery & Resilience Plans – Technical note (June 2021).

<sup>3</sup> Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility; OJ L 57, 18.2.2021, p. 17–75.

	<p>plans already submitted, social partners have reported a mixed picture when it comes to their impression of the consultation process at national level ranging from regular and detailed consultation to far more limited consultation processes in some countries. This in part reflects the fact that Member States have taken different approaches to public consultation. It is however not possible to compare these processes given the very different national structures across Member States.</p>
<p>10. The CoR argues that the ways in which the NRRPs have been drawn up and the LRAs have been involved are not conducive to promoting ownership of the recovery plans. Lessons learned from previous European semesters show that many country-specific recommendations were not followed up due to the lack of a clear approach and ownership; points out that this is also due to the lack of recognition of the role of local and regional authorities in the European Semester.</p>	<p>The RRF Regulation stipulates that the Recovery and Resilience Plans should effectively address all or a significant subset of challenges identified in the relevant CSRs. Operationally (see i.a. Article 18 (4) (b), RRF Regulation), the Commission considered that ‘relevant CSRs’ for the purpose of the assessment exercise referred to those 2019 and 2020 recommendations that had not yet been fully implemented by the time of submission of the plans and for which no substantial progress in their implementation was achieved. The Commission has a positive impression of the overall CSR coverage applied throughout the submitted plans as they effectively address all or a significant subset of the challenges identified in the framework of the European Semester. Indeed, this was a key assessment criteria for RRFs to be positively assessed and adopted.</p> <p>The RRF Regulation also requires Member States to outline how their plan will contribute to enhancing cohesion (see i.a. Article 18 (4) (c), RRF Regulation), taking into account local, regional and national disparities. The Commission repeatedly highlighted its conviction that the implementation of the plans will only be successful with strong regional and local ownership, as well as support from social partners and civil society at every stage of the process. The regions will be key partners when it comes to translating the Commission ambitious objectives for the green and digital transition into concrete measures, with tangible impact on the ground for people and businesses. This is especially true when it comes to investments. Local and regional authorities are responsible for more than half of public investment</p>

	<p>in the EU. Many of these are in areas that are key to the RRF and the Commission efforts to address regional disparities including digital connectivity, transport infrastructure, or access to health services.</p> <p>The Commission notes that cohesion policy programming documents, several of which are being currently negotiated with many Member States, include an important volume of cohesion policy investments directly benefiting regions in the EU and where the role of subnational authorities is recognised within well-established partnership processes.</p>
<p>15. The CoR underlines that Member States and the EU institutions must strictly apply and respect the "do no significant harm" principle (DNSH) across each investment and reform, in particular sustainable investments contributing to climate and biodiversity targets; the CoR insists that the Commission ensures the reporting system is in place and the territorial dimension and expertise of LRAs are considered in the assessment as the evaluation for each measure is done on the national level.</p>	<p>The RRF Regulation ensures that no measure included in a Recovery and Resilience Plan should lead to significant harm to any of the six environmental objectives (see i.a. Article (5) (2), RRF Regulation) (which include two climate objectives: climate change mitigation and climate change adaptation). The Regulation is very clear that the Commission cannot endorse a plan that contains any measures that might harm the environment. The Commission has been working with Member States to support them in designing their measures in a way to avoid significant harm to the environment. DNSH ('do no significant harm') compliance needs to be demonstrated by Member States for each measure of the plan, and for each environmental objective, including climate objectives and biodiversity. Beyond proposing measures that effectively contribute to the green transition (based on the defined climate markers), Member States also have to ensure that none of their measures do significant harm to any of the six environmental objectives set out in the Taxonomy Regulation<sup>4</sup>.</p> <p>While the Commission will assess whether the requirements of Milestones and Targets related to DNSH are fulfilled, there is no specific monitoring tool that would be tracking the compliance of implemented measures with the DNSH principle. This obligation was covered during the assessment of each plan given the fact that this is an eligibility</p>

<sup>4</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088; OJ L 198, 22.6.2020, p. 13–43.

	<p>criteria that had to be assessed ex ante. The RRF scoreboard will monitor the progress made on the implementation of the plans, including measures supporting the green transition and sustainability, throughout the duration of the Facility using the six pillars and common indicators.</p>
<p>20. The CoR points out that the scoreboard for measuring progress in, and the provision of information on implementing the NRRPs, should be operational by 31 December 2021, as set out in Article 30 of the RRF Regulation, serves as a basis for the Recovery and Resilience Dialogue and should take into account regional and local interests. The CoR asks the Commission to ensure the "territorial dimension" and role of LRAs are properly reflected in the biannual scoreboard. In order to ensure an inclusive monitoring process and an objective approach to implementation, an understanding of the objectives achieved at local and regional level is essential, without leading to excessive administrative burden for LRAs.</p>	<p>In line with the Regulation (Article 30), the Commission will, in the scoreboard, report on the progress of the plans in each of the six pillar. The Commission has adopted common indicators by delegated regulation covering all the six pillars. The scoreboard will therefore show clearly whether the plans supported by the RRF truly contribute to the whole scope of the RRF. The Delegated Acts setting out the common indicators and the detailed elements of the recovery and resilience scoreboard were formally adopted on 2 December 2021<sup>5</sup> and the scoreboard itself was launched online on 15 December 2021<sup>6</sup>.</p> <p>The Scoreboard does not report on the local and regional dimension of the measures, since the beneficiaries of the RRF are the Member States, which can organize the implementation in accordance with their national systems. The Commission does not trace the funds and their allocation across the different regional and local authorities within the Member States. In this respect, the Commission commends the comprehensive studies and accounts on the RRF produced by the Committee of the Regions, the European Economic and Social Committee and other non-governmental organizations and encourages such entities to pursue this invaluable data collection even throughout the implementation phase.</p> <p>Member States must respect the obligations derived from Article 34(2) of the RRF Regulation, whereby ‘the recipients of Union funding shall acknowledge the origin and ensure the visibility of the Union funding, including, where applicable, by displaying the emblem of the Union and an appropriate funding statement that reads ‘funded by the</p>

<sup>5</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R2106&from=EN>

<sup>6</sup> [https://ec.europa.eu/commission/presscorner/detail/en/IP\\_21\\_6862](https://ec.europa.eu/commission/presscorner/detail/en/IP_21_6862)

	<p>European Union – NextGenerationEU’, in particular when promoting the actions and their results, by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public’. This is also laid down in Art. 10 of the Financing Agreement. The Commission welcomes the role, which local and regional authorities may play in complying with the aforementioned obligations, in line with the constitutional allocation of competences at Member State level.</p>
<p>23. The CoR calls on the Commission to consult the Member States and regions on a regular basis and to ensure that all requirements and principles, in particular the principles of subsidiarity and multi-level governance, are adhered to as closely as possible when implementing the NRRPs, and serve as a point of reference in the discussions on the biannual progress reports.</p>	<p>The Commission regularly communicates with independent organizations representing stakeholder interests, and provides feedback and updates on specific questions. Beyond the structures and procedures that Member States have in place at national level for involving local and regional authorities, the Commission and Member States will hold an annual event with the participation of those responsible for implementing the recovery and resilience plan. This annual event will include all relevant stakeholders, including local and regional authorities. This event will also serve as a horizontal platform to exchange views on the state of implementation of the plan in view of ensuring close cooperation between all actors involved. The Commission will keep the interests of municipalities and regions at heart throughout the implementation period and in the upcoming consultations and reporting exercises.</p>
<p>24. Given the importance of local and regional involvement in implementing the NRRPs, the CoR calls on the Parliament and the Commission for being systematically involved in the "recovery and resilience dialogues", in order to promote dialogue between all EU institutions and advisory bodies so that the regional and local dimension is properly safeguarded.</p>	<p>As mentioned above, beyond the structures and procedures that Member States have in place at national level for involving local and regional authorities, the Commission and Member States will hold an annual event with the participation of those responsible for implementing the recovery and resilience plan. The RRF Regulation (Article 26) sets up the ‘recovery and resilience dialogue’ as an invitation by the relevant committee of the Parliament to the Commission up to every two months to discuss matters related to the implementation of the RRF. It is the prerogative of the above-mentioned parliamentary committee to invite additional participants. The Commission has responded positively to all invitations of the</p>

	Committee of the Regions and of the European Economic and Social Committee to discuss matters related to the RRF in its meeting and is committed to continue to do so.
30. The CoR considers the top-down approach of most NRRPs and the lack of involvement of local and regional authorities to be the cause of this, and therefore urges the Commission and the Member States to uphold and implement the partnership principle enshrined in the European code of conduct on partnership in the framework of the European Structural and Investment Funds.	The Partnership principle is part of the Code of Conduct applicable to the Funds covered by the Common Provisions Regulation <sup>7</sup> . It implies a multilevel consultation procedure of stakeholders including public authorities, economic and social partners. The partnership principle does not apply to the RRF, which is a programme under direct management. The Committee has proposed a code of conduct also for the European Semester and, in extension, for the RRF. While the Commission can fully agree with the intention behind such a proposal, stakeholder consultations and involvement are ultimately a national prerogative. Each country has different legal frameworks and practices related to stakeholder consultations that vary significantly. Nevertheless, the RRF Regulation requires close cooperation with regional levels to achieve the objectives of the RRF, where appropriate, and the Commission is committed to encourage Member States in this direction.
34. The CoR also draws attention to coordination with the other programmes funded by NextGenEU (e.g. REACT-EU). Effective implementation by LRAs is hampered by the recovery programmes' different turnaround times and the lack of alignment between the existing EU programmes and the new programmes funded by NextGenEU concerning ambitions for a green and digital transition.	The RRF Regulation in Article 9 allows for additional and complementary funding of the RRF by other Union programmes and instruments, provided that such support does not cover the same cost.
36. The CoR stresses that while in many NRRPs administrative capacity is the subject of reforms under the country-specific recommendations, some Member States do not pay sufficient attention to strengthening administrative capacity at local and regional level. The CoR	Whilst administrative capacity is a challenge for all governance levels throughout Europe and no region had been spared of budgetary shortfalls due to the pandemic, several Member States have in fact used the RRF as an opportunity to bolster the often under-resourced administrative capacity of their

<sup>7</sup> Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006; OJ L 347, 20.12.2013, p. 320–469.

<p>points out that the administrative capacity of many local and regional authorities should be developed, particularly given the wide range of EU programmes and opportunities for financial support.</p>	<p>regions and municipalities. Public administration reforms at all levels are indeed a significant focus of many Recovery and Resilience Plans (RRPs). The Commission published on 15 December 2021 a thematic analysis on this topic on the recovery and resilience scoreboard<sup>8</sup>.</p>
<p>44. The CoR also concludes that, as regards the territorial dimension of the European Semester, the Commission has taken steps to include more regional elements in the country-specific recommendations and to establish the link with ESIF programmes. In the Committee's view, this makes establishing a code of conduct to formalise the involvement of local and regional authorities in the European Semester a logical and necessary step.</p>	<p>The Partnership principle is part of the code of conduct for the European Structural and Investment Funds. It implies a multilevel consultation procedure of stakeholders including public authorities, economic and social partners and bodies representing civil society, including environmental partners, community-based and voluntary organisations. The partnership principle does not fit directly to the structure of the European Semester and RRF as a direct management programme, with the budget directly managed by the Commission. Therefore, while the Commission can fully agree with the intention behind the proposal, ultimately stakeholder consultations and involvement are a national matter. Each country has different legal frameworks and common practices related to stakeholder consultations vary significantly. The Commission would not be in a position to judge or mediate such national processes. Nonetheless, the Commission will continue to pay very close attention to how stakeholders are involved and will encourage Member States to implement all reforms and investments under their Recovery and Resilience Plans with thorough and open stakeholder consultations.</p>

<sup>8</sup> [https://ec.europa.eu/economy\\_finance/recovery-and-resilience-scoreboard/assets/thematic\\_analysis/5\\_Modernisation.pdf](https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/assets/thematic_analysis/5_Modernisation.pdf)

<p><b>N°3    Updating the new Industrial Strategy for Europe</b>  <b>COM(2021) 350 final</b>  <b>COR-2021-02688 – ECON-VII/017</b>  <b>147<sup>th</sup> plenary session – December 2021</b>  <b>Rapporteur: Jeannette BALJEU (NL/RENEW E.)</b>  <b>DG GROW – Commissioner BRETON</b></p>	
<p><b>Points of the European Committee of the Regions opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>The follow-up given by the Commission to this opinion will be included in a subsequent report.</p>	

**N°4 Protecting Industrial and Craft Geographical Indications in the European Union**  
**Own-initiative**  
**COR-2021-02689 – ECON-VII/016**  
**146<sup>th</sup> plenary session – October 2021**  
**Rapporteur: Martine PINVILLE (FR/PES)**  
**DG GROW – Commissioner BRETON**

<b>Points of the European Committee of the Regions opinion considered essential</b>	<b>European Commission position</b>
<p>3. The CoR considers "industrial and craft geographical indications" (ICGIs) to be clearer and more specific than "geographical indications (GIs) for non-agricultural products", and would prefer to use this term.</p>	<p>The Commission agrees that a positive definition might be more appropriate and is taking this into consideration in the ongoing impact assessment for a new EU wide geographical indication (GI) protection system for craft and industrial products.</p>
<p>5. The CoR regrets that the lack of harmonisation at EU level with respect to ICGIs is resulting in a patchwork of national legal instruments, weakening the protection of products and businesses.</p>	<p>The Commission shares the view that due to the current fragmentation and legal uncertainty, producers face problems in protecting their geographically rooted products in the Internal Market.</p>
<p>7. The CoR points out that the WTO (in the Agreement on Trade-related Aspects of Intellectual Property Rights, or TRIPS) and the Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications, which the EU has recently signed, do not distinguish between GIs according to type of product; the CoR also considers that the EU's signing of the Geneva Act gives it an obligation to address the issue of protecting ICGIs.</p>	<p>The Commission takes the view that an EU instrument for GIs for craft and industrial products would enable the EU to take full advantage of the opportunities offered by the World Intellectual Property Organization ('WIPO') Geneva Act.</p>
<p>8. The CoR draws attention to the fact that the companies engaging in GI strategies and procedures are primarily microenterprises and SMEs, including in rural areas, which are firmly rooted in a specific region and have a real fund of local expertise and which form genuine sectoral clusters; some of these businesses have become global market leaders, and are particularly important for the European economy and for increasing the EU's independence from global markets.</p>	<p>The Commission agrees with this finding, which corresponds notably to the results of the public consultation of July 2021, which indicated that 60% of the responses came from micro-size and small-size organisations (1 to 9 employees and 10 to 49 employees, respectively).</p>

<p>11. The CoR believes that a <i>sui generis</i> system for protecting ICGIs would, in particular, allow: strengthening of the legal protection for products covered by GIs, including on the internet; development of tools to help combat counterfeiting and unfair competition; creation and maintaining of jobs and training in a region; greater transparency for consumers; and real recognition of what is in some cases an exceptional level of expertise.</p>	<p>The Commission agrees that an EU wide protection of GIs would be important for improving the protection and enforcement of producers' rights within and beyond the Internal Market, as well as supporting less developed and rural regions in the context of the economic recovery. It is currently analysing different policy options, which could be most effective and efficient in achieving particularly these objectives, including a self-standing <i>sui generis</i> system for craft and industrial products.</p>
<p>20. The CoR therefore recommends that, to ensure consistency between the two systems, a robust mechanism of coordination between the Commission departments concerned be put in place, especially during the dossier examination phase, so as to avoid any conflicts over the use of names; also calls for ICGIs to be included in the European GIview database for agricultural GIs.</p>	<p>The Commission agrees with the view of the Committee that well-functioning coordination will be necessary, notably during the examination phase. The Commission services have been continuously exchanging in order to analyse possible solutions for an efficient and transparent GI administration, both at legal and technical level.</p>
<p>22. The CoR believes that a transition period will be needed for Member States that already have a system of protection so as to allow GIs previously registered at national level to be adapted and incorporated into the new EU system.</p>	<p>The Commission is currently analysing different options for the establishment of a new EU wide regime for craft and industrial products. It is necessary to ensure that the adoption of a new EU wide framework would not exclude producers, which currently benefit from national GI protection schemes hence, ensuring continuity.</p>
<p>25. The CoR favours application for ICGIs of the two-stage model of the agricultural registration procedure – first, national or regional registration in accordance with a country's internal arrangements, followed by registration at EU level.</p>	<p>The Commission is currently analysing different options for the establishment of a new EU wide regime for craft and industrial products. The Commission looks at the various possibilities with regard to the registration procedures, notably to ensuring both efficiency and proximity to the European citizens and producers.</p>
<p>26. The CoR recommends that the registration procedure be time-limited and managed by the European Union Intellectual Property Office, subject to it being given the relevant powers.</p>	<p>In the context of the impact assessment, the Commission is exchanging notably with the European Union Intellectual Property Office on the issues of registration and administration of a GI system for craft and industrial products to ensure a most flexible and cost-effective system.</p>
<p>38. The CoR calls on the Commission to promote sustainable public procurement by</p>	<p>The Commission will continue to promote the use of sustainable public procurement and support</p>

<p>clarifying to what extent the use of ICGIs can be made possible in procurement procedures under objective environmental criteria such as short supply chains and the internalisation of external costs.</p>	<p>public buyers in building awareness and capacity in this field. The Commission also develops life-cycle costing sectorial tools for public buyers and is developing the environmental footprint approach (PEF)<sup>1</sup>, which is also expected to facilitate the assessment of externalities throughout the life span of a product.</p>
<p>41. The CoR therefore calls on the Commission to draw up a corresponding proposal for a regulation to protect geographical indications for industrial and craft products from the European Union and to submit it for consultation and deliberation; asks the European Commission to take into account the considerations and recommendations set out in the present opinion and pledges its own active involvement and support.</p>	<p>The Commission thanks the Committee for the important and helpful recommendations adopted in the Opinion as well as for the fruitful and efficient exchanges in the past months. It looks forward engaging further with the Committee on this important matter.</p>

<sup>1</sup> [https://ec.europa.eu/environment/eussd/smgp/PEFCR\\_OEFSR\\_en.htm](https://ec.europa.eu/environment/eussd/smgp/PEFCR_OEFSR_en.htm)

<p><b>N°5 European Commission Report on Competition Policy 2020</b>  <b>COM(2021) 373 final</b>  <b>COR-2021-04309 – ECON-VII/015</b>  <b>147<sup>th</sup> plenary session – December 2021</b>  <b>Rapporteur: Tadeusz TRUSKOLASKI (PL/EA)</b>  <b>DG COMP – Commissioner VESTAGER</b></p>	
<p><b>Points of the European Committee of the Regions opinion considered essential</b></p>	<p><b>European Commission position</b></p>
<p>7. The CoR points out that the objectives of EU competition policy should take particular account of the needs of SMEs, including the ones from rural and less developed areas, and create a fair and level playing field for the benefit of all EU citizens.</p>	<p>The EU competition rules take into account both the importance of small and medium sized enterprises (SMEs) and the fact that aid to SMEs is generally less likely to have substantial anticompetitive effects. Therefore, there are various specific rules for State aid to SMEs across practically all State aid instruments.</p> <p>On 25 November 2021, the Commission adopted a revised Communication on State aid rules for Important Projects of Common European Interest ('IPCEI Communication')<sup>1</sup>, which applies from 1 January 2022. It sets the criteria for the Commission to assess Member States support to cross-border IPCEIs that overcome market failures and enable breakthrough innovation in key sectors and technologies and infrastructure investments, with positive spill-over effects for the EU economy at large. The revised IPCEI Communication facilitates the participation of SMEs in IPCEIs and enhances the benefits of their involvement, through specific facilitations for the assessment of the compatibility of the aid to SMEs, such as the possibility for smaller companies to have a more limited own contribution to the projects than otherwise required. The revised IPCEI Communication also encourages collaborations between larger companies participating in an IPCEI and with SMEs. For example, SMEs may receive substantially higher levels of aid for research and development (R&amp;D) projects under the Framework for state aid for research and development and innovation, than what larger firms would receive.</p> <p>In addition, the Commission uses the Risk Finance Guidelines to facilitate access to finance by European</p>

<sup>1</sup> Communication from the Commission, Criteria for the analysis of the compatibility with the internal market of State aid to promote the execution of important projects of common European interest, 25.11.2021. C (2021) 8481 final; [https://ec.europa.eu/competition-policy/document/download/451653c4-47cc-45a3-ac0e-04ece019e38c\\_en](https://ec.europa.eu/competition-policy/document/download/451653c4-47cc-45a3-ac0e-04ece019e38c_en)

SMEs and mid-capitalizations (mid-caps). On 6 December 2021, the Commission adopted revised Guidelines on State aid to promote risk finance investments (the ‘Risk Finance Guidelines’)<sup>2</sup>, which apply from 1 January 2022. They aim at innovative and growth-oriented SMEs and certain types of mid-caps in the early stages of their development, which may face difficulties in gaining access to finance, despite their business potential. To tackle such market failures, the Risk Finance Guidelines enable Member States, subject to certain conditions, to address this funding gap by attracting, through the provision of State aid, additional investments into the eligible SMEs and mid-caps through well-designed financial instruments and fiscal measures. The new Risk Finance Guidelines simplify and clarify the rules further, for instance for schemes aimed exclusively at start-ups and SMEs that have not yet made their first commercial sale.

The Risk Finance Guidelines positively take into account an aid measure’s ability to remedy regional inequalities in access to finance. According to the Guidelines, market failures or other relevant obstacles affecting enterprises in particular regions or Member States may be more pronounced due to the relative underdevelopment of the SME finance market within such areas in comparison to other regions in the same Member State, other Member States or globally.

Concerning State aid in rural areas, the Commission has set up a specific framework of rules for State aid in the agricultural and forestry sectors, which comprises a block exemption regulation (ABER)<sup>3</sup>, State aid Guidelines<sup>4</sup> and a regulation on *de minimis* aid for farmers<sup>5</sup>. Those rules are closely related to the Common Agriculture Policy<sup>6</sup>, which contributes to sustainable development of rural areas and are

<sup>2</sup> Guidelines on State aid to promote risk finance investments - OJ C508, 16.12.2021, p. 1-36.

[https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.C\\_.2021.508.01.0001.01.ENG&toc=OJ%3AC%3A2021%3A508%3ATOC](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.C_.2021.508.01.0001.01.ENG&toc=OJ%3AC%3A2021%3A508%3ATOC)

<sup>3</sup> Commission Regulation (EU) No 702/2014 of 25 June 2014 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union, OJ L 193, 1.7.2014, p. 1.

<sup>4</sup> Commission Communication: European Union guidelines for State aid in the agricultural and forestry sectors and in rural areas 2014-2020, OJ C 204, 1.7.2014, p. 1.

<sup>5</sup> Commission Regulation (EU) No 1408/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid in the agriculture sector; OJ L 352, 24.12.2013, p. 9.

<sup>6</sup> [https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/new-cap-2023-27\\_en](https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/new-cap-2023-27_en)

	<p>currently being revised.</p> <p>In this context, on 11 January 2022, the Commission invited all interested parties to comment on proposed revised State aid rules for the agricultural, forestry and fishery sectors<sup>7</sup>. The purpose of the proposed revision is to align the current rules with the current EU strategic priorities, in particular the Common Agricultural Policy (CAP), the Common Fisheries Policy (CFP)<sup>8</sup>, as well as to the European Green Deal.</p>
<p><i>EU competitiveness and pandemic support for businesses</i></p> <p>9. The CoR considers that any COVID-19-related aid must be granted only to businesses that are experiencing the immediate financial impact of the pandemic, and where this is making them unprofitable.</p>	<p>EU competition policy has become an important component of the crisis response stabilising the economy after the coronavirus outbreak. Well-targeted public support has been crucial to counter the damage inflicted on healthy undertakings and to preserve the continuity of economic activities. In that context, the Commission assesses the State aid measures under Article 107(2)(b) of the Treaty on the Functioning of the EU (TFEU)<sup>9</sup>, which enables the Commission to compensate specific companies or sectors (in the form of schemes) for damage directly caused by exceptional occurrences. Next to it, the Commission can approve the measure under Article 107(3)(b) of the TFEU, if it is implemented by Member States to remedy a serious disturbance to their economy.</p> <p>Moreover, the Commission can, under specific conditions, approve aid under Article 107(3)(c) of the TFEU, where the aid is necessary to accelerate research and development that addresses the current health crisis, for instance COVID-19 and other antiviral relevant research, clinical trials or testing infrastructure.</p> <p>In March 2020, the Commission adopted the State aid Temporary Framework<sup>10</sup>, (based on Article 107(3)(b) TFEU) to provide Member States with a tailor-made toolbox to support the economy during the coronavirus outbreak. The Temporary Framework</p>

<sup>7</sup> [https://ec.europa.eu/competition-policy/public-consultations/2022-agri\\_en](https://ec.europa.eu/competition-policy/public-consultations/2022-agri_en)

<sup>8</sup> [https://ec.europa.eu/oceans-and-fisheries/policy/common-fisheries-policy-cfp\\_en](https://ec.europa.eu/oceans-and-fisheries/policy/common-fisheries-policy-cfp_en)

<sup>9</sup> Consolidated version of the Treaty on the Functioning of the European Union, OJ C 115, 9.5.2008, p. 91–92.

<sup>10</sup> Communication from the Commission: Temporary framework for State aid measures to support the economy in the current COVID-19 outbreak (OJ C 91I, 20.3.2020, p. 1), as amended by Commission Communications C(2020) 2215 (OJ C 112I, 4.4.2020, p. 1), C(2020) 3156 (OJ C 164, 13.5.2020, p. 3), C(2020) 4509 (OJ C 218, 2.7.2020, p. 3), C(2020) 7127 (OJ C 340I, 13.10.2020, p. 1), C(2021) 564 (OJ C 34, 1.2.2021, p. 6) and C(2021) 8442 (OJ C 473, 24.11.2021, p. 1).

	<p>complements other possibilities available to Member States to compensate specific companies or specific sectors for the damages directly caused by exceptional occurrences, such as the coronavirus outbreak. The Commission also has the power to require a Member State to recover State aid under Article 108 TFEU<sup>11</sup>, if it considers the State aid measure incompatible with the internal market.</p> <p>Furthermore, the Commission encouraged national authorities to – in their turn – encourage firms active in aviation to integrate into their business plans concrete sustainability transition commitments, for example by introducing a carbon tax or a related carbon-offset initiative.</p>
<p>14. The CoR encourages the creation of mechanisms to facilitate functioning in times of economic downturn as a result of economic and non-economic crises (as in the case of the COVID-19 pandemic), but reducing the share of direct funding that artificially disrupts market relations;</p>	<p>The Commission adopted the Temporary Framework on 19 March 2020<sup>12</sup>, which set out the conditions the Commission would apply to declare aid compatible with Article 107(3)(b) TFEU. It has enabled necessary and proportionate support by Member States to businesses in need, while ensuring equal treatment and limiting undue distortions to competition that would undermine the Single Market. The Temporary Framework has been amended several times to adapt to the changes in the economy as the Covid-19 pandemic was evolving. The Commission adopted the sixth amendment of the Temporary Framework in November 2021. The amendment introduces two new tools to kick-start and crowd-in private investment for a faster, greener and more digital recovery:</p> <ul style="list-style-type: none"> <li>– investment support towards a sustainable recovery (until 31 December 2022), which enables Member States to create direct incentives for private investments to kick-start the economy;</li> <li>– solvency support (until 31 December 2023), a measure that enables Member States to leverage private funds and make them available for investments in SMEs, including start-ups, and small mid-caps.</li> </ul>

<sup>11</sup> Consolidated version of the Treaty on the Functioning of the European Union, OJ C 115, 9.5.2008, p. 92–92.

<sup>12</sup> Communication from the Commission: Temporary framework for State aid measures to support the economy in the current COVID-19 outbreak (OJ C 91I, 20.3.2020, p. 1), as amended by Commission Communications C(2020) 2215 (OJ C 112I, 4.4.2020, p. 1), C(2020) 3156 (OJ C 164, 13.5.2020, p. 3), C(2020) 4509 (OJ C 218, 2.7.2020, p. 3), C(2020) 7127 (OJ C 340I, 13.10.2020, p. 1), C(2021) 564 (OJ C 34, 1.2.2021, p. 6) and C(2021) 8442 (OJ C 473, 24.11.2021, p. 1).

<p>18. The CoR calls on the Commission to monitor the use and distribution of various EU funds in response to the COVID-19 crisis, including through Member States' national recovery and resilience plans, which must comply with EU competition and state aid rules.</p>	<p>To benefit from the support of the Recovery and Resilience Facility<sup>13</sup>, Member States submit their recovery and resilience plans (RRP) to the Commission. Each RRP should effectively address challenges identified in the European Semester<sup>14</sup>, particularly the country-specific recommendations.</p> <p>One of the key features of the Recovery and Resilience Facility is its performance-based nature. Fulfilment of agreed milestones and targets towards achieving the reforms and investments in the recovery and resilience plans will unlock regular disbursement. In other words, once a Member State has fulfilled all the relevant milestones and targets to unlock a disbursement, it can submit a payment request. The aim of the Recovery and Resilience Facility is to mitigate the economic and social impact of the coronavirus pandemic and make European economies and societies more sustainable, resilient and better prepared for the challenges and opportunities of the green and digital transitions.</p> <p>In July 2021, the Commission extended the scope of the General Block Exemption Regulation<sup>15</sup>, which allows Member States to implement public support measures directly without prior Commission approval. The new rules concern: aid granted through national funds for projects also supported under certain EU centrally managed programmes; and State aid to support the twin transitions to a green and digital economy that will simultaneously help the recovery from the effects of the coronavirus pandemic. Moreover, the aim of the current extension of the General Block Exemption Regulation is to improve the interplay between EU funding rules under the new Multiannual Financial Framework ('MFF' the 'budget' of the EU)<sup>16</sup>, on the one hand, and EU State aid rules, on the other hand.</p>
<p><i>New areas of the European market</i></p> <p>22. The CoR stresses that digitalisation is</p>	<p>The Commission agrees with the Committee on the importance of digitisation for SMEs. Its</p>

<sup>13</sup> [https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility\\_en](https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility_en)

<sup>14</sup> [https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester\\_en](https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester_en)

<sup>15</sup> Commission Regulation (EU) 2021/1237 of 23 July 2021 amending Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (Text with EEA relevance), OJ L 270, 29.7.2021, p. 39–75.

<sup>16</sup> [https://ec.europa.eu/info/strategy/eu-budget/long-term-eu-budget/2021-2027/documents\\_en](https://ec.europa.eu/info/strategy/eu-budget/long-term-eu-budget/2021-2027/documents_en)

particularly important for SMEs, as it provides access to wider markets and eliminates spatial problems resulting from geographical disadvantages. EU funds should be granted for SMEs, especially to the ones from rural and less developed areas to digitalise their activities, and information on EU level opportunities in regard to digitalisation should be provided to SMEs. Local and Regional Authorities could play a key role in dissemination.

Communication on '2030 Digital Compass: the European way for the Digital Decade' and the related Digital Policy Programme proposal concern the objectives of having, by 2030, 75 % of European enterprises taking up cloud computing services, big data and artificial intelligence, more than 90 % of SMEs reaching at least a basic level of digital intensity and Europe grow the pipeline of its innovative scale ups and improve their access to finance, leading to doubling the number of unicorns in Europe.

Concerning finance in particular, the SME strategy for a sustainable and digital Europe<sup>17</sup> sets out several initiatives to support SMEs, inter alia, with the digital transition. The InvestEU SME Window<sup>18</sup> will provide debt and equity financing for SMEs, including for addressing the twin transition. The SME pillar of the Single Market Programme<sup>19</sup> finances advisory services for SMEs through the Enterprise Europe Network<sup>20</sup> and the Joint Cluster Initiative<sup>21</sup>. Additional support for the digital transition of SMEs is available through the Digital Innovation Hubs<sup>22</sup>, the Digital Europe Programme and the Recovery and Resilience Facility.

EU State aid rules provide many possibilities for Member States to assist their economically less developed regions. Many types of public support can be given without geographical limitation, for example for investments by SMEs, for research and innovation projects, for risk finance and for infrastructure projects. Such funds may also be used to help SMEs with digitisation. In addition, Member States can provide support, which is allowed only in disadvantaged regions, for example investment aid for companies of all sizes in productive sectors. They may include investments in digitisation. Moreover, research, development and innovation (R&D&I) State aid rules provide for specific possibilities to address sub-optimal investment situations in less-developed

<sup>17</sup> COM(2020) 103 final.

<sup>18</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R0523&from=EN>

<sup>19</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021PC0218&from=EN>

<sup>20</sup> <https://een.ec.europa.eu/>

<sup>21</sup> [https://eisma.ec.europa.eu/funding-opportunities/calls-proposals/joint-cluster-initiatives-euroclusters-europes-recovery\\_en](https://eisma.ec.europa.eu/funding-opportunities/calls-proposals/joint-cluster-initiatives-euroclusters-europes-recovery_en)

<sup>22</sup> <https://digital-strategy.ec.europa.eu/en/activities/edihs>

	<p>areas, e.g. a higher aid ceiling for investment aid for innovation clusters – and this includes Digital Innovation Hubs – located in assisted areas in the sense of Article 107(3)(a) respectively 107(3)(c) of the Treaty.</p>
<p>25. The CoR points out that financial penalties imposed for breaches of competitive conditions are only part of the solution and, in particular, the new Digital Markets Act must stop gatekeepers from engaging in illegal practices to gain a competitive advantage; criticises the fact that the costs incurred from competition penalties are passed on to consumers, ultimately creating a situation where EU citizens are the only victims.</p>	<p>Since they only sanction past behaviour, fines may need to be complemented by other measures that prevent companies from infringing the competition rules and restore competition in the market concerned. The Commission has several additional tools at its disposal, for example cease and desist orders, behavioural remedies and structural remedies.</p> <p>Provided that there is functional competition in the market concerned, competitive pressure should prevent firms from passing on the cost of fines to their customers. By discouraging recidivism, fines are corrective measures intended to re-establish and increase competition, also in the longer run. Consumers benefit when competition is strengthened over time.</p> <p>The Digital Markets Act (DMA)<sup>23</sup>, on which the European Parliament and the Council have recently reached a provisional political agreement, aims to ensure contestable and fair markets in the digital sector. It is based on a set of narrowly defined objective criteria for qualifying providers of core platform services, such as large online platforms, as a gatekeeper. Firms designated as gatekeepers will be required to comply with specific clearly defined and circumscribed obligations in their daily operations. Finally, the Commission will be competent to supervise and enforce the DMA.</p>
<p><i>EU competition policy vis-à-vis third countries</i></p> <p>41. The CoR expects industrial policy to be developed in such a way that it works as a tool for the convergence of regions and supports an efficient spatial reallocation of resources without distorting competition.</p>	<p>Public support can be a catalyst to private investments and contribute to the success of industrial policy and the EU State aid rules ensure that State aid does not distort competition in the Single Market to an unacceptable extent. The revised Regional Aid Guidelines<sup>24</sup>, adopted on 19 April 2021, enable Member States to support in an efficient manner the least favoured regions in catching up and reducing</p>

<sup>23</sup> COM(2020) 842 final.

<https://eur-lex.europa.eu/legal-content/en/TXT/?uri=COM%3A2020%3A842%3AFIN>

<sup>24</sup> Communication from the Commission Guidelines on regional State aid, OJ C 153, 29.4.2021, p. 1–46.

[https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021XC0429\(01\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021XC0429(01))

	<p>geographic disparities. Regions facing transition or structural challenges may benefit from support as well.</p> <p>In its New industrial strategy of March 2020 and its update of May 2021<sup>25</sup>, the Commission encourages place-based innovation and experimentation. Such activities allow regions to develop and test new solutions with SMEs and consumers, drawing on their local characteristics, strengths and specialisms.</p> <p>When preparing its funding instruments for the 2021-2027 period, the Commission has created a regulatory framework – including the recently extended General Block Exemption Regulation – that fosters effective synergies between EU-funding programmes, in particular Horizon Europe and the Cohesion Policy Funds. The aim was to make the allocation of EU and Member State resources more efficient, by strengthening the combined impact of both policies and their funding, especially as regards R&amp;I-excellence in less developed and peripheral regions.</p>
<p>45. The CoR calls for work on EU trade policy to be strengthened rather than following other markets such as the United States, as the formula used so far is consistent with the convictions of EU citizens and traditions of entrepreneurship; the EU needs to strengthen its trade policy in order to be more assertive in terms of reciprocity in market access and control of industrial subsidies.</p>	<p>The EU has a strong, open and competitive internal market, which enables both European and foreign companies to compete on merits to the benefits of EU consumers. EU trade and competition policies are key to keeping the internal market open and competitive to spur innovation, job creation and growth. The EU trade and competition policies are key in keeping the internal market open and competitive to spur innovation, job creation and growth.</p> <p>In the area of trade, the EU aims at an open, sustainable and assertive trade policy, with the reform of the World Trade Organisation (WTO) as a key priority. The EU also has a vast network of bilateral agreements that facilitate trade and investment flows between the EU and its partners. The Commission is also increasing its efforts on the effective implementation and enforcement of those agreements.</p> <p>The EU is also ready to act assertively and defend itself against unfair trading practices, while acting in accordance with its international commitments. The Commission has therefore proposed new instruments</p>

<sup>25</sup> COM(2020) 102 final, 10.3.2020, and COM(2021) 350 final, 5.5.2021.

	<p>to strengthen its toolbox against harmful practices, such as the Foreign Subsidies Regulation<sup>26</sup> that addresses distortions on the internal market caused by foreign subsidies, and the International Procurement Instrument<sup>27</sup> to improve market access for EU companies to closed third country procurement markets. Throughout 2022, the Commission will continue to support the negotiations of these proposals in Council and in the Parliament. In parallel, the Commission will prepare the implementation and future enforcement of these new instruments.</p> <p>The EU works to keep markets open through trade agreements that provide for reciprocal market access, to overcome any barriers that prevent our businesses from properly accessing other markets around the world, and to make the most of its toolbox of trade defence mechanisms.</p> <p>Foreign subsidies are relevant to trade policy. This is why the Commission would like to reinforce the WTO rules on industrial subsidies and puts forth a chapter on subsidies when negotiating Free Trade Agreements. The subsidies chapter should include transparency provisions and reporting obligations that go beyond WTO rules and address subsidies relating to services as well as goods.</p> <p>The Commission agrees that the current challenging context calls for a strong trade policy to support the multilateral trading system, cement key partnerships and equip us with the necessary tools to respond to unfair and coercive practices.</p>
<p><i>The future of EU competition policy</i></p> <p>52. The CoR stresses that EU competition and state aid rules must be consistent with the European Green Deal, the EU Digital Strategy, the European Pillar of Social Rights and the UN Sustainable Development Goals; emphasises that the Member States are responsible for determining the energy mix, but finds it regrettable that a number of Member States do not make state aid</p>	<p>Competition policy can complement the regulatory framework by ensuring strong and competitive markets that send the right price signals for the necessary investments to flow into the necessary technologies for transition, while keeping costs down for taxpayers.</p> <p>In Case C 594/18 P, Hinkley Point C, the European Court of Justice (ECJ) stated that the Commission, when assessing State aid measures for an economic activity, must examine that the activity does not</p>

<sup>26</sup> COM(2021) 223 final, ([https://ec.europa.eu/competition/international/overview/proposal\\_for\\_regulation.pdf](https://ec.europa.eu/competition/international/overview/proposal_for_regulation.pdf))

<sup>27</sup> COM(2016) 34 final.

<p>conditional on such goals.</p>	<p>infringe rules of EU law on the environment. If the Commission finds that the aided activity infringes those rules, it is obliged to declare the aid incompatible with the internal market without any other form of examination.</p> <p>It is equally of utmost importance that the Commission's State aid initiatives are fully consistent with its Digital and Green Deal objectives so they can act in support of those initiatives.</p> <p>The revised Climate, Environmental Protection and Energy Aid Guidelines (CEEAG)<sup>28</sup>, adopted by the Commission in January 2022 and immediately applicable, and the revision of the related sections of the General Block Exemption Regulation (GBER)<sup>29</sup> aim to ensure a coherent, future-oriented and flexible framework to enable Member States to provide the necessary support to make the Green Deal<sup>30</sup> happen. The new CEEAG would, for example, allow supporting the decarbonisation efforts of industry based on any technology that can deliver the green transition, using instruments such as carbon contracts for difference for example in relation to the supply of low-carbon hydrogen.</p> <p>Greener competition policy does not just mean more funds for sustainable investments. It also means that State aid should not be used for projects that would make environmental decline and climate change worse.</p> <p>As announced in its Communication on a Competition Policy Fit for the New Challenges<sup>31</sup>, the Commission is carrying out an unprecedented review of its competition rules. The review of State aid rules also aims at ensuring consistency with both established and new regulatory principles relevant for the European Green Deal, such as the 'polluter pays' principle and for the Digital agenda. Those rules also pay particular attention to the 'Do No Significant Harm' principle. To that effect, the revised CEEAG would support the phasing out of fossil fuels by</p>
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<sup>28</sup> [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52022XC0218\(03\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52022XC0218(03)&from=EN) (C(2022) 481 final.)

<sup>29</sup> Commission Regulation (EU) 2021/1237 of 23 July 2021 amending Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty; OJ L 270, 29.7.2021, p. 39–75.

<sup>30</sup> [https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal\\_en](https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en)

<sup>31</sup> COM(2021) 713 final.

clarifying that State support for projects involving such fuels, in particular the most polluting ones such as oil, coal and lignite, is unlikely to be found compatible with State aid rules. The same applies for measures involving new investments in natural gas, unless it is demonstrated that there are no lock-in effects.

More generally, the Commission may, where relevant, take into account negative externalities as part of the assessment of the negative effects of the aid on competition and trade. The Commission aims to take due account of the ‘do no significant harm’ and the ‘polluter pays’ principles.

The Commission also notes the importance of the revision of the State aid rules applicable to the broadband sector in order to take into account the new EU connectivity objectives. High quality telecommunications infrastructure is crucial for connecting and integrating the Union and its remote regions, allowing all users to have access to private and public telecommunications services contributing to social cohesion and supporting a more competitive and sustainable economy.

In its 2020 Communication ‘Shaping Europe's digital future’<sup>32</sup>, the Commission considers Gigabit connectivity as the most fundamental building block of the digital transformation, vital to tap Europe’s digital growth potential, while in its Communication on ‘2030 Digital Compass: the European way for the Digital Decade’ and the related Digital Policy Programme, the Commission laid down the objective of having all European households covered by a Gigabit network, with all populated areas covered by 5G by 2030.

The Commission acknowledges the rapidly evolving demands for network capacity and the need to ensure sustainable investments into networks capable of offering Gigabit speeds for the EU data economy beyond 2025. A targeted modification of the current rules is necessary in order to update them in line with the technological, socioeconomic and policy

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<sup>32</sup> [https://ec.europa.eu/info/sites/default/files/communication-shaping-europes-digital-future-feb2020\\_en\\_4.pdf](https://ec.europa.eu/info/sites/default/files/communication-shaping-europes-digital-future-feb2020_en_4.pdf)

	<p>developments. The evaluation of the State aid Broadband Guidelines was carried out in 2021<sup>33</sup>.</p> <p>Existing State aid rules applicable to aid for R&amp;D&amp;I already implicitly include aid for digitalisation-related R&amp;D&amp;I-activities, e.g. IT and software development including artificial intelligence and other digital technologies. In the current revision of these rules, the Commission will make this more explicit. Where necessary, the Commission will adapt these State aid rules to recent technology and market developments, in order to incentivise R&amp;D&amp;I-investments that deliver on the Commission’s Industrial Strategy’s, Green Deal and Digital Agenda’s objectives.</p> <p>The ongoing reviews of the Vertical Block Exemption regulation<sup>34</sup>, Vertical Guidelines<sup>35</sup>, Block Exemption Regulations for R&amp;D, specialisation agreements<sup>36</sup> and Horizontal Guidelines<sup>37</sup> will also update the competition rules on vertical and horizontal cooperation agreements to take into account developments such as digitisation and the Green Deal.</p>
<p>53. The CoR welcomes the fact that the recent study prepared for the Commission on market trends in healthcare and social housing and EU state aid implications, carried out as part of an ongoing evaluation of the implications of the 2012 Services of General Economic Interest (SGEI) package for health care and social housing , largely supports the calls made by the CoR in its October 2016 opinion on state aid and services of general economic interest , and in particular the following two points: 1) the de minimis threshold of EUR 500 000 is easily reached and, given the overall increase in state aid support for these sectors, consideration should be given to increasing the threshold, in order to ensure proportionality; 2) we consider the definition</p>	<p>The recent study<sup>38</sup> referred to was prepared by the consultancy firm EY and, as also indicated in the report, does not necessarily represent the Commission’s views. The study is only one of the sources for the ongoing evaluation<sup>39</sup>. The evaluation is backward-looking and will conclude on how the Services of General Economic Interest (SGEI) rules for health and social services and the SGEI <i>de minimis</i> Regulation have functioned in the past. It does not prejudice any possible decision on whether the SGEI rules should be revised.</p>

<sup>33</sup> [https://ec.europa.eu/competition-policy/public-consultations/2021-broadband\\_en](https://ec.europa.eu/competition-policy/public-consultations/2021-broadband_en)

<sup>34</sup> [https://ec.europa.eu/competition-policy/document/download/0fdcf47e-c7bf-4ee2-8897-3784d98be750\\_en](https://ec.europa.eu/competition-policy/document/download/0fdcf47e-c7bf-4ee2-8897-3784d98be750_en)

<sup>35</sup> [https://ec.europa.eu/competition-policy/document/download/bff24773-e2b9-4788-8e42-0b10e0f6b28b\\_en](https://ec.europa.eu/competition-policy/document/download/bff24773-e2b9-4788-8e42-0b10e0f6b28b_en)

<sup>36</sup> [https://ec.europa.eu/competition-policy/public-consultations/2019-hbers\\_en](https://ec.europa.eu/competition-policy/public-consultations/2019-hbers_en)

<sup>37</sup> [https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13058-Horizontal-agreements-between-companies-revision-of-EU-competition-rules/public-consultation\\_en](https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13058-Horizontal-agreements-between-companies-revision-of-EU-competition-rules/public-consultation_en)

<sup>38</sup> [https://ec.europa.eu/competition-policy/system/files/2021-09/kd0621047enn\\_SGEI\\_evaluation.pdf](https://ec.europa.eu/competition-policy/system/files/2021-09/kd0621047enn_SGEI_evaluation.pdf)

<sup>39</sup> [https://ec.europa.eu/competition/state\\_aid/modernisation/evaluation\\_sgei\\_en.html](https://ec.europa.eu/competition/state_aid/modernisation/evaluation_sgei_en.html)

<p>of social housing to be unclear, as there is no single definition of social housing in the EU Member States. Furthermore, the current definition would appear to be outdated, as the population's needs for affordable housing are increasing. The CoR therefore reiterates its call for the overly restrictive reference to "disadvantaged citizens or socially less advantaged groups" to be removed from the definition.</p>	
<p>55. The CoR points out that the EU's state aid framework to support the gradual transformation of energy-intensive primary industries dependent on foreign trade into low-carbon and carbon-neutral processes needs to be fundamentally revised. Support needs to be provided not just for investments but also for operating costs. European and national funding programmes must therefore have sufficient resources and be able to be combined. Project-based climate contracts that include a long-term government CO2 price guarantee can also make significant contributions to industrial transformation.</p>	<p>The Commission continuously monitors, based on sector developments and experience gained in State aid cases, how the State aid rules function in practice. The Commission's extensive review of the State aid rules will further support the ambitious climate, energy and environmental objectives, while also focusing on crowding in private investment.</p> <p>The goal of the revised Climate, Environmental Protection and Energy Aid Guidelines (CEEAG)<sup>40</sup>, is to align State aid with the EU's climate goals. One of the main drivers of the revision was to enlarge the scope of the Guidelines to cover new areas such as clean mobility and decarbonisation, and all technologies that can deliver the Green Deal, including support for renewable energy.</p> <p>The Commission takes note of the Committee's opinion on the necessity of sufficient resources and flexibility. The Commission reiterates that the review of CEEAG increased flexibility of compatibility rules. This wider scope of the Guidelines needs to be accompanied by safeguards to ensure that the aid does not distort competition or the integrity of the internal market to an undue extent.</p> <p>Additionally, the Just Transition Mechanism will mobilise €100 billion to ensure a fair transition for carbon-intensive regions as they continue to transform their industries and economies. The Just Transition Platform is to offer technical and advisory support for carbon-intensive regions and industries.</p> <p>The Commission published in 2021 a staff working document outlining possible scenarios for a transition</p>

<sup>40</sup> Communication from the Commission: Guidelines on State aid for climate, environmental protection and energy, 27.1.2022, C(2022) 481 final.

	<p>pathway for the energy intensive industries, and invited stakeholders to reflect and contribute to the scenarios and list key enablers for the transition. The transition pathway will be presented in 2022. It will lead to an actionable plan in favour of sustainable competitiveness of energy intensive industries.</p>
<p>60. While recognising that European businesses must be able to compete in global markets on an equal footing, the CoR calls on the Commission to adapt EU competition policy and state aid in order to promote industrial development, particularly in areas with the highest level of technical and technological excellence, and to strongly support the expansion of European businesses outside the Single Market.</p>	<p>Competition policy contributes to a modern European industrial policy, with the aim of rendering European companies more innovative and therefore competitive internationally.</p> <p>The Commission recalls that the EU needs a strong and resilient Single Market that supports entrepreneurship at all its stages, enables businesses of all sizes to get the most out of Europe’s scale and achieve scale themselves to better compete in a globalized economy. Currently, the Commission is pursuing a review of competition policy tools to make sure all competition instruments remain fit for purpose.</p> <p>This review, combined with continued strong enforcement of competition rules, aims at enabling EU industries to lead the twin transitions, and fostering the resilience of the Single Market. In parallel, the Commission also seeks to equip itself with new instruments aimed at tackling emerging challenges in the Single Market, such as digital gatekeepers or the distortive effects of foreign subsidies. International competition advocacy and cooperation complements the tools of EU trade policy designed to secure free and fair trade at global and bilateral level; it also complements the EU initiatives to foster international development and cooperation, such as international partnerships to address strategic supply-chain vulnerabilities.</p> <p>The Commission will also continue to support industrial alliances, in strategic areas where such alliances are identified as the best tool to accelerate activities that would not develop otherwise, and where they help to attract private investors to discuss new business partnerships and models in a manner that is open, transparent and fully compliant with competition rules, and where they have a potential for innovation and high-value job creation.</p> <p>The Commission will introduce a Carbon Border</p>

	<p>Adjustment Mechanism (CBAM) protecting producers that are subject to Emissions Trading System (ETS) charges from unfair competition by producers that do not face such charges. The CBAM will mirror the ETS so that the system is based on the purchase of certificates by importers. The price of the certificates will be calculated depending on the weekly average auction price of EU ETS allowances expressed in €/tonne of CO<sub>2</sub> emitted. Importers of the goods will have to, either individually or through a representative, register with national authorities where they can also buy CBAM certificates.</p>
<p>63. The CoR reiterates its call on the Commission to develop more flexible and more effective public aid rules to provide regional airports with financial assistance in line with ERDF and RRF provisions in peripheral, island or outermost or less developed regions where a more efficient and sustainable alternative does not exist .</p>	<p>When applying the State aid rules, the Commission pays particular attention to Services of General Economic Interest (SGEIs)<sup>41</sup> and remains committed to better-targeted State aid, in particular for SGEIs such as energy, transport and telecommunications. If the State aid concerns isolated, remote or peripheral regions and islands in the Union, the Commission takes into account the particular economic conditions in such areas.</p> <p>In April 2021 the Commission adopted revised EU guidelines on regional State aid (the ‘Regional Aid Guidelines’)<sup>42</sup>, setting out the rules under which Member States can grant State aid to companies to support the economic development of disadvantaged areas in the EU. The revised Regional Aid Guidelines enable Member States to support the least favoured regions, as well as regions facing transition or structural challenges, while ensuring the integrity of the internal market, taking into account the cohesion objectives enshrined in the EU Treaties. The revised Guidelines entered into force on 1 January 2022.</p> <p>To assist Member States in their effort to support the aviation sector in the context of pandemic crisis, the Commission’s services of the Directorate-Generals for Competition and for Transport prepared in April 2020 a working document ‘Overview of the State aid rules and public service obligations rules applicable to the air transport sector during the COVID-19 outbreak’<sup>43</sup> guiding Member States on how to best</p>

<sup>41</sup> [https://ec.europa.eu/competition-policy/state-aid/legislation/sgei\\_en](https://ec.europa.eu/competition-policy/state-aid/legislation/sgei_en)

<sup>42</sup> Communication from the Commission Guidelines on regional State aid, OJ C 153, 29.4.2021, p. 1–46.  
[https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021XC0429\(01\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021XC0429(01))

<sup>43</sup> [https://ec.europa.eu/competition/state\\_aid/what\\_is\\_new/air\\_transport\\_overview\\_sa\\_rules\\_during\\_coronavirus.pdf](https://ec.europa.eu/competition/state_aid/what_is_new/air_transport_overview_sa_rules_during_coronavirus.pdf)

	<p>channel public funding to safeguard air connections. Moreover, the Commission helped several Member States design public service compensations that complied with the so-called <i>Altmark</i> criteria and could therefore be outside the obligation of notification to the Commission. In 2021, the Commission adopted 30 decisions allowing State aid to airlines and airports to address their liquidity and capital needs caused by the Covid-19 pandemic.</p>
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<p><b>N°6 European Approach to Artificial Intelligence - Artificial Intelligence Act</b>  <b>COM (2021) 206 final</b>  <b>COR-2021-02682 – SEDEC-VII/022</b>  <b>147<sup>st</sup> plenary session – December 2021</b>  <b>Rapporteur: Guido RINK (NL/PES)</b>  <b>DG CNECT – Commissioner BRETON</b></p>	
<p><b>Points of the European Committee of the Regions opinion considered essential</b></p>	<p><b>European Commission position</b></p>
	<p>The Commission adopted its proposal for an Artificial Intelligence Act (AIA) on 21 April 2021<sup>1</sup>. Currently, the proposal is subject to detailed discussions with Council and Parliament in the framework of the ordinary legislative procedure.</p>
<p><b>Legal Amendments and related policy recommendations</b></p>	
<p>Amendment 1</p> <p>Recital 1:</p> <p>The purpose of this Regulation is to improve the functioning of the internal market <i>and protect the fundamental rights of citizens</i> by laying down a uniform legal framework in particular for the development, marketing and use of artificial intelligence in conformity with Union values.</p>	<p>The Commission notes that recital 1 already refers to the protection of health, safety and fundamental rights as overriding reasons of public interest pursued by the Artificial Intelligence Act proposal. The legal basis of the proposal is, however, Article 114 of the Treaty on the Functioning of the European Union (TFEU), i.e. the establishment and functioning of the internal market. The reference to EU values also covers the point raised by the Committee.</p>
<p>Amendment 2</p> <p>New recital after Recital 6:</p> <p>Defining AI systems is an ongoing process that should take into account the context in which AI operates, keep pace with societal developments in this field and not lose sight of the link between the ecosystem of excellence and the ecosystem of trust.</p>	<p>The Commission agrees that regulating artificial intelligence (AI) necessitates an adaptive and evolving approach. In this respect, recital 6 clarifies that the notion ‘AI system’ should among other things provide the flexibility to accommodate future technological developments. This is reflected in the approach proposed by the Commission in the definition of ‘AI system’ in the proposal, which is complemented by a list of specific techniques and approaches used for AI development and which may be amended through delegated acts as the technology evolves.</p>
<p>Amendment 3</p> <p>The Committee suggests amending Recital 20.</p>	<p>The Commission agrees with the Committee that informing local and regional authorities is important. The detailed rules on how this takes place would, however, be left to the discretion of</p>

<sup>1</sup> [COM\(2021\)206 final](#).

<p>Policy Recommendation 8</p> <p>The Committee stresses the need for prior consultation of the relevant local and regional authorities where AI systems are to be used for the real-time remote biometric identification of natural persons in publicly accessible spaces for law enforcement purposes.</p> <p>Amendment 4:</p> <p>(Recital 21):</p> <p>(...) In <i>any case</i>, the use should be restricted to the absolute minimum necessary and be subject to appropriate safeguards and conditions, as determined in national law. In addition, the law enforcement authority should <i>immediately inform the relevant local and regional authorities and</i> seek to obtain an authorisation <i>from the competent authorities</i>.</p> <p>Amendment 18:</p> <p>The Committee suggests adding the following to the end of Article 5(4):</p> <p><i>Those rules shall lay down the arrangements for informing and consulting the local and regional authorities concerned. This consultation shall take place prior to the exceptional use of these systems in public spaces. In urgent situations where it would not be reasonable to await prior consultation, the local or regional authority concerned shall be immediately informed of the deployment of the relevant AI practice.</i></p>	<p>Member States, which will have to adopt implementing national laws as provided for in Article 5, paragraph 4, of the AIA proposal.</p>
<p>Amendment 5</p> <p>Recital 39:</p> <p>[...] It is therefore <b>necessary</b> to classify as high-risk AI systems intended to be used by the competent public authorities charged with tasks in the fields of migration, asylum and border control management [...]</p>	<p>The Commission takes note of the Committee's suggestion.</p>
<p>Amendments 6</p> <p>The Committee suggests amending Recital 43.</p> <p>Policy Recommendation 11</p>	<p>The Commission points out that AI systems intended to interact with natural persons (i.e. chatbots) have to comply with the transparency obligations laid down in Article 52 of AIA</p>

The Committee calls for high-risk AI systems to be subject to the same transparency and information requirements for natural persons as currently apply to users;

Amendment 19:

The Committee suggests adding Article 13b to the Act:

***13b Transparency and information to persons affected***

***Persons or groups of persons for whom a high-risk AI system is intended to be used shall be informed in an appropriate, easily accessible and comprehensible manner, and have access to explicit, readily accessible and publicly available information of such use.***

proposal.

Furthermore, the Commission notes that AIA proposal is intended to be an addition to the existing legislative landscape. In particular, account should be taken of the fact that to the extent AI systems use personal data, the individuals to whom such personal data pertain can avail themselves of all the rights and protections guaranteed by the General Data Protection Regulation (GDPR), e.g. transparency obligations of data controllers (right to be informed).

In accordance with Article 12 GDPR, a controller that processes personal data has to facilitate the exercise of the rights under the GDPR by providing information to the data subject in a concise, transparent, intelligible and easily accessible form, using clear and plain language, in particular for any information addressed specifically to a child. In particular, Articles 13(2)(f), 14(2)(g) and 15(1)(h) GDPR oblige the controller to provide information on the existence of automated decision-making.

Moreover, the controller making automated decisions as described in Article 22, paragraph 1 GDPR, must tell the data subject that it is engaging in this type of activity, provide meaningful information about the logic involved, and explain the significance and envisaged consequences of the processing for the data subject. With a view to preventing overregulation and ensuring that companies can operate within a functional and clear legal framework – and avoid that they incur unnecessary legal costs – the AIA refrains from introducing information rights that would duplicate or further regulate what is provided for in the GDPR. Consequently, the purpose of the AIA is, among other things, to ensure that AI systems that may pose high risks to fundamental rights and safety are developed and deployed in a way that enables the users in the AI Act to comply with their GDPR obligations (as controllers or processors) vis-à-vis affected parties.

Finally, the EU database for stand-alone high-risk

	<p>AI systems envisaged in Article 60 of the AIA proposal will ensure that essential information about high-risk AI systems will be made publicly available.</p>
<p>Amendment 7</p> <p>New recital after Recital 44:</p> <p>AI system providers shall refrain from any measure promoting unjustified discrimination based on sex, origin, religion or belief, disability, age, sexual orientation, or discrimination on any other grounds, in their quality management system.</p>	<p>The purpose of the quality management system for high-risk AI systems provided for in Article 17 of the AIA proposal is to ensure compliance of such systems with fundamental rights and safety requirements. Given that the proposal explicitly pursues the protection of fundamental rights – including non-discrimination – any quality management system will serve this purpose.</p>
<p>Amendment 8</p> <p>Recital 47:</p> <p>To address the opacity that may make certain AI systems incomprehensible to or too complex for natural persons <i>or public authorities at all levels of governance</i>, a <i>high level</i> of transparency should be required for high-risk AI systems.</p>	<p>The requirement for transparency of high-risk AI systems (Article 13 of the AIA proposal) aims to ensure that such systems are comprehensible to natural persons both in the public sector at all levels of governance, as well as private sector. The EU database for stand-alone high-risk AI systems provided for in Article 60 of the proposal will further enhance transparency and public oversight of such systems.</p>
<p>Amendment 9</p> <p>Recital 48:</p> <p>High-risk AI systems should be designed and developed in such a way that natural persons <i>and public authorities at all levels of governance</i> can oversee their functioning.</p>	<p>The purpose of the human oversight requirement is to enable natural persons to oversee the functioning of high-risk AI systems, irrespective of whether such natural persons are employed by public authorities or in the private sector.</p>
<p>Amendment 10</p> <p>The Committee suggests amending Recital 67.</p> <p>Policy Recommendation 20</p> <p>The Committee suggests that Member States should be empowered to regulate high-risk AI systems in the face of overriding and justified reasons of public interest.</p> <p>Reason:</p> <p>While Member States should not obstruct the application of the Regulation, they should retain the right to regulate high-risk AI systems if public and national security interests are at</p>	<p>The Commission notes that competences that have not been conferred to the EU in accordance with Article 5 of the Treaty on European Union (TEU) remain the competence of the Member States. In particular, it is for the Member States to define their essential security interests and to adopt appropriate measures to ensure their internal and external security as is stated in Article 4 TEU.</p> <p>However, the mere fact that a national measure has been taken for the purpose of protecting national security cannot render EU law inapplicable and exempt the Member States from their obligation to comply with that law. Harmonising legislation, like that in the case at hand, is exhaustive, and it</p>

<p>stake.</p>	<p>also aims at avoid fragmentation.</p>
<p><b>Amendments 11 and 25</b></p> <p>Recital 70:</p> <p>[...]The use of these systems should therefore be subject to specific transparency obligations without prejudice to the requirements and obligations for high-risk AI systems. In particular, natural persons should be <b>systematically</b> notified that they are interacting with an AI system. [...]</p> <p>Article 52(1)</p> <p>Providers shall ensure that AI systems intended to interact with natural persons are designed and developed in such a way that natural persons are informed that they are interacting with an AI system. This obligation shall not apply to AI systems authorised by law to detect, prevent, investigate and prosecute criminal offences, unless those systems are available for the public to report a criminal offence. <b><i>The scope of options and legal position of natural persons interacting with AI systems shall not be limited by this interaction.</i></b></p>	<p>Article 52 of the AIA proposal, which lays down specific transparency obligations for certain AI systems, irrespective of whether they are classified as high-risk or not, aims to ensure that natural persons are always informed whenever they encounter such AI systems. In certain cases it may be unnecessary to explicitly notify the natural person that they are interacting with an AI system, for instance in the day-to-day use of a smartphone assistant.</p>
<p><b>Amendment 12</b></p> <p>Suggested addition to recital 76:</p> <p>The members of the European Artificial Intelligence Board should reflect the interests of European society. The Board should be gender-balanced.</p>	<p>In order to see the interests of European society sufficiently represented, the Commission is aiming at establishing an expert group to accompany the implementation of the AIA proposal.</p>
<p>Amendments 14 and 15</p> <p>The Committee suggests amending Recital 79 and 83.</p> <p>Amendments 26 and 29</p> <p>The Committee suggests amending Article 57(1) and 69(3).</p> <p>Policy Recommendations 1,5 and 21</p> <p>The Committee stresses that making the EU a global leader in the responsible and human-</p>	<p>The Commission acknowledges the importance of regional and local authorities in ensuring the responsible and human-centred development of AI in the Union. To this end, the Coordinated Plan on Artificial Intelligence 2021 Review<sup>2</sup> lays out and encourages a series of policy measures focusing specifically on the role of policy making and implementation at the local and regional levels in achieving an ecosystem of AI excellence (for instance in chapters 1, 6, 7, 11, and 14).</p>

<sup>2</sup> <https://digital-strategy.ec.europa.eu/en/library/coordinated-plan-artificial-intelligence-2021-review>

<p>centred development of AI can only be achieved if local and regional authorities have a significant role.</p> <p>The Committee regrets that the proposal for a regulation does not refer to local and regional authorities, despite the fact that the legal framework will apply to both public and private players.</p> <p>Local and regional authorities should also be able to participate in the monitoring of AI systems, report on their implementation on the ground and make a formal contribution to the Commission’s evaluation of the application of the regulation.</p> <p>Amendments 28 and Policy Recommendation 13</p> <p>The Committee suggests amending Article 59(1):</p> <p>National competent authorities shall be established or designated by each Member State for the purpose of ensuring the application and implementation of this Regulation. National competent authorities shall be organised so as to safeguard the objectivity and impartiality of their activities and tasks. <b><i>Local and regional authorities shall be empowered to carry out supervisory or enforcement tasks where deemed appropriate by the Member State.</i></b></p>	<p>The proposed AIA provides for a two-level governance system, with Member States taking a key role in the application and implementation of the Regulation. Each Member State should designate one or more national competent authorities with supervisory and enforcement functions. It is within the competence of Member States to entrust such functions to local and regional authorities, should they deem it appropriate.</p> <p>The Commission will welcome and take into account any input from local and regional authorities in the process of evaluating the application of AIA. Representatives of those authorities will be also included in the expert group the Commission plans to set up to support the future implementation of the regulation and provide expertise in assessing the need for possible amendments through delegated acts.</p>
<p>Amendment 16</p> <p>The Committee recommends amending Art 3(1):</p> <p>‘artificial intelligence system’ (AI system) means software that is developed with one or more of the techniques and approaches listed (<b><i>non-exhaustively</i></b>) in Annex I, <b><i>combined with social practices, identity and culture</i></b>, and that can, for a given set of human-defined objectives, <b><i>by observing its environment through collecting data, interpreting the collected structured or unstructured data, managing knowledge, or processing the information derived from these data</i></b>, generate</p>	<p>The Commission believes that the definition of AI should be technology neutral, as well as precise enough to provide the necessary legal certainty, while leaving some flexibility to accommodate technical progress and evolving challenges and opportunities, in line with the Committee’s views. It should, furthermore, be borne in mind that the ambition of the AIA proposal is to lay out the regulatory standard for the development, deployment and use of trustworthy AI by providing the first comprehensive set of rules in the field at a global level.</p> <p>Against this background, the proposed definition of ‘AI systems’ largely builds on the definition of</p>

<p>outputs such as content, predictions, recommendations, or decisions influencing the environments they interact with;</p>	<p>AI proposed by the Organisation for Economic Co-operation and Development (OECD), with a focus on AI as software in order to ensure smooth integration with other EU legislation. The list in Annex I forms an integral part of the definition. It strikes a balance between legal certainty by being exhaustive and limited to specifically defined techniques and being future proof, by leaving the opportunity for dynamic amendments with the use of delegated acts, in order to take account of technological and market developments.</p> <p>Furthermore, the Commission notes that the inclusion of social practices, identity and culture in the definition of ‘AI system’ would compromise the legal certainty of the definition, which must be linked to the functionalities of the AI system. The social context and conditions in which the AI system is used are taken into account for the purpose of the classification of AI systems as high-risk in the light of the intended purpose of the system.</p>
<p>Amendment 17 and Policy Recommendations 12 and 13</p> <p>The Committee urges for the clear formulation of strong safeguards in order to ensure that the ban on social classification practices is not circumvented;</p> <p>The Committee is highly sceptical of the grounds for determining when a social classification leads to detrimental or unfavourable treatment of individuals or groups of people, as it is extremely difficult to establish the existence of such grounds. (...) the Committee urges for the clear formulation of strong safeguards in order to ensure that the ban on social classification practices is not circumvented.</p> <p>Amendment 17:</p> <p>The Committee suggests adding a paragraph to Article 5(1):</p> <p><b><i>(d) the placing on the market, putting into service or use of AI systems by public authorities or on their behalf, applying AI-</i></b></p>	<p>The Commission takes note of the request for a clearer formulation of safeguards to ensure that a ban on social classification practices is not circumvented.</p> <p>The Commission points out that the concept of detriment and unfavourable treatment are well-established concepts in respectively EU consumer protection and non-discrimination law. The Commission does not consider therefore that these concepts are hard to be established. These elements are also considered important to justify the prohibitions in line with the principle of proportionality.</p> <p>The conditions in points (i) and (ii) of Article 5(c) of the AIA proposal aim notably at drawing a line between legitimate forms of evaluations that could be still considered high risk and subjected to requirements and obligations to address risks to fundamental rights from unacceptable social scoring practices that should be prohibited outright.</p> <p>As regards the new prohibition proposed by the Committee on social scoring practices without</p>

<p><i>based social scoring without human oversight for specific purposes, that is, in social contexts related to the contexts in which the data was originally generated or collected, for the evaluation or classification of the trustworthiness of natural persons or groups of persons over a certain period of time based on their social behaviour or known or predicted personal or personality characteristics, with the social score leading to detrimental or unfavourable treatment of certain natural persons or whole groups thereof that is unjustified or disproportionate to their social behaviour or its gravity;</i></p>	<p>human oversight in social environments related to the contexts in which the data was originally generated or collected, the Commission considers that any solely automated evaluation and profiling of people without human oversight is already covered by the prohibition in Article 22 GDPR, unless limited exceptions envisaged in paragraph 2 of that article apply. Further clarity in relation to the GDPR rights and the applicable exceptions is provided in the Guidelines on Automated individual decision-making and Profiling<sup>3</sup>.</p>
<p>Amendment 17</p> <p>The Committee suggests amending Article 5(1)(a):</p> <p>The following artificial intelligence practices shall be prohibited:</p> <p>(a) the placing on the market, putting into service or use of an AI system that deploys subliminal techniques beyond a person’s consciousness in order to materially distort a person’s behaviour in a manner that causes or is likely to cause that person or another person physical or psychological harm, <i>infringes or is likely to infringe the fundamental rights of another person or a group of persons, including their physical or psychological health and safety, has or is likely to have a detrimental effect on consumers, including monetary loss or economic discrimination, or undermines or is likely to undermine democracy and the rule of law.</i></p>	<p>Prohibited uses of AI include subliminal manipulation, which includes cases where the AI system deploys subliminal techniques beyond a person’s consciousness in order to materially distort a person’s behaviour in a manner that causes or is likely to cause that person or another person physical or psychological harm.</p> <p>While there can be indeed other harms that may occur in addition to physical and psychological harms, the Commission found that it is important to keep the prohibitions of manipulation narrow to ensure legal certainty for operators and address only the most severe risks and harmful consequences. The Commission also recalls that the remaining risks that may occur are covered by the existing legislation on the protection of fundamental rights and consumer protection and the regulation of specific activities such as online intermediaries. For instance, ‘the ‘Unfair Commercial Practices Directive’<sup>4</sup> applies to unfair business practices, such as misleading and aggressive marketing techniques that influence consumers’ choices and harm their economic interests.</p>

<sup>3</sup> WP29 (Article 29 Data Protection Working Party) Guidelines on Automated Decision Making (WP251rev.01), available [here](#)

<sup>4</sup> Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council (‘Unfair Commercial Practices Directive’); OJ L 149, 11.6.2005, p. 22–39.

## Amendment 19

The Committee suggests amending Article 13:

1. High-risk AI systems shall be designed and developed in such a way to ensure that their operation is sufficiently transparent to enable users to interpret the system's output and use it appropriately. An appropriate type and degree of transparency **and a comprehensible explanation** shall be ensured, with a view to achieving compliance with the relevant obligations of the user and of the provider set out in Chapter 3 of this Title. ***The explanation shall be provided at least in the language of the country where the AI system is deployed.***

2. High-risk AI systems shall be accompanied by ***publicly accessible and comprehensible*** instructions for use in an appropriate digital format or otherwise that include concise, complete, correct and clear information that is relevant, accessible and comprehensible to users.

3. The information referred to in paragraph 2 shall specify:

(a) the identity and the contact details of the provider and, where applicable, of its authorised representative;

(b) the characteristics, capabilities and limitations of performance of the high-risk AI system, including:

i) its intended purpose;

ii) the level of accuracy (***expressed in the relevant metrics for evaluating models***), robustness and cybersecurity referred to in Article 15 against which the high-risk AI system has been tested and validated and which can be expected, and any known and foreseeable circumstances that may have an impact on that expected level of accuracy, robustness and cybersecurity;

[...]

***vi) parameters used to tune the model and measures taken to prevent overfitting and***

The Commission notes the amendments proposed by the Committee to Article 13 of the proposal. The Commission notes that the purpose of the transparency requirement for high-risk AI systems is indeed to address opacity, thereby enhancing their interpretability and facilitating 'explainability'. Furthermore, Article 13, paragraph 2, of the proposal demands that specific information be provided to users that must be 'relevant, accessible and comprehensible', thereby enabling users to interpret the system output and use it appropriately. According to the proposal, such information shall include, among others, specifications of information in terms of the training, validation and testing data sets used, the performance of the AI system, and the pre-determined changes to the AI system and its performance.

Concerning the suggestion that instructions for the use of high-risk AI systems should be made publicly available, the Commission notes that Article 60 of AIA proposal provides for the creation of an EU database where stand-alone high-risk AI systems shall be registered, thus making relevant information about these systems publicly available. According to point 11 of Annex VIII to the proposal, electronic instructions for use of the AI system shall in principle form part of that information.

Furthermore, the level of accuracy of the high-risk AI system, which must also be specified by the provider according to Article 13, paragraph 3, of the proposal will be expressed through the relevant accuracy metrics, as clarified in Article 15, paragraph 2, of the proposal.

Concerning the suggestion to introduce a new point (vi) to Article 13, paragraph 3(b), of the proposal, the Commission notes that the purpose of the information provided in the instructions for use of high-risk AI systems is to communicate to the user how the AI system works in order for the user to be able to use it properly, without providing all possible technical aspects to be included in the instructions for use. Paragraph 3(b) therefore does not need to refer to technical elements of how the

<p><i>underfitting.</i></p>	<p>system has been designed or how it functions internally, such as information about the parameters used to tune the model of the AI system and measures taken to prevent overfitting and underfitting.</p>
<p><b>Amendment 20</b></p> <p>Article 14(4)</p> <p>The measures referred to in paragraph 3 shall enable the individuals to whom human oversight is assigned to do the following, as appropriate to the circumstances:</p> <p>[...]</p> <p>(b) remain aware of the possible tendency of automatically relying or over-relying on the output produced by a high-risk AI system ('automation bias') <b>and of all other forms of bias</b>, in particular for high-risk AI systems used to provide information or recommendations for decisions to be taken by natural persons;</p>	<p>The human oversight measures under Article 14 of the AIA proposal will enable the user of the high-risk AI system, among others, to fully understand the capacities and limitations of the system and be able to duly monitor its operation, as well as to decide not to use the high-risk AI system in any particular situation or otherwise disregard, override or reverse its output (Article 14, paragraph 4). The users will thus be able to address relevant bias (such as of technical or social nature) under their responsibility.</p>
<p>Amendment 21</p> <p>The Committee recommends adding a new paragraph after Article 14(5):</p> <p><b><i>Any decision taken by AI systems as referred to in Annex III(5) (a) and (b) shall be subject to human intervention and shall be based on a diligent decision-making process. Human involvement in these decisions shall be guaranteed.</i></b></p>	<p>The Commission notes the suggested inclusion of a new paragraph in Article 14 of the proposal. In this respect, it points out that any high-risk AI system shall be built in a way that enables the human operator in charge to intervene or interrupt the operation of the AI system. The human operator shall also be able to decide not to use the AI system or otherwise disregard, override or reverse the output of the system, as well as fully understand the capacities and limitations of the AI system. Moreover, the individuals performing human oversight must be able to correctly interpret the high-risk AI system's output and remain aware of the tendency of over-relying on this output.</p> <p>The Commission also recalls that in cases where personal data are processed, Article 22 of the GDPR prohibits solely automated decision-making with legal and similarly significant effects for the data subject unless limited exceptions apply. Furthermore, the provision requires that for these exceptions measures should be in place to safeguard the data subject's rights. In this respect, Article 22(3) requires at least the rights to obtain</p>

	<p>human intervention on the part of the controller, to express his or her point of view and to contest the decision.</p>
<p>Amendment 22</p> <p>The Committee suggests adding new subsections after Article 17(1)(m):</p> <p><i>(n) measures to prevent unjustified discrimination based on sex, ethnic origin, religion or belief, disability, age, sexual orientation, or on any other grounds;</i></p> <p><i>(o) an explanation of how ethical issues have been taken into account when designing the high-risk AI system.</i></p>	<p>The Commission notes the suggestion to add subsections to Article 17(1) of the proposal. It points out that the Quality Management System has to include the Risk Management System, which is set out in Article 9 of the proposal. The Risk Management System foresees the identification and mitigation of known and foreseeable risks associated with each high-risk AI system, including risks to fundamental rights such as the right to non-discrimination.</p>
<p>Amendment 23 and Policy Recommendation 21</p> <p>The Committee calls for conformity assessments to be transparent and accessible to the public.</p> <p>Addition of the following text to Article 17(1):</p> <p><i>The providers of high-risk AI systems shall publish the EU declaration of conformity and a summary of the conformity assessment in a publicly accessible place.</i></p> <p>Reason:</p> <p>In order to strengthen the ecosystem of trust in AI systems, providers of high-risk AI systems must be open. The public should therefore be able to check that conformity assessment has been properly established in accordance with the rules of the Regulation.</p>	<p>High-risk AI systems that have undergone the conformity assessment have to be registered in a public register before being placed on the market or put into service. Upon registration, the provider has to upload the information set out in Annex VIII of the proposal, which includes a copy of the EU declaration of conformity and, where applicable, the name and identification number of the notified body, a description of the conformity assessment procedure performed and identification of the certificate issued. This goes beyond most current product safety legislation, which generally does not provide for the establishment of a public database, with the exception of the medical devices legislation. At the same time, the Commission notes that the technical documentation provided in the framework of conformity assessment procedures would contain highly confidential information.</p>
<p>Amendment 24:</p> <p>The Committee recommends adding a new paragraph after Article 29(6):</p> <p><i>Users of high-risk AI systems shall be responsible for making an ethical assessment before putting the system into use. They shall be able to explain the possible impact of the deployment of the technology on people and society. They shall specify their intended purpose in deploying the AI system, the</i></p>	<p>The Commission has made a scrupulous analysis of the AI value chain in order to distribute proportionately and effectively the relevant obligations of providers and users. With respect to the recommendation to add a new paragraph 6 in Article 29 of the proposal, the Commission notes that it is the provider's obligation to establish a risk management system in relation to high-risk AI systems, whereby the provider shall, taking into account the intended use of the AI system, carry out an analysis and evaluation of any risks</p>

*overarching values, how those values have been weighted and whether or not they have been implemented in the system. They shall assess the actual impact of the system on people and society throughout the life cycle of the AI system.*

associated with the system, including as a result of post-market monitoring, and adopt suitable risk management measures. Providers must therefore be aware of the possible impact of the deployment of a high-risk AI system on people's fundamental rights and safety. The intended use of the AI system is to be determined by the provider, given that it is the key criterion for classifying the system under the high-risk category, whereas the user shall in principle be obliged to use the AI system in accordance with its intended use and instructions for use without prejudice to all obligations under existing Union and Member States legislation (e.g. on non-discrimination, data protection, employment etc.).

Notably, according to Article 9 of the proposal, the risk management system shall consist of a continuous iterative process throughout the AI system's lifecycle and shall be systematically updated.

Finally, the Commission notes that Article 35 of the GDPR requires the data controller to carry out a data protection impact assessment in order to evaluate, in particular, the origin, nature, particularity and severity of risk to the rights and freedoms of natural persons that may result from data processing operations. Users within the meaning of the AIA proposal will fall under the scope of the obligation to conduct a data protection impact assessment of the processing operations conducted by the AI system where such processing involves personal data.

Amendment 27

The Committee suggests amending Article 58.

Policy Recommendation 6

The Committee notes that AI systems can play an important role in local and regional authorities interaction with citizens and service provision. (...) It is important that the experience gained by local and regional authorities is actively used in the ongoing revisions of the Regulation.

The Commission agrees that AI plays an important role for public authorities at all levels including the local and regional ones. The Commission recognises the potential of AI to improve public services and bring benefits across all key public sector activities.

<p>Amendment 30</p> <p>The Committee suggests adding the following paragraph before the list of artificial intelligence techniques in Annex I:</p> <p><i>Having regard to the current state of science, AI includes the following techniques and methods:</i></p>	<p>The Commission notes that the notion of ‘AI system’ provides, among others, the flexibility to accommodate future technological developments, as indicated in recital 6 of the AIA proposal. To this end, the list of techniques contained in Annex I of the proposal is to be kept up-to-date in the light of evolving market and technological developments. It follows from the rationale of this regulatory approach that, as it stands, the list of techniques and approaches in Annex I reflects and will reflect the current state of market and technological developments.</p>
<p>Amendment 31</p> <p>The Committee suggests amending section 2 of Annex III:</p> <p>2. Management and operation of critical infrastructure:</p> <p>(a) AI systems intended to be used as safety components in the management and operation of road traffic and the supply of water, gas, heating and electricity, <i>and telecommunications, water and internet infrastructure.</i></p>	<p>The Commission has put forward a solid methodology that helps identify high-risk AI systems within the legal framework, in light of the intended purpose of the AI system. The list of high-risk AI systems, currently included in the AIA proposal, contains a limited number of AI systems identified by the Commission whose risks have already materialised or are likely to materialise in the near future, including in the area of the management and operation of critical infrastructure.</p> <p>According to the proposed AIA, the Commission may expand the list of high-risk AI use cases by way of delegated acts, in order to ensure that this list can be adjusted to emerging uses and applications of AI and new risks. Given that point 2 of Annex III may potentially cover all AI systems intended to be used for the management and operation of critical infrastructure, use cases related to telecom and internet infrastructure may also be added based on strictly defined criteria for assessing the risk of harm to health and safety or the risk of adverse impact on fundamental rights, in accordance with Article 7 of the proposal.</p>
<p><b>Policy Recommendations (Ecosystem of excellence)</b></p>	
<p>Recommendation 2:</p> <p>The Committee highlights that it is important to provide support and training to local and regional authorities in order to enhance their competencies in the field, especially as they</p>	<p>The Commission agrees with the Committee that public authorities require support and training to facilitate their supervisory and enforcement roles. In the Coordinated Plan on AI 2021 Review, the Commission has put forward a set of joint actions with Member States, aimed at the development of</p>

<p>may receive supervisory and enforcement roles.</p>	<p>AI, and encourages Member States to increase the availability of training in AI including for public officials. By making use of the Recovery Resilience Facility (RRF) and other EU funding possibilities, Member States should encourage the uptake of AI, at both local and national level, and set up regional and national research excellence centres.</p> <p>Furthermore, the Commission and Member States have already started to engage in peer learning and EU-wide exchanges of best practices in the public sector use of AI. It is one of the key goals of the Coordinated Plan to ensure that public authorities act as a trailblazer for AI use and have the necessary skills and knowledge to do so. Among others, the Commission, with the support of Member States, will fund through the Digital Europe programme initiatives for the adoption of AI by the public administrations at local level, through the reinforcement of European capacity for the deployment and scale-up of AI-powered Local Digital Twins. Furthermore, support for public administrations is envisaged, including cities and communities, in creating AI algorithm registries to increase citizen trust, as well as measures to encourage the use of catalogues of AI-enabled applications for administrations in order to increase take-up by the public sector (e.g., through the AI-on-demand platform).</p> <p>The Commission will also continue to support local and regional authorities in procuring trustworthy AI by developing a set of minimal capabilities for algorithms to be used in contract conditions through the Living-in.EU movement and by other means. Moreover, through the Adopt AI programme the Commission will support public procurement of AI systems and help to transform public procurement processes themselves.</p>
<p>Recommendation 3</p> <p>The Committee points to the diverse range of programmes for funding of AI development, which increases the risk of fragmentation and overlap;</p>	<p>The Coordinated Plan 2021 Review envisages a set of joint actions with Member States, aimed at the development of AI, that ,among other objectives, seek to align AI policies and investments to remove fragmentation and address global</p>

	<p>challenges in a coherent and effective manner.</p> <p>To facilitate the implementation of joint actions and to ensure coherence between funding programmes, the Commission will assist with and implement actions outlined in the Coordinated Plan 2021 Review.</p> <p>The Commission will continuously assess how fragmentation can be reduced further and will do so in consultation with the general public, social partners, NGOs, industry, academic community and national/regional authorities.</p>
<p><b>Recommendation 4</b></p> <p>The Committee calls on the Commission to develop and connect strong and pluralistic common data spaces in which societal use-cases can be resolved with the use of public and private data. This also requires alignment with legislative initiatives under the European Data Strategy.</p>	<p>The availability of high-quality data, among other things, in respect of diversity, non-discrimination, and the possibility to use, combine and re-use data from various sources in a GDPR compliant way are essential prerequisites and a precondition for the development and deployment of certain AI systems. To support actions on data, the Coordinated Plan includes a set of specific actions, including a reference to a proposed Data Act and investments in data spaces. The EU Cybersecurity Strategy for the Digital Decade<sup>5</sup> sets out how the EU will shield its people, businesses and institutions from cyber threats, and how it will advance international cooperation and lead in securing a global and open internet. By ensuring that high-quality data are made available throughout the EU for AI development, the European Data Strategy will facilitate the implementation of the AIA proposal, and in particular the compliance with the data quality requirements for high-risk AI systems under Article 10 of the proposal.</p>
<p><b>Policy Recommendations (Ecosystem of trust)</b></p>	
<p><b>Recommendation 10</b></p> <p>The Committee wonders why AI systems used in democratic processes such as elections are not on the list of high-risk AI systems.</p>	<p>Annex III of the proposal provides in point 8 that AI systems intended to be used in the area of administration of justice and democratic processes may be classified as high-risk and thus be subjected to mandatory requirements ensuring their trustworthiness. At present, this area includes the use case of AI systems intended to assist a</p>

<sup>5</sup> JOIN(2020) 18 final.

	<p>judicial authority. New use cases may however be added to Annex III through delegated acts should concrete evidence to that end appear, as well as an AI-specific necessity for regulation which is not covered by other legal acts.</p> <p>The review of high-risk cases will be carried out on a yearly basis, with full involvement of Member States in the framework of the AI Board and based on strictly defined criteria, evidence and expert opinions. All relevant stakeholders will be also consulted in line with the standard practice of the Commission when proposing new rules.</p>
<p><b>Recommendation 15</b></p> <p>The Committee calls on the Commission to consider in greater depth the high-risk classifications of AI systems intended for use by public authorities.</p>	<p>The Commission has put forward a solid methodology that helps identify high-risk AI systems within the legal framework, in light of the intended purpose of the AI system. The list of high-risk AI systems, currently included in Annex III of the AIA proposal, contains a limited number of AI systems identified by the Commission, including in the area of access to and enjoyment of essential private services and public services and benefits.</p> <p>Where justified, the Commission may supplement the list of high-risk AI use cases through delegated acts, in order to ensure that the regulatory instrument can be adjusted to emerging uses and applications of AI.</p> <p>When deciding on the areas and use cases of high-risk AI systems listed in Annex III, the Commission relied on consultation with stakeholders, including public authorities and non-governmental organisations, and the recommendations from the High Level Expert Group on AI (HLEG).</p>
<p><b>Recommendations 16 and 17</b></p> <p>The Committee calls for an authority to provide substantial ex ante advice on the interpretation of provisions in the regulation, also in relation to the General Data Protection Regulation. This will enhance legal certainty and reduce the costs of designing and implementing AI systems.</p> <p>(...) In line with the Commission's better regulation agenda, early detection and</p>	<p>The relationship between the AIA proposal and other Union and national laws has been carefully assessed and evaluated, in particular in section 1.3 of the Impact Assessment accompanying the proposal. In addition, recital 41 aims to clarify that the proposed AIA provisions are without prejudice to any other Union or national rules on the lawfulness of certain uses of AI systems. The Commission is open to further clarify this link if</p>

<p>elimination of potential overlaps and/or conflicts with existing rules is of key importance.</p>	<p>deemed necessary.</p> <p>Furthermore, the governance structure at EU level envisages the creation of an AI Board composed of the national supervisory authorities as well as the European Data Protection Supervisor. The AI Board will also be supported by an expert group, which will provide additional expertise where required in order to ensure that the members of the Board have the possibility to make informed analysis. Thus, the Board will, among others, contribute to guidance and analysis on matters covered by AIA (Article 56, paragraph 2(b); see also Article 55(1)(c) for guidance envisaged with respect to small-scale providers and users). Relevant authorities competent in the application of other relevant legal frameworks will be consulted as appropriate in the process of preparing such guidance.</p>
<p>Recommendation 19</p> <p>The proposal for a regulation does not stand alone when it comes to guaranteeing citizens' rights and that it must be seen in the context of existing legislation.</p> <p>Member States are (...) encouraged to ensure that, on an ongoing basis, they take the necessary administrative measures to enable them to deal with the opportunities and risks posed by the use of AI in the public sector.</p>	<p>The Commission agrees with the Committee that Member States should be encouraged to develop and implement measures to be better equipped to deal with risks and opportunities that result from the use of AI.</p> <p>This is why the Coordinated Plan on Artificial Intelligence 2021 Review highlights the importance of acquiring, pooling and sharing policy insights across Member States and why the Commission will continue to facilitate the uptake of synergies between national actions and provide information to Member States on the practical means of facilitating AI uptake. Furthermore, Member States are encouraged to review and update their national AI strategies as necessary and report their progress to the Commission. See also the Commissions position on Policy Recommendation 2 above.</p> <p>Currently almost all Member States AI strategies include actions to stimulate and deal with the use of AI in public sectors. Through EU wide exchange of best practices and peer learning these strategies are intended to be improved on a regular basis.</p>
<p>Recommendation 22</p>	<p>In order to make regulatory sandboxes future</p>

<p>The Committee calls for clear criteria for allowing companies to participate in regulatory sandboxes.</p>	<p>proof and to account for the changing landscape of the AI industry, the Commission has chosen to make the eligibility criteria of these sandboxes the subject of implementing acts.</p>
<p><b>Other Recommendations</b></p>	
<p><b>Recommendation 23</b></p> <p>The Committee stresses the importance of public campaigns, so that the general public is informed about and familiarised with the existence and usefulness of AI systems as well as potential risks.</p>	<p>The Commission agrees that it is important to inform the public about the benefits and dangers of AI. Gaining the trust of the public will be an essential step to ensure that Europe becomes a global player and centre for AI excellence. Once adopted, the AIA will thus be promoted by adequate communication campaigns aimed at increasing awareness and trust in AI systems.</p>
<p><b>Recommendation 24</b></p> <p>The Committee expresses its concern about the potential administrative burden of the proposed Regulation. The administrative burden can hinder small and medium-sized enterprises and local and regional authorities in promoting innovation and deploying AI systems.</p>	<p>The Commission recognises the importance of preventing small and medium enterprises as well as local and regional authorities from being overburdened with any regulation on AI. For this reason, it has opted for a risk-based approach, in which only systems that pose a high-risk and those that need to fulfil special transparency obligations have to comply with the requirements in the Regulation. The Commission believes that a vast majority of AI systems do not pose a high-risk and therefore do not require extensive regulation.</p> <p>Furthermore, Title V of the proposal points to a number of measures in support of innovation. AI regulatory sandboxes will provide environments for small and mid-size enterprises (SMEs) to develop their AI systems while receiving guidance and consultation on how to comply with the AIA.</p> <p>In addition, Article 55 of the proposal requires that Member States provide small-scale providers and start-ups with priority access to such regulatory sandboxes, organise awareness raising activities about the application of the regulation and, where appropriate, provide guidance and communication channels to respond to questions about the implementation of the regulation.</p> <p>Finally, the impact assessment of the AIA proposal<sup>6</sup> analyses in detail the proposed</p>

<sup>6</sup> SWD(2021) 84 final.

	regulatory approach, including in relation to the possible administrative burden and overall impact with respect to SMEs and public authorities.
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**N°7 Eradicating homelessness in the European Union: The local and regional perspective**  
**Own-initiative**  
**COR-2021-03911 – SEDEC-VII/023**  
**147<sup>th</sup> plenary session – December 2021**  
**Rapporteur: Mikko AALTONEN (FI/PES)**  
**DG EMPL – Commissioner SCHMIT**

<b>Points of the European Committee of the Regions opinion considered essential</b>	<b>European Commission position</b>
<p>14. The CoR reminds of its call to pay special attention also to the problem of youth LGBTIQ homelessness, to raise awareness and promote youth care centres and shelters in local communities.</p> <p>25. The CoR calls on the Commission to ensure a strong focus on homelessness in all relevant EU policy initiatives such as the EU Child Guarantee, EU Disability Strategy, EU LGBT Strategy, EU Gender Equality Strategy, EU Roma Framework, EU Youth Guarantee, Social Economy Action Plan, EU4Health Programme, EU Migration Pact and EU Affordable Housing Initiative.</p>	<p>The risk of becoming homeless increasingly affects different groups in societies, including low-income households with dependent children, LGBTIQ youth, persons with a migrant background, or women, among others.</p> <p>The Commission, Member States, other EU Institutions and Committees, EU-level civil society organisations and relevant social partners have jointly launched the European Platform on Combating Homelessness<sup>1</sup> (hereafter, the Platform) in June 2021. It offers a forum for exchanges that can put a focus on the specific needs and barriers faced by these vulnerable groups. In addition, the Commission will mainstream a focus on homelessness in policy initiatives aimed at improving the life conditions and inclusion paths for vulnerable groups, such as the examples cited in the opinion.</p> <p>Furthermore, the Council Recommendation establishing a European Child Guarantee<sup>2</sup> acknowledges that children from low-income families, with a migrant background or with a minority ethnic origin are more exposed to homelessness. Homeless children are listed among the categories of children whose specific disadvantages should be taken into account by Member States when designing their national integrated measures to implement the Child Guarantee. With a view to guarantee effective access to adequate housing for children in need, Member States are also recommended to (i) ensure that homeless children and their families</p>

<sup>1</sup> [https://ec.europa.eu/commission/presscorner/detail/en/IP\\_21\\_3044](https://ec.europa.eu/commission/presscorner/detail/en/IP_21_3044)

<sup>2</sup> Council Recommendation (EU) 2021/1004 of 14 June 2021 establishing a European Child Guarantee; OJ L 223, 22.6.2021, p. 14–23.

	<p>receive adequate accommodation, prompt transfer from temporary accommodation to permanent housing and provision of relevant social and advisory services; and (ii) assess and revise, if necessary, national, regional and local housing policies and take action to ensure that the interests of families with children in need are duly taken into account, including addressing energy poverty and preventing the risk of homelessness.</p>
<p>19. The CoR calls on the Commission to play an active role in the coordination of the Platform and to allocate sufficient EU resources to ensure effective governance and visible policy impact.</p>	<p>The Platform is an initiative bringing together EU institutions, national and local authorities, and services providers, that will act to combat homelessness. Each member of the Platform and signatory of the Lisbon Declaration is responsible for contributing with own resources to implement activities that it commits to undertake and which are included in the work programme. There are a number of activities in the work programme, which reflect commitments of the Commission and for which it will ensure financing. In addition, the Commission provides the Secretariat of the Platform and has allocated the necessary resources to ensure efficient support to the functioning of the Platform.</p>
<p>20. The CoR is committed to playing an active role in the Platform, also as a member of the Steering Board, relaying the challenges faced by local and regional authorities in the fight against homelessness. Urges to this effect the Platform to fully acknowledge the role of local and regional authorities and facilitate their full involvement in this endeavour.</p> <p>21. The CoR suggests taking account of the interests and concerns of the homeless population in its future policy work, and integrating activities related to the Platform in the work programmes of relevant commissions such as SEDEC. The CoR could regularly organise a European conference on those local and regional homelessness policies which are within its remit.</p>	<p>The Commission welcomes the Committee's commitment to support the work of the Platform and being part of its Steering Board. The Committee can play a key role in bridging the EU level with the regional and local level, as reflected by the activities put forward in the work programme of the Platform, notably hosting a regular European conference on local homeless policies.</p>
<p>22. The CoR suggests conferring an important role in the coordination and/or management of the Platform to FEANTSA as it is the only</p>	<p>The Commission welcomes the engagement and association of the European Federation of National Organisations Working with the</p>

<p>existing European transnational knowledge and practice centre in Europe and its expertise is widely recognised and already used in homelessness policy development at both EU and Member State level. Their expertise will be crucial to turn the Platform from an idea into reality.</p>	<p>Homeless (FEANTSA) network to the Platform, including its participation in the Steering Board. The Commission agrees with the Committee on the very important role that EU-level networks of national organisations can play in bringing the perspective of the local level into the work of the Platform. The Platform is, however, a joint endeavour and its governance and ownership should remain shared by stakeholders for best engagement. During the first meeting of the Platform, which took place on 30 November 2021, the Platform’s Chair and the Commission jointly presented the governance structure of the Platform, which reflects the multi-stakeholder character of the initiative.</p>
<p>26. The CoR calls on Member States to exploit unprecedented EU funding and financing opportunities to tackle homelessness, especially those related to ESFplus, ERDF and the Resilience and Recovery Facility. The Commission should actively promote the use of the Structural Funds with managing authorities, local and regional authorities and the third sector.</p>	<p>The Commission agrees that adequate funding should reach the local level, as local authorities are often responsible for the measures to support persons in a situation of homelessness.</p> <p>Promoting and building capacity for the use of EU funds to combat homelessness is one of the work strands of the Platform. In particular, cohesion policy programmes can support investment in measures to implement integrated strategies, including at the local level. Such measures could support e.g. the supply of social housing, the development of new forms of collaboration between stakeholders, increasing the capacity of social services, capacity building of managing authorities, etc.</p> <p>In addition, social housing and social services are eligible investment areas under the Social Infrastructure and Skills Window of the InvestEU programme.<sup>3</sup> The Commission will cooperate with InvestEU Advisory Hub<sup>4</sup> partners in supporting Member States in designing and funding policy measures based on housing-led approaches.<sup>5</sup> Both financial opportunities under the EU guarantee and advisory services will be available to public and private project promoters, at all governance levels.</p>

<sup>3</sup> <https://eur-lex.europa.eu/eli/reg/2021/523/oj>

<sup>4</sup> Ibid.

<sup>5</sup> See more information here: [https://europa.eu/investeu/home\\_en](https://europa.eu/investeu/home_en)

In the context of the ongoing negotiations on 2021-2027 Cohesion policy programmes, the Commission promotes the use of the European Regional Development Fund (ERDF) by the Member States to tackle homelessness, according to identified needs at national, regional and local level. Member States are encouraged to invest in non-segregated social housing, accompanied by measures to support equal access to services in employment, education, health and social care. ERDF measures may also be complemented by European Social Fund Plus (ESF+) measures.

In complementarity with other EU funds, the Recovery and Resilience Facility (RRF) supports Member States in the implementation of investments and reforms addressing challenges of access to quality affordable and social housing, homelessness and the social integration of vulnerable groups.

For instance, this includes measures to (i) increase access to social and affordable housing; (ii) regenerate or renovate public areas and building infrastructure; as well as (iii) enhance social services and infrastructure to promote the social integration of the most vulnerable groups, including the provision of counselling services as well as emergency and temporary accommodation.

During the programming period 2014-2020, the ESF was used to support the social inclusion of homeless people through various interventions. In addition, the Fund for European Aid to the Most Deprived (FEAD) addresses the needs of homeless people within the limitations of its scope, namely the provision of food aid and basic material assistance; furthermore, advice on housing, healthcare and social services can be provided as an accompanying measure.

The new ESF+ opens up further possibilities for financing measures to reduce homelessness as it has at its core the policy objectives and priorities set out by the European Pillar of Social Rights, which identifies housing and assistance for the homeless as one of its 20 key social principles. Housing is explicitly mentioned amongst the

	<p>services that need to be in place to ensure social inclusion. Homeless people often require integrated types of support over a long period of time and therefore housing policies should not be isolated from other thematic areas such as education, employment, health etc. The ESF+, by integrating the ESF, FEAD and the Youth Employment Initiative (YEI)<sup>6</sup>, can offer the more integrated support that is needed and can better exploit the synergies of intervention in different policy areas.</p>
<p>27. The CoR calls on the Commission to further develop transnational cooperation between cities and local and regional authorities, and to capitalise on work already done on homelessness under the URBACT Programme and the Urban Innovative Actions (UIA Initiative).</p>	<p>The Platform is a forum for cooperation between public authorities and stakeholders from all Member States, at national and regional level, including cities and local service providers, for integrated strategies on combatting homelessness. It supports the exchange of good practice and transferable aspects of efficient policies and measures between Member States, so that successful approaches are scaled up and rolled out across the EU.</p> <p>During the period 2021-2027, the URBACT Programme will continue and the Innovative actions will be embedded in the new European Urban Initiative<sup>7</sup>. Both programmes will work on capacity building for cities and capitalisation of accumulated knowledge in the field of the sustainable urban development.</p>
<p>28. The CoR calls on the Member States and the Commission to reinforce the focus on homelessness in the EU Semester process, and to consider issuing Country-Specific Recommendations on homelessness for Member States where homelessness has become a social emergency.</p>	<p>The lack of data and agreed monitoring framework on homelessness is an important challenge for measuring progress towards ending homelessness in Member States.</p> <p>The revision of the Social Scoreboard, presented as part of the European Pillar of Social Rights Action Plan on 4 March 2021<sup>8</sup> and endorsed by the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) on 14 June 2021<sup>9</sup>, has included a new headline indicator on the housing cost overburden rate. This is the main indicator to monitor the situation regarding access</p>

<sup>6</sup> COM(2015) 46 final.

<sup>7</sup> [https://ec.europa.eu/regional\\_policy/sources/docgener/brochure/explanatory\\_memo\\_eui\\_post\\_2020\\_en.pdf](https://ec.europa.eu/regional_policy/sources/docgener/brochure/explanatory_memo_eui_post_2020_en.pdf)

<sup>8</sup> COM(2021)102 final.

<sup>9</sup> <https://data.consilium.europa.eu/doc/document/ST-9314-2021-INIT/en/pdf>

	<p>to housing in Member States and can provide useful preventive information on the number of people who in the future may face risks of homelessness due to high housing costs. This indicator will be available by different breakdowns, among others by tenure status, which further improves monitoring of the risk of homelessness.</p> <p>In the context of the Platform, the Commission is working towards strengthening analytical work and data collection in order to promote evidence-based policies and initiatives addressing homelessness. For instance, the Commission has collected data on past experience of housing difficulties, with a view to better understand the drivers of falling into and escaping from homelessness. The data will be updated every 6 years. The Commission also plans to promote a coordinated European-wide counting initiative about people experiencing homelessness over the next two years. In addition, it is currently looking at launching a collaboration in the second quarter of 2022 with the OECD to develop a proposal for a common monitoring framework on homelessness, in collaboration with an international organisation.</p> <p>In the European Semester process, in line with the Employment Guidelines<sup>10</sup>, the Commission includes an analysis on homelessness and housing exclusion issues in the annual Joint Employment Report, adopted jointly with the Council.</p>
<p>30. The CoR calls on the Member States and the Commission to include in their policies the development and financing of social innovation applied to the issue of housing, as addressed in the Commission's Guide to Social Innovation, as one of the means of preventing homelessness.</p> <p>31. The CoR invites the Commission to produce a European toolkit to support the Member States with their strategic planning.</p>	<p>The work programme of the Platform was officially endorsed by ministers during the second meeting of the Platform, which took place on 28 February 2022. Among the activities featuring in the draft work programme, the Commission has put forward to launch in 2023 a call for proposals to support evidence-based innovation in homelessness policies under the Employment and Social Innovation strand of ESF plus, in line with the call from the Committee.</p> <p>In some of its Employment and Social Innovation</p>

<sup>10</sup> Council Decision (EU) 2021/1868 of 15 October 2021 on guidelines for the employment policies of the Member States; OJ L 379, 26.10.2021, p. 1–5.

	<p>(EaSI) calls targeting social innovation, the Commission has already financed and is financing projects tackling the issue of homelessness.</p>
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In addition, the Commission is looking to launch work on a policy toolkit for homelessness strategies in collaboration with an international organisation.

<p><b>N°8 Europe's Beating Cancer Plan</b>  <b>COM(2021) 44 final</b>  <b>COR-2021-02072 – NAT-VII/018</b>  <b>147<sup>th</sup> plenary session – December 2021</b>  <b>Rapporteur: Birgitta SACRÉDEUS (SE/EPP)</b>  <b>DG SANTE – Commissioner KYRIAKIDES</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>4. The CoR calls on the EU institutions to make sure that the legal framework for the envisaged European Health Union factors in local and regional authorities' responsibility for public health, given that 19 of the 27 Member States have opted to give LRAs primary responsibility for healthcare; at the same time, Member States' health strategies must reflect the specific needs of the regions and give maximum support to the efforts of local and regional authorities to improve healthcare.</p>	<p>The proposed measures of the European Health Union<sup>1</sup> fully respect the responsibilities of the Member States for their health policy and for the organisation and delivery of health services and medical care, including the repartition of primary responsibility for healthcare within the Member States. The Commission agrees that the responsibility for health policy at local and regional level in many Member States should be taken into account.</p>
<p>5. The CoR notes that cancer is clearly an enormous threat to citizens and healthcare systems in the EU, with 2.7 million people diagnosed and 1.3 million deaths from it in 2020 (Joint Research Centre estimates, 2020). It is important to note, in particular, the expected ageing of the EU population and, consequently, the increase in the number of patients who will be diagnosed with cancer, given that it is more prevalent among the elderly.</p>	<p>The Commission acknowledges that demographic changes in the EU, including an ageing population, may add to an increase in cancer incidence. The Commission is implementing Europe's Beating Cancer Plan (the 'Cancer Plan') from which the elderly will greatly benefit. Its aim is to tackle the entire disease pathway: (1) prevention; (2) early detection; (3) diagnosis and treatment; and (4) quality of life of cancer patients and survivors. It takes into account wider health determinants, including education, socio-economic status, gender, age, and employment. In addition, attention is paid to inequalities in access to prevention and cancer care, affecting for example elderly people, people with disabilities, or minorities.</p>
<p>6. The CoR points to the risk of the COVID-19 crisis being followed by a cancer crisis, since it significantly reduced cancer screening, diagnoses and treatments in 2020, worsening the condition of many people and creating a diagnosis backlog that has caused a build-up in</p>	<p>Europe's Beating Cancer Plan outlines substantive actions to mitigate the impact of the COVID-19 pandemic on cancer care and supports structural improvements for a more sustainable cancer pathway, including substantial financial support to Member States in their efforts to make their health</p>

<sup>1</sup> [https://ec.europa.eu/info/strategy/priorities-2019-2024/promoting-our-european-way-life/european-health-union\\_en](https://ec.europa.eu/info/strategy/priorities-2019-2024/promoting-our-european-way-life/european-health-union_en)

<p>cancer cases for a long time to come. According to the survey conducted by the European Cancer Organisation, 1.5 million cancer patients have received less treatment and 100 million cancer screenings have not been carried out due to the pandemic. Around a million cancer patients were unable to get a diagnosis and one in two cancer patients in Europe did not receive the necessary surgery or chemotherapy. One in five of them is still waiting for such treatment.</p>	<p>systems more robust and more able to address cancer.</p> <p>In addition, as underlined in the Communication on Drawing the early lessons from the COVID-19 pandemic<sup>2</sup>, capacity to cope in a pandemic depends on continuous and increased investment in health systems and Member States should be supported to strengthen the overall resilience of health care systems as part of their recovery and resilience investments.</p> <p>As part of the implementation of the Cancer Plan, the Commission continuously engages with a wide range of stakeholders representing the EU's cancer community, and addresses the impact of COVID-19 on cancer by reinforcing information sharing, best practice support, coordination and establishing effective partnerships, as well as increased focus on vulnerable groups.</p> <p>Actions under the Cancer Plan in this area include supporting with EU funds concrete initiatives to strengthen and integrate telemedicine and remote communication and monitoring in health and care systems, as well as supporting research and innovation.</p>
<p>7. The CoR calls for a debate on how to improve people's health awareness so that patients can eliminate or reduce their exposure to risk factors, make the best choices in terms of prevention, diagnosis and treatment options, contribute to their own healthcare and become more empowered to lead independent lives; considers it important for local and regional authorities to be involved in this debate in order to improve EU citizens' health literacy.</p>	<p>The Commission has launched two calls for proposals<sup>3</sup> linked to the Cancer Plan and to health literacy in 2021, namely boosting cancer prevention through the use of the European Code against Cancer and other concerted actions, and the initiative 'HealthyLifestyle4All': promotion of healthy lifestyles. Member States, regional and local governments and civil society representatives will be invited to help promote healthy choices become easy and affordable choices.</p> <p>Moreover, the Commission is working on an initiative to support EU countries to improve the health of citizens by reducing the burden of the main Non-Communicable Diseases. It will help Member States and stakeholders address challenges in cardiovascular diseases, diabetes, chronic respiratory diseases, mental health and neurological</p>

<sup>2</sup> [COM\(2021\) 380 final](#).

<sup>3</sup> [https://hadea.ec.europa.eu/calls-proposals/action-grants-second-wave-under-eu4health\\_en](https://hadea.ec.europa.eu/calls-proposals/action-grants-second-wave-under-eu4health_en)



<p>and with the "Chemicals Strategy for Sustainability. Towards a Toxic-Free Environment" (COM(2020) 667 final) to forge synergies in achieving the goals of the Beating Cancer Plan.</p>	<p>kick-off workshop in 2021 and will develop this further. The Knowledge Centre has identified and described Scientific and Technical linkages to 12 DGs in the Commission and this aims to foster collaboration and synergy with associated EU actions and strategies, like zero pollution, chemicals, farm to fork, etc.</p> <p>The first flagship of the EU Action Plan: ‘Towards Zero Pollution for Air, Water and Soil’ focuses on reducing health inequalities through zero pollution<sup>7</sup>. From 2022 onwards, the Commission will ensure that the newly announced Cancer Inequalities Registry and the Atlas of Demography are regularly fed with pollution monitoring and outlook data and that, by 2024, the need to have an Inequalities Register identifying trends, disparities and inequalities across EU regions is also assessed for other pollution-related diseases, to help target interventions at EU, national and local level. This will also enable people to compare how much pollution affects their health across the different regions where they live, study and work.</p>
<p>19. The CoR calls for greater collaboration between health and social services, especially at local and regional level, in order to raise people's awareness of healthy lifestyles and to provide them with information on how to reduce their cancer risk. Currently, only 3% of health budgets goes to health promotion and disease prevention.</p>	<p>As indicated in the Cancer Plan, the HealthyLifestyle4All initiative<sup>8</sup>, launched in September 2021, supports the promotion of healthy lifestyles for all generations. In addition, actions under the prevention pillar of the Cancer Plan include an update of the European Code Against Cancer<sup>9</sup>, which provides information to individuals on cancer risk factors and how to avoid them. As part of reinforced dissemination actions of the Code, the Commission is also launching actions to improve health literacy including training for professionals working in the health and social care sector.</p> <p>This is in line with what is outlined by the Green Paper on Ageing<sup>10</sup>, which notes that public policies have an important part to play in the promotion of healthy and active ageing. Prevention is an important investment in health in older age, as it extends healthy life years in the older population,</p>

<sup>7</sup> COM(2021) 400 final.

<sup>8</sup> [The HealthyLifestyle4All Initiative | Sport \(europa.eu\)](https://europa.eu/healthy-lifestyle-4-all)

<sup>9</sup> [Cancer Prevention: About The European Code Against Cancer | Association of European Cancer Leagues - ECL](https://ec.europa.eu/health/european-code-against-cancer)

<sup>10</sup> [green\\_paper\\_ageing\\_2021\\_en.pdf \(europa.eu\)](https://europa.eu/green-paper-ageing-2021)

	<p>with a positive impact on social protection systems, labour markets and economic growth.</p> <p>The Commission Work Programme 2022<sup>11</sup> announced a European Care Strategy for the third quarter. The strategy will include an initiative on long-term care in 2022 to set a framework for policy reforms in view of developing sustainable long-term care to ensure better access to quality services for those in need. The Commission recognises the need to pursue long-term care policies that are well-integrated with active and healthy ageing and prevention policies and that ensure integrated provision of care, centred around individual care needs.</p>
<p>22. The CoR finds targeted screening for breast, intestinal and cervical cancer laudable. However, if the scientific evidence and cost-benefit analyses so warrant, thought should be given as soon as possible to extending this targeted screening to other cancers, such as prostate and lung cancer. It is important not merely to diagnose cancer as early as possible, but also to build a well-functioning infrastructure and supply chain.</p>	<p>The new EU Cancer Screening Scheme<sup>12</sup>, a flagship initiative of the Cancer Plan, proposes the revision of the Council Recommendation of 2 December 2003 on cancer screening<sup>13</sup>, to take into account the latest scientific evidence, and a possible extension of screening recommendations and requirement to other cancers. The revision is foreseen in the Commission work programme 2022.</p> <p>New evidence exists to consider extending screening recommendations to other cancers. The European Guide on Quality Improvement in Comprehensive Cancer Control, as well as the Joint Action on innovative Partnerships for Action Against Cancer (iPAAC)<sup>14</sup> launched in 2019, identify prostate, lung, and gastric cancers to be considered as the possible cancer screening programmes to be included in future recommendations.</p>
<p>23. The CoR draws attention to the large differences in cancer incidence and mortality between and within Member States and stresses that everyone, no matter where they live, should have the same right to specialist care, diagnosis</p>	<p>Europe's Beating Cancer Plan and the Horizon Europe EU Mission on Cancer<sup>15</sup> will support the Member States in the implementation of their National Cancer Control Plans.</p> <p>Both initiatives include a cross-cutting focus on</p>

<sup>11</sup> [2022 Commission Work Programme – key documents | European Commission \(europa.eu\)](https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13155-Cancer-Screening-Recommendation-update_en)

<sup>12</sup> [https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13155-Cancer-Screening-Recommendation-update\\_en](https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13155-Cancer-Screening-Recommendation-update_en)

<sup>13</sup> [https://ec.europa.eu/jrc/sites/default/files/2\\_December\\_2003\\_cancer\\_screening.pdf](https://ec.europa.eu/jrc/sites/default/files/2_December_2003_cancer_screening.pdf)

<sup>14</sup> <https://www.ipaac.eu/res/file/outputs/wp5/new-openings-cancer-screening-europe.pdf#page=15>

<sup>15</sup> [EU Mission: Cancer | European Commission \(europa.eu\)](https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13155-Cancer-Screening-Recommendation-update_en)

<p>and treatment and equal access to medicines.</p>	<p>equality and will horizontally address inequalities throughout their four pillars and objectives. For example, they foresee the creation of an EU Network of Comprehensive Cancer Centres to improve patients' access to high-quality diagnostics and care. This Network will support Member States in establishing at least one national Comprehensive Cancer Centre by 2025, ensuring that 90% of eligible patients have access to such centres by 2030.</p> <p>To monitor cancer trends and progress with the plan, the Commission will regularly collect and publish relevant cancer data through the European Cancer Information System<sup>16</sup>, which will feed also into the newly established Cancer Inequalities Registry.</p> <p>With regard to equal access to medicines, the Commission aims to ensure that authorised medicines are accessible and affordable at all times for all EU patients. With the Pharmaceutical Strategy for Europe, the Commission committed to deliver on this priority. The strategy aims to support innovation in unmet medical needs and secure a steady supply of affordable, high-quality, safe and effective medicines in the EU.</p>
<p>24. The CoR criticises the lack of regionally disaggregated data on cancer incidence and mortality needed to identify trends and/or address inequalities in cancer screening and treatment; calls on the Commission to launch the planned Cancer Inequalities Registry to improve cancer prevention and treatment as soon as possible.</p>	<p>The European Cancer Inequalities Registry<sup>17</sup>, as a flagship initiative of Europe's Beating Cancer Plan, has been launched in February 2022. It will identify trends, disparities and inequalities between Member States. In addition, from geographical and regional perspective, the European Cancer Inequalities Registry will present inequalities due to age or gender, educational attainment income level, as well as disparities between urban and rural areas. Under cancer prevention, environmental factors like exposure to air pollution, various carcinogenic chemicals and radiation will be included. At a later stage, the Registry will also show disparities in the access to high-quality cancer care, particularly for timely diagnosis and treatment.</p>

<sup>16</sup> <https://ecis.jrc.ec.europa.eu/>

<sup>17</sup> [European Cancer Inequalities Registry | European Cancer Inequalities Registry \(europa.eu\)](https://ecis.jrc.ec.europa.eu/)

<p>28. The CoR draws attention to the potential of personalised medicine, focusing not just on the tumour's molecular characteristics but also on the characteristics of the person with the tumour, through rapid advances in research and innovation that enable bespoke innovative diagnostics and treatments and cancer prevention strategies that are better tailored to individual patients and types of cancer.</p>	<p>Europe's Beating Cancer Plan and the EU Mission on Cancer will help Member States and stakeholders to ensure further developments and access to innovative approaches to precision and personalised medicine, including personalised risk-assessment for stratified prevention of cancers in high-risk patients. These actions are already planned to be supported under the EU4Health Programme ('Cancer Diagnostic and Treatment for All' initiative and the 'Genomic for Public Health' project)<sup>18</sup> and under the Horizon Europe EU Mission on Cancer ('European Initiative to Understand Cancer – UNCAN.eu' – and the setting up of the 'Partnership on Personalised Medicine')<sup>19</sup>.</p>
<p>31. The CoR suggests that the Cross-Border Healthcare Directive should provide for recommendations on standards for cross-border screening, imaging and treatment of cancer in a Member State other than the person's country of residence.</p>	<p>Directive on the application of patients' rights in cross-border healthcare<sup>20</sup> aims at facilitating access to high quality healthcare in another Member State and ensure reimbursement for (part) of the healthcare costs as long as the patients are covered for such treatment by their own insurance. Member States are already required to provide such healthcare in line with standards and guidelines on quality and safety laid down in Union and national legislation (Article (1)).</p>
<p>32. The CoR emphasises that medicine shortages are a long-standing problem in healthcare that has worsened during the COVID-19 pandemic; points out, regarding the supply of essential medicines or innovations, that there is an urgent need for measures to promote the availability of generic and biosimilar medicines<sup>21</sup>.</p>	<p>Securing the supply of medicines across the EU is a pillar of the Pharmaceutical Strategy for Europe.<sup>22</sup> The Commission considers that discussion of appropriate policy measures would be possible only after sufficient information on the functioning of the global supply chains has been gathered. This work is progressing under the Structured Dialogue on the security of supply of medicines, which started in 2021 and will continue in 2022.</p> <p>The Strategy also recognises that the root causes of shortages are complex. The Commission has conducted a study on the characteristics of products in shortage, their diverse root causes, which will</p>

<sup>18</sup> [Action grants - second wave under EU4Health \(europa.eu\)](https://webapi2016.COR.europa.eu/v1/documents/cor-2020-05525-00-00-ac-tra-en.docx/content)

<sup>19</sup> Currently under preparation, to be launched in 2023.

<sup>20</sup> Directive 2011/24/EU of the European Parliament and of the Council of 9 March 2011 on the application of patients' rights in cross-border healthcare; OJ L 88, 4.4.2011, p. 45–65.

<sup>21</sup> <https://webapi2016.COR.europa.eu/v1/documents/cor-2020-05525-00-00-ac-tra-en.docx/content>.

<sup>22</sup> COM(2020) 761 final.

	<p>feed into the analysis.</p> <p>In addition, the Regulation extending the mandate of the European Medicines Agency<sup>23</sup> will contribute to ensuring future crisis preparedness and allow the Agency, with input from Member States and relevant stakeholders, to closely monitor and mitigate shortages of medicines and medical devices during major events and public health emergencies.</p>
<p>34. The CoR suggests that the possibility be explored of extending the EU's common procurement system, conducting joint price negotiations and creating a strategic reserve for cancer medicines. In doing so, account should be taken of the different needs of the Member States, as well as regions, and of the different socio-economic circumstances;</p>	<p>The European legal framework for public procurement under Directive 2014/24<sup>24</sup> already allows Member States to carry out joint public procurement across-borders. In this context, the Commission has launched the Big Buyers initiative<sup>25</sup> as a support mechanism for Member States to facilitate joint public procurement. It aims to bring together several public buyers from different Member States around common needs that they have identified and for which there is a procurement project.</p> <p>This collaboration covers various steps of the procurement process, from organising a joint market consultation to drafting specific sections of the specifications or setting the selection criteria.</p> <p>For the moment, joint cross-border procurement of cancer medicines has not been raised by the participants of the Big Buyers network, which for the health group consists of big hospitals and central purchasing bodies active in the health sector.</p> <p>To publicise the initiative further the Commission intends to launch a major communication campaign.</p>
<p>35. The CoR calls for the "right to be forgotten" to be incorporated into European legislation. The medical history of cancer patients and survivors should not be registered by banks and insurance companies, so that they can both have fair access to financial services.</p>	<p>The Commission's commitment is laid down in Europe's Beating Cancer Plan under Action Point 9 to examine practices in the area of financial services from the point of view of fairness towards cancer survivors, such as looking into the principles behind personal history questionnaires required for</p>

<sup>23</sup> COM(2020) 725 final.

<sup>24</sup> Directive 2014/24/EU of the European Parliament and of the Council on 26 February 2014 on public procurement and repealing Directive 2004/18/EC. See [EUR-LEX \(europa.eu\)](https://eur-lex.europa.eu/)

<sup>25</sup> <https://bigbuyers.eu/>

	<p>accessing financial products. For example, a stakeholder dialogue to develop a code of conduct will be launched as part of the roadmap of the Plan, to ensure that only necessary and proportionate information is used when assessing the eligibility of applicants for financial products<sup>26</sup>.</p> <p>It is also pertinent to point out that the Mortgage Credit Directive<sup>27</sup> (MCD) already seeks to ensure that consumers are treated fairly and transparently<sup>28</sup>.</p> <p>Also, the proposal for a new Directive on consumer credits<sup>29</sup> refers to the European Banking Authority Guidelines on loan origination and monitoring<sup>30</sup> for guidance on information that may be considered for the assessment of consumer creditworthiness. The proposals points out that such assessments should be based on information on the financial and economic situation of the consumer, while health data, including cancer data, should not be used (Recital 47).</p>
<p>41. The CoR is of the opinion that the proposed study on adult cancer survivors should also identify the conditions and obstacles for young cancer survivors returning to schools and universities and joining the labour market. Initiatives concerning re-entry into the labour market should also accommodate young cancer survivors.</p>	<p>Europe’s Beating Cancer Plan and the EU Mission on Cancer will help Member States and stakeholders improving the quality of life for young cancer survivors, including through actions to improve communication with the social environment, including schools, education and labour sectors, and to contribute to remove existing obstacles. Under the EU4Health Programme a number of initiatives have been already planned or launched to fund such actions, for instance the ‘Better life for cancer patients’ initiative<sup>31</sup>, and the creation of the EU Network of Young Cancer Survivor<sup>32</sup>. These initiatives will be complemented</p>

<sup>26</sup> IMPROVING THE QUALITY OF LIFE FOR CANCER PATIENTS, SURVIVORS, and CARERS: Address fair access for cancer survivors to financial services’, [https://ec.europa.eu/health/sites/default/files/non\\_communicable\\_diseases/docs/2021-2025\\_cancer-roadmap\\_en.pdf](https://ec.europa.eu/health/sites/default/files/non_communicable_diseases/docs/2021-2025_cancer-roadmap_en.pdf).

<sup>27</sup> Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010, OJ L 60, 28.2.2014, p. 34.

<sup>28</sup> In accordance with Article 20(1) of the MCD, consumers’ personal health data cannot be used for the purpose of assessing their creditworthiness. This prevents creditors from discriminating against consumers on grounds of their disability or refusing credit due to their health issues. Yet, in order to cover their credit risk, mortgage lenders often ask consumers to take credit protection insurance. Persons with cancer and rare diseases may have difficulties in obtaining such insurance and may face higher prices. In addition, mortgage lenders are under no obligation to provide such credit.

<sup>29</sup> COM(2021) 347 final.

<sup>30</sup> European Banking Authority, Guidelines on loan origination and monitoring, 2020, EBA/GL/2020/06.

<sup>31</sup> [Action grants - second wave under EU4Health \(europa.eu\)](#)

<sup>32</sup> [1st calls of EU4Health published, open on 29 July, deadline 15 September 2021 \(europa.eu\)](#)

	<p>by other actions under other funding programmes, including under Horizon Europe (e.g. ‘Develop and validate a set of quality of life and patient preference measures for cancer patients and survivors’).</p>
<p>42. The CoR calls for strategies to address health literacy challenges, especially with regard to cancer and its risk factors, since demographic change will be one of the factors that increases its incidence. Strategies could entail different approaches, such as creating healthy environments or being an attractive employer and finding new ways of doing things, ways of working together, working methods and technologies, and sustainable working conditions.</p>	<p>As over 40% of cancers can be avoided, the Cancer Plan aims to raise public awareness on the importance health promotion and disease prevention to effectively reduce the incidence of cancer.</p> <p>To this end, the Plan has developed several actions to motivate citizens towards a healthy and active lifestyle, take part in vaccination and screening programmes, and improve their overall health literacy:</p> <ul style="list-style-type: none"> <li>• under the EU4Health programme, an action grant was launched to update the European Code against Cancer, and to boost its awareness with the aim that at least 80% of the population is aware of the Code by 2025;</li> <li>• the coverage of the European Code against Cancer will be further extended by an EU Mobile App for Cancer Prevention;</li> <li>• in support of the HealthyLifestyle4All initiative, a call for proposals was launched that aims to promote healthy school environments;</li> <li>• a new project on Health Literacy for Cancer Prevention and Care<sup>33</sup> will develop and share best practice to strengthen health literacy in cancer prevention and care programmes, with a focus on disadvantaged groups.</li> </ul>

<sup>33</sup> [Action grants - second wave under EU4Health \(europa.eu\)](https://europa.eu)

**N°9 EU action plan for organic farming  
COM(2021) 141 final  
COR-2021-01968 – NAT-VII/019  
147<sup>st</sup> plenary session – December 2021  
Rapporteur: Uroš BREŽAN (SI/GREENS)  
DG AGRI – Commissioner WOJCIECHOWSKI**

<b>Points of the European Committee of the Regions opinion considered essential</b>	<b>European Commission position</b>
<p>3. Among these targets, the CoR welcomes the ambitious EU-wide target set out in the Farm to Fork Strategy of 25% of agricultural land under organic farming by 2030, the impact of which should be assessed by the Commission. The CoR suggests setting binding national targets to take account of the diversity of agriculture in different European countries and their regions.</p>	<p>The impact of progressing towards the achievement of the 25% target will be assessed on a continuous basis via the data to be collected as part of the Action Plan for organic farming<sup>1</sup> and via the regular monitoring and evaluation actions included in the Action Plan.</p> <p>No legal basis exists for setting binding national targets on organic farming other than those foreseen within the context of the legal framework of the next Common Agricultural Policy (CAP).</p>
<p>4. The CoR regrets that the CAP is not fully consistent with the objectives of the EU Action Plan for organic farming, the Green Deal and the EU's Farm to Fork and biodiversity strategies and cannot sufficiently reward farmers who make an extra effort to implement the green transition on their farm, for example by using their land for organic farming.</p>	<p>The legal framework of the next Common Agricultural Policy enables Member States to be ambitious with respect to their national values and targets for organic farming and production and to implement interventions with a commensurate level of ambition.</p>
<p>8. The CoR would welcome more concrete measures and support in the design of measures for organic farming in rural areas that intend to promote more equal access and more equal income between women and men in the sector and intend to encourage and attract young farmers.</p>	<p>The Action Plan states that, as organic farming can enhance social inclusion in rural areas while promoting decent working and living conditions. The Commission will, starting in 2022, assist Member States in designing measures for organic farming in rural areas that promote gender equality and youth farmers/employment, which could include the sharing of best practices.</p>
<p>9. The CoR regrets the lack of a dedicated and specific budget for each initiative, and calls for the various financial instruments available to implement the action plan at EU and national level, namely LEADER/CLLD, the EU</p>	<p>To predefine dedicated budgets for the applicable actions was legally not possible as the information and communication measures on the Common Agricultural Policy, the agricultural promotion policy and Horizon Europe, amongst others, are</p>

<sup>1</sup> [https://ec.europa.eu/info/food-farming-fisheries/farming/organic-farming/organic-action-plan\\_en](https://ec.europa.eu/info/food-farming-fisheries/farming/organic-farming/organic-action-plan_en)

<p>promotion policy and Horizon Europe, to be used consistently for this purpose; also, calls for this action plan to be better financed by supplementary EU, national, regional and local funds.</p>	<p>implemented via annual work programmes subject to specific formal annual approval procedures.</p> <p>The final content of the National Strategic Plans will determine the amounts to be dedicated to support for organic farming in the next Common Agricultural Policy.</p>
<p>10. The CoR underlines the case of the outermost regions, which, due to their specific situation, have to cope with severe constraints when it comes to developing organic farming. They therefore need special treatment through specific measures accompanied by additional funding.</p>	<p>The Member States are able to tailor support under the next Common Agricultural Policy to national circumstances.</p>
<p>15. The CoR stresses that pesticide residues are almost omnipresent in the environment and potentially affect organic products as well. Since organic farmers guarantee high environmental standards in production, they must not be burdened with risks for which they are not responsible. The CoR therefore points out that a zero tolerance approach to pesticide residues on organic products would greatly damage the sector.</p> <p>16. The CoR suggests that in order to tackle this issue, the Commission should:</p> <ul style="list-style-type: none"> <li>• put forward initiatives aiming to simplify the authorisation of active substances and plant protection products suitable for organic farming, if they are known to be harmless to nature, the environment and humans; particular attention should be paid to production in the outermost regions, which for the most part differs in scale and characteristics from mainland agriculture;</li> <li>• promote further harmonisation of the handling of pesticide residue findings, by considering all the pros and cons of the different approaches taken by the Member States;</li> <li>• promote the study of and research into new treatments compatible with organic production.</li> </ul>	<p>This point relate rather to the new organic legislation entered into application on 1 January 2022 than to the Action Plan. In fact, it brings harmonisation to the approach regarding the detection and investigation of pesticide residues. New rules have been set out and, four years after the entry into application, the Commission will have to present a study on the effectiveness of those measures and possibly present a legislative proposal, if need be.</p> <p>The abovementioned issue of the approach taken with respect to pesticide residues and the issue of the authorisation of substances are two different topics.</p> <p>As already mentioned, this issue is not related to the Action Plan. However, the Commission will carry out a study to assess the application of the provisions in the new organic legislation.</p> <p>The Commission already has at its disposal the expertise and scientific opinion of EGTOP (Expert group for technical advice on organic production) to assess new treatments and new techniques compatible with organic production.</p>

<p>18. The CoR points out that LRAs are best placed to know and address the actual needs of local organic sectors; thus, to achieve the objectives of the new organic action plan, they should be closely involved in both the implementation and the evaluation of its actions.</p>	<p>The Action Plan mentions the Committee, and by extension Local and Regional Authorities (LRAs), explicitly under a number of actions (1.4, 3.4), thus involving it closely in the implementation. The range of monitoring and evaluation actions foreseen in the Action Plan enable ample involvement of the Committee and LRAs.</p>
<p>21. The CoR regrets the limited involvement of LRAs in the implementation of the previous action plan for organic farming, which failed to achieve its objectives as shown by the mid-term review carried out by the European Committee of the Regions.</p>	<p>The Commission disagrees that the previous action plan for organic farming failed to achieve its objectives.</p> <p>The previous action plan achieved all of its objectives, the growth of the sector being the ultimate objective; the mid-term review may only provide a partial picture of the action plan's results.</p> <p>The involvement of the LRA was surely much lower than that foreseen in the current plan due to the very technical and punctual nature of the action plan, where no involvement of the regions was possible for many of the action (development of the technical tools for the ECOI, introduction of organics in the Rural Development plans, the research and innovation framework programme, the Eurobarometer surveys, studies on the value chain, protection of the logo, to name a few). All those actions were necessarily tasks for and responsibilities of the Commission, where no particular role could be played by the regions.</p> <p>The new action plan has changed the perspective and the role of local authorities will be enhanced.</p>
<p>22. The CoR urges the Commission to establish a platform for monitoring and evaluating the implementation of the action plan, bringing together all stakeholders, particularly representatives of LRAs.</p>	<p>The range of monitoring and evaluation actions foreseen in the Action Plan enable ample involvement of the Committee and LRAs.</p>
<p>25. The CoR asks the Commission to place greater emphasis on conservation of water resources and calls for an exchange of experiences to encourage LRAs to implement these good practices.</p>	<p>The conservation of water resources is the specific subject of Action 23, according to which the Commission will promote the more efficient and sustainable use of water, the increased use of renewable energy and clean transport, and the reduction of nutrient release, in all types of farming, with organic farming leading the way, and</p>

	with the involvement of the Member States through their CAP Strategic Plans, as well as with the new Strategic Guidelines for aquaculture and European Maritime, Fisheries and Aquaculture Fund (EMFAF).
27. The CoR recommends that the Commission involve LRAs in the implementation of this initiative.	Within the context of the Action Plan, joint initiatives on Bio districts, in collaboration with the Committee and by extension LRAs, will be explored.
31. The CoR recommends that the Commission adopt a common framework and guidelines at EU level to guarantee harmonised implementation of Bio districts at Member State level, taking care to preserve their integrated and multifunctional nature as well as their specific features, in order to assure successful take up.	The Commission does not intend to adopt a common framework and guidelines on bio districts at EU level so as not to constrain the natural and creative development of innovative initiatives and to focus on the exchange of best practices.
32. The CoR recommends that the Commission set up a network of Bio districts at EU level, to provide support and common services to all Bio districts.	The Commission does not intend to set up a formal network of Bio districts at EU level. By focusing on the exchange of best practices, the Commission will de facto support the networking among Bio districts.
34. The CoR highlights the nutritional and environmental benefits in consuming organic food and calls to address the question of accessibility to the consumption of organic products, both in terms of affordability and availability of organic products at points of sale that are easily reachable by consumers, in order to allow all consumers to purchase organic food.	The entire second axis of the Action Plan focuses on enhancing the accessibility and affordability of organic products in a manner that is balanced with the growth of final consumer demand.
36. With regard to the current revision of the EU promotion policy, the CoR recommends that the Commission give priority to organic products produced in the EU, from agricultural raw material to processing.	The agricultural promotion policy reserve an ambitious budget for the promotion of EU organic products.
37. The CoR proposes tweaking the EU organic logo by adding the words "EU organic" as well as the possibility of indicating the production region under the green leaf in order to increase consumer recognition.	The provisions on the logo are set in the basic organic legislation. The Commission does not intend to reopen this legislation for the purpose of tweaking the logo.

<p>38. The CoR welcomes the proposal to consider options for animal welfare labelling in the framework of the Farm to Fork Strategy, and calls for progress on this issue as clear, standardised and mandatory labelling of the husbandry method could encourage consumers to buy organic products.</p>	<p>The Commission has published in July 2021 an inception impact assessment roadmap for the revision of the animal welfare legislation<sup>2</sup>, which includes different policy options on animal welfare labelling. Four options are envisaged:</p> <ol style="list-style-type: none"> <li>1) status quo;</li> <li>2) regulating animal welfare claims;</li> <li>3) an EU animal welfare label limited to cage/non-cage systems; and</li> <li>4) an EU animal welfare label with key welfare criteria. For both, option 3 and option 4, the ongoing impact assessment looks into compulsory vs. voluntary schemes.</li> </ol>
<p>39. The CoR is pleased that the Commission intends to promote organic canteens and to analyse the application and increase the use of green public procurement (GPP) criteria, and welcomes the objective of setting minimum mandatory criteria for sustainable food procurement to promote healthy and sustainable diets. The regulatory framework for public procurement may need to be revised to give authorities more scope to require and to increase the use of locally produced food; particular attention and support should be channelled to the development of short supply chains in outermost regions.</p>	<p>Public procurement for schools and public institution is an important tool to promote sustainable food.</p> <p>The Directive on public procurement<sup>3</sup> provides opportunities to use criteria that can contribute to the protection of the environment and the promotion of sustainable development.</p> <p>The Commission will consider setting minimum mandatory criteria for sustainable food procurement in the context of its sustainable food system framework initiative. The selection of the criteria will be closely linked to the discussions around the definition of sustainability and the sustainable labelling framework.</p> <p>The upcoming proposal for a legislative framework on sustainable food systems (scheduled for the end of 2023) will take into account the outcomes of the Best ReMaP joint action<sup>4</sup>, under which the participating Member States currently pilot procurement tools covering nationally specific and approved quality criteria. This includes green procurement, definition of the procuring distance, place of origin etc.</p>
<p>44. The CoR suggests that common criteria could be developed at EU level to serve at best</p>	<p>See above.</p>

<sup>2</sup> [https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12950-Animal-welfare-revision-of-EU-legislation\\_en](https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12950-Animal-welfare-revision-of-EU-legislation_en)

<sup>3</sup> Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC; OJ L 94, 28.3.2014, p. 65–242.

<sup>4</sup> <https://bestremap.eu>

<p>practice in order to establish corresponding inspection rules for public canteens.</p>	
<p>45. The CoR notes that the increase in demand encourages the development of regional production and therefore calls for labelling of canteens and restaurants, both in the public and private sectors, indicating the minimum percentages of healthy, organic and locally produced food that is used in production processes.</p>	<p>The Commission does not intend to address specifically labelling of canteens and restaurants. The Commission will however look into general principles and rules on sustainability-related information to consumers, including on non-prepacked food, as part of its forthcoming proposal on a framework for a sustainable food system announced in the Farm to Fork Strategy<sup>5</sup>, which will include a sustainability labelling framework. This will aim to empower consumers to make informed and sustainable food choices.</p>
<p>48. The CoR suggests the development of an EU common platform for EU organic producers from Member States that would facilitate the share of good practices, understanding of EU regulations, trainings, events and project partnership possibilities to name a few.</p>	<p>The Commission does not intend to develop such an EU common platform. Training for organic farmers and other organic stakeholders is organised at national level by competent authorities and control bodies, and by agricultural extension services supported by the Common Agricultural Policy.</p>
<p>49. To this end, the CoR insists on the importance of providing an adequate training and capacity-building programme for both purchasing authorities (national, regional and local) and organic producers and processors, to address the structural and logistic barriers and promote the use of GPP criteria.</p>	<p>The Action Plan includes a number of actions specifically on Green Public Procurement, including:</p> <ul style="list-style-type: none"> <li>– boosting the awareness of the criteria for green public procurement (GPP) issued in 2019, of the work on Public Procurement of Food for Health, and of the Joint Action BestREMAP;</li> <li>– integrating organic products into the minimum mandatory criteria for sustainable food public procurement to be developed as part of the legislative framework for sustainable food systems by 2023;</li> <li>– analysing the current situation as regards the application of EU GPP. The Commission will use the national action plans on organic farming to monitor the application of GPP and call on Member States for an increase in the use of GPP by public authorities. It will also invite Member States to fix ambitious national targets for organics in GPP;</li> <li>– preparing, in close cooperation with the Committee of the Regions, the European</li> </ul>

<sup>5</sup> COM(2020) 381 final.

	<p>Economic and Social Committee and the Covenant of Mayors specific events for public administrations in charge of public catering, to raise awareness of EU GPP by linking these initiatives to the European Climate Pact<sup>6</sup>, started in 2022.</p>
<p>51. The CoR points out that organic farming is underfunded in the current CAP; whereas 8% of total EU agricultural land is under organic farming, subsidies for organic farming represent only 1.5% of the total of the European agricultural budget. Particular attention and support should be channelled to the development of small rural areas, less developed regions, where the main economic sector is represented by agricultural activities.</p>	<p>Pointing out that subsidies for organic farming represent only 1.5% of the total of the European agricultural budget, whereas 8% of total EU agricultural land is under organic farming, constitutes a significant misrepresentation of reality as the 1.5% figure concerns only rural development measures and does not include direct payments.</p>
<p>56. The CoR recommends that the Commission thoroughly evaluate the national strategic plans submitted by the Member States in order to monitor that they will contribute to achieve the target of 25% of agricultural land devoted to organic farming by 2030.</p>	<p>The Commission will assess and approve the CAP national strategic plans in accordance with the applicable legal framework.</p>
<p>62. The CoR highlights the importance of economic organisation, efficient market regulation tools and financing of producer organisations to reach the 25% target. For instance, producers should be given a minimum price which exceeds the average production price for organic farming, in order to provide them with a stable minimum income. In the event of a market imbalance where growth in demand fails to absorb the growth in supply, the Commission should be empowered to activate the special public intervention mechanism for organic products.</p>	<p>The Action Plan takes a market-driven, demand-driven approach. This is also the approach that is welcomed by the Committee in its Opinion. The Commission therefore does not intend to establish minimum prices or to activate public intervention mechanisms.</p>
<p>63. The CoR notes that increasing unfair competition from non-EU organic products could weaken the sector and recommends that the European Commission guarantee fair, balanced and transparent trade; requiring reciprocity in the obligations and rules for organic production of products imported into</p>	<p>Future equivalence agreements will take the form of international agreements based on reciprocity.</p>

<sup>6</sup> [https://ec.europa.eu/clima/eu-action/european-green-deal/european-climate-pact\\_en](https://ec.europa.eu/clima/eu-action/european-green-deal/european-climate-pact_en)

<p>the EU to ensure equal treatment and effective protection of European consumers. For the same reasons, the aforementioned should also apply to aquaculture in order to extend environmental protection and sustainable management of oceans and seas to non-EU countries.</p>	
<p>64. The CoR recommends the Commission to support the launch of a common EU platform that would facilitate the import-export possibilities of local, organic farmers, by developing services for EU digital/e-sales and offering support for logistics and successful partnerships in this area.</p>	<p>The Commission will take initiatives to alert stakeholders to export opportunities but does not intend to launch a common EU platform.</p>
<p>65. The CoR recommends that the Member States introduce a bonus-malus system as part of the eco-schemes of the new CAP, as set out in its previous opinion on Agroecology.</p>	<p>The Commission does not intend to introduce such a bonus-malus system, as this is not in accordance with the applicable legal framework.</p>
<p>66. The CoR notes that the new EU Organic Regulation applies from 1 January 2022 and brings major changes to certain sectors of organic production. To ensure successful implementation, a balance between harmonisation at EU level and adaptation at regional level is crucial, without derogating from the organic principles.</p> <p>67. As a result, the CoR calls on the Commission to monitor the impact of the new regulation, in order to respond effectively to any difficulties caused by the application of the new rules.</p>	<p>The Commission will continuously monitor the implementation and impact of the new organic legislation entered into application on 1 January 2022.</p>
<p>70. Thus, the CoR recommends that the Commission ensure adequate support and increase R&amp;I funding for the EU organic agriculture, aquaculture and livestock sectors, in order to cope with the lack of proper inputs, namely certified organic seeds, organic protein and Vitamin B feed, and reduce dependency on imports.</p>	<p>Research and innovation (R&amp;I) is an important priority in the Action Plan. The Commission intends to increase the share of research and innovation and dedicate at least 30% of the budget for research and innovation actions in the field of agriculture, forestry and rural areas to topics specific to or relevant for the organic sector. The Commission will also support R&amp;I on organic aquaculture.</p>

**N°10 Sustainable blue economy and aquaculture**  
**COM(2021) 236 final and**  
**COM(2021) 240 final**  
**COR-2021-3054 – NAT-VII/020**  
**147<sup>th</sup> plenary session – December 2021**  
**Rapporteur: Bronius MARKAUSKAS (LT/EA)**  
**DG MARE – Commissioner SINKEVIČIUS**

<b>Points of the European Committee of the Regions opinion considered essential</b>	<b>European Commission position</b>
<p>5. The CoR notes that the blue economy has a significant social and economic impact, not only on coastal and maritime regions, but also on the European Union as a whole, and can ensure a green and inclusive recovery from the COVID-19 pandemic, especially in the most affected sectors, such as tourism and fisheries. In many countries, the blue economy has a huge positive impact on GDP.</p>	<p>The Commission fully supports this view. Notably, the 2021 Blue Economy Report<sup>1</sup> showed that, according to the most recent figures, the established sectors of the EU Blue Economy directly employed close to 4.5 million people and generated around € 650 billion in turnover and € 176 billion in gross value added. As regards tourism in particular, it has to be noted that as described in the Staff Working Document ‘Towards a transition pathway for tourism’<sup>2</sup>, European coastal regions will be able to create more growth and jobs with a better interregional and cross-border cooperation through digitalisation and the application of a circular economy.</p>
<p>8. The CoR recalls, in particular, that maritime transport emissions have increased by almost 32% over the last 20 years. The development of a sustainable shipbuilding industry could make a significant contribution to achieving the EU’s climate objectives. Supports, in this regard, the European Commission’s objectives of potentially reducing SO<sub>2</sub> and NO<sub>x</sub> emissions from international shipping by up to 80% and 20% respectively within 10 years. However, it is essential to bear in mind the needs of the outermost regions, as they require measures that are tailored to their specific structural set-up, due to their remote location and considerable reliance on air and maritime transport, to ensure</p>	<p>The Commission will promote the use of EU funds to green maritime transport by a) increasing the uptake of short-sea shipping instead of using more polluting modes; b) renovating the EU’s maritime fleet to improve their energy efficiency; and c) developing the EU’s highly-advanced manufacturing and technological capabilities and pursue the objective of zero-emission ports, notably the Waterborne Partnership co-funded under the EU programme HorizonEurope will focus on developing zero emission technologies for shipping.</p> <p>Apart from the above mentioned, as part of the Fit for 55 Package, the Commission published proposals that intend to pave the way for the</p>

<sup>1</sup> [2021\\_06\\_BlueEconomy\\_Report-2021.pdf \(europa.eu\)](https://ec.europa.eu/docsroom/documents/45977)

<sup>2</sup> <https://ec.europa.eu/docsroom/documents/45977>

<p>their connectivity and supplies.</p>	<p>decarbonisation of the shipping industry. Amongst them, the FuelEU Maritime Regulation<sup>3</sup>, the first legislative initiative of its kind for the maritime sector, which would create a minimum (but increasing) level of demand for renewable and low-carbon fuels (RLF) in the maritime transport sector.</p> <p>The Impact Assessment accompanying the FuelEU Maritime Proposal, used the impact of the proposal on freight rates as an indicator of the potential impact of the measure on the connectivity of remote islands and peripheral regions, although it is difficult to directly relate freight rates to consumer prices. The results showed that the proposed regulation is not expected to lead to significant impacts on the prices of commodities and final goods, and therefore will not affect the EU's outermost regions.</p> <p>The European Green Deal commits to paying particular attention to the role of the EU's outermost regions, mindful of their vulnerability to climate change and natural disasters and their unique assets of biodiversity and renewable energy sources.</p> <p>Furthermore, there are several EU initiatives targeting decarbonisation efforts in outermost regions, such as the EU initiative on Clean Energy for Islands<sup>4</sup>. Also, the SOCLIMPACT<sup>5</sup> project<sup>6</sup> funded by Horizon 2020 aims at modelling reduced climate change effects and their socioeconomic impacts in European islands for 2030–2100, in the context of the EU Blue Economy sectors.</p>
<p>10. The CoR encourages a cross-cutting approach to maritime industries that integrates all maritime activities – both traditional and new, civilian and military – and takes into consideration the critical cross-cutting challenges of the ecological and digital transitions and Industry 4.0.</p>	<p>The Commission agrees with this proposal. In order to advance the blue dimension of the European Green Deal, the Commission Communication on a sustainable blue economy<sup>7</sup> calls for a cross-sectoral approach, touching upon all EU policies and instruments. This is a holistic and cross-sectorial approach to oceans. The green and digital transitions will help make Europe's economy fairer,</p>

<sup>3</sup> COM(2021) 562 final.

<sup>4</sup> [https://energy.ec.europa.eu/topics/markets-and-consumers/clean-energy-eu-islands\\_en](https://energy.ec.europa.eu/topics/markets-and-consumers/clean-energy-eu-islands_en)

<sup>5</sup> <https://soclimpact.net/>

<sup>6</sup> <https://www.europeanenergyinnovation.eu/Latest-Research/Spring-2021/SOCLIMPACT-Climate-Change-impacts-on-European-islands>

<sup>7</sup> COM(2021) 240 final (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2021:240:FIN> ).

	<p>more resilient and more sustainable for future generations. To this end, work is ongoing to improve the digitalisation of the ocean, the resolution and usability of the data and to transform this data into knowledge and tools for the benefit of a wide range of stakeholders, in particular through the development of the Digital Twin of the Ocean, the European Marine Observation and Data Network (EMODnet), or the Copernicus marine environment service.</p>
<p>12. The CoR notes that national governments lack a constructive approach to developing the maritime economy. In most coastal states, support for this economy only exists on paper, and national smart specialisation plans and strategies do not pay sufficient attention to the maritime economy, the financial support available is insufficient, and the rules and criteria for awarding it are too complex.</p>	<p>The Commission notes that a sustainable blue economy is an investment today, but it will bring lasting economic recovery for the future and it will bring us closer to the objectives of the European Green Deal. To that end, European funds can provide significant financial support. Within the European Maritime, Fisheries and Aquaculture Fund (EMFAF) for example, BlueInvest<sup>8</sup> is a powerful instrument to make the blue economy a pillar of the European Green Deal. In addition, smart specialisation strategies can play a key role as enabler of the transformation path identified by the Communication. Therefore, the Commission is planning to set-up by 2023 a smart specialisation thematic platform for sustainable blue economy. The platform will facilitate mutual learning and reinforce the EU support to the coastal and insular territorial dimension the blue economy.</p>
<p>18. The CoR stresses that sustainable development is the main prerequisite for developing aquaculture; therefore calls for a clear definition of the term "sustainable aquaculture", taking into account environmental, social and economic criteria. A long-term strategic approach to the sustainable growth of EU aquaculture would contribute to the recovery of the sector following the COVID-19 crisis and ensure long-term sustainability and resilience.</p>	<p>The strategic guidelines for a more competitive and sustainable EU aquaculture for the period 2021-2030 adopted by the Commission in 2021<sup>9</sup> (herein Strategic Guidelines) set a strategic vision of the sustainable growth of aquaculture in the EU. They set four inter-related objectives covering the different aspects of sustainability: (1) building resilience and competitiveness; (2) participating in the green transition; (3) ensuring social acceptance and consumer information; and (4) increasing knowledge and innovation. They also identify concrete areas where further efforts are necessary to achieve these objectives and provide recommendations for each of those areas. The</p>

<sup>8</sup> <https://webgate.ec.europa.eu/maritimeforum/en/frontpage/1451>

<sup>9</sup> COM(2021) 236 final (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2021:236:FIN> )

	<p>guidelines also propose concrete actions to the Commission, the EU Member States and the Aquaculture Advisory Council for each of those areas.</p>
<p>19. The CoR reiterates that aquaculture should be recognised as a specific policy area, with sufficient funding so that it provides a complement to traditional fisheries; notes that the European Maritime, Fisheries and Aquaculture Fund has for many years provided for the promotion of sustainable aquaculture activities and the processing and marketing of aquaculture products; also believes that organic aquaculture should be promoted by supporting local markets for European aquaculture products and by reducing the administrative burden that is hampering the efficient development of the sector. General guidelines should also be established for streamlined access to space, particularly coastal space, so that it can be developed. These guidelines should be compatible with other policies such as those relating to the environment.</p>	<p>The Action Plan for the Development of Organic Production<sup>10</sup> adopted by the Commission in March 2021 includes actions to achieve the objective of a significant increase in organic aquaculture by 2030, as set out in the Farm to Fork Strategy<sup>11</sup>. As indicated in this Action Plan, the new Strategic Guidelines promote organic aquaculture. In addition, the Commission has encouraged EU Member States to include the increase of organic aquaculture among the objectives of their reviewed Multi-annual National Strategic Plans for aquaculture, and to make the best use of possibilities offered by the EMFAF 2021-2027 for achieving this purpose. The Commission will also facilitate the exchange of best practices and innovation on organic aquaculture in the context of the Open Method of Coordination.</p> <p>The Action Plan for the Development of Organic Production also includes the following concrete actions to reinforce organic aquaculture: to support research and innovation on alternative sources of nutrients, breeding and animal welfare in aquaculture; the promotion of investments on adapted polyculture and multi-trophic aquaculture systems; the promotion of hatcheries and nurseries activities for organic juveniles; and to identify and address as appropriate any specific obstacles to the growth of EU organic aquaculture.</p> <p>Regarding the need for guidelines for streamlined access to space, as part of the implementation of the Strategic Guidelines, the Commission will develop a detailed guidance document on the planning for space and access to water for marine, freshwater and land-based aquaculture.</p>
<p>21. The CoR reiterates the need to accelerate the transition to sustainable fish farming, alongside</p>	<p>The Farm to Fork Strategy addressed comprehensively the challenges of a sustainable</p>

<sup>10</sup> COM(2021) 141 final (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021DC0141R%2801%29>)

<sup>11</sup> COM(2020) 381 final (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0381>).

<p>changes in agriculture, as fisheries and aquaculture are important elements of sustainable food systems; also supports the objective of promoting eco-friendly fishing restoring fish populations and protecting marine ecosystems by boosting environmentally sustainable and affordable, and socially sustainable and competitive fishing activities.</p>	<p>food system, including those specific to fisheries and aquaculture, and acknowledges that the shift to sustainable fish and seafood production must also be accelerated. For this reason, several actions specific to these sectors are taken up in the strategy, such as for example the revision of the marketing standards for fishery and aquaculture products or the revision of the EU's fisheries control system contributing to the fight against fraud. Furthermore, the strategy has introduced the adoption of the framework legislation for a sustainable food system aiming at accelerating and facilitating the sustainability transition and mainstreaming sustainability in all food-related policies.</p>
<p>22. The CoR calls for objectives which are legally binding at EU level with a view to restoring and preserving marine biodiversity and putting right damaged ecosystems; local and regional authorities can help with identifying and designating new marine protected areas, together with the Member States, the Commission and the European Environment Agency.</p>	<p>The Commission aims to propose a Nature Restoration Law by the end of March 2022. This is a key deliverable of the EU Biodiversity Strategy for 2030 which itself is an essential element of the European Green Deal. The aim of the proposal is to restore degraded ecosystems to effectively halt and reverse the decline of biodiversity in the EU, based on a set of legally binding targets aimed at specific ecosystems to be restored.</p>
<p>24. The CoR urges the Commission, with regard to sustainable investment in the maritime sector and in particular maritime industries, to make greater use of regions, their smart specialisation strategies and their economic ecosystems to form Europe-wide cooperation networks capable of competing with international players. These networks, under the European Sea Tech label, should be able to respond to European Commission calls for proposals to develop and finance the first phases of their high-risk projects.</p>	<p>Smart specialisation strategies can play a key role as enabler of the transformation path identified by the Communication. They can support its implementation and have an impact in the years to come. Following the adoption of the Communication on Sustainable Blue economy in May 2021, the Commission has intensified its efforts in exploring perspectives for a systemic support to sustainable blue economy through smart specialisation strategies and has decided on the set-up of the smart specialisation thematic platform for sustainable blue economy.</p>
<p>33. The CoR deems it necessary to explore the possibility of classifying low-impact aquaculture as ecological, including in recirculation systems, and to provide financial support for its further development, if the relevant criteria for energy and resource consumption, animal welfare and sustainable</p>	<p>One of the objectives of the Strategic Guidelines is to increase the environmental performance of EU aquaculture. This is why the guidelines promote the development of organic aquaculture and other aquaculture systems with lower environmental impact, such as: energy-efficient recirculating aquaculture systems, integrated</p>

<p>waste recycling are met. It is currently difficult for aquaculture to benefit from EU funds, despite the fact that it has been shown in practice that the innovative technologies used make it possible to meet the highest environmental requirements in the relevant technical processes (e.g. the waste generated, such as sludge, can be used in agriculture, waste water is cleaned to the highest standards and reused, etc.).</p>	<p>multi-trophic aquaculture systems (IMTA), as well as the diversification to lower-trophic species (molluscs and other invertebrates and algae and herbivore fish).</p> <p>EU funding is available to support the increase of environmental performance of EU aquaculture including the development of aquaculture with low environmental impact. The Staff Working Document of the Commission<sup>12</sup> calls for the support of EU Member States under the European Maritime, Fisheries and Aquaculture Fund to this type of aquaculture. Other EU funds like Horizon Europe or the European Regional Development Fund (ERDF) are also available.</p>
<p>37. The CoR reiterates its call for the Commission to submit to the Member States a proposal for rules on how local and regional authorities should be involved in identifying, developing, planning and managing policies, and to provide them with greater, more clearly defined powers. Greater involvement of local authorities would ensure better development of a sustainable blue economy by developing dynamic and sustainable blue economy ecosystems, promoting innovation, applying smart solutions and creating jobs.</p>	<p>All players would need to align themselves to the principles of the European Green Deal and the sustainable blue economy to work in the same direction: Member States, regions, stakeholders, businesses, local groups and the general public.</p> <p>Regions can have a key role in this action by intensifying efforts, mobilising regional policies, promoting multilevel governance and stakeholders' involvement and increasing efforts for getting opportunities from financial instruments.</p> <p>Regions can ensure that the Communication is implemented and has a concrete impact on territories.</p>
<p>41. The CoR believes that local authorities should be more involved in developing aquaculture policy and reiterates that regions need clear guidelines for the sustainable development of EU aquaculture as well as a detailed action plan.</p>	<p>As part of the implementation of the Strategic Guidelines, the Commission will develop more detailed guidance documents on different aspects relevant to the sustainable development of EU aquaculture. Those documents will be publicly available and regions and local authorities will be able to benefit from them and any training related to these documents.</p>

<sup>12</sup> SWD(2020) 206 final

(<http://www.cc.cec/sg/vista/home?specificDossierDetails&SDRef=DTS/2020/6454&ComCat=SPINE>)

<p>42. The CoR regrets that the Interreg budget for territorial cooperation has been reduced, as it could have boosted cooperation between coastal regions and islands with common needs within the same sea basin in order to develop adaptation strategies and common approaches to coastal zone management, invest in sustainable coastal defences and adapt coastal economic activities. The CoR considers however that although the budget has been reduced, the policies have also been made more effective through pilot schemes and investments and by coordinating with programmes under direct management, enabling the sector to tap fresh ideas.</p>	<p>About one third of the EU population lives within 50 km of the coast. Over 200 million citizens live in coastal regions or on one of Europe’s many islands.</p> <p>The Commission will further stimulate cooperation between coastal regions and islands sharing common needs in the same sea basin to develop adaptation strategies and joint approaches to coastal zone management, invest in sustainable coastal defences and adapt coastal economic activities; assist Member States in long-term planning to phase in investments, with support from EU funds.</p>
<p>44. The CoR considers that it is vital to keep working towards the objective of zero-emission ports, as set out in the European Commission's sustainable and smart mobility strategy, and proposes that ports be fully recognised as platforms for the blue economy and levers for the development of the maritime industry.</p>	<p>The Commission recognises the role of ports as hubs for a sustainable blue economy. In the context of the European Ports Forum, it has set up an expert group to study the role of ports beyond logistics and transshipment and recommend how to develop further the blue economy. Another example comes from the Atlantic Maritime Strategy, under which the Commission has funded the dedicated pilot project called Atlantic smart ports blue acceleration network (AspBAN).</p>
<p>53. The CoR regrets that the effective development of aquaculture and other maritime activities is being hampered by a number of internal problems, such as excessively lengthy and complicated authorisation procedures and limited access to waters and areas where economic activities are possible. The complexity of authorisation procedures and the lack of transparency constitute obstacles to the full development of European aquaculture, and therefore the applicable regulations should be simplified and clarified, ensuring consistency between them.</p> <p>54. The CoR proposes that a one-stop shop for aquaculture licences be set up as soon as possible in order to speed up the authorisation process and facilitate communication between stakeholders and different authorities at various levels; also recommends introducing training</p>	<p>The Commission acknowledges that the complexity of the regulatory framework and national licensing systems for aquaculture activities remain an obstacle to the growth of EU aquaculture. The Strategic Guidelines make several recommendations to address this situation while ensuring due consideration of environmental aspects in licensing procedures, including streamlining – and harmonising where possible – legislation and administrative guidance on aquaculture, or setting up, whenever possible, a single national aquaculture entity gathering all the different relevant authorities with responsibilities for aquaculture, setting up a ‘one-stop-shop’ system for aquaculture licences, designating areas suitable for aquaculture, and providing for longer-term licensing, with regular monitoring and sanctions for non-compliance.</p> <p>As part of the actions to implement the strategic</p>

<p>modules on permit granting for local authorities, in order to speed up the application of EU rules.</p>	<p>guidelines, the Commission will consolidate a guidance document on good practices for administrative procedures, and provide technical support to Member States' administrations in reviewing and improving their regulatory and administrative systems in light of those good practices. The European Maritime, Fisheries and Aquaculture Fund also makes funding available to Member States for this purpose.</p>
<p>55. The CoR notes that, in order to strengthen the competitiveness and sustainability of aquaculture, it is essential to comply with animal welfare, health and climate protection standards and to provide consumers with sufficient, accurate information on these standards on labels.</p> <p>56. The CoR points out that it has already proposed a European eco-label in previous opinions; reiterates this proposal and stresses once again that an eco-label and an efficient certification system would play an important role in increasing the value and consumption of EU aquaculture products; clear, mandatory labelling of the husbandry method, catching method and working conditions would enable producers to obtain recognition of improvements in their practices and consumers to make informed decision; stresses that the criteria for such an eco-label should be higher than current legal requirements. This label could be extended to fishing carried out in compliance with conservation and management regulations, indicating that products have been obtained through legal activities and in a way that respects marine life and resource sustainability;</p> <p>63. The CoR considers that more effort should be devoted to information campaigns at regional, national and European level, firstly in order to improve consumer understanding of aquaculture, fishing and shell fishing products, their benefits and their contribution to security of supply, food security and job creation, as well as of the long-term environmental benefits of aquaculture, fishing and shellfishing, and, secondly, in order to help provide information</p>	<p>Empowering consumers to make sustainable food choices is an essential part of building sustainable food systems, as acknowledged in the Farm to Fork Strategy. This strategy provides for the establishment of a legislative framework for sustainable food systems and a sustainable food labelling framework, which will be integrated therein. The ongoing work on this considers, in synergy with other relevant initiatives, the nutritional, climate, environmental and social aspects of all food products, including aquaculture products.</p> <p>The Strategic Guidelines also stress the need to make consumers more aware of the efforts made by EU aquaculture producers in terms of sustainability and makes concrete proposals in this respect. The Commission has made available a brochure aimed at providing EU citizens with information on the conditions of aquaculture activities in the EU and the benefits aquaculture offers. The Commission will also develop tools for a coordinated EU/wide campaign on EU aquaculture to be used at national and regional level. Member States have committed to the dissemination of such a campaign. The guidelines also encourage Member States and the Aquaculture Advisory Council to promote the use of brands and quality labels as well as of digital tools for traceability and transparency on aquaculture products.</p>

<p>on scientific knowledge on the compatibility of aquaculture with the marine environment and its preservation.</p>	
<p>57. The CoR calls for the future Carbon Border Adjustment Mechanism also to cover fisheries and aquaculture products in order to provide a level playing field for the different products sold on the internal market, without prejudice to any specific derogation measures for the outermost regions, based on Article 349 of the Treaty on the Functioning of the European Union (TFEU). The CoR calls on the Commission to propose legislation to prevent imports of products associated with human right violations and to put in place more effective rules to ensure that fish enter the EU market meet standards equivalent to those in place in the EU. This provision aims to safeguard European consumers and to extend measures protecting the environment and ensuring the sustainable management of seas and oceans to third countries. At EU and national level, support must be given to local producers and short supply chains as a matter of priority. This is the only way to ensure the efficient development of aquaculture, fishing and shell fishing (especially small-scale coastal fishing) in the future.</p>	<p>According to the Commission proposal adopted in July 2021<sup>13</sup>, the EU Carbon Border Adjustment Mechanism (CBAM) will focus on a selected number of goods at high risk of carbon leakage: iron and steel, cement, fertiliser, aluminium and electricity generation. There is no plan to include fisheries or aquaculture among targeted sectors for the moment.</p> <p>The EU has already in place strict sanitary controls to ensure that the seafood it imports respects EU high standards of consumer protection and safety. The Commission and the Member States also promote sustainable and responsible aquaculture practices in our relations with third countries, including in the negotiation of Free Trade Agreements, development cooperation or in international/regional fora such as the Food and Agriculture Organisation (FAO) or the General Fisheries Commission for the Mediterranean (GFCM).</p> <p>As indicated in the Strategic Guidelines for EU aquaculture, ensuring appropriate control and traceability of aquaculture products as well as information on sustainability to the consumer are means to provide a level playing field to aquaculture producers in the market with respect to products that may not offer equivalent sustainability or quality. This is also an issue that is addressed in the Farm to Fork strategy more generally. This strategy foresees several actions to enable consumers to make more sustainable food choices, including a legislative framework for sustainable food systems that includes a labelling framework.</p>
<p>61. The CoR notes the absence of public involvement in developing the blue economy. Sustainable long-term investment should promote the implementation of multidisciplinary measures to protect marine</p>	<p>Over the past 15 years, the EU has laid a solid foundation for an integrated and synergetic maritime policy in Europe by involving its Member States, regions local stakeholders and land-based green economy. The shift to creating a sustainable</p>

<sup>13</sup> COM(2021) 564 final.

<p>biodiversity and provide citizens with new opportunities to generate an income. It is also important to involve the public in policy implementation and decision-making by establishing local action groups and various other initiatives.</p>	<p>blue economy relies on even closer engagement with stakeholders, from large and small businesses to local groups, to young people passionate about health of oceans and the general public. It must unite all groups and sectors around a common vision.</p> <p>EU public funding remains crucial for less mature technologies and projects that need to bring in investors, lower costs and uncertainties, and accelerate market entry. The new InvestEU programme will be highly relevant for maritime transport, ports and offshore renewable energies, as well as for biodiversity conservation and restoration, sustainable aquaculture and ocean observation.</p> <p>The Commission will assist Member States in long-term planning to phase in investments, with support from EU funds.</p>
<p>58. The CoR recommends diversifying aquaculture, with a particular focus on algae farming, whose products do not need to be solely intended for human and animal consumption, but can also be used for certain industrial production processes or energy production and contribute to developing sustainable activities, as no feed is needed and no waste is generated. The CoR also recommends exploiting integrated aquaculture systems that can help establish circular economy models within the industry.</p>	<p>The Strategic Guidelines call for the diversification of EU aquaculture, in particular to lower-trophic species such as algae. The guidelines also promote aquaculture practices with lower environmental impact such as integrated multi-trophic aquaculture (IMTA), as well as applying a circular-economy approach to aquaculture activities.</p> <p>Given the significant potential of algae, the Commission is working on an initiative to support the production, safe consumption and innovative use of algae in the EU. This initiative is expected to be adopted by the Commission by end of 2022.</p>

**N°11 The gender dimension of structural and cohesion funds 2021-2027, with a focus on the preparation of the operational programmes**  
**Own-initiative**  
**COR-2021-02503 – COTER-VII/014**  
**147<sup>st</sup> plenary session – December 2021**  
**Rapporteur: Donatella PORZI (IT/PES)**  
**DG REGIO – Commissioner FERREIRA**

<b>Points of the European Committee of the Regions opinion considered essential</b>	<b>European Commission position</b>
<p>8. The CoR regrets that the EU Gender Equality Strategy 2020-2025 does not include specific measures for mainstreaming gender equality into all EU policy areas, and points to the need to increase the use of effective indicators to measure and assess the gender impact of implementing the strategies.</p>	<p>The Commission will enhance gender mainstreaming by systematically including a gender perspective in all stages of policy design in all EU policy areas, internal and external. In addition, the Gender Equality Strategy includes targeted measures in different policy areas, including cohesion policy (support to women’s entrepreneurship, their (re)integration into the labour market and gender equality in specific, traditionally male, sectors). A tailor-made monitoring framework<sup>1</sup> has been developed for the Strategy to monitor progress towards its objectives.</p> <p>In line with its commitment under the Interinstitutional Agreement<sup>2</sup> accompanying the new multiannual financial framework (MFF), the Commission will strengthen the assessment of gender equality impact in evaluations and impact assessments for relevant future EU funding programmes and instruments and has also adopted Better Regulation guidelines in this regard<sup>3</sup>.</p>
<p>9. The CoR calls on the Commission to step up efforts to ensure real gender equality, to be pursued using a double-pronged approach of, on the one hand, specific initiatives to tackle</p>	<p>The Commission has substantially stepped up its efforts towards this goal under the current MFF. The Commission promotes gender equality via specific targeted measures to address persistent</p>

<sup>1</sup> <https://composite-indicators.jrc.ec.europa.eu/ges-monitor/> Data from the monitoring framework is presented in the Annual Report on gender equality in the EU, published every March for the International Women’s Day.

<sup>2</sup> Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources; OJ L 433I , 22.12.2020, p. 28–46.

<sup>3</sup> [swd2021\\_305\\_en.pdf \(europa.eu\)](https://ec.europa.eu/economy_finance/swd2021_305_en.pdf)

<p>specific inequalities and, on the other, mainstreaming, as a cross-cutting approach covering all European policies.</p>	<p>inequalities and explicit actions within relevant EU spending programmes.</p> <p>In line with the Gender Equality Strategy for 2020-2025<sup>4</sup> and the Interinstitutional Agreement, the Commission has appointed Gender Equality Coordinators to ensure that the goal of advancing gender equality is taken into account in all stages (including the design) of all relevant Commission initiatives, and is developing a methodology to track gender equality-relevant expenditure across the entire EU budget. The Commission is also organising gender budgeting trainings for its staff in collaboration with the European University Institute of Florence (EUI) with a view to reinforcing capacity building and further strengthening the institutionalisation of gender mainstreaming.</p>
<p>10. The CoR reiterates that if genuine gender equality is to be pursued, this goal needs to be incorporated into every stage of the decision-making process and into the subsequent implementing phase: when priorities are set, when policies are worked out and when resources are allocated. It is important, to this end, that regional and local authorities make programmes subject to the appropriate gender impact assessments.</p>	<p>The mainstreaming of equality, including gender equality is a horizontal cross-cutting principle for all cohesion policy investments. Cohesion policy legislation requires gender equality to be taken into account in all the steps of the investment programmes<sup>5</sup>. The 2021-2027 regulations, in particular Article 8 of the European Social Fund+ and Article 9 of the Common Provision Regulation, require the Commission and Member States to ensure that the Funds are implemented in compliance with the European Union Charter of Fundamental Rights. The Commission will carefully monitor this, starting with the preparation of the partnership agreement and the programmes.</p>
<p>12. The CoR urges the Commission to make greater use of the tools put in place by EIGE to regularly monitor the degree of implementation of gender equality and cohesion commitments; if these tools are insufficient, calls for tools to be created specifically for assessing concrete achievements linking equality and cohesion.</p>	<p>The work to further develop the framework and fine-tune indicators is continuing in co-operation with the European Institute for Gender Equality (EIGE) and the Joint Research Centre. With regards to better monitoring of equality mainstreaming in the cohesion programmes, the Commission is exploring further tools to provide insights during the implementation phase.</p>

<sup>4</sup> COM(2020) 152 final.

<sup>5</sup> This includes the whole cycle of the preparation of programmes, to project selection and implementation, to programme monitoring and evaluation.

<p>15. The CoR urges the Commission to propose methodology for assessing the gender impact of programmes funded by the EU, making available gender-specific data and indicators, in line with what was agreed in the latest Interinstitutional Agreement on budgetary discipline; therefore calls on the Commission to put in place appropriate training measures to help managing authorities implement these new methodologies better.</p>	<p>The Commission is developing a methodology for tracking gender equality related EU expenditure, which is being tested, is sought to be deployed ahead of the 2023 deadline set in the Interinstitutional Agreement. As a result, a requirement for tracking gender-related expenditure was adopted for the European Regional Development Fund (ERDF), Cohesion Fund, Just Transition Fund and European Social Fund Plus (ESF+), which will allow for better monitoring of the investments related to gender equality for the 2021-2027 period. The goal is to improve management of public funds while promoting gender equality.</p> <p>The Commission has launched a training programme to equip its staff with the necessary skills to help managing authorities in gender mainstreaming. There are, however, constraints set by the MFF 2021-2027 as agreed with the European Parliament and the Council and the basic acts of the spending programmes as adopted by the co-legislators. These constraints relate, for example, to the definition of objectives and indicators for the new programmes, reporting obligations on Member States, and the availability of relevant data. When preparing future proposals for EU spending programmes, the Commission will screen whether the potential impact on gender equality of future EU funding programmes and instruments is significant.</p>
<p>18. The CoR calls on the Commission, and in particular the Member States, to coordinate closely with local and regional authorities when drafting partnership agreements in order to take into account the challenges associated with effective equality policies at local and regional level.</p>	<p>The Commission remains committed to encouraging the involvement of local and regional authorities in integrating the gender dimension into the 2021-2027 Partnership Agreements, tapping on their unique understanding of governance at regional and local level. In the Commission's view, Member States, regions, local authorities and stakeholders all together need to commit to gender equality and offer a better future to all citizens equally.</p>
<p>20. The CoR calls for the contribution to gender equality not to be considered as having to come from the Social Fund alone, which is actually mainly people-focused, but as coming</p>	<p>In terms of concrete investments, ERDF will continue supporting targeted measures related to employment, social inclusion and education. These include also actions to enhance equality between</p>

<p>from all the funds, including the ERDF, which is largely business-facing, and the European Agricultural Fund for Rural Development (EAFRD), which has an important role to play in promoting the development of rural and inland areas, where the issue of gender equality and women's participation in the labour market is often more pronounced; synergies need to be improved between cohesion, recovery funds and other programmes on the fringes of cohesion policy.</p>	<p>men and women and support better quality of and access to childcare and other services, support for female entrepreneurs, addressing the gender gap in research and innovation, and improving access to physical, information and communications technology (ICT) and social infrastructure.</p> <p>Several important reinforcements in the 2021-2027 ERDF legislation ensure the strengthening of the gender dimension of next cohesion programmes.</p> <p>Regarding the Common Agricultural Policy (CAP) 2023-2027, one of the specific objectives for CAP Strategic plans' interventions, refers explicitly to promoting gender equality, including the participation of women in farming. In this light, Member States will be required to assess the situation of women in farming and in rural areas and address challenges to this end in their strategic plans.</p> <p>It is also important to mention the long term vision for the EU's rural areas<sup>6</sup> that highlights the key role of women for prosperity and social inclusion in rural areas and includes a flagship 'Social resilience and Women in rural areas' that will contribute to fighting gender inequalities in rural areas.</p>
<p>21. The CoR firmly reiterates that cohesion policy must address the issues of gender equality and women's participation in the labour market, prioritising the related objectives, as it is unrealistic to envisage greater economic and social cohesion without increasing women's participation in the labour market and eliminating discrimination and wage inequalities.</p>	<p>The Commission is fully committed to advance gender equality at the workplace: the legislative proposal on gender balance on company boards<sup>7</sup> (currently blocked in the Council), the legislative proposal on pay transparency measures<sup>8</sup> (on which the Council reached a general approach in December 2021) and the Work-Life Balance Directive<sup>9</sup> are examples of this commitment.</p> <p>The Commission remains committed to increase women's participation in the labour market and</p>

<sup>6</sup> COM(2021) 345 final ([https://ec.europa.eu/info/strategy/priorities-2019-2024/new-push-european-democracy/long-term-vision-rural-areas\\_en#documents](https://ec.europa.eu/info/strategy/priorities-2019-2024/new-push-european-democracy/long-term-vision-rural-areas_en#documents))

<sup>7</sup> Proposal for a directive of the European Parliament and of the Council on improving the gender balance among non-executive directors of companies listed on stock exchanges and related measures (COM(2012) 614 final).

<sup>8</sup> Proposal for a Directive to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms (COM(2021) 93 final, 4.3.2021).

<sup>9</sup> Directive (EU) 2019/1158 of the European Parliament and of the Council of 20 June 2019 on work-life balance for parents and carers and repealing Council Directive 2010/18/EU (OJ L 188, 12.7.2019).

	<p>addressing multiple inequality root causes. The European Pillar of Social Rights Action Plan<sup>10</sup> put forward in March 2021 plays a key role in this context. The Action Plan reaffirms the commitment to an inclusive high employment rate of 78% by 2030. In order to achieve this overall goal, Europe must strive to at least halve the gender employment gap. This will be paramount to progress on gender equality and achieve the employment target for the entire working age population.</p> <p>To strengthen fairness at work, the Commission is modernising EU legislation. In 2020, it has tabled a proposal for a directive on adequate minimum wages in the EU<sup>11</sup>. It will also be the opportunity to recognise the contribution of critical workers (mainly women) in hospitals, care homes and elsewhere, who often earn just the minimum wage. This initiative will also contribute to narrowing the gender pay gap, as women are almost two times more likely than men to earn the minimum wage. The ESF+ also includes a dedicated specific objective aimed at promoting a gender-balanced labour market participation, equal working conditions, and a better work-life balance including through access to affordable childcare, and care for dependent persons.</p>
<p>27. The CoR recommends that the necessary data and statistics be made available to regional and local authorities in order to carry out appropriate assessments of existing gender inequalities.</p>	<p>The Commission is continuously improving available analysis and statistics specifically to gender equality in cohesion policy. The 8<sup>th</sup> cohesion report<sup>12</sup>, published on 9 February 2022, contains more gender analysis than any of the previous versions. A new working paper on a Regional monitor for gender equality<sup>13</sup> provides insights into female barriers to achievements on regional level. The paper was presented in a dedicated 2021 European Week of Regions and Cities workshop.</p> <p>Furthermore, the Commission collaborates with the EIGE on data collection and analysis and brings these to the attention of relevant authorities</p>

<sup>10</sup> <https://op.europa.eu/webpub/empl/european-pillar-of-social-rights/en/>

<sup>11</sup> COM(2020) 682 final.

<sup>12</sup> [https://ec.europa.eu/regional\\_policy/sources/docoffic/official/reports/cohesion8/8cr.pdf](https://ec.europa.eu/regional_policy/sources/docoffic/official/reports/cohesion8/8cr.pdf)

<sup>13</sup> [https://ec.europa.eu/regional\\_policy/en/information/maps/gender-equality-monitor](https://ec.europa.eu/regional_policy/en/information/maps/gender-equality-monitor)

	in the Member States.
<p>28. The CoR calls for tools such as gender impact assessment and gender budgeting to be incorporated more widely into European programmes, as they are currently still too rarely used.</p>	<p>The Commission has launched trainings on gender budgeting to its staff with a view to ensure that a gender equality perspective informs all stages of its spending programmes.</p> <p>The Cohesion policy is promoting gender sensitive analysis and gender budgeting as tools for enhancing gender mainstreaming in all Cohesion programmes. The national authorities responsible for cohesion policy programmes have been informed of the importance to develop tools for gender budgeting and gender impact assessments and to seek support from the specialised EU body for gender equality – EIGE.</p> <p>The 2021-2027 ERDF and Cohesion Fund regulation does not foresee a requirement for mandatory ex-post and ex-ante gender impact assessments for all ERDF and Cohesion Fund programmes, which need to remain relevant and proportionate, and to correspond to Better Regulation principles. It is possible to analyse the gender impact of specific interventions in specific programmes by the Member States, as one of the many elements of the mid-term review, when deemed relevant.</p>