

FOLLOW-UP PROVIDED BY THE EUROPEAN COMMISSION
TO THE OPINIONS OF THE
EUROPEAN COMMITTEE OF THE REGIONS
PLENARY SESSION OF JUNE 2022
102nd REPORT

N°	TITLE / LEAD DG	REFERENCES
DG ENER		
1.	<u>Revision of the Energy Performance of Buildings Directive (EPBD)</u> Rapporteur: André VIOLA (FR/PES)	COM(2021) 802 final COR-2022-00417-00-00-AC-TRA ENVE-VII/026
2. Opinion adopted during the plenary session of April 2022	<u>Amending the Energy Efficiency Directive to meet the new 2030 climate targets</u> Rapporteur: Rafal TRZASKOWSKI (PL/EPP)	COM(2021) 558 final COR-2021-04548-00-00-AC-TRA ENVE-VII/024
DG CLIMA		
3.	<u>Ecological transition – What balance between social acceptability and environmental imperatives from the point of view of cities and regions with a view to building resilient communities?</u> Rapporteur: Hanna ZDANOWSKA (PL/EPP)	Council Presidency referral COR-2022-00104-00-00-AC-TRA ENVE-VII/027
DG CLIMA & TAXUD		
4. Opinion adopted during the plenary session of April 2022	<u>Making ETS and CBAM work for EU cities and regions</u> Rapporteur: Peter KURZ (DE/PES)	COM(2021) 551 final COM(2021) 552 final COM(2021) 564 final COM(2021) 571 final COR-2021-04546-00-01-AC-TRA ENVE-VII/021
DG ECFIN		
5.	<u>The implementation of green budgets at local and regional levels</u> Rapporteur: Vincent CHAUVET (FR/RENEW E.)	Council Presidency referral COR-2022-00105-00-00-AC-TRA ENVE-VII/028

DG CNECT		
6.	European Data Act Rapporteur: Anne KARJALAINEN (FI/PES)	COM(2022) 68 final COR-2022-01959-00-00-AC-TRA ECON-VII/024
DG EMPL		
7.	Improving working conditions in platform work Rapporteur: Yonnec POLET (BE/PES)	COM(2021) 761 final COM(2021) 762 final COR-2022-00155-00-01-AC-TRA SEDEC-VII/028
DG JUST		
8.	Strategy on Combating Antisemitism and Fostering Jewish Life (2021-2030) Rapporteur: János Ádám KARÁCSONY (HU/ECR)	COM(2021) 615 final COR-2022-00247-00-01-AC-TRA SEDEC-VII/027
DG MARE & EEAS		
9.	The new EU Arctic strategy Rapporteur: Mirja VEHKAPERÄ (FI/RENEW E.)	JOIN(2021) 27 final COR-2021-06509-00-01-AC-TRA COTER-VII/017
DG NEAR		
10.	Enlargement Package 2021 Rapporteur: Anna MAGYAR (HU/ECR)	COM(2021) 644 final COR-2022-00109-00-00-AC-TRA CIVEX-VII/012

<p>N°1 Revision of the Energy Performance of Buildings Directive (EPBD) COM(2021) 802 final COR-2022-00417 – ENVE-VII/026 150th plenary session – June 2022 Rapporteur: André VIOLA (FR/PES) DG ENER – Commissioner SIMSON</p>	
<p>Points of the European Committee of the Regions opinion considered essential</p>	<p>European Commission position</p>
<p><i>On II. Policy recommendations:</i></p>	
<p>1. The Committee of the Regions (CoR) highlights that the revision of the EPBD is a cornerstone of the Fit for 55 package and of paramount importance for the implementation of the Renovation Wave. It is therefore crucial to ensure that this revision foresees the right level of ambition and puts in place adequate support mechanisms with a view to achieving the climate neutrality of the EU building stock by 2050;</p>	<p>The Commission agrees with the Committee that the proposed recast of the Energy Performance of Buildings Directive (EPBD) is key to reach the Union’s 2030 and 2050 objectives.</p> <p>With the proposal, the Commission intends to strengthen the existing regulatory framework in order to reflect the higher ambitions and more pressing needs in climate and social action, as reflected in the European Green Deal¹, the Renovation Wave Communication² and the 2030 Climate Target Plan³.</p>
<p>2. The CoR welcomes the reference to adaptation policies in the proposal; nevertheless, considers that adaptation should be more strongly embedded in the proposal and be part of the renovation passport;</p>	<p>Article 7 on new buildings makes clear that Member States shall address important dimensions going beyond energy performance, including adaptation to climate change.</p> <p>As for existing buildings, Article 8 indicates that Member States shall address, in relation to buildings undergoing major renovation, the issue of adaptation to climate change.</p> <p>Member States may also include an overview of policies and measures with regard to the increase of climate resilience of buildings as part of the national building renovation plans. The information on resilience to climate change at building (unit) level may also be part of the energy performance certificate (EPC).</p>

¹ COM(2019) 640 final.
² COM(2020) 662 final.
³ COM(2020) 562 final.

	<p>The Commission welcomes the support of the Committee for the establishment of a building Renovation passport framework, as a tool that will further enhance renovations across the EU. The passport will provide a tailored roadmap for the renovation of a building in several steps that will significantly improve its energy performance.</p> <p>As per the proposal, Member States will have to make renovation passports available as a voluntary tool to building owners. While the Commission will have to adopt delegated acts to detail the content of the passports, the proposal mentions already that they ‘shall indicate the [...] wider benefits related to [...] the improved adaptive capacity of the building to climate change’.</p>
<p>3. The CoR welcomes the reference to the circularity approach in the proposal and stresses that circularity needs to be systematically referenced in the text, also taking embodied carbon into account;</p> <p>6. The CoR sees the need to include in the definition of zero and nearly-zero emission building the life-cycle thinking approach, with a view to promoting a climate-neutral building stock by 2050: this should respect technology-neutrality and a holistic view of energy systems to reflect varying conditions on local, regional and Member State levels [...]</p>	<p>As quoted in the Renovation Wave Communication, the Commission will, by 2023, develop a 2050 whole life-cycle performance roadmap to reduce carbon emissions from buildings.</p> <p>As part of the proposal for a revised Energy Performance of Buildings Directive (EPBD), the template on national building renovation plans (Annex II) includes, in the overview of implemented and planned policies and measures, an obligation for Member States to describe their policies on the prevention and high-quality treatment of construction and demolition waste, as regards the waste hierarchy, and the objectives of the circular economy.</p> <p>The text proposed for Annex III on new buildings includes the obligation to calculate and disclose new buildings’ global warming potential for each life cycle stage from a certain date via the Energy Performance Certificates (EPCs). This requirement constitutes a first step towards increased consideration of whole life-cycle performance of buildings and a circular economy. The requirement to measure the overall carbon impact of new buildings is central and will support the planning,</p>

	<p>development of measures and actions and monitoring of progress in their implementation. This will improve the knowledge of the industry, drive innovation and stimulate action for the reduction of carbon emissions and resource efficiency.</p> <p>The Commission is pushing ahead for zero carbon buildings, on top of the EPBD proposal, with the ‘Level(s)’ methodology⁴ and with the roadmap leading up to 2050 for reducing whole life-cycle carbon emissions in building.</p> <p>At the same time, the Commission deemed more proportionate not to widen the definition of nearly zero-energy buildings and zero-energy buildings (ZEBs) by including, in the definitions themselves, whole life cycle emission ceilings that may be premature in view of current methodologies and requirements.</p> <p>The reporting of data regarding embodied carbon is also addressed in the Commission’s proposal to revise the Construction Products Regulation⁵.</p>
<p>4. (a) The CoR considers that the size of the challenges ahead in terms of climate transition and energy security require a more ambitious approach to energy transition as clearly outlined in the REPowerEU Plan. This should include technical assistance, training and upskilling of workers and strengthening capabilities of local and regional authorities [...]</p>	<p>The Commission fully agrees on the need to step up efforts to ensure energy independence and affordable energy prices while delivering on the Green Deal objectives.</p> <p>For this reason, the revision of the EPBD is crucial for the success of the REPowerEU⁶ agenda and the Commission is confident that the Council and the Parliament will make fast progress on the file.</p> <p>In addition, in the EU Save Energy Plan⁷, the Commission has invited the co-legislators to consider raising the level of ambition on key provisions such as minimum energy performance standards (MEPS), the phase-out of subsidies to</p>

⁴ https://environment.ec.europa.eu/topics/circular-economy/levels_en

⁵ Regulation (EU) No 305/2011 of the European Parliament and of the Council of 9 March 2011 laying down harmonised conditions for the marketing of construction products and repealing Council Directive 89/106/EEC , OJ L 88, 4.4.2011, p. 5–43.

⁶ COM(2022) 108 final.

⁷ COM(2022) 240 final.

fossil-fuel based heaters and the rollout of renewable heating sources.

It has also proposed a new article on buildings' compulsory solar readiness and the deployment of suitable solar energy installations, to ensure that all new and existing public buildings and commercial buildings of a certain size will be equipped and powered with solar technologies, and, at a later date, all new residential buildings.⁸

To achieve these goals, new rules are needed for market operators to accelerate investments and for the value chains to gear up – to train people, develop business models and to prepare the implementation pipelines.

The Renovation Wave Communication acknowledged the 'shortage of qualified workers to carry out sustainable building renovation and construction'. As indicated in the 2030 Climate Target Plan, a key challenge is the capacity of the education and vocational training systems to train or re-train workers, as well as to the ability of workers to move from one job and sector to another one requiring potentially different skills.

As part of the EPBD revision proposal and next to obligations stemming from the Energy Efficiency Directive (EED)⁹ and Renewable Energy Directive (RED)¹⁰ proposals, Member States will have to include in their national building renovation plans policies 'addressing skills gaps and mismatches in human capacities, and promoting education, training, upskilling and reskilling in the construction, sector and energy efficiency and renewable energy sectors'.

The Commission's initiatives on education, skills and training such as the Pact for Skills¹¹, the green strand in Erasmus+ and the Education for Climate Coalition will help to address these challenges.

⁸ 2022/0160 (COD), p.23.

⁹ COM(2021) 558 final.

¹⁰ COM(2021) 557 final.

¹¹ <https://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=10160&furtherNews=yes>

	<p>The accompanying Action Plan to the Renovation Wave strategy also included a deliverable on ‘Support[ing] Member States to update their national roadmaps for the training of the construction workforce through the Build Up Skills Initiative and helping implement the 2020 European Skills Agenda’.</p>
<p>4. (b)[...] The CoR considers that the concept of "energy sufficiency" should be central in the proposal and embedded in the renovation passport;</p>	<p>The Commission supports the Committee’s view that the concept of energy sufficiency can be a powerful tool for driving sustainable energy consumption patterns while ensuring equal access to energy to all for a decent standard of living.</p> <p>The concept underpins the proposal for a ‘common but differentiated’ responsibility of Member States to identify the 15% worst-performing buildings in the national building stock as buildings with an EPC G, in which energy-poor, vulnerable or low-income households often live, and to lift those buildings out of this energy class (Article 9 on MEPS). It also underpins the proposal to set climatic zones, with different energy needs and therefore requirements for zero-emission buildings (Annex III).</p> <p>The proposal on Renovation passports builds on a gradual implementation following the adoption of delegated acts for a common European framework by 31 December 2023, while Member States shall introduce a scheme of Renovation passports by 31 December 2024.</p> <p>The Renovation passports will have to ‘indicate the expected benefits in terms of energy savings, savings on energy bills and operational greenhouse emission reductions as well as wider benefits related to health and comfort and the improved adaptive capacity of the building to climate change’. As such, it is therefore not excluded that ‘energy needs’ and ‘energy sufficiency’ could be part of the renovation passport, as a compulsory or optional module.</p> <p>The Commission will engage in further analysis</p>

	<p>regarding the elements to be part of the Renovation passport.</p>
<p>5. The CoR highlights that a massive renovation of buildings is an opportunity to tackle energy poverty and make buildings of vulnerable households and enterprises energy positive; to this end, urges the establishment of a comprehensive policy on energy poverty, in order to avoid the Renovation Wave worsening the issues of energy poverty across the EU. For this reason, calls on the Commission to put in place a comprehensive strategy to eradicate energy poverty and stands ready to cooperate with the newly established Energy Poverty and Vulnerable Consumers Coordination Group with a view to designing a strategy that is fit for implementation at local and regional level. In this connection, older people should be offered solutions to finance the necessary climate protection measures and pensioners whose home constitutes their old-age insurance urgently need to be taken into account;</p>	<p>The EPBD follows up on key components of the three focus areas of the Renovation Wave Strategy: tackling energy poverty and worst-performing buildings as a priority for Member States; public buildings and social infrastructure showing the way; and decarbonising heating and cooling so that energy poor and vulnerable households are not kept locked in increasingly unaffordable fossil fuels systems, to the detriment of their health, comfort and well-being.</p> <p>Various initiatives have been adopted at EU level in recent years to address energy poverty comprehensively and ensure that the green transition is a just and inclusive one for all.</p> <p>It is a key principle of Renovation Wave that everyone should have access to affordable, liveable, accessible and healthy housing while making energy-performing and sustainable buildings widely available, in particular for medium and lower-income households and vulnerable people and areas. The Renovation Wave Communication invites to use renovation as a lever to address energy poverty and access to healthy housing for all households, including for persons with disabilities and for older people.</p> <p>In particular, the Commission Recommendation on Energy Poverty of 14 October 2020¹², recommends that Member States, among others, in line with measures established in the recast Electricity Directive¹³, produce integrated and complementary policy solutions that could reinforce each other, especially in housing. Due attention should be given to barriers to investment in energy-efficient housing and the profile of dwellings in most need of renovation, in line with national long-term renovation strategies. The</p>

¹² C(2020) 9600 final (https://ec.europa.eu/energy/sites/ener/files/recommendation_on_energy_poverty_c2020_9600.pdf).

¹³ Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU (recast); OJ L 158, 14.6.2019, p. 125–199.

Recommendation also invites Member States to develop all policies to tackle energy poverty on the basis of meaningful and accountable processes of public participation and broad stakeholder engagement, and in particular by enabling close cooperation between regional and local authorities on the one hand, and civil society organisations and private sector entities on the other. In addition, the 2019 recast Electricity directive has put forward a number of provisions on consumer protection, including vulnerable ones, which have also been included in the December 2021 Gas package proposed by the Commission¹⁴.

The Commission's Energy Poverty Advisory Hub (EPAH), the successor to the EU Energy Poverty Observatory (EPOV), is offering technical assistance to tackle energy poverty designed for authorities and organisations working at the local level, from identifying energy poverty conditions (diagnosis), to preparing effective responses (planning) and implementing concrete actions (implementation).

The Commission welcomes the support of the Committee for the recently established Energy Poverty and Vulnerable Consumers Coordination Group with the Member States¹⁵ and stands ready to inform the Committee of its progress and activities as appropriate.

The Commission also recognises the diverse set of housing-related difficulties faced by many Europeans.

The mandate from the Renovation Wave has been addressed in the revision of the EPBD, with the introduced MEPS for worst-performing buildings, which address a root cause of energy poverty. Worst-performing buildings (both residential and

¹⁴ https://ec.europa.eu/commission/presscorner/detail/en/IP_21_6682

¹⁵ Commission Decision (EU) 2022/589 of 6 April 2022 establishing the composition and the operational provisions of setting up the Commission Energy Poverty and Vulnerable Consumers Coordination Group; Commission Decision (EU) 2022/589 of 6 April 2022 establishing the composition and the operational provisions of setting up the Commission Energy Poverty and Vulnerable Consumers Coordination Group (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32022D0589>).

	<p>public) are actually the ones that are more likely to be occupied by energy-poor, vulnerable or low-income households and their renovation is an essential step to alleviate energy poverty.</p> <p>The proposal, via the building renovation plans and provisions on financing, ensures that Member States' incentives target vulnerable people as a priority and also asks Member States to take actions to prevent evictions following renovations ('renovictions').</p> <p>The proposed EU Social Climate Fund, financed in particular from the expected revenues from the proposed new Emissions Trading System for buildings and road transport, will provide additional dedicated funding to pursue structural solutions to eradicate the 'root causes' of energy poverty and address any pre-existing vulnerabilities and inequalities, while anticipating for new potential adverse social impacts.</p> <p>Finally, the EED (Article 22 recast proposal) also introduces an obligation for Member States to implement energy efficiency improvement measures as a priority among vulnerable customers, people affected by energy poverty and, where applicable, people living in social housing, to alleviate energy poverty.</p> <p>Overall, energy poverty and affordable housing are at the very core of the measures proposed under the Fit-for-55 package, aiming to ensure a just and social transition in the best interest of the most vulnerable and energy poor, including older citizens, and to make best possible use of the revenues from carbon pricing.</p>
<p>6. The definition [<i>of zero and nearly-zero emission building</i>] should also accept energy from the electricity and gas grids, as soon as it is produced by renewable energy sources and recovered waste energy. It should be consistent with the paths for decarbonisation in the directives for energy efficiency (EED) and renewable energy (RED) in the energy system</p>	<p>The goal with the definition of zero-emission buildings (ZEBs) is to tap into the building stock's potential to contribute to the energy transition.</p> <p>ZEBs will have to rely on energy from renewable sources generated on-site, renewable energy provided from a renewable energy community within the meaning of the amended Renewable</p>

<p>at large and not be suboptimised to only a building level issue;</p>	<p>Energy Directive (RED), or renewable energy and waste heat from an efficient district heating and cooling system as defined by the recast EED. It means that <i>not</i> all energy used would have to be generated in the buildings.</p> <p>In addition, the interactions with the grid will still be allowed as the coverage from those three sources will have to be on a net annual basis (Annex III).</p> <p>Nonetheless, acknowledging that this condition cannot be always met due to local context limitations (e.g. for buildings in dense areas where is no sufficient space for onsite renewables), energy from the grid complying with criteria established at national level is also allowed as an exception.</p>
<p>7. The CoR considers that the use of Minimum Energy Performance Standards (MEPS), if not adequately ambitious, could result in a lock-in effect, reducing the level of ambition in the Renovation Wave and making it basically unfit for 2030 and 2050 targets, which are crucial for the climate transition but also to foster energy security. MEPS should also include life-cycle GHG requirements on construction and supply of renewable energy. Stresses that MEPS will only be effective if they succeed in keeping a high level of ambition and being accompanied by measures helping overcome barriers that have hampered renovation efforts to date and by the necessary funding and technical support to assist their introduction;</p>	<p>The Commission agrees with the Committee that Minimum Energy Performance Standards (MEPS) can spearhead the Renovation Wave.</p> <p>Worst-performing buildings in the G class typically consume 2,5 times more energy per square meter than an average C class building. Worst-performing buildings are also often the ones in which the most polluting heating appliances are installed and those in which a higher number of energy poor citizens live.</p> <p>While MEPS are the key measure in the EPBD to increase the rate of renovation, they should not be seen in isolation, as other element of the EPBD proposals (strengthened EPCs), building Renovation passports, access to data, national building renovation plans, etc.) will facilitate energy renovations.</p> <p>In addition, the proposal makes it clear that Member States are incentivised to go further, by adopting national MEPS adapted to their local circumstances, which will complement the EU-wide MEPS and contribute to the national goals set in national Building Renovation Plan towards a decarbonisation of the building stock.</p>

	<p>At the same time, putting too stringent requirements too quickly on the worst-performing buildings could be detrimental to the Renovation Wave as markets may not be able to adapt to the new requirements or at too high cost for homeowners. It is the reason why the proposed EU-wide MEPS do not include harmonised life-cycle greenhouse gas (GHG) requirements and requirements on the supply of renewable energy. There will nonetheless be a reporting requirement on lifecycle GHG emissions for new buildings, in addition to the requirement for those buildings not to generate any GHG emission on site and to rely on sustainable energy sources.</p> <p>The proposal therefore ensures that Member States spearhead the necessary changes, while providing common goal focused on the very worst buildings, which have the highest saving potentials and highest environmental economic and social gains.</p>
<p>8. The CoR stresses the need to have the availability of skilled labour and entrepreneurs, and recognises the effect on building values and property markets which should not lead to any increased costs for tenants; therefore calls on the legal possibility for Member States to request an extension of the stated deadlines [for MEPS] if justified by exceptional conditions;</p>	<p>The Commission is fully aware of the need to have sufficient workforce and skills in the construction sectors and has been acting on that front.</p> <p>In February 2022, with the support of the Commission, the construction sector launched a skills partnership, under the Pact for Skills. The partnership aims to upskill and reskill at least 25% of the construction industry's workforce in the next five years, which corresponds to three million workers.</p> <p>The Commission is also working on the availability of materials, through our industrial strategy and policies on resource efficiency.</p> <p>Under the REPowerEU Plan, particular attention will be paid to the acceleration of investments in reskilling and upskilling of the workforce.</p> <p>The proposal also asks Member States to shield tenants from disproportionate rent levels following renovation and that the financial</p>

	<p>incentives benefit both the owners and the tenants, in particular by providing rent support or by imposing caps on rent increases.</p> <p>In addition, the Commission has catered for the possibility for Member States not to apply MEPS to specific categories of buildings (Article 9(5)). Including additional potential exemptions from the rules on MEPS would present a serious risk of undermining their impact, by leaving too high a share of buildings outside their scope.</p>
<p>9. The CoR points out that "major renovation" of existing buildings, regardless of their size, occur once every 25 years in residential buildings and once every 15 years in non-residential ones; considers therefore that a staged renovation approach could risk hindering the ambition of the Renovation Wave and result in anti-economic approaches to building renovation, which should be tackled with a systematic and integrated approach rather than as a sum of separate interventions. In this sense, calls on the Commission and Member States to provide guidance on improving the energy efficiency of historic buildings, also leveraging the work of the European Bauhaus Initiative. The renovation of these buildings should be supported by dedicated funding schemes and adequate flexibility of the timeframe should be granted;</p> <p>15. The CoR points out that historic buildings have a significant cultural and symbolic value in EU cities; believes that their architectural value needs to be preserved and solutions need to be found to ensure these buildings also fulfil the exemplary role of public buildings. In this sense, calls on the Commission and Member States to provide guidance on improving the energy efficiency of historic buildings and create dedicated funding schemes for this</p>	<p>While the Commission agrees that renovations should be ambitious in one-go whenever possible, to avoid lock-in effects, there are several situations in which deep renovations can only be made in stages. Such renovations should not be discouraged, but they should nonetheless be framed. For this reason the Commission has proposed a definition of ‘staged deep renovation’ and linked it to higher financing support in the EPBD proposal.</p> <p>The Commission shares the view that cultural heritage buildings may require flexible approaches. Tailor-made, individual renovation solutions sometimes need to be found. The Commission has therefore included specific provisions on protected buildings in the EPBD proposal.</p> <p>Member States will be able to adapt the minimum energy performance requirements for protected buildings. Similarly, protected buildings can be exempted from the MEPS insofar as compliance with the standards would unacceptably alter their character or appearance.</p> <p>As regards the interactions with the New European Bauhaus, in September 2021 the Commission adopted a Communication¹⁶ that sets out the framework, core principles and key actions that will drive it forward, as it moves from co-design to delivery. Since then the initiative has</p>

¹⁶ COM(2021) 573 final.

<p>purpose.</p>	<p>been mobilising EU funds to support pilot projects and has published calls for tenders to launch dedicated projects.</p>
<p>11. The CoR considers that public procurement should play a significant role in mainstreaming an ambitious approach to building renovation. To this end, stresses that all renovations being contracted by public authorities should be supported by guidance from Member States and the EU and follow, as far as possible, the criteria of Green and Circular Public Procurement;</p>	<p>The Commission agrees that the public sector should be exemplary and show the way toward a green building stock.</p> <p>To that end, the EED recast proposal lays down the obligation for Member States that 3% of the total floor area of buildings owned by public bodies is renovated each year to at least be transformed into nearly zero-energy buildings.</p> <p>The MEPS, part of the EPBD proposal, will also apply from 2027 already for public buildings, as well as the zero-emission building standard for new buildings, compared to 2030 for other buildings.</p> <p>In addition, in the current revision of the EED, Member States are encouraged to require contracting authorities to take account of wider sustainability in public procurement practices, in particular whole life-cycle of carbon emissions of buildings. Member States will also be required to support public bodies by providing guidelines and methodologies on the assessment of lifecycle costs, and by putting in place competence support centres and encouraging using aggregated procurement and digital procurement.</p> <p>In parallel, as indicated in the answer to point 3 above, the Commission has been working on a 2050 whole life-cycle performance roadmap to reduce carbon emissions from buildings and advancing national benchmarking with Member States.</p> <p>Finally, the Commission is working on a revision of EU Green Public Procurement criteria for office buildings, in line with the Renovation Wave, the New European Bauhaus, and building upon the European framework for sustainable buildings - LEVEL(s).</p>

14. The CoR believes that rural regions and, more generally speaking, regions with many single- and multiple-family homes have different requirements and require different solutions than urban structures. This must also be reflected in the Directive;

The Commission shares the view that different types of buildings call for differentiated requirements and provides flexibility to Member States to reflect national conditions.

In their national building renovation strategies, Member States will have to report on their policies and measures with regard to the identification of cost-effective approaches to renovation for different building types and climatic zones.

In addition, the comparative methodology framework for cost-optimal requirements demands Member States to define reference buildings that are characterised by and representative of their functionality and geographic location, including indoor and outdoor climate conditions. In that regard, Member States have already adopted requirements tailored to the different types of buildings in the national building stock.

Finally as per the State aid rules, financial support for renovations can be higher for areas of lower overall wealth, to further promote their economic development and employment patterns.

The EPBD proposal also provides flexibility on key provisions as the MEPS and ZEBs.

**N°2 Amending the Energy Efficiency Directive to meet the new 2030 climate targets
COM(2021) 558 final
COR-2021-04548 – ENVE-VII/024
149th plenary session – April 2022
Rapporteur: Rafal TRZASKOWSKI (PL/EPP)
DG ENER – Commissioner SIMSON**

Points of the European Committee of the Regions opinion considered essential

European Commission position

Amendment 23

Article 2 - subheading 49

(49) ‘energy poverty’ means the lack of access to essential energy services that underpin a decent standard of living, work and health, including adequate warmth, cooling, domestic hot water, lighting, mobility and energy to power appliances, in the relevant national context, existing social policy and other relevant policies.

(49a) ‘vulnerable households’ means households in energy poverty or households, including lower middle-income ones, that are significantly affected by the price impacts of the inclusion of buildings into the scope of Directive 2003/87/EC, those that are vulnerable of falling into energy poverty, due to a rising energy prices and inefficient energy performance of their households and lack the means to renovate the building they occupy;

(49b) ‘mobility users’ means households or businesses, including micro-enterprises that use various transport and mobility options;

(49c) ‘vulnerable mobility users’ means transport users, including from lower middle-income households, that are significantly affected by the price impacts of the inclusion of road transport into the scope of Directive 2003/87/EC and lack the means to purchase zero- and low-emission vehicles or to switch to

The Commission agrees with the role of energy efficiency in addressing energy poverty and noted the amendments to enlarge the definition to vulnerable micro-enterprises and vulnerable transport users. The focus of the Directive is on vulnerable customers. This allows Member States to include natural or legal persons, and therefore also micro-enterprises or other businesses that are considered as vulnerable in the national context.

<p>alternative sustainable modes of transport, including public transport, particularly in rural and remote areas;</p> <p>(49d) ‘micro-enterprise’ means an enterprise that employs fewer than 10 persons and whose annual turnover or annual balance sheet does not exceed EUR 2 million, calculated in accordance with Articles 3 to 6 of Annex I to Commission Regulation (EU) No 651/2014 53;</p> <p>(49d bis) ‘small enterprise’ means an enterprise that employs fewer than 50 persons and whose annual turnover and/ or annual balance sheet total does not exceed EUR 10 million;</p> <p>(49e) ‘vulnerable micro and small enterprises’ means micro and small enterprises that are significantly affected by the price impacts of the inclusion of buildings into the scope of Directive 2003/87/EC and lack the means to renovate the building they occupy;</p>	
<p>Amendment 24</p> <p>Article 4.1</p> <p>Member States shall collectively ensure a reduction of energy consumption of at least 9% in 2030 compared to the projections of the 2020 Reference Scenario so that the Union’s final energy consumption amounts to no more than 787 Mtoe and the Union’s primary energy consumption or cumulative energy consumption amounts to no more than 1023 Mtoe in 2030.</p>	<p>The Energy Efficiency Directive is aligned to the definitions and energy balances methodologies of Eurostat and IEA. Using the ‘cumulative energy consumption’ would be a deviation from this approach and would add complexity to consistency of the calculations and reporting.</p>
<p>Amendment 25</p> <p>Article 4.1</p> <p>Each Member State shall set indicative national energy efficiency contributions for final and primary energy consumption to meet, collectively, the binding Union target set in paragraph 1. Member States shall notify those contributions together with an indicative</p>	<p>Interpolation of the indicative national contributions and trajectory of Member States can offer indicative annual milestones to evaluate the progress of Member States.</p> <p>In any case, the indicative nature of the national contributions would not allow infringing individual Member States for not following a trajectory <i>with milestones</i>, thus, notifying such</p>

<p>trajectory with milestones for those contributions to the Commission as part of the updates of their integrated national energy and climate plans in accordance with Article 14 of Regulation (EU) 2018/1999, and as part of their integrated national energy and climate plans as referred to in, and in accordance with, the procedure set out in Article 3 and Articles 7 to 12 of Regulation (EU) 2018/1999. When doing so, Member States shall use the formula defined in Annex I of this Directive and explain how, and on the basis of which data, the contributions have been calculated.</p>	<p>milestones would not add substance to the governance of the Directive.</p>
<p>Amendment 26 Article 4.2(d) [...] (iv a) security of energy supply;</p>	<p>Article 4(2d) includes only factors that are included in the formula of Annex I.</p> <p>The proposed factor could be included in the list of Article 4(2e), although point (ii) already includes ‘changes of energy imports and exports’.</p>
<p>Amendment 27 Article 5 Public sector leading on energy efficiency</p> <p>1. Member States shall ensure that the total final energy consumption of all public bodies combined is reduced by at least 1,7% each year, when compared to the year X-2 (with X as the year when this Directive enters into force).</p> <p><i>There is a lack of assessments of the potential and impact of the level of 1.7%. The level of 1.7% can be acceptable as a starting point, but needs to regard MS context and impact assessment.</i></p>	<p>Deleting ‘at least’ does not change the obligations as Member States remain free to reduce the energy consumption more than Article 5 requires.</p> <p>However, it gives an important political signal that Member States are invited to reduce the energy consumption in public sector further. This is in particular relevant as the 1.7% is an average across the EU. Some Member States may reach this with no or few efforts and can strive for more.</p>
<p>Amendment 30 Article 6</p> <p>Member States shall exempt social housing from the obligation to renovate 3% of the total floor area if the renovations not are cost-neutral and will lead to significant rent</p>	<p>This modification makes from an annual rate an average rate. This would significantly hinder the quick implementation and effective enforcement of Article 6, since only 5 years after the transposition period the Commission will be able to ascertain whether during the first year an</p>

<p>increases for people living in social housing, which are higher than the economic savings on the energy bill.</p> <p>The average rate of at least 3% counted over a period of every five years shall be calculated on the total floor area of buildings having a total useful floor area over 250 m² owned by public bodies of the Member State concerned and which, on 1 January 2024, are not nearly zero-energy buildings.</p>	<p>average rate 3% was reached.</p> <p>This would also give the possibility to Member States not the renovate or to renovate at significantly lower rates in the first years after the transposition, arguing that they will catch up in year 4 or 5 and face great challenges to do so.</p>
<p>Amendment 31</p> <p>Article 6 new</p> <p>(1 a.) If a Member State renovates more than 3% of the total floor area of buildings owned by public bodies in a given year it may deliver less the following years to reach the annual average counted over a period of every five years. If a Member State renovates less than 3% of the total floor area of buildings owned by public bodies in a given year it shall deliver more to reach the annual average counted over a period of every five years.</p>	<p>This amendment seems redundant to Amendment 30. Same comment applies as to Amendment 30.</p>
<p>Amendment 35</p> <p>Article 8.14</p> <p>As part of their updates of national energy and climate plans and respective progress reports, and their subsequent integrated national energy and climate plans and notified pursuant to Regulation (EU) 2018/1999 Member States shall demonstrate including, where appropriate, evidence and calculations:</p> <p>[...]</p> <p>In these calculations Member States shall include the savings obtained at regional and local level that do not overlap with national measures, as locally determined contributions to the national target.</p>	<p>The proposed amendment might increase the administrative burden for the central government authorities, but could be addressed through existing monitoring and verification systems.</p>

<p>Amendment 40</p> <p>Article 22</p> <p>1. Member States shall take appropriate measures to empower and protect people affected by energy poverty, vulnerable mobility users, vulnerable micro and small enterprises, vulnerable customers and, where applicable, people living in social housing, <u>taking specific account of regions that are isolated from an energy point of view and have no possibility to connect to the European network.</u></p> <p>[...]</p> <p>The European Commission will issue guidance for the definition of vulnerable mobility users and vulnerable micro and small enterprises, in continuity with the definitions included in the Social Climate Fund Regulation.</p>	<p>The definition proposed by the Commission is sufficiently comprehensive and gives Member States sufficient room/flexibility to identify energy poor households on the basis of their varying national legal and policy frameworks, including at the regional and local level.</p>
<p>Amendment 41</p> <p>Article 23.2</p> <p>2. Member States <i>shall draw up heating and cooling plans in close cooperation with the relevant local and regional authorities; together, they</i> shall ensure that the public is given the opportunity to participate in the preparation of heating and cooling plans, the comprehensive assessment and the policies and measures.</p>	<p>This amendment is in line with the original proposal.</p>
<p>Amendment 48</p> <p>Article 24</p> <p>1. In order to increase primary energy efficiency and the share of renewable energy in heating and cooling supply, an efficient district heating and cooling system is a system which meets the following criteria:</p> <p>a until 31 December 2029, a system using at least 50% renewable energy, 50% waste</p>	<p>Postponing the first step to modify the definition of efficient district heating and cooling by several years goes against the original proposal. It provides limited incentive for reducing greenhouse gas emissions in district heating in this decade.</p>

heat, 75% cogenerated heat or 50% of a combination of such energy and heat;

- b from 1 January **2030**, a system using at least 50% renewable energy, 50% waste heat, 80% of high-efficiency cogenerated heat or at least a combination of such thermal energy going into the network where the share of renewable energy is at least 5% and the total share of renewable energy, waste heat or high-efficiency cogenerated heat is at least 50%;
- c from 1 January 2035, a system using at least 50% renewable energy and waste heat, where the share of renewable energy is at least 20%;
- d from 1 January 2045, a system using at least 75 % renewable energy and waste heat, where the share of renewable energy is at least 40%;
- e from 1 January 2050, a system using only renewable energy and waste heat, where the share of renewable energy is at least 60%.

Promoting cogeneration solutions as more energy efficient should take priority in improvement measures for district heating. Such a rapid change in the definition of an efficient district heating system would mean that a large proportion of the units and networks currently being modernised would not meet the criteria in the time allowing for the depreciation of the solutions and it would not be possible to obtain funding for further modernisation and investment in new energy sources. A dynamic change in this area could also result in an uncontrolled increase in the cost of supplying energy from district heating networks, which could result in less consumer interest in using these systems and a return to less efficient local heat sources that cannot be controlled in terms of CO₂ and dust emissions.

In general, technologies and fuels used in district heating systems in principle should not eliminate the possibility of reporting and financing savings coming from energy efficiency measures.

N°3 Ecological transition – What balance between social acceptability and environmental imperatives from the point of view of cities and regions with a view to building resilient communities?
Council Presidency referral
COR-2022-00104 – ENVE-VII/027
150th plenary session – June 2022
Rapporteur: Hanna ZDANOWSKA (PL/EPP)
DG CLIMA – Executive Vice President TIMMERMANS

Points of the European Committee of the Regions opinion considered essential	European Commission position
<p>9. The Committee of the Regions (CoR) in view of high energy prices and the war in Ukraine, reiterates its call for a total ban on Russian gas, oil and coal imports into Europe and encourages local and regional authorities to start drawing up contingency plans to prepare for the consequences of such sanctions; believes that the REPowerEU plan is a way to accelerate the energy transition, reduce the EU's overall dependence on imports of energy and raw materials and thus to diminish the political, economic and security risks associated with it; nevertheless, deeply regrets the lack of clear reference to the role of cities and regions, both in terms of overcoming the current energy crisis and providing long-lasting solutions to it.</p>	<p>The Commission is strongly committed to the full implementation of the REPowerEU Plan and phasing out of Russian fossil fuels. Russian coal and oil were covered under fifth and sixth package of EU sanctions, while the EU is succeeding in diversifying its gas imports, with higher liquefied natural gas (LNG) and pipeline imports from other suppliers. In this respect, the Commission has set up the EU Energy Platform, and launched 5 regional groups, to aggregate energy demand at the regional level and facilitate future joint purchasing of natural gas, LNG and green hydrogen.</p> <p>In response to Russia’s attempt to weaponise energy, by significantly reducing its gas imports to the EU, the Commission has been working for months with Member States to ensure preparedness. On 20 July 2022, the Commission presented the EU ‘Save Gas for Safe Winter’ Plan¹, setting out how the EU can tackle potential further disruptions in gas supplies from Russia in a coordinated manner. The Plan adopted by the Council on 5 August 2022, sets out a voluntary gas demand reduction target of 15% from 1 August 2022 to 31 March 2023. By the end of October 2022, Member States will have to update their existing national contingency plans to include demand reduction measures to achieve the target. The ‘Save Gas for Safe Winter’ Plan was</p>

¹ COM(2022) 360 final.

	<p>underpinned by a legislative proposal, adopted by the Energy Ministerial Council, establishing a new EU emergency instrument to address a possible gap between supply and demand on the European gas market. The Regulation, introduces the possibility to declare an EU alert when voluntary targets for reducing demand are insufficient to avoid such a gap.</p> <p>Ensuring immediate energy savings is of crucial importance for enhancing our preparedness. As emphasised in the EU ‘Save Energy’ Communication of 18 May 2022² and reiterated by the ‘Save Gas for Safe Winter’ Plan of 20 July 2022, one of the roles which local and regional level should have, concerns, in particular, the promotion of different types of energy saving actions. On 19 May 2022, the Commission, the Covenant of Mayors Europe and the Committee launched the ‘Cities Energy Saving Sprint’³, a joint initiative that encourages cities to take measures that will immediately reduce their energy consumption.</p>
<p>12. The CoR proposes, therefore, that investment projects include climate risk analyses and climate vulnerability analyses, and that cost-benefit scenarios be adapted accordingly.</p>	<p>The Commission has published the “<i>Technical guidance on the climate proofing of infrastructure in the period 2021-2027</i>”⁴. The guidance is deemed a relevant reference for climate proofing under Article 5(5) of the European Climate Law⁵. Furthermore, the European Climate Law sets out the main components of climate proofing in recital (33).</p> <p>Investment projects include climate,- biodiversity- and resource-related risk and vulnerability analyses.</p>
<p>20. The CoR calls for the transition to a circular economy to be stepped up and underlines the</p>	<p>The Commission agrees with the Committee opinion that the uptake of circular economy need to</p>

² COM(2022) 240 final.

³ <https://cor.europa.eu/mt/news/Pages/Join-the-Cities-Energy-Saving-Sprint.aspx>

⁴ OJ C 373, 16.9.2021, p. 1–92.

⁵ OJ L 243, 9.7.2021, p. 1–17, ref. Corrigendum [OJ C246 of 29.6.2022](#).

role of local and regional authorities in this process; calls for the promotion of new business models and stronger tools, especially within the framework of municipal services and their mechanisms for extended consumer responsibility and public-private partnerships, as well as the associated promotion of sustainable consumption and production models and green or sustainable public procurement.

be further enhanced. To that end, the Circular Economy Action Plan⁶ adopted in 2020 foresees a key role for regions and cities. It also confirms that EU financing instruments and funds will be mobilised to support the necessary investments at regional level to ensure that all regions benefit from the transition. Cohesion policy funds will help regions to implement circular economy strategy and reinforce their industrial fabric and value chains. In order to support uptake at local level, the EU Urban initiative, the Intelligent Cities Challenge Initiative⁷ and the Circular Cities and Regions Initiative⁸ will provide key assistance to cities, in addition to the support provided via the Green City Accord⁹. Such support would need to underpin the development of new business models, public-private partnerships for circularity and the promotion of sustainable consumption and production models inspired by the circular economy. As for green and sustainable public procurement, the Commission will propose mandatory GPP criteria and targets in sectoral legislation, it will also phase in compulsory reporting to monitor its uptake. In order to support capacity building and guidance to align with future proposals, the Commission is setting up training and dissemination kits and encourages public buyers to take part in the Public Buyers for Climate and Environment initiative¹⁰ to facilitate implementation of Green Public Procurement (GPP).

The EU Bioeconomy Strategy¹¹ has the potential of being the catalyst for the fair and green transition; it goes beyond the transition to a circular economy, but rather emphasises the need of the transition to a circular sustainable

⁶ https://ec.europa.eu/environment/circular-economy/pdf/new_circular_economy_action_plan.pdf

⁷ <https://smart-cities-marketplace.ec.europa.eu/news-and-events/news/2020/european-commission-launches-intelligent-cities-challenge>

⁸ https://research-and-innovation.ec.europa.eu/research-area/environment/circular-economy/circular-cities-and-regions-initiative_en

⁹ https://environment.ec.europa.eu/topics/urban-environment/green-city-accord_en

¹⁰ <https://bigbuyers.eu/about/bigbuyers>

¹¹ https://ec.europa.eu/info/research-and-innovation/research-area/environment/bioeconomy/bioeconomy-strategy_en

	<p>bioeconomy within planetary boundaries. In its EU Bioeconomy Progress Report¹², the Commission has identified areas where additional focus in the implementation of the EU Bioeconomy Action plan is needed: a biosphere stewardship strategy, with a focus on resolving multiple pressures on land and sea; a consumption-based framework with a focus on the overall consumption of biological resources, including new and sustainable business models.</p>
<p>32. The CoR calls for development of tools to encourage households to get involved in the transition as well as various forms of support, especially for the most vulnerable groups of citizens and territories; welcomes, in this context, the establishment of the Social Climate Fund and calls for financial support to be provided via a system of shared management that respects the principles of partnership and multilevel governance.</p> <p>62. The CoR stresses that the funding provided for under the revision of the existing ETS is insufficient to ensure a truly just transition, and that consideration should be given to allocating revenue from outside the ETS on road transport and buildings (ETS II) to the Social Climate Fund; proposes that the revenue earmarked for the Social Climate Fund should start to be pooled earlier than the implementation of ETS II.</p> <p>63. The CoR believes that the Social Climate Fund should counterbalance the negative effects on households, micro and small enterprises and</p>	<p>After careful assessment, the Commission has proposed the Social Climate Fund (SCF or Fund) under performance-based ‘<i>sui generis</i>’ direct management. The SCF has a very concrete <i>raison d’être</i>: addressing the social and distributional impacts of the new emissions trading for buildings and road transport (new ETS). To achieve this, Member States will propose comprehensive Social Climate Plans with investment and measures but also direct income support for a limited period of time to vulnerable households.</p> <p>Given the necessity to implement the measures and investment as soon as possible, the Commission proposal ensures a strong ownership by Member States of their national plans. At the same time, it encourages Member States to work closely with regional authorities and other stakeholders when designing their plans.</p> <p>The Commission considers that this performance- and plan-based direct management mode is vital to realise the core policy objective of the Fund by ensuring that all Member States’ Social Climate Plans are relevant, effective, efficient and coherent and payments are linked to concrete results on the ground to mitigate the social impact of the new ETS.</p> <p>The size of the proposed SCF has been carefully calibrated. The Commission considers that with the proposed size, the Fund provides an adequate</p>

¹² [European bioeconomy policy - Stocktaking and future developments. https://op.europa.eu/s/wBKQ](https://op.europa.eu/s/wBKQ)

<p>the most vulnerable transport users and ensure socially sustainable development.</p>	<p>amount to protect vulnerable groups from cost increases due to the new ETS. The size corresponds in principle to an amount equivalent to 25% of the expected revenues from the new ETS, proposed to be financed via the own resources of the general Union budget, including the proposed ETS-based own resource, and matched by an equivalent share of national contribution. Total spending on addressing the social impacts of the new carbon pricing should, therefore, correspond to around half of the projected revenue from the new ETS.</p> <p>In any event, the proposal foresees an evaluation of the SCF to be prepared by the Commission by July 2028, including with regard to its financial envelope.</p> <p>The Commission has proposed the SCF start operating one year before the introduction of the new ETS.</p> <p>With regard to the scope of eligible groups, the Commission notes that vulnerable households, transport users and micro-enterprises are generally in a significantly weaker financial position than small and medium-sized enterprises, which generally have access to more sources of financing, including EU funding, to invest in the reduction of their fossil fuel consumption. Therefore, it would be disproportionate to include small enterprises, also from a budgetary perspective compared to the size of the Fund, and would risk undermining the social purpose of the Fund and limit its capacity to act upon identified objectives.</p>
<p>33. The CoR calls for the empowerment of prosumers and consumers in the green transition, using legislation to curb greenwashing and promote informed choices.</p>	<p>The Commission agrees with the Committee's opinion to empower consumers in the green transition, a priority which is highlighted in the Circular Economy Action Plan and the New Consumer Agenda¹³. The Commission made proposals to that end in March 2022 in the context of the Sustainable Products Package with a</p>

¹³ COM(2020) 696 final.

	<p>proposal to revise the Unfair Commercial Practices Directive and the Consumers Rights Directive. It intends to make further proposal later in 2022 to regulate green claims and the right to repair for consumers. The Commission will also continue to support the best-in-class products towards the consumers by identifying them through the EU Ecolabel, to empower consumers by providing better information on aspects such as the durability of products or the ability to repair them. It will also better protect consumers against greenwashing and early obsolescence practices.</p>
<p>34. The CoR appeals for measures to facilitate and promote relevant initiatives, and for lower barriers to setting up local renewable energy communities, as they are a key tool to promote the widespread use of renewable energy sources and to achieve a decentralised energy system while providing local economic and social benefits.</p>	<p>The REPowerEU plan recognizes the potential of energy communities to help speed up the transition to a more affordable, secure and sustainable energy system. The plan includes actions to further facilitate the development of energy communities and renewable energy self-consumers, namely in the Solar Strategy¹⁴, the Commission Recommendation¹⁵ and guidance¹⁶ on speeding up permit-granting for renewable energy projects, and the proposals to amend the Renewables Energy Directive¹⁷, the Energy Performance of Buildings Directive¹⁸ and the Energy Efficiency Directive¹⁹ to enshrine higher renewables and energy efficiency targets and a phased-in solar rooftop obligation.</p> <p>With these initiatives, the Commission calls, among others, on Member States to take measures to adapt administrative requirements to the non-professional character of energy communities, provide capacity building support, facilitate access to operational support, ensure simplified access to the grid, implement simplified permit-granting procedures.</p> <p>This is to ease access of prosumers and energy</p>

¹⁴ Communication on EU Solar Energy Strategy, COM(2022) 221 final.

¹⁵ C(2022)3219 final.

¹⁶ SWD(2022) 149.

¹⁷ https://energy.ec.europa.eu/topics/renewable-energy/renewable-energy-directive-targets-and-rules/renewable-energy-directive_en

¹⁸ https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/energy-performance-buildings-directive_en

¹⁹ COM(2022) 222 final.

	<p>communities to permitting and licensing procedures to allow citizens and local communities to benefit from renewable energy installations in their proximity.</p>
<p>3.8. The CoR supports the objectives, principles and guidelines of Horizon Europe and calls for stronger requirements for the durability of projects and for their impact to be monitored.</p>	<p>Horizon Europe is impact-driven by design²⁰, with the aim of maximising the effects of Research and Innovation investments, ensuring their contribution to the Commission's policy priorities. In addition to the strategic planning process, the structuring of the programme along impacts that translates all the way to the projects funded, the monitoring of the programme is done along Key Impact Pathways²¹. Horizon Europe has a number of tools to monitor and track research results (outputs, outcomes and impacts) such as CORDIS, Horizon Results Platform, CORTEX Tracking of Research Results, and Innovation Radar.</p> <p>DG Research and Innovation (RTD) committed to reach 35 % of climate-related expenditure and translate the Commission's objective on biodiversity expenditure (i.e., dedicating 7.5% of the 2021-2027 Multiannual Financial Framework to biodiversity objectives as of 2024, and 10% in 2026 and 2027).</p> <p>Commissioner Gabriel announced that the EU Biodiversity Strategy for 2030 will count on the Horizon 2020 research program, with an investment of €2.6 billion for biodiversity²².</p>
<p>42. The CoR calls on the Commission to consider setting up a dedicated instrument for technical assistance and information exchange between local and regional authorities that face similar challenges in terms of the green transition and building resilient communities by providing financial support for sharing EU best</p>	<p>Within the current landscape of opportunities for local and regional authorities at EU level, there are several options allowing them to exchange knowledge and collaborate on various issues, coming from their identified needs. The Urbact programme²³, open to all EU cities, focuses on supporting cities in implementing solutions to</p>

²⁰ https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/horizon/guidance/programme-guide_horizon_en.pdf

²¹ https://research-and-innovation.ec.europa.eu/strategy/support-policy-making/shaping-eu-research-and-innovation-policy/evaluation-impact-assessment-and-monitoring/horizon-europe_en#monitoring-horizon-europe

²² [Speech by Commissioner Mariya Gabriel at the Biodiversity launch event | European Commission \(europa.eu\)](https://ec.europa.eu/press/news/speech-by-commissioner-mariya-gabriel-at-the-biodiversity-launch-event-european-commission-europa.eu)

²³ https://ec.europa.eu/regional_policy/en/atlas/programmes/2014-2020/europe/2014tc16fir003

<p>practices (study visits).</p>	<p>tackle the green, just and digital transitions in particular, through collaboration, capacity building and expertise. The programme follows a bottom-up approach in which city beneficiaries define the topics they would like to focus on and works on supporting the transfer of good practices. Under Cohesion policy, support to urban authorities will also be available through the European Urban Initiative²⁴ for capacity and knowledge building. A peer learning strand will provide targeted and short-term support for challenges linked to the implementation of sustainable urban development under Cohesion policy, and aim to facilitate exchange of knowledge, good practices and solutions on sustainable urban development among urban practitioners, i.e. ‘peers’ working in cities of different Member States. They will comprise city2city exchanges and peer reviews. Additional activities will include the building of a collaborative space for exchange on sustainable urban development with relevant stakeholders. A number of capacity building events will be organised (country specific, cluster of Member States specific, or EU-wide) as well as a compilation of toolkits produced on good practices and innovative actions in view of benchmarking. Under Cohesion policy, the TAIEX REGIO PEER-TO-PEER²⁵ is another instrument to help EU Member States’ administrations, but also regional and local ones responsible for the management of EU funds, to share their experience more easily on various topics related to the management of the European Regional Development Fund (ERDF) and the Cohesion Fund (CF). It proposes study visits, experts’ visits and workshops.</p> <p>In the context of the implementation of the 2021-2027 Cohesion Policy programmes, the Commission is preparing a dedicated technical assistance platform on sustainability transitions. It will help regions to use the available EU funds to</p>
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²⁴ <https://www.uia-initiative.eu/fr/eui/european-urban-initiative>

²⁵ https://ec.europa.eu/regional_policy/en/policy/how/improving-investment/taix-regio-peer-2-peer

	<p>achieve the transition to a climate neutral and green economy, including through sharing of EU best practices, dedicated expert workshops and the establishment of a community of practice.</p> <p>Furthermore, the Mission on adaptation to climate change is meant to support some regions on such activities.</p>
<p>54. The CoR calls for legislative changes to ensure more efficient efforts at tackling food waste, including stimulating the development of a sustainable food sector (Farm to Fork strategy) and decreasing the environmental impact of the food processing and retail sector by taking action on transport, storage, packaging and avoiding food waste, and for steps to promote sustainable food consumption.</p>	<p>The Farm to Fork (F2F) Strategy²⁶ and its implementation will enable the transition to a sustainable EU food system that safeguards food security and ensures access to healthy diets sourced from a healthy planet. In the context of the F2F strategy, a legislative framework for sustainable food systems will also be developed. This framework will promote policy coherence at EU and national level, mainstream sustainability in all food-related policies and strengthen the resilience of food systems. The framework aims to establish new foundations for future food policies by introducing sustainability definitions, objectives and principles.</p> <p>The Commission is committed to the global target of halving per capita food waste at retail and consumer levels by 2030. Using the new EU methodology for measuring food waste and the data expected from Member States in 2022, it will set a baseline and propose legally binding targets to reduce food waste across the EU.</p> <p>Food loss and waste prevention is also integrated in other policies such as the Circular Economy Action Plan – one of the main building blocks of the European Green Deal. Taking into account findings from consumer research, the Commission will propose the revision of EU rules on date marking in order to avoid food waste linked to the misunderstanding and/or misuse of ‘best before’ and ‘use by’ dates.</p> <p>The transition to a more sustainable food system with less food waste, more resource efficient</p>

²⁶ https://food.ec.europa.eu/horizontal-topics/farm-fork-strategy_en

	<p>processing, place-based and sustainable production systems can make an important contribution to the much needed ecological transition, in line with the objectives of Food 2030²⁷. Similarly changing consumption patterns could play an important role in the green transition e.g. by making more land available for the production of ecosystem services (e.g. carbon sequestration, biodiversity).</p>
<p>58. The CoR stresses that the REPowerEU plan presented by the European Commission, which relates to increasing energy savings, diversifying supplies, stepping up development of renewables, reducing fossil fuel consumption and smart investments, should provide for financial support for local and regional authorities to implement it, as well as the allocation of existing or new EU funding for this purpose [...]</p>	<p>The Commission acknowledges the challenge to address the huge amount of funding and financing that has to be mobilised to perform the transition. The EU’s multiannual financial framework and the recovery package total at € 1.8 trillion, around 35% of which is earmarked for green-climate relevant spending. This is the largest package ever financed through the EU budget. More specifically:</p> <ul style="list-style-type: none"> – for decades, Cohesion funds have largely contributed to energy and climate action at regional and local level. For 2021-2027, the total envelope is € 372 billion. Local and regional authorities are prime recipients of such funds. A growing share of these funds go to green objectives; – a significant part of the € 672,5 billion (of which € 312.5 billion in grants) of the Recovery and Resilience Facility will also directly benefit local authorities; – fairness is built into the European Green Deal and the Modernisation Fund supports 10 lower-income EU Member States in their transition to climate neutrality by helping to modernise their energy systems and improve energy efficiency; – the new Horizon Europe Cities Mission aims to deliver at least 100 climate-neutral and smart cities in Europe by 2030, with around € 360 million for the period 2021-2023; – the LIFE programme has a new ‘clean energy

²⁷ https://research-and-innovation.ec.europa.eu/research-area/environment/bioeconomy/food-systems/food-2030_en

	<p>transition’ programme that cities can access directly. It also expands the successful EU City Facility, which will allow further grants for small cities to turn project ideas into investment concepts for building renovation and other energy transition purposes;</p> <ul style="list-style-type: none"> – the Commission also helps cities unlock private financing, with tools such as ELENA, that can assist with project development in energy efficiency, or the Smart City Marketplace, which does matchmaking between city projects and private investors.
<p>60. The CoR calls for public aid rules to be streamlined, including support for solutions in the area of funding and maintenance of systems essential for waste management, in particular the establishment of opportunities for funding by local and regional authorities to operate these systems, as well as support for crisis management and support for economic operators, including micro-enterprises.</p> <p>65. The CoR calls for European competition law to be made more flexible, particularly with regard to State aid, as it does not take sufficient account of the nature of competition faced by European businesses in third countries where the same rules are not respected.</p>	<p>It is the objective of State aid rules to ensure a level playing field on the market and equal opportunities for all market participants carrying out economic activities in the waste management sector, by avoiding distortions of competition, between any types of undertakings, large, medium, small or micro-enterprises and adverse effects on trade between Member States, irrespective of the source of public funding (national, regional or local), in the interest of all users of waste management services and in the interest of taxpayers.</p> <p>Competition policy and state aid control in particular, have contributed to preserving well-functioning markets, while addressing relevant market failures, thus contributing to the resilience of the Single Market. The general adequacy of the rules has recently been validated in the context of a Fitness Check. State aid rules also proved to be sufficiently flexible to address crisis moments like COVID-19 or Russia’s invasion of Ukraine.</p> <p>Regular reviews remain necessary, and the Commission is currently pursuing a review of competition policy tools to make sure all competition instruments remain fit for purpose. However, it is not by weakening the State aid rules that the level playing field will be restored, as that would negatively affect the Single Market and cohesion. Rather, to ensure fair competition</p>

on the global stage, the Commission proposed a new regulation to address distortive effects of foreign subsidies in the Single Market where the co-legislators reached a political agreement on 30 June 2022. The Foreign Subsidies Regulation²⁸ aims at filling a regulatory gap whereby subsidies granted by non-EU governments go currently unchecked, while subsidies granted by Member States are subject to close scrutiny. It proposes new tools to effectively tackle foreign subsidies that cause distortions and undermine the level playing field in the internal market complementing existing trade policy tools.

²⁸ https://competition-policy.ec.europa.eu/international/foreign-subsidies_en

N°4 Making ETS and CBAM work for EU cities and regions
COM(2021) 551 final
COM(2021) 552 final
COM(2021) 564 final
COM(2021) 571 final
COR-2021-04546 – ENVE-VII/021
149th plenary session – April 2022
Rapporteur: Peter KURZ (DE/PES)
**DG CLIMA/ DG TAXUD – Executive Vice-President TIMMERMANS/
 Commissioner GENTILONI**

Points of the European Committee of the Regions opinion considered essential	European Commission position
<p><i>Summary box:</i></p> <p>The European Committee of the Regions (CoR) calls for the Modernisation Fund to be opened to NUTS 3 regions in Member States with clear internal imbalances, in order to boost the revitalisation and modernisation of the energy sector.</p> <p>(Amendments 5, 8, 16, 17 and 19)</p>	<p>The Commission would like to clarify that opening the eligibility of the Modernisation Fund to regions in Member States beyond those already eligible for the Fund would pose considerable implementation difficulties and challenge the aim of the Fund to modernise the energy systems of entire Member States to facilitate their transition to climate neutrality. It would divert scarce financial resources away from the eligible low-income Member States. The Commission would like to flag that there are other instruments, such as cohesion policy or the Just Transition Fund, which can address internal imbalances between regions.</p>
<p><i>Summary box:</i></p> <p>The CoR calls for the 20% of ETS auction revenues to be directly managed by local and regional authorities.</p> <p>(Amendments 10, 17 and 21, and policy recommendations point 11)</p>	<p>The Commission agrees that local and regional authorities have a key role to play in fighting climate change, as key measures to tackle it fall within their remit. The Emissions Trading System (ETS) Directive¹ allows Member States to determine the use of their auction revenues, including a decentralised use to reinforce the role of local and regional authorities depending on their legal and administrative framework.</p>

¹ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC; OJ L 275, 25.10.2003, p. 32–46.

<p><i>Summary box:</i></p> <p>The CoR underlines that the whole of the Modernisation Fund should be directed to priority investments that support the EU's climate ambitions.</p> <p>(Amendment 8 and 20, and policy recommendations point 10)</p>	<p>The Commission welcomes the emphasis on priority investments but nevertheless would like to underline the role of non-priority investments as transitional measures on the path to climate neutrality.</p>
<p><i>Summary box:</i></p> <p>The CoR stresses that the Innovation Fund should also be open to proven technologies, circularity measures and processes that can greatly support reaching the EU's climate targets.</p> <p>(Amendment 7, 12 and 18, and policy recommendations point 15)</p>	<p>The Commission would like to clarify that broadening the scope of the Innovation Fund to include non-innovative technologies would considerably alter its nature and focus, would lead to a fast depletion of its resources and would crowd out investments that would anyhow happen on the path to delivering the Fit for 55 package. It is important to note, however, that circularity projects are eligible in the Innovation Fund, provided they demonstrate greenhouse gas (GHG) emissions reductions.</p>
<p><i>Summary box:</i></p> <p>The CoR welcomes the CBAM as a means to stimulate global climate action and to tackle carbon leakage from the five industry sectors concerned and supports the phase-out of free ETS allocation.</p> <p>(Amendment 23 and policy recommendations point 14)</p>	<p>The Commission welcomes the Committee's support for the introduction of Carbon Border Adjustment Mechanism (CBAM) and the gradual phase-out of free allocation, which the Commission agrees should be carried out in an efficient and timely manner. The phase-out is to be dealt with as part of the EU ETS review.</p>
<p><i>Summary box:</i></p> <p>The CoR believes that in order to cope with technological, regulatory and market change, the CBAM should be dynamic and its sectoral scope and emission coverage should be regularly reviewed, taking into account the local and regional impact of the mechanism.</p> <p>(Policy recommendations point 18)</p>	<p>The Commission shares the Committee's views that the CBAM scope should be dynamic and underlines that the legislative proposal provides for a number of CBAM reviews in view of potential scope extensions (e.g. to include indirect emissions or additional goods).</p>
<p>II. Policy Recommendations</p> <p><i>11. The CoR calls for the inclusion of local and regional authorities within the distribution of</i></p>	<p>Revenues raised through auctioning a dedicated amount of allowances will feed the 'innovation</p>

<p><i>ETS revenues. The role played by local and regional authorities in the implementation of climate mitigation and adaptation policies is very significant. Europe's regions and cities are major innovators and drivers of societal change, and they should be enabled to contribute to the green transition in a more significant way; underlines this especially for the new ETS II.</i></p>	<p>fund', which will mainly reward companies' most innovative projects. In terms of positive spill over from environmental and economic angles, this will benefit local and regional communities where innovation fund beneficiaries are based.</p> <p>The ETS Directive allows Member States to determine the use of their auction revenues, including a decentralised use to reinforce the role of local and regional authorities depending on their legal and administrative framework.</p>
<p>II. Policy Recommendations</p> <p>13. The CoR regrets that the Commission proposal does not take into account the real risk of carbon leakage that will occur in global maritime traffic towards ports of neighbouring third countries that are close to European ports. This leakage will have harmful consequences for port activities and, consequently, the associated logistical chains of the Member States, including job losses, distortions of the market and free competition, loss of connectivity among European ports, and the industry's overall competitiveness. This situation would also affect the principle of European strategic autonomy and the security and control of logistics and supply of goods coming from/to the EU as it would encourage the transshipment of goods in ports of third countries with logistical and economic priorities and interests that are not necessarily aligned with those of the EU.</p> <p>(Amendments 4, 14 and 15)</p>	<p>The Commission's impact assessment shows that the risk of evasion is a complex issue that depends on many factors including port location, proximity to primary routes, cities and ports, berth availability, draft constraints, transit time, cost or service quality. The Commission's proposal includes a number of elements that contribute to reducing the risk of evasion. First, it will not be possible for a ship to organise fake or ghost port calls as the system will only consider the stops where a ship actually loaded or unloaded cargo or passengers. In addition, only half of the emissions from extra-EU voyages will be accounted in the ETS, whether incoming voyages or outgoing ones. This will make evasive practices less profitable from an economic point of view and reduce the risk of evasion. Finally, the Commission will proactively monitor evasive trends and will propose measures as soon as such trends are detected.</p>
<p>II. Policy Recommendations</p> <p><i>15. The CoR underlines the particular importance of an enhanced Innovation Fund that supports the necessary transition to climate neutrality of the energy-intensive industries covered by the EU ETS and CBAM in the EU's regions, by supporting the development of innovative, climate-neutral</i></p>	<p>The Innovation Fund indeed plays a crucial role in scaling up innovative technologies needed for the transition.</p> <p>In addition, the EU finances a number of policies also supporting investments needed for the transition to a climate-neutral economy. Part of the Recovery and Resilience Facility (at least 37%), for instance, will support the green</p>

<p><i>products such as green steel; stresses that the main obstacles to decarbonisation is not only a lack of technological innovation and thus suggests the extension of the scope to measures with high abatement potential in non-technological areas such as creative and innovative collaboration methods, professional training and circularity, which are disadvantaged by ETS incentives focused on industrial output.</i></p>	<p>transition. The ‘Investment Plan’ and the ‘Just Transition Mechanism’ will also contribute to address the transition needs for investment, including in the most affected areas or sectors.</p>
<p>II. Policy recommendations</p> <p>16. The CoR notes that it is also essential to improve the regulatory and monitoring mechanisms in order to avoid CO2 price speculation, which can have a significant impact on both energy prices and on the sectors affected.</p> <p>(Same text for policy recommendations point 19)</p>	<p>The Commission has asked the European Securities and Markets Authority (ESMA) to analyse the trading in the carbon market. Both the preliminary findings² and the final report³ confirmed that the EU carbon market functions in an orderly manner, comparable to other financial markets, and that the relevant market authorities have detected no specific cases of market manipulation.</p> <p>Moreover, ESMA’s final report found that market participants that are generally associated with speculative behaviour are only active in the market to a limited extent (below 8% of market positions). This was also confirmed by the report by the European Central Bank (ECB)⁴ that concurs that the price increase in the ETS is driven by market fundamentals and that the role of speculation remains limited.</p> <p>ESMA’s report also listed a number of policy recommendations, which mainly aim to increase the transparency of the market, and which the Commission services are currently assessing.</p>
<p>II. Policy Recommendations</p>	<p>The ‘Fit for 55’ package supports innovation</p>

² ESMA (18 November 2021) Preliminary report Emission Allowances and derivatives thereof: <https://www.esma.europa.eu/press-news/esma-news/esma-publishes-its-preliminary-report-eu-carbon-market>.

³ ESMA (28 March 2022) Final report on the EU carbon market: <https://www.esma.europa.eu/press-news/esma-news/esma-publishes-its-final-report-eu-carbon-market>.

⁴ https://www.ecb.europa.eu/pub/economic-bulletin/focus/2022/html/ecb.ebbox202203_06~ca1e9ea13e.en.html.

<p>17. <i>The CoR welcomes the fact that the revenues generated by the reformed ETS are to be directed towards financing climate neutrally action (e.g. to increase the financing of the Innovation Fund, the Modernisation Fund and the Social Climate Fund and to accelerate the uptake of renewable energy, energy efficiency and circularity), and not be used to feed the general EU budget as a whole; insists that <u>the same approach be adopted for the revenues generated by the CBAM.</u></i></p>	<p>towards a less carbon intensive industry in the EU.</p> <p>As agreed in the Interinstitutional agreement⁵ (of 16 December 2020), the Commission has proposed new own resources for the EU budget both in relation to ETS and CBAM. The Commission proposes that most revenues generated by CBAM (75%) and a part of the revenues generated through auctioning of ETS allowances (25%) should finance the EU budget as general own resources.</p> <p>Consistently with the universality principle, corresponding revenues cannot be earmarked for specific expenditure for the part that will become an own resource of the EU budget.</p> <p>However, the general EU budget <i>inter alia</i> will finance a number of policies supporting investments, both in the EU and in third countries, needed for the transition to a climate-neutral, green, competitive and inclusive economy. The proceeds from the EU ETS will also finance the general EU budget, crucially including the proposed Social Climate Fund, to be established to address the social impacts of the new emissions trading system for road transport and buildings.</p>
<p>II. Policy Recommendations</p> <p>18. <i>The CoR believes that in order to cope with technological, regulatory and market change, the CBAM should be dynamic and its sectoral scope and emission coverage should be regularly reviewed, taking into account the local and regional impact of the mechanism; stands ready to support the assessment of the territorial impacts of CBAM.</i></p>	<p>The Commission proposal already covers this aspect in Article 30 (<i>Review and reporting by the Commission</i>). Each review shall involve an assessment of the impact of CBAM, accompanied if appropriate by a legislative proposal with a view to adjust its scope of application.</p>

⁵ 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.

N°5 The implementation of green budgets at local and regional levels
Council Presidency referral
COR-2020-00105 – ENVE-VII/028
150st plenary session – June 2022
Rapporteur: Vincent CHAUVET (FR/RENEW E.)
DG ECFIN – Commissioner GENTILONI

Points of the European Committee of the Regions opinion considered essential	European Commission position
<p>3. The Committee of the Regions (CoR) calls on the European Commission and the Member States to support the strong involvement of regions and cities in assessing whether budget items align with climate and environmental objectives, and in providing harmonised definitions, classifications and guidelines on how to apply them to specific actions;</p>	<p>The Commission has been actively engaging in the development of green budgeting methodologies. It has done so through 1) the development of a climate tracking methodology to be applied to the EU budget and also through, 2) the development of a Green Budgeting Reference Framework in support of the green budgeting practices of the Member States:</p> <p>1) the Commission has recently published a Staff Working Document on Climate mainstreaming¹, where it lays down its own methodology to track climate expenditures in the EU budget, including in the cohesion and regional funds. The Staff Working Document highlights the increased coherence of the approach followed by the Commission, thanks to the harmonised classification set out in Annex I;</p> <p>2) in addition, to help Member States develop their own green budgeting methodology, including for climate tracking, the Commission provides a guiding toolkit, under the Green Budgeting Reference Framework² (GBRF). This toolkit is not a one-size-fits-all model and therefore could be extended to local/regional levels. The framework aims to bring some convergence of approaches across Member States. For example, for a country starting from scratch, the framework would help answer some operational</p>

¹ SWD(2022) 225 final
https://ec.europa.eu/info/sites/default/files/about_the_european_commission/eu_budget/swd_2022_225_climate_mainstreaming_architecture_2021-2027.pdf).

² [european_commission_green_budgeting_reference_framework.pdf \(europa.eu\)](https://ec.europa.eu/info/sites/default/files/european_commission_green_budgeting_reference_framework.pdf)

	<p>questions, such as: Where to start from? What steps to take first? What element of the budget to include? It also covers aspects on the governance, transparency and accountability of the process. For countries that already have a national green budgeting framework in place, the GBRF provides orientations to develop them further. The various ways of structuring and presenting the national/regional/local budgets and the ‘green’ targets at national/local levels differ in many respects as they are tailored to the specific circumstances of the territory. As a result, it would be difficult to develop a single definition/classification that would fit all the budgets.</p>
<p>4. The CoR reiterates that the recovery and resilience funds are not yet reaching the regional or local levels of governance, where the implementation takes place. This is a real challenge, considering that according to the OECD, subnational governments account for 55% of public spending and 64% of public investment related to climate and the environment;</p>	<p>The involvement of local authorities is crucial for having a successful implementation of the recovery and resilience plans. For instance, Member States have an obligation to ensure close cooperation with regional levels to achieve the objectives of the Recovery and Resilience Facility (RRF) and the Commission will pay close attention to this.</p> <p>However, the RRF Regulation³ does not include an obligation for Member States to define whether there should be a certain amount of funds to be managed by the regions rather than by the central government. Under the RRF Regulation, the direct beneficiaries of any payments by the Commission are the Member States. The involvement of different levels of government therefore depends on the type of measures envisaged in each Recovery and Resilience plan, and on the constitutional, legal and administrative arrangements in each Member State.</p> <p>It is also important to note that RRF implementation is still in relatively early stages, and ongoing.</p>

³ 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>5. The CoR notes that in May 2021 the European Commission roughly defined a 'green budget' as a 'budgetary process whereby the environmental contributions of budgetary items are identified and assessed with respect to specific performance indicators, with the objective of better aligning budgetary policies with environmental goals' ;</p> <p>11. The CoR stresses the importance of defining 'green budget objectives' at local and regional level, in accordance with the climate and sustainable targets defined in sectoral plans (e.g.: regional energy plans, SECAPs, sustainable mobility plans, etc.);</p> <p>33. The CoR recognises that green budgets are powerful economic tools for transforming societies and economies and improving equality. On the other hand, warns that green budgeting needs to be reconciled with social objectives in order to ensure that no one is left behind;</p>	<p>The Commission considers that 'green budgeting' is the correct term, rather than 'green budget'.</p>
<p>6. The CoR warns, however, that a single, clear definition of green budgeting and the underlying process should be provided, in order to be able to evaluate the environmental/climate impact of public budgets as a whole, or of specific parts of them, reflecting that green budgeting is also an approach to decision-making;</p>	<p>As in point 3, due to different ways of structuring and presenting the national/regional/local budgets, as well as different 'green' targets in national and local levels, providing a single, clear definition and the underlying process would not be compatible with the variety of national and subnational budgeting practices and institutional frameworks. Therefore, the Commission provides a guiding toolkit, under the Green Budgeting Reference Framework, that helps Member States with developing such practices. Rather than imposing a one-size-fits-all methodology, this toolkit provides flexible guidance.</p>
<p>8. The CoR calls on the European Commission and the Member States to take this approach further and propose green budgetary process guidelines and a methodology framework for</p>	<p>The Commission has already developed a guiding toolkit in cooperation with Member States.</p> <p>This can be used as a basis to develop a framework for local and regional authorities,</p>

<p>local and regional authorities, based on existing proposals for subnational governments⁴, whereby the environmental contributions of budgetary items are identified and assessed against specific environmental performance indicators, with the objective of better aligning local and national budgetary policies with environmental goals;</p>	<p>depending on the corresponding national institutional framework.</p>
<p>10. The CoR invites the European Commission at the same time to reconsider going beyond a methodology framework on green budgeting, including a proposal for a legal framework;</p>	<p>The Commission reflects, in the framework of the Economic Governance Review⁵, on how to support the success of the green and digital transition.</p>
<p>13. The CoR highlights the fact that climate change has an economic impact. These environmental costs (a negative externality) are higher than previously believed, however companies and organisations can improve their economic situation by reducing this negative externality, and consequently the fiscal impact. Companies and organisations can reduce or eliminate environmental taxes by complying with climate legislation, and thus the latter should also be considered an economic opportunity;</p>	<p>The European Green Deal⁶ acknowledges the crucial role of taxation in the transition to a greener and more sustainable economy. As an instrument to internalise negative externalities, it can encourage changes in consumer and business behaviour, and help boost sustainable public and private investment. Ensuring that taxation is aligned with climate and environmental objectives is important.</p>
<p>14. The CoR believes that green budgeting developed at local and regional level should focus on expenditure and revenue measures, and in particular on monitoring budgetary documents with expenditure allocations. However, to make the assessment more accessible, it should only be possible to assess the expenditures (as a first step). Revenues and tax expenditures could be assessed in a second step, as recommend by the EU green budgeting reference framework (GBRF);</p>	<p>Another element of importance is ‘tax expenditures’, in addition to expenditure and revenue measures, as often they count for a large part of the environmentally unfavourable budget measures.</p> <p>The Commission is ready to exchange opinions and best practices in developing new methodologies used to monitoring green expenditure.</p>
<p>16. The CoR believes in the need to produce a</p>	<p>The Commission works with the Member States</p>

⁴ The Institute for Climate Economics and the OECD Centre for Regions and Cities have already or are in the process of developing climate assessment procedures for budgets or specific guidelines targeted at LRAs.

⁵ https://economy-finance.ec.europa.eu/economic-and-fiscal-governance/economic-governance-review_en

⁶ COM(2019) 640 final.

<p>list of budgetary items for local and regional green budgeting that have specific net environmental impacts that could be broadly considered 'green', as well as a list of items with net impacts that could be broadly considered 'brown' or 'neutral'. The list should be integrated into the guidelines and tools on green budgeting for local and regional authorities who are willing either to implement green budgeting or upgrade their current practices. In this light, welcomes the European Commission and the OECD's efforts in making this a reality;</p>	<p>and has developed a guiding toolkit. Member States can use this as a basis to develop a framework for their local and regional authorities, depending on the corresponding national institutional framework. Due to different ways of structuring and presenting the national/regional/local budgets, as well as different 'green' targets in national and local levels, providing a single list of green/brown budget items would not be compatible with the variety of national and subnational budgeting practices and green targets.</p>
<p>18. The CoR considers the 'do not significantly harm' principle to be a driver for encouraging local and regional authorities to adopt green budgeting methodology;</p>	<p>The Commission would like to note that the appropriate terminology is 'do no significant harm'.</p>
<p>20. The CoR asks for the creation of a cross-authority cooperation platform, across national but also municipal borders, aimed at the exchange of best practices and capacity-building initiatives to aid local and regional authorities in greening their budget. The training should guide the LRAs through practical applications, assess existing practices, and tackle specific challenges in greening public finances;</p>	<p>The Green Budgeting Framework Training Programme⁷ provides capacity building support to Member States at national level through the Technical Support Instrument (TSI)⁸, as a response to requests for support submitted by Member State authorities. Currently 23 Member States participate in the Training Programme. Local and regional authorities can also apply for similar support.</p>
<p>21. The CoR calls on the European Commission and the Member States to enlarge access to technical support initiatives for green budgeting, which are currently mostly available at national level; stands in that regard ready to introduce, in cooperation with the European Commission, the OECD, the I4CE and other relevant actors, obligatory training on green budgeting for CoR members, as a first step towards raising awareness and transmitting relevant know how on the application of this budgeting approach;</p>	<p>Sub-national authorities are eligible to request technical support – in a multi-regional/country context or separately, through respective national coordinating authorities for the Technical Support Instrument (TSI). The TSI responds to demand, which would not be compatible with the proposal of an obligatory training.</p>

⁷ https://reform-support.ec.europa.eu/revenue-administration-and-public-financial-management/supporting-implementation-green-budgeting-practices-among-eu-member-states_en

⁸ https://ec.europa.eu/info/funding-tenders/find-funding/eu-funding-programmes/technical-support-instrument/technical-support-instrument-tsi_en#aboutthesrsp

<p>23. The CoR underlines that in addition to the budgetary assessment, LRAs need sufficient funding through a strengthened access to programmes and support for the development of bankable projects (including smaller-scale projects), aggregating small-scale projects with a view to creating the needed economies of scale;</p>	<p>The EU budget offers significant resources to enable the green transition in the regions and local authorities. For instance, through the Regional Funds and the Common Agricultural Policy (CAP), the EU budget supports the transition across the priorities established in the different Operational Programmes and CAP Strategic Plans.</p>
<p>24. The CoR reiterates that mobilising private sources of financing will be crucial; LRAs will need an enhanced administrative capacity in order to overcome a weak engineering capacity due to their size and available resources;</p>	<p>1.The EU budget gives an important role to mobilising private resources through the new programme InvestEU. Building on the success of the European Fund for Strategic Investments (EFSI) programme, InvestEU further aims to enable the green transition through its 30% climate target.</p>
<p>25. The CoR stresses the great potential of the methodology used in green budget exercises to assess the projects and the possibility for projects to be funded by issuing green bonds to accelerate low-carbon investment and enhance investor support, and act as a key tool in tackling climate change and implementing the Paris agreement. Initiatives like the Global Green Bond Partnership (GGBP) support the efforts of sub-national entities such as cities, states and regions, corporations and private companies, and financial institutions to accelerate the issuance of green bonds;</p>	<p>The Commission is ready to exchange opinions and best practices in the future projects of issuing green bonds by the local and regional authorities and concerning development of methodologies that would be used for this purpose.</p>
<p>26. The CoR calls on the European Commission and the Member States to exempt "green" investment from the regional public deficit calculation and from the debt limit "golden rules", thus increasing green investment in order to achieve the EU's ambitious targets and to cut CO₂ emissions;</p>	<p>The Commission reflects, in the framework of the Economic Governance Review, on how to incentivise the public and private investments necessary for the success of the green and digital transition while ensuring fiscal sustainability.</p>
<p>28. The CoR calls on the European Commission and the Member States to define a certificate for green budgeting in compliance with the requirements of taxonomy, to the degree</p>	<p>Green budgeting is not a one-size-fits-all process and model, as stated under point 3 and 6. Therefore, the Commission chose to establish, together with Member States, a toolkit that would serve as guidance for developing national green</p>

<p>applicable, for refinanced projects;</p>	<p>budgeting frameworks (GBFs) This toolkit allows flexibility to adapt green budgeting principles to the national institutional frameworks, which are quite different across Member States. In addition, there are differences in structuring and presenting the national/regional/local budgets, as well as different ‘green’ targets at national and local levels. It would on that basis be difficult to develop a certificate. Furthermore, green budgeting processes and the Climate Bonds Initiative are not necessarily linked to each other. The Green Budgeting Reference Framework does not aim to define a certificate for green budgeting/green projects in compliance with the requirements of taxonomy, but rather a flexible guidance tool. Also, green budgeting goes beyond climate aspects, covering several other environmental aspects (e.g., biodiversity, pollution etc.) and covers other than investment projects budget items.</p>
<p>29. The CoR calls for significant improvements to the taxonomy by considerably lowering the number of workers in companies subject to it, and welcomes the inclusion of nuclear energy in the taxonomy as a green investment;</p>	<p>The EU taxonomy is a classification system, establishing a list of environmentally sustainable economic activities. It is an activity-based system that provides a framework to guide private investment to activities that are needed to achieve climate neutrality. The objective is to step up the transition. It is therefore not the case that workers or companies are ‘subject to’ the taxonomy.</p>
<p>31. The CoR calls for regular external audits of the green budgeting methodologies, and in particular of the underlying hypothesis used to classify expenditure and revenue in order to ensure accountability and to ultimately enhance public trust in the process;</p>	<p>The green budget methodology applied by the Commission in the framework of the EU budget is subject to updates and revision during each Multiannual Financial Framework (MFF) period. This is to ensure proper reflection of the policies pursued while ensuring proper continuity within the 7 years.</p> <p>The methodology that is used is subject to regular revisions and updates. The European Court of auditors (ECA) has performed a number of audits related to these questions over the past years. In these procedures, the Commission was cooperating closely with the ECA. Based on the</p>

	<p>outcomes of the audits and in light of new evidence in the field, the Commission has been regularly updating and revising its methodology.</p>
<p>34. The CoR affirms that cities and regions have a key role to play in achieving a low-emission, inclusive transition and stresses that climate action must become a prioritised municipal task. Some of the cities' common concerns relate to how climate change may affect spatial planning, segregation and urban development, human health, and economic stratification. Investments in low-emission urban infrastructure can have positive impacts on low-income and vulnerable populations; this is why local and regional authorities cannot be left alone in their efforts to make the green transition. Both Member States and the EU have a responsibility to support these efforts;</p>	<p>The Commission agrees that cities and regions have a key role to play in achieving a low-emission, inclusive transition. They are also crucial actors to help address climate adaptation, urban transport and mobility, as well as biodiversity concerns.</p> <p>A significant portion of the EU budget, in particular the Regional Funds and the Common Agricultural Policy programmes are dedicated to climate action. In addition to this, at least 37% of the Recovery and Resilience Facility funds have to be spent on climate measures. Many of the measures that Members States included in their Recovery and Resilience Plans support climate measures in cities.</p>
<p>35. The CoR considers that redistribution is key to leaving no one behind, since the cost of GHG-intensive goods and services (heating and air-conditioning, house rent, transport) will sharply increase due to mitigation policies. In countries where those goods and services are disproportionately consumed by low-income households, mitigation policies will increase inequalities through the expenditure side. To avoid social inequality, the "polluter pays" principle must be more strictly applied. Redistribution must therefore be designed in such a way as to reward those who behave in a climate-friendly manner. Climate action is the responsibility of the whole of society. The EU budget and the various EU funds should take into account the socioeconomic differences of countries and regions, and the effects that climate change and the policies to combat it have on territorial and social inequality, so that the green transition is as just and inclusive as possible.</p>	<p>The Multiannual Financial Framework (MFF) 2021 – 2027 includes a new instrument to address the social aspects of the green transition. The Just Transition Mechanism⁹ has been proposed as part of the European Green Deal investment plan to make sure that no one and no region is left behind in the transition to a climate-neutral economy. The primary goal of the mechanism is to provide support to the most negatively affected regions and people and to help alleviate the socio-economic costs of the transition.</p>

⁹ https://ec.europa.eu/commission/presscorner/detail/en/ip_20_930

<p>N°6 European Data Act COM(2022) 68 final COR-2022-01959 – ECON-VII/024 150th plenary session – June 2022 Rapporteur: Anne KARJALAINEN (FI/PES) DG CNECT – Commissioner BRETON</p>	
<p>Points of the European Committee of the Regions opinion considered essential</p>	<p>European Commission position</p>
<p>As stated in Amendment 1 and 3, referring to Recital 57 and Article 2 (10) of the proposal, respectively, the Committee of the Regions recommends that the existence of a public emergency is determined <i>“jointly with the EU/EEA Member States and more specifically in the Member States, meaning that, in the event of a data request, the emergency is determined in accordance with the law of the Member State whose public sector body is requesting the data.”</i></p>	<p>The proposal for a Data Act provides that the existence of a public emergency is determined according to the respective procedures in the Member States or of relevant international organisations (recital 57). The Commission takes note of the principle proposed by the Committee.</p>
<p>As stated in Amendment 2, referring to a new recital after recital 61 of the proposal, the Committee recommends adding <i>“For the purposes of this Regulation, public access to official documents and the resulting national law shall be taken into account.”</i></p> <p>In Amendment 12, referring to a new Article after Article 19 of the proposal, the Committee recommends that <i>“The obligation under a Member State's national law to disclose an authority's official documents or not to disclose them pursuant to national confidentiality provisions shall apply to data requests and data under this Regulation.”</i></p>	<p>The Commission welcomes the Committee’s position as a contribution to the ongoing discussion on the interplay between national law on access to official documents and the obligation on private enterprise to provide potentially sensitive information.</p> <p>The Commission maintains that the Data Act should not affect or modify legislation related to public access to official documents, which is in most cases a national competence. National rules concerning the disclosure of an authority’s official documents, including the relevant safeguards, shall apply, and ‘Open Data Directive’¹ does not apply to data that is made available in response to a request by a public sector body (recital 62, Article 17(3) of the proposal for the Data Act).</p>
<p>As stated in Amendment 4, referring to a new</p>	<p>The proposal for the Data Act provides a limited,</p>

¹ Directive (EU) 2019/1024 of the European Parliament and of the Council of 20 June 2019 on open data and the re-use of public sector information (recast); OJ L 172, 26.6.2019, p. 56–83.

<p>paragraph in Article 2 of the proposal, the Committee recommends adding a definition for ‘services of general interest’ because “<i>the Regulation should include provisions on the obligation to share data in the public interest prior to a public emergency.</i>”</p>	<p>ad-hoc and targeted mechanism for exceptional need to use data, including to prevent a public emergency (Article 15(b)). The proposal for the Data Act does not change the capacity for Member States to legislate on (new) reporting obligations or to procure data. As such, the Commission does not see the need to add this definition.</p>
<p>As stated in Amendment 5, referring to Article 14(2) of the proposal, the Committee recommends that small and micro enterprises are not subject to the provisions laid out in Chapter V, if “<i>the data to be shared relates to the local level and is to be passed on to local public institutions or be provided for the provision of services of general economic interest in accordance with EU law or national law implementing it.</i>”</p>	<p>In order to limit the burden on businesses, Chapter V of the proposal for the Data Act does not apply to small and micro enterprises. The Commission considers that it would be disproportionately costly for such entities to establish and maintain data management systems in order to comply with the obligations laid out in that Chapter.</p> <p>This does not limit the possibility for public sector bodies to request data from larger private sector entities, nor the setting up of other types of mechanisms to collect data from small and medium-sized enterprises (SMEs) and micro enterprises, such as voluntary arrangements for the exchange of data between private and public entities, and it does not affect obligations to provide data on a regular basis, such as in the case of reporting obligations.</p>
<p>As stated in Amendment 6 and 13, referring to Article 15(c) and Article 20 (new point, 3) of the proposal respectively, the Committee recommends that the Data Act should include, in its Chapter V specific provisions, including regarding compensation, aimed at services of general (economic) interest.</p> <p>In particular, the Committee recommends adding:</p> <p>“3. (new)</p> <p>(a) <i>Where the data holder is an undertaking providing services of general economic interest in accordance with Commission Regulation (EU) No 360/2012, the compensation for</i></p>	<p>The Commission considers that the proposal for the Data Act should not aim to establish or amend State aid rules. Such rules should apply without prejudice to the Data Act provisions.</p> <p>The proposal for the Data Act establishes a specific legal obligation for data holders (which may also include ‘undertakings providing services of general economic interest’) to make data available to public bodies in case of an exceptional need. Data holders are not providing a service <i>per se</i>, nor does the Data Act assign new public tasks to any private body.</p> <p>The Commission therefore proposes to keep the compensation mechanisms for individual, ad hoc</p>

<p><i>making the data available pursuant to Article 15 shall not form part of the compensation for the general economic services.</i></p> <p><i>(b) Where the data holder is an undertaking providing services of general economic interest on the basis of a separate decision pursuant to the Commission Communication on the application of the European Union State aid rules to compensation granted for the provision of services of general economic interest (2012/C 8/02), the compensation for making the data available pursuant to Article 15 must be included in the calculation of the compensation for the services of general economic interest provided by the data holder.”</i></p>	<p>requests for data under Chapter V separate from any compensation such undertakings receive in their capacity as providers of services of general economic interest.</p>
<p>As stated in Amendment 7, referring to Article 17(1)(a) of the proposal, the Committee recommends that the specification of what data are required by a public sector body, or a Union institution, agency or body, is done in accordance with “<i>the Commission’s minimum data requirement for information requests</i>”, which it considers must be specified, also to the benefit of businesses.</p>	<p>The Commission takes notice of the Committee’s view that standardised or minimum data access requests could further streamline business-to-government data sharing. However, it would not be possible for the legislator to encompass all possible situations. The Commission therefore believes that some flexibility is necessary in the legislative text.</p> <p>For this reason, the Commission has proposed a mechanism in Chapter V that caters for cases of exceptional need, and yet is narrowly defined in view of the legitimate rights and interests of the private sector.</p>
<p>As stated in Amendment 8, referring to Article 17(2) of the proposal, the Committee recommends that cross-border requests for data should be made in the language of the EU/EEA Member State in which the data holder is established.</p>	<p>The Commission takes note of the Committee’s view on language requirements, while highlighting that this would increase the burden on the public sector body from a time and cost perspective.</p>
<p>As stated in Amendment 9, the Committee recommends the deletion of Article 17(2)(f) of the proposal because “<i>maintaining a public register for emergency situations may in itself lead to a security risk and increase administrative work.</i>”</p>	<p>In order to increase transparency and allow for the effective application of the ‘once-only principle’, which prevents the same data from being requested more than once by more than one public sector body or Union institution, agency or body, where those data are needed to respond to a public</p>

	<p>emergency (article 18(3)), the Commission proposes in the Data Act that all ‘request[s] for data’ should be made publicly available without undue delay. The online register of requests should only list the requests, and not the data provided. The Commission takes note of the Committee’s recommendation with regard to security risks.</p>
<p>As stated in Amendment 10, referring to Article 18 (1) of the proposal, the Committee recommends that data holders make the data available “<i>no later than 5 working days from the receipt of the request for information</i>”.</p> <p>The Committee also recommends a new paragraph (7), wherein “<i>The data holder shall provide the data in a form that the recipient can understand and that can be read using generic software and, where applicable, in an open format as included in the technical interoperability rules of the existing standards catalogue, either under current EU legislation or that of each EU or EEA Member State.</i>”</p>	<p>The Commission does not consider that setting a strict deadline for complying with data access requests is warranted. The proposed requirement to <i>respond</i> to requests within a certain time period does not mean that the data must be <i>made available</i> within that period, although the public sector body may specify the deadline in its request (Article 17(1)(e)). In addition, there may be situations where the data holder legitimately requests a modification of the request, such as when a request is technically difficult to fulfil quickly.</p> <p>The Commission takes note of the suggestion of the Committee for a new paragraph.</p> <p>Data holders should comply with the request of the public sector body so that no disproportionate effort is necessary in order to process the data and ultimately address the exceptional need. In this context, it is worth noting that the proposal for the Data Act allows for the public sector body to share the data it has obtained with research organisations or statistical bodies if it is not able to perform the scientific or analytical activities itself (Article 21(1) and recital (68)).</p>
<p>As stated in Amendment 11, referring to Article 18(3) of the proposal, the Committee recommends that data holders may only decline or seek modification of the request if the data holder already provided “<i>exactly</i>” the “<i>same</i>” requested data.</p>	<p>The Commission considers that the proposed amendment would potentially hinder the effective application of the ‘once-only principle’ (recital (61)). This would potentially allow the public bodies to claim that, for instance, the same content provided in a slightly different format is not ‘exactly the same’ data, so such formulation could be abused.</p>

<p>As stated in Amendment 14, referring to Article 31(1) of the proposal, the Committee recommends that (competent) authorities are responsible for “<i>implementing</i>” the Regulation and developing “<i>guidelines with best practices, skills</i>” and “<i>codes of conduct for data sharing</i>”. Furthermore, Member States should “<i>involve local and regional authorities</i>” when establishing authorities. In Amendment 15, referring to a new paragraph in Article 31 (3) of the proposal, the Committee recommends that (competent) authorities develop a “<i>code of conduct for data sharing, specifying common objectives and cases where information should be shared in the public interest as well as common datasets to be provided by data holders.</i>”</p>	<p>The Commission shares the Committee’s view that competent authorities have a crucial role in ensuring that the Data Act is uniformly and effectively applied and enforced, and hence require clear rules and tasks. The Commission therefore takes due note of the Committee’s position regarding the expansion of the competent authorities’ tasks, as well as the involvement of local and regional authorities.</p>
<p>In point 8 of the Policy Recommendations section, the Committee “<i>takes note of the Commission's proposal in the Data [Governance] Act to set up a European Data Innovation Board to come up with recommendations for shared use of data and for decisions on standardisation and proposes that a corresponding structure be included in Chapter IX of the current Data Act.</i>”</p>	<p>The Commission takes note of the Committee’s suggestions and recalls that the European Data Innovation Board (EDIB) will already bring together relevant authorities to discuss data related issues (including to assist in the publication of guidelines). Furthermore, the Commission-funded Data Spaces Support Centre will provide support to the EDIB on the more technical aspects of data sharing.</p>
<p>In point 11 of the Policy Recommendations section, the Committee “<i>calls for more clarity on data access, especially in value chains and data ecosystems where smaller actors have been involved in creating datasets, but do not have access to the data they helped generate.</i>”</p>	<p>With the Data Act, more actors, and in particular the smaller ones, will be able to innovate thanks to a reduction of obstacles and a wider access to data. In Chapter II specifically, the proposal for the Data Act clarifies the access and usage rights users of connected Internet of Things (‘IoT’) objects, both consumers and businesses, have as ‘co-generators’ of data.</p> <p>With the proposed measures, the Commission also addresses imbalances in contractual relationships between SMEs, on one hand, and bigger players, on the other, when it comes to data sharing contracts, including in situations where smaller actors have been involved in creating datasets. To further foster a balanced and fair data economy,</p>

	<p>according to Article 34 of the proposal for the Data Act, the Commission will develop and recommend model contractual terms on data access and use.</p> <p>The Data Act is without prejudice to sectoral legislation specifying further requirements, in particular on matters that are not covered by the proposal, such as technical aspects of data access (Article 40).</p>
<p>In point 16 of the Policy Recommendations section, the Committee “<i>points out that while Chapter V of the Data Act allows public sector actors to use data held by businesses in certain situations, it should be clarified, for other chapters of the Regulation, whether local and regional actors have other roles too, such as data user, data holder or data recipient. From this perspective, the definitions in the Data Act should be reviewed.</i>”</p>	<p>As highlighted in the Commission’s reply to Amendment 14, the Commission shares the Committee’s view that local and regional actors have an important role in the data economy. In fact, the proposal for the Data Act benefits local and regional actors in multiple ways.</p> <p>For instance, under Chapter II, if a local or regional actor owns, leases or rents a connected product (e.g. meters, alarm systems, elevators, photocopying machines, cars, etc.), they are considered as ‘users’ of the product. This means that not only can they access and use the data generated by the product themselves, but they can also request the data holder to allow a third party to access and use that data to provide an added value service. A town hall that owns a smart energy product could opt for a cheaper repair and maintenance provider other than the manufacturer of the product itself. Also, depending on the nature of the local and regional actor, Chapter III (which covers business-to-business data sharing relations) may apply.</p>
<p>In point 17 of the Policy Recommendations section, the Committee “<i>calls on the Commission to create a clear framework and the best possible conditions to promote the use of cloud services. Particular attention should be paid to improving the energy efficiency of cloud services, in line with the concept of green coding. ICT costs at local and regional level could be significantly reduced if existing solutions are used on a larger scale and if the</i></p>	<p>The Commission will continue working to create the best possible conditions to promote the use of cloud services. This is possible, in particular, through the removal of obstacles to effective switching (Chapter VI of the proposal for the Data Act), thereby avoiding situations where customers have limited possibilities to change their providers of cloud services, as well as the development of open interoperability specifications and standards</p>

<p><i>expertise of private and public institutions is pooled.”</i></p>	<p>for data processing services (Article 29).</p>
<p>In point 18 of the Policy Recommendations section, the Committee “<i>calls for existing gaps in all four aspects of data interoperability (legal, organisational, semantic and technical) to be closed, in relation to the use of cloud services and cross-border cooperation between private operators and authorities;</i>”</p>	<p>The Commission fully agrees with the Committee on this point: as declared in the European strategy for data of 19 February 2020², proper exploitation of the value of data requires data interoperability.</p> <p>The Data Act contributes to this goal in particular by laying down concrete measures to increase interoperability within and across common European data spaces (Article 28) and the use of cloud services (Articles 26 and 29), as well as to adopt common specifications for technical means, such as application programming interfaces.</p> <p>It is also indeed essential to foster cross-border cooperation not only between the private sector and competent authorities, but also between competent authorities in different Member States (Article 22 and, specifically regarding cloud services, Article 31(3)(h)). The set of tasks and powers for competent authorities defined in the Data Act should reflect these two dimensions. The Commission is also fostering such cooperation by developing the common European data spaces and by establishing the European Data Innovation Board (EDIB).</p>

² COM(2020) 66 final.

N°7 Improving working conditions in platform work
COM(2021) 762 final,
COM(2021) 761 final
COR-2022-00155 – SEDEC-VII/028
150th plenary session – June 2022
Rapporteur: Yonnec POLET (BE/PES)
DG EMPL – Commissioner SCHMIT

Points of the European Committee of the Regions opinion considered essential

European Commission position

AMENDMENT 3, Recital 18

Digital labour platforms differ from other online platforms in that they organise work performed by individuals at the request, one-off or repeated, of the recipient of a service provided by the platform. [...] It **shall apply** to providers of a service for which the organisation of work performed by the individual, such as transport of persons or goods or cleaning, constitutes a necessary and essential component. ***Ancillary services provided as part of the provision of a service whose primary purpose is to exploit or share assets, and which requires the organisation of work performed by individuals should be included in this definition, as long as they are necessary, essential and ordered through the platform.***

AMENDMENT 10, Chapter I, Article 2(2) – Definitions, point 2

The definition of digital labour platforms laid down in paragraph 1, point (1), shall not include providers of a service whose primary purpose is to exploit or share assets. It **shall apply** to providers of a service, **including an ancillary service**, for which the organisation of work performed by the individual constitutes **a necessary and essential component**.

The Commission takes note of the opinion and recalls that the Proposal is currently under discussion by the co-legislators. The Commission is therefore not in a position to accept or reject the amendments proposed and may only point out potential issues related to the amendments proposed.

In order to justify the application of the rules stated in the proposed Directive as well as to avoid over-regulation, the Commission considers it necessary that the organisation of work performed by individuals should constitute a necessary and essential component, and not merely an ancillary component.

AMENDMENT 5, Recital 25

Criteria indicating that a digital labour platform controls the performance of work should be included in the Directive in order to make the legal presumption operational and facilitate the enforcement of workers' rights. Those criteria should be inspired by Union and national case law and take into account national concepts of the employment relationship. The criteria should include concrete elements showing that the digital labour platform, for instance, determines in practice and not merely recommends the working conditions or the remuneration or both, gives instructions on how the work is to be performed or prevents the person performing platform work from developing business contacts with potential clients. In order for it to be effective in practice, *one criterion* should be always fulfilled to trigger the application of the presumption. *This list of criteria can be complemented with additional practices considered to be controlling the performance of work in national legislation, case-law or practice.* [...]

AMENDMENT 12, Chapter II, Article 4 — Legal Presumption, 2

Controlling the performance of work within the meaning of paragraph 1 shall be understood as fulfilling at least **one** of the following:

(a) effectively determining, **or** setting upper limits for the level of remuneration **or the price of a service;**

[...]

d) effectively restricting the freedom, **by prioritising future job offers,** including through sanctions, to organise one's work, in particular the discretion to choose one's

The objective of the presumption is to allow for a simplified procedure and, by doing so, to encourage platforms to adapt their practices and avoid a misclassification of the employment status from the outset.

The Commission believes that the criteria are a well-balanced, comprehensive, and future-proof set of indicators that will facilitate the determination of the existence of a control of the performance of work.

All of the criteria are defined in a manner that is easily understandable, concrete, and operational, without being limited to specific areas.

The criteria are derived from the case law of the higher national courts as well as Court of Justice of the European Union rulings (notably in case Yodel Delivery C-692/19¹).

Following an analysis of the case law, the Commission's proposal stipulates that at least two criteria are fulfilled to trigger the legal presumption. This allows for a balanced approach, covering a large number of people performing platform work and who may be misclassified as self-employed.

Article 153 of the Treaty on the Functioning of the European Union (TFEU) as a legal basis allows the Union to set minimum standards regarding the working conditions of people performing platform work where they are in an employment relationship and thus classified as 'workers'. This is directly derived from Article 153 TFEU and therefore does not need to be referenced in the text.

The Commission considers that the current drafting of the criteria is sufficiently broad to cover elements suggested by the amendments.

¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A62019CO0692>

<p>working hours, work pattern or periods of absence, to accept or to refuse tasks or to use subcontractors or substitutes;</p> <p>(e) effectively restricting the possibility to build a client base, including from among the platform's clients, or to perform work for any third party.</p> <p>This list of conditions can be complemented with additional practices considered to control the performance of work in national legislation, case-law or practice.</p>	
<p>AMENDMENT 6, Recital 32</p> <p>Information on automated monitoring and decision-making systems should also be provided to <i>trade unions</i>, representatives of persons performing platform work and to national <i>and regional</i> labour authorities at their request, in order to enable them to exercise their functions</p> <p>AMENDMENT 9, Chapter I, Article 2 – Definitions, point 1.5</p> <p>‘representatives’ means the workers' <i>trade unions</i> or representatives provided for by national law or practices, or both;</p>	<p>The Commission is aware that in some Member States, it is sub-national authorities that may be responsible for implementing labour legislation.</p> <p>However, the Commission recalls that the administrative organisation is a matter for the Member States, so the proposal does not make any explicit reference in this regard.</p> <p>The proposed Directive does not define the term ‘workers’ organisations’ because its interpretation and the decision as to which organisations are recognised in line with International Labour Organisation (ILO) Convention 135 on Workers’ Representatives depend on the law or practice applicable in the Member State concerned. Thus, no explicit reference to trade unions is made.</p>
<p>AMENDMENT 7, Recital 33</p> <p>Digital labour platforms should be required to disclose the detailed functioning of their automated monitoring and decision-making systems, <i>and</i> algorithms, <i>linked to working conditions</i>. <i>They should not be required to disclose</i> other detailed data that contains commercial secrets or is protected by intellectual property rights.</p> <p>However, the result of <i>these</i> considerations should not be a refusal to provide all the information required by this Directive.</p>	<p>In principle, the Commission does not consider it necessary for platforms to disclose data that contains commercial secrets or is protected by intellectual property rights.</p> <p>However, the Commission’s proposal also clearly states that the result of those considerations should not be a refusal to provide all the information required by the proposed Directive.</p> <p>At the same time, trade secrets and intellectual property rights are of particular significance that must be taken into account.</p> <p>Thus, the Commission’s proposal contains a balanced approach, which at the same time makes</p>

	it clear that the rights of the proposed Directive are not to be contradicted.
<p>AMENDMENT 11, Chapter II, Article 4 — Legal Presumption, point 1</p> <p>[...] The legal presumption shall apply in all relevant administrative and legal proceedings. Competent authorities verifying compliance with or enforcing relevant legislation shall rely on that presumption, <i>while the contractual relationship is assessed and determined at national level.</i></p>	The context and the drafting of the proposal make clear that competent authorities should apply the presumption when assessing and determining the employment status of persons performing platform work.
<p>AMENDMENT 15, Chapter III, Algorithmic management, Article 6 – Transparency on and use of automated monitoring and decision-making systems, point 3</p> <p>Digital labour platforms shall provide the information referred to in paragraph 2 in the form of a document which may be in electronic format. They shall provide that information at the latest on the first working day, as well as in the event of substantial changes and at any time upon the platform workers’ request. The information shall be presented in a concise, transparent, intelligible and easily accessible form, <i>in the official language(s) of the Member State in which the worker performs their work</i>, using clear and plain language.</p> <p>17. The Committee of the Regions (CoR) emphasises the need for digital platforms to provide full information on working conditions and any relevant significant decisions to platform workers in the official language(s) of the Member State in which the worker performs their work, and whenever possible, in the platform worker's language or the most widely</p>	<p>The Commission has decided not to set specific language requirements beyond the criteria of a concise, transparent, intelligible and easily accessible form, using clear and plain language.</p> <p>The information should be conveyed in a language that is understandable to the platform worker, which is implicit in the wording of the proposal.</p>

spoken language of the region;	
<p>AMENDMENT 16</p> <p>Chapter III, Algorithmic management, Article 6 – Transparency on and use of automated monitoring and decision-making systems, point 5</p> <p>5. Digital labour platforms shall not process any personal data concerning platform workers that are not intrinsically connected to and strictly necessary for the performance of the contract between the platform worker and the digital labour platform. In particular they shall not:</p> <p>(a) process any personal data on the emotional or psychological state of the platform worker;</p> <p>(b) process any personal data relating to the health of the platform worker, except in cases referred to in Article 9(2), points (b) to (j) of Regulation (EU) 2016/679;</p> <p>(c) process any personal data in relation to private conversations, including exchanges with platform workers’ representatives;</p> <p>(d) <i>use any data collected to establish or infer membership in or affiliation to a trade union or participation in a trade union activity;</i></p> <p>e) collect any personal data while the platform worker is not offering or performing platform work.</p>	<p>Article 9(1) of General Data Protection Regulation² (GDPR) already prohibits processing of personal data revealing trade union membership, subject to certain exceptions.</p>
<p>AMENDMENT 17</p> <p>Chapter III, Algorithmic management, Article 7 – Human monitoring of automated systems, point 2</p> <p>Without prejudice to Council Directive</p>	<p>The Commission considers the involvement and consultation of workers and their representatives as highly important. Council Directive 89/391/EEC³ contains detailed information and consultation obligations regarding workers and their representatives. Its Article 10 requires the</p>

² Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation). OJ L 119, 4.5.2016, p. 1–88.

³ Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work. OJ L 183, 29.6.1989, p. 1–8.

<p>89/391/EEC and related directives in the field of safety and health at work, digital labour platforms shall:</p> <p>(a) evaluate, <i>involving and consulting workers or through their representatives</i>, the risks of automated monitoring and decision-making systems to the safety and health of platform workers, in particular as regards possible risks of work-related accidents, psychosocial and ergonomic risks;</p> <p>(b) assess, <i>involving and consulting workers or through their representatives</i>, whether the safeguards of those systems are appropriate for the risks identified in view of the specific characteristics of the work environment;</p> <p>(c) introduce, <i>involving and consulting workers or through their representatives</i>, appropriate preventive and protective measures.</p> <p><i>(d) Digital labour platforms shall make the above-mentioned information available to labour authorities, social protection authorities and other authorities responsible for health and safety at work, and to the representatives of persons performing platform work when carrying out their representative duties.</i></p>	<p>employer to provide workers and their representatives with all the necessary information regarding the safety and health risks and protective and preventive measures and activities, and to give workers with specific functions in protecting the safety and health of workers, or workers' representatives with specific responsibility for the safety and health of workers access to the risk assessments referred to in Article 9 of the Directive. Article 11 requires employers to consult workers and/ or their representatives and allow them to take part in discussions on all questions relating to safety and health at work.</p> <p>Additionally, the Commission introduces Article 9 in the proposal, which includes detailed information and consultation rights of platform workers and their representatives regarding decisions likely to lead to the introduction of or substantial changes in the use of automated monitoring and decision-making systems.</p>
<p>AMENDMENT 18</p> <p>Chapter III, Algorithmic management, Article 8 – Human review of significant decisions, point 1</p> <p>Human <i>oversight</i> of significant decisions</p> <p>1. Member States shall ensure that platform workers have the right to obtain an explanation, <i>in the official language(s) of the Member State in which the worker performs their work</i>, from the digital labour platform for any decision supported by an automated decision-making system that significantly affects the platform</p>	<p>The Commission has proposed to use the term ‘review’ instead of ‘oversight’. Article 8 of the proposed Directive grants the right for the platform workers to request the digital labour platform to review the decision and to obtain a substantiated reply within a reasonable period of time.</p> <p>Thus, the term ‘Human review’ is deemed more accurate by the Commission, as it focuses on an ex-post analysis by a human of decisions taken or supported by automated systems that significantly affect working conditions.</p> <p>Moreover, the term ‘human oversight’ would entail legal uncertainty due to terminological</p>

worker's working conditions, as referred to in Article 6(1), point (b). [...]

Digital labour platforms shall ensure that any decision to restrict, suspend or terminate the platform worker's account, any decision affecting and changing the working conditions of the platform worker, such as refusing or changing the remuneration for work performed by the platform worker, any decision on the platform worker's contractual status or any decision with similar effects including restrictions on working time, is not based solely on automated processing. Digital labour platforms shall provide the platform worker with a written statement of the reasons for any decision supported by an automated decision-making system to restrict, suspend or terminate the platform worker's account, any decision to refuse *or change the working conditions of the platform worker, such as* the remuneration for work performed by the platform worker, any decision on the platform worker's contractual status or any decision with similar effects.

Such platforms shall provide the platform worker with the contact details of the contact person designated by the digital labour platform to discuss and clarify the facts, circumstances and reasons that led to the decision.

Digital labour platforms shall provide the platform worker, at his or her request, with the history of the evaluations or ratings provided by the recipients of their services, while guaranteeing their right to be forgotten and to rectification under the General Data Protection Regulation⁴.

overlap with Article 14 of the proposed Artificial Intelligence (AI) Act⁵, which provides for a human oversight requirement for AI systems classified as 'high-risk', including, but not limited to, AI systems used in the area of employment, workers management and access to self-employment.

According to the proposed AI Act, 'high-risk' AI systems should be designed and developed in such a way that natural persons can oversee their functioning, notably by identifying appropriate human oversight measures before the AI systems' placing on the market or putting into service, including measures to be implemented by the users, while operating the high-risk AI system.

Such measures can consist of in-built operational constraints that cannot be overridden by the AI system itself, or be identified by the provider before placing the AI system on the market or putting it into service and appropriate to be implemented by the user.

Hence, the term 'human oversight' under the AI Act is broader, as it could include various measures for overseeing the AI systems' functioning, which could among others enable the provision of explanations and written statements, as well as the examination of significant decisions in the context of platform work.

Article 22 (1) GDPR grants the right to the data subject to not be subject to a decision based solely on automated processing, including profiling, which produces legal effects concerning him or her or similarly significantly affects him or her. For this reason, this right does not need to be explicitly repeated by the proposed Directive.

Article 8 (1) of the proposed Directive grants platform workers the right to obtain an explanation from the digital labour platform for any decision taken or supported by an automated

⁴ Regulation (EU) 2016/679.

⁵ COM(2021) 206 final.

	<p>decision-making system that significantly affects the platform worker’s working conditions.</p> <p>The obligation imposed upon digital labour platforms in Article 8 (1), second subparagraph, to provide the platform worker with a written statement of the reasons on its own initiative and not only on demand shall, also in order to limit the administrative burden placed upon digital labour platforms, be limited to cases which are particularly serious with regard to the platform workers’ rights.</p> <p>The obligation to communicate the contact details of the contact person already follows from the purpose of the provision.</p> <p>The GDPR provides for the right to access (Article 15), right to rectification (Article 16) and right to erasure (‘right to be forgotten’) (Article 17). These rights can be exercised by the platform workers, in their capacity as data subjects, towards the digital labour platforms acting as controllers in the sense of the GDPR, and it is therefore not necessary to repeat them in this proposal.</p> <p>In line with this, recital 30 of the proposed Directive stipulates that ‘In addition to rights and obligations provided in this Directive, rights and obligations provided in Regulation (EU) 2016/679 continue to apply when personal data are processed’.</p>
<p>AMENDMENT 19</p> <p>Chapter III, Algorithmic management, Article 9 — Information and consultation, point 3</p> <p>Where a digital labour platform has more than 50 platform workers in a Member State <i>in line with the scope of Directive 2002/14/EC as laid down in its Article 3(a)</i>, the expenses for the expert shall be borne by the digital labour platform, provided that they are proportionate.</p>	<p>The Commission considers the threshold of 500 platform workers necessary to avoid disproportionate burden for small platforms and start-ups.</p>

<p>15. The Committee of the Regions (CoR) calls on the European Commission to propose a regulatory framework to extend the algorithmic management rights granted to platform workers, both employed and self-employed, to all workers subject to automated monitoring and decision-making systems in the course of their work, including outside platform work;</p>	<p>The Commission recognises that the use of algorithmic management extends beyond the platform economy. However, the use of ‘algorithmic management’ practices on digital labour platforms brings specific challenges.</p> <p>The close connection between algorithmic management and the working conditions in platform work calls for an immediate and dedicated policy response.</p> <p>Additionally, as stated in the Commission Communication accompanying the proposal, the Commission will continue monitoring the situation even beyond platform work and consider further actions if needed⁶.</p>
<p>16. The CoR calls for a system to be made available through labour platforms' digital infrastructure for platform workers to provide feedback on automated monitoring and decision-making systems. This could be a key indicator and component for effectively monitoring automated systems, thus contributing both to quality assurance in terms of fundamental rights protection and to higher job satisfaction;</p>	<p>The Commission believes that the rights it proposes regarding algorithmic management, which include transparency on and use of automated monitoring and decision-making systems, human monitoring of automated systems, human review of significant decisions, and information and consultation, allow to address the challenges posed by algorithmic management to people working through platforms. Such systems could however be introduced on a voluntary basis.</p>
<p>19. The CoR draws attention to the gender dimension of these rules. In particular, women with care responsibilities welcome the flexibility that platform-based work offers in terms of working hours and, in some cases, workplace. Algorithmic management of working hours which, among other things, penalises workers for periods of "low productivity" can hit women hardest;</p>	<p>The Commission is aware of the gender dimension of platform work and the potential discrimination that it may entail. To address this, the Commission has proposed, in addition to the existing EU-acquis on equal treatment, specific rights on algorithmic management in this proposed Directive that shall ensure that platforms monitor the impact of automated monitoring and decision-making systems on working conditions. Additionally, the proposed Directive entails an obligation to provide persons performing platform work with access to a contact person to discuss and to clarify the facts, circumstances and reasons</p>

⁶ COM(2021) 761 final: ‘Better working conditions for a stronger social Europe: harnessing the full benefits of digitalisation for the future of work’.

	<p>having led to an automated decision and to provide a written statement of reasons for specific types of decisions. In addition to that, the proposed Directive includes a right of persons performing platform work to request a review of the decision. These rights are designed to facilitate the prevention of any form of discrimination.</p>
<p>20. The CoR stresses the importance of the draft guidelines on the application of EU competition law to collective agreements for self-employed workers without employees, put forward by the European Commission to clarify the organisational arrangements that self-employed workers without employees can adopt in their relationship with platforms, including their ability to set up professional organisations;</p> <p>21. The CoR points out that platform workers are often prevented from exercising their fundamental rights to freedom of association and collective bargaining, not least due to the lack of shared means of communication and opportunities to meet online or in person. Appropriate communication channels and access rights for trade unions must therefore be ensured through labour platforms' digital infrastructure;</p> <p>22. The CoR reiterates that these guidelines should only concern individuals correctly classified as self-employed workers without employees and not workers who may be reclassified under the legal presumption provided for in the directive;</p>	<p>The Commission takes note of and welcomes the support of the Committee for the Guidelines on the application of EU competition law to collective negotiations by self-employed people.</p> <p>The Commission also confirms that the Guidelines will not concern those individuals who will have been reclassified as workers under the proposed Directive.</p> <p>Furthermore, the proposed Directive provides for communication channels through which workers' representatives can contact persons performing platform work and communicate with them.</p>
<p>23. The CoR is disappointed that the proposal for a directive makes no reference to local and regional authorities, even though in many Member States, it is sub-national authorities that are responsible for implementing labour legislation and determining the status of workers;</p>	<p>The Commission is aware that in some Member States, it is sub-national authorities that may be responsible for implementing labour legislation and determining the status of workers.</p> <p>However, the Commission recalls that the administrative organisation is a matter for the Member States, so the proposal does not make any</p>

<p>AMENDMENT 1, Recital 9</p> <p>Also, <i>the competent</i> authorities in the <i>Member States</i> do not have easy access to data on digital labour platforms, including the number of persons performing platform work, their employment status, and their working conditions.</p>	<p>explicit reference in this regard.</p>
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N°8 Strategy on Combating Antisemitism and Fostering Jewish Life (2021-2030)
COM(2021) 615 final
COR-2022-00247 – SEDEC-VII/027
150st plenary session – June 2022
Rapporteur: János Ádám KARÁCSONY (HU/ECR)
DG JUST – Vice-President SCHINAS

Points of the European Committee of the Regions opinion considered essential	European Commission position
<p>1. The Committee of the Regions (CoR) welcomes the communication of the EU Strategy on Combating Antisemitism and Fostering Jewish Life (2021-2030), and agrees with the European Commission that the fight against antisemitism is a complex challenge, as antisemitism poses a threat to the fundamental European values. Through active involvement, the European Committee of the Regions could contribute to the European Commission's EU Strategy on Combating Antisemitism and Fostering Jewish Life (2021-2030) by ensuring that local and regional authorities are involved in its implementation. Believes that an EU without antisemitism must be the common goal of all local and regional authorities in the EU.</p>	<p>The Commission appreciates the support of the Committee for the EU Strategy on combating antisemitism and fostering Jewish life and its commitment to ensure that local and regional authorities are involved in its implementation.</p>
<p>4. The CoR stresses that Jewish culture is an integral part of European culture, and that Jewish cultural heritage must be both protected and promoted in EU cities and regions in a way that drives Europeans to value and consider Jewish cultural heritage a vital part of Europe's culture and way of life. It must draw attention to the millennia of Jewish life traditions and to the countless important contributions made by people of Jewish belief or background to our shared society and culture. In this regard, believes that it is important to step up cooperation between regions and civil society</p>	<p>The Commission agrees with the Committee. As stressed in the EU Strategy on Combating Antisemitism and Fostering Jewish Life¹, Jewish communities and European Jews have been contributing to the social, economic, scientific and cultural development of Europe for over two millennia and are an inextricable part of Europe's identity. Combating antisemitism and fostering Jewish life is a shared responsibility; it requires joint efforts and action at every level. EU institutions and agencies, Member States, regions and cities, international organizations, Jewish communities and human rights and civil society actors all have a role to play in achieving these</p>

¹ COM(2021) 615 final.

	objectives.
10. The CoR fully supports the notion that it should become standard practice for Member States and their authorities to use the definition of antisemitism provided by the International Holocaust Remembrance Alliance (IHRA) to help them identify antisemitic patterns and various manifestations of antisemitism. Recognising an act as antisemitic and naming it as such creates trust in the authorities and the courts, and makes people more willing to report crimes motivated by antisemitism	The Commission recalls that all EU Member States committed to endorse and use the non-legally binding International Holocaust Remembrance Alliance (IHRA) definition of antisemitism through the Council Conclusions on combating racism and antisemitism adopted by unanimity on 4 March 2022 ² .
18. The CoR agrees with the Commission that when implementing the strategy, both Member States and local and regional entities have a particularly important role to play when it comes to combating antisemitism and fostering Jewish life. Commits itself to focusing more on the issue of antisemitism in the future in order to contribute to the implementation of the EU strategy on combating antisemitism and to promoting the exchange of good practices	<p>The Commission appreciates the commitment of the Committee for the implementation of the EU Strategy on combating antisemitism and fostering Jewish life.</p> <p>The Commission encourages the adoption of national strategies on antisemitism by the end of 2022 and will assess them by 2024.</p>
19. The CoR welcomes the Commission's European judicial training strategy for 2021-2024 to support training programmes and capacity-building activities on tackling antisemitism for justice and law enforcement professionals, including through the European Judicial Training Network (EJTN) and the EU Agency for Law Enforcement Training (CEPOL). Awareness raising about antisemitism and adequate training should also be available to local and regional authorities	The Commission supports Member States together with the European Union Agency for Law Enforcement Training (CEPOL) through the Working group on hate crime training for law enforcement to develop training activities on hate crime. The working group is part of the High Level Group on combating hate speech and hate crime. Together with the Organization for Security and Co-operation in Europe (OSCE)/ Office for Democratic Institutions and Human Rights (ODIHR) and the World Jewish Congress, the Commission has organised events in Croatia, Estonia, Lithuania and Latvia to strengthen the cooperation between law enforcement and Jewish communities. The European Union Agency for Fundamental Rights (FRA) helps Member States to improve and align their methodologies for

² <https://data.consilium.europa.eu/doc/document/ST-6406-2022-REV-1/en/pdf>

	<p>recording and collecting data on hate crime, including on antisemitism.</p>
<p>21-22. The CoR agrees with the Commission that combating antisemitism online deserves more attention. Points out that antisemitic conspiracy myths, Nazi-related symbols, memorabilia and literature, and their spread online can lead to radicalisation and, ultimately, physical violence. Because of this, the specific obligations for operators which are set out in their behaviour codex, the Digital Services Act and the Digital Markets Act, are particularly important. The CoR highlights the importance of paying more attention to how to deal with illegal content on social media platforms. Law enforcement, judiciary, and judicial civil procedures play a crucial role in achieving this. Statements made online or on social media that constitute a criminal offence should be consistently prosecuted, hence the Committee considers it necessary to strengthen EU and national legislations on this matter. It therefore urges Member States to swiftly and fully transpose and implement the Framework Decision on combating racism and xenophobia</p>	<p>The Digital Services Act³, adopted by the European Parliament on 5 July 2022⁴, provides relevant tools to detect, monitor and remove antisemitic content. More specifically, the Regulation introduces due diligence obligations for providers of intermediary services, such as online platforms, to ensure prevent the dissemination of illegal and harmful content online. For instance, privileged channels are envisaged for entities that have demonstrated particular expertise and competence (‘trusted flaggers’) to report illegal content to which platforms will have to react with priority.</p> <p>In this regard, the Commission will strengthen the fight against online antisemitism by supporting the establishment of a Europe-wide network of trusted flaggers and Jewish organisations, based on the model of the EU Code of Conduct on countering illegal hate speech online. It will also support the European Digital Media Observatory and its national hubs to increase the capacity of their fact-checkers on disinformation and will work with independent organisations to develop counter-narratives. The Commission will further work with online platforms in the framework of the strengthened Code of Practice on Disinformation to reduce the spread of disinformation, including the spread of conspiracy theories.</p>
<p>23. The CoR welcomes the Commission's determination to support Member States and Jewish communities in strengthening the protection of synagogues and places of worship with EUR 24 million funding, and draws attention to the fact that the unified data collected on incidents could support the Commission, together with the European Union Intelligence and Situation Centre, to explore the specific threats to Jewish people,</p>	<p>The Commission will continue to support Member States and Jewish communities in strengthening the protection of places of worship, in particular through increased financial support and by exploring, together with the European Union Intelligence and Situation Centre, the possibility of regular EU assessments of the specific threats to Jewish people, communities and places of worship. The Commission appreciates the support</p>

³ COM(2020) 825 final.

⁴ Not yet published in the Official Journal.

<p>communities and places of worship in order to better understand, prevent, protect and respond to specific security risks.</p>	<p>of the Committee.</p>
<p>25. The CoR welcomes the Commission's recognition of the important role that sports and the media play in promoting inclusion, and points out that in addition to NGO initiatives, the active involvement of Jewish organisations and support through targeted programmes can be more effective in combating antisemitic stereotypes and misconceptions</p>	<p>In its Strategy, the Commission stated that sports have an important role to play in fostering inclusion. In football, some national federations and clubs are already addressing antisemitic behaviours and incidents. The Commission will liaise closely with civil society and other relevant actors to strengthen the fight against antisemitism and racism in football in the upcoming cooperation arrangement with UEFA (2022-2024) and to address antisemitism in sports in general in cooperation with other partner organisations, including via social media campaigns.</p>
<p>30. The CoR expresses its concern at the recurrence of anti-Semitic acts in schools and the increasing difficulty that some teachers are experiencing in teaching about the Shoah, and agrees that teachers should be empowered to address anti-Semitism, the Shoah, Jewish life and history, including in multicultural classrooms; stresses, therefore, the importance for Member States to provide teachers - especially history teachers - and school headmasters with enhanced pedagogical support in their teaching of the Second World War period and more generally when addressing the issue of anti-Semitism. Points out that in order to review and improve the teaching materials used in the Member States and regions, structured exchanges with teachers are particularly necessary</p>	<p>The Commission shares this concern and will support education professionals' training in cooperation with UNESCO and the Organization for Security and Co-operation in Europe (OSCE)-Office for Democratic Institutions and Human Rights (ODIHR), based on their guidance on 'Addressing antisemitism through education'⁵, respectively for policymakers and teacher-training institutions, in all EU Member States. Teachers should be empowered to address antisemitism, the Holocaust, Jewish life and history, also in multicultural classrooms.</p>
<p>36. The CoR expresses its appreciation for the work of the European Holocaust Research Infrastructure (EHRI) and deems it important that the future of trans-national Holocaust research, commemoration and education is secured beyond the project's expiry in 2024.</p>	<p>The Commission agrees with the Committee and encourages Member States to become active partners in the implementation of the European Holocaust Research Infrastructure (EHRI) infrastructure, including through financial contribution. In-depth research on all aspects of</p>

⁵ <https://unesdoc.unesco.org/ark:/48223/pf0000263702>

<p>This is the Holocaust research initiative that receives the most EU funding in the world.</p>	<p>the holocaust is crucial to increase understanding on how the Holocaust has been possible in Europe.</p>
<p>37. The CoR welcomes the Commission's acknowledgment that Israel is a key partner for the European Union in the global fight against antisemitism. Furthermore, the Committee fully supports cooperation with the ad-hoc Working Group set up by the European Commission and with the European Parliament Working Group Against Antisemitism (WGAS);</p>	<p>The Commission reaffirms its commitment to lead the global fight against antisemitism, as the EU is founded on a strong commitment to promote human rights, democracy, and the rule of law worldwide. Israel is a key partner in the fight against antisemitism. The Commission will also continue to closely cooperate with the European Parliament and its ad-hoc working group on combating antisemitism.</p>
<p>40. The CoR expresses the Committee's availability to contribute, where appropriate, to the work of the ad-hoc Working Group on combating antisemitism set up by the Commission, and its willingness to invite the Group's representatives to relevant Committee meetings.</p>	<p>The Commission welcomes the support of the Committee and is looking forward to closely cooperating with it and jointly working on combating antisemitism and fostering Jewish life.</p>

N°9 The new EU Arctic strategy
JOIN(2021) 27 final
COR-2021-6509 – COTER-VII/017
150th plenary session – June 2022
Rapporteur: Mirja VEHKAPERÄ (FI/RE)
DG MARE +& EEAS – Commissioner SINKEVIČIUS & & High Representative / Vice President BORRELL I FONTELLES

Points of the European Committee of the Regions opinion considered essential	European Commission position
<p>13. The Committee of the Regions (CoR) recognises the importance of enhancing cross-border and international cooperation in the Arctic civil protection area, as well as different types of crisis management;</p>	<p>The Commission, under the Union Civil Protection Mechanism (UCPM), is supporting a series of activities related to international cooperation in civil protection and disaster management with regards to the Arctic region. For example, the UCPM is co-financing a full-scale civil protection exercise to take place in Norway in 2023 aimed at enhancing emergency preparedness and response in the Arctic; providing adaptation grants for national response capacities of Member States able to operate in the Arctic or in cold conditions, under the European Civil Protection Pool; providing monitoring and situational awareness; and delivering multi-hazard advice through a collaboration with the European Natural Hazard Scientific Partnership.</p>
<p>16. The CoR highlights the serious impact that climate change in the Arctic will have on cities and regions throughout Europe, through rising sea levels, for example, which will make several coastal areas uninhabitable, or through modified oceanic currents and precipitation patterns. Fighting climate change and protecting the environment in the Arctic are the absolute priority. The EU should intensify EU research into the Arctic's climate change;</p>	<p>Greenhouse gas emissions anywhere in the world lead to effects that are felt globally. But global warming has regionally different faces. The Arctic is especially sensitive to global warming - it has warmed three times as fast as the planet on average during the last 50 years. This sensitivity is closely related to the declining Greenland ice sheet (resulting in the loss of reflection due to shrinking snow/ice cover) and the thawing Arctic permafrost (resulting in the release of additional greenhouse gases) further accelerates climate change and could contribute to triggering tipping points in the entire climate system. In addition, global warming causes sea levels to rise, disturbs weather systems and leads to coastal erosion,</p>

	<p>biodiversity loss, and the destruction of associated ecosystems.</p> <p>The Commission acknowledges that further research is needed to develop adaptation and mitigation measures and increase knowledge of the impact on communities and sustainable development. Polar research is and will be an important part of the Research and Innovation framework programme, while giving priority to climate change mitigation and adaptation. The EU programs for research and innovation offer a unique basis for international cooperation, with five of the eight Arctic countries being EU Member States (Finland, Sweden, Denmark) or associated countries (Norway, Iceland). Faroe Islands have a specific status and participate as associated country, even if part of Denmark.</p>
<p>18. The CoR considers that thought must be given to how to implement the Green Deal and the Fit for 55 climate package, taking into account the specific features of the EU Arctic region in order to ensure equal treatment. For example, the specific conditions of winter shipping in the Arctic must be considered in the context of emissions trading;</p>	<p>The Commission reiterates its firm commitment to protect the Arctic region, also in the context of the Fit for 55 Package, which aims to ensure a level playing field as well as to preserve the environmental integrity of the whole system. In this respect, it is important to note that the EU Emissions Trading Scheme (ETS) will raise additional revenues that will certainly help accelerate decarbonisation of the maritime sector. The increased Innovation Fund will allow more investments that are key to improve the long-term competitiveness of the sectors relying on seaborne transport – including winter shipping via ice-classed vessels.</p> <p>Hence, while the Commission acknowledges that the new legislation could bring additional costs for shipping activities, it also believes that these upcoming measures will be an opportunity for the EU shipping industry to take decisive action and lead the transition towards a clean global maritime sector, including in the Arctic.</p>
<p>22. The CoR therefore calls on the European Commission to support, partner and work closely with Arctic cities, in particular with the</p>	<p>The Arctic Mayors' Forum is already a partner for the EU regarding its Arctic policy.</p>

<p>Arctic Mayors Forum, which brings together representatives of local governments from eight Arctic EU and non-EU countries; on a number of specific projects and areas, such as climate neutrality and energy efficiency, urban planning, an inclusive society, jobs, skills and talent attraction and healthy and smart cities. Underlines that the Arctic Mayors Forum is an instrument of soft diplomacy, which should be given observer status in the Arctic Council to represent all Arctic communities, including indigenous communities. Believes that the Arctic Mayors Forum should become a partner of the EU institutions in its multilevel dialogue and policymaking on the future of the Arctic and calls on the. European Commission to reflect on concrete ways of achieving this goal;</p>	
<p>23. The CoR suggests that the European Commission, jointly with the Arctic Mayors Forum, design an Arctic Urban Agenda for sustainable, prosperous, attractive, and vibrant Arctic cities fit for the future and allocate adequate resources to the agenda's implementation. The European Commission could also draft an action plan to propose concrete ideas on how to further involve the AMF in its work;</p>	<p>The Arctic Mayors' Forum can and should act through the EU Arctic Member States, as well as partner countries, and through the ongoing DG REGIO programme in the Arctic.</p> <p>Also, there is an Urban Agenda for the EU which is based on a multi-level governance with EU cities and Member States (Pact of Amsterdam May 2016).</p> <p>The Research and Innovation Framework Programme will continue to advance polar science¹ in support of the EU Arctic Policy and Action Plan, based on a green growth approach. The Atlantic and Arctic basin lighthouse that will be rolled out under the EU Mission 'Restore our Ocean and Waters' will deliver transformative solutions for protecting and restoring marine habitats and helping to meet the region's challenges. The Commission is supporting international cooperation for Arctic research via the Arctic Science Ministerial Meetings (ASM3 Joint Statement²).</p>

¹ https://research-and-innovation.ec.europa.eu/research-area/environment/climate-action/polar-and-ocean-research_en

² https://asm3.org/library/Files/ASM3_Joint_Statement.pdf

<p>26. The CoR stresses the importance of promoting dialogue among young people and involving young people in the design and implementation of the EU strategy and calls on the European Commission to invest in young people, education and student mobility and exchange programmes, including virtual exchanges; calls on the European Commission to actively promote the EU Arctic region as part of the DiscoverEU programme, as remote and less-populated regions are often overlooked in this process;</p>	<p>The Commission could promote more specifically the EU Arctic Regions for the purposes of DiscoverEU, in cooperation with the National Agencies for Erasmus+, to raise awareness and further disseminate the information to the DiscoverEU travellers.</p> <p>Already now, the DiscoverEU travel pass (Interrail Pass) allows to visits the EU Arctic Regions and is valid in the Northern regions of Norway, Sweden and Finland. Specifically, the northernmost points with a station that can be reached using the Interrail Pass are:</p> <ul style="list-style-type: none"> • Sweden: Abisko; • Finland: Rovaniemi; • Norway: Narvik. <p>The exact timetables for these train connections are available to all DiscoverEU travellers in the DiscoverEU Travel App.</p> <p>For Denmark, Greenland is considered as Overseas Countries and Territories (OCTs) and benefits from 'overseas' flight status under Erasmus+. The same applies for Iceland, benefiting also from 'overseas' flight status.</p>
<p>27. The CoR notes that, in light of the UN Declaration on the Rights of Indigenous Peoples, the EU institutions must negotiate with indigenous peoples in the region through their own representative bodies on any action that may affect indigenous peoples; in this regard, the EU should support the objective of establishing a delegation of the Sami people in Brussels initiated by the Sami Council;</p>	<p>The Commission and the European External Action Service (EEAS) support the establishment of a Saami Council office in Brussels, and the Commission has been supporting financially some projects run by the Saami Council. Regarding the request to negotiate 'actions', it should be noted that the EU does not issue exploration, exploitation or construction licences linked to natural resources or energy projects, some of the issues most contended by indigenous representatives. A regular dialogue between Arctic and EU stakeholders is already in place, for instance through the EU Arctic Forum and Indigenous Peoples' Dialogue.</p>
<p>33. The CoR notes that with more than 70% of the land surface covered by forests, the</p>	<p>The EU Forest Strategy does indeed point to the need to ensure a sustainable management of</p>

<p>northern regions of Sweden, Finland and Norway are some of the most forest-dense regions in Europe, and some of the world's largest exporters of forestry products. The forest sector in the Arctic region affects the lives of Arctic peoples in many ways, being a source of prosperity and business as well as recreation and outdoor life; forests also play a crucial role in mitigating climate change; and the New EU Forest Strategy for 2030 should be the guiding principle to improve the quantity and quality of EU forests, however, northern forest-dense regions require support and investment to foster a bio-based economy and a green, modern and sustainable forestry that respect specific regional characteristics;</p>	<p>forests, and also point to the opportunities that a sustainable circular bioeconomy can bring to local populations. For that reason, the Commission continues to implement the Bioeconomy Strategy and has recently adopted the Bioeconomy progress report³.</p>
<p>37. The CoR points out that the growing demand for raw materials caused by the electrification of society will put pressure on sustainable mining and processing in the Arctic. The Arctic region has a vast reserve of rare-earth minerals, which would help the EU to reduce its dependency on China, which currently produces 90% of these minerals. The EU should ensure that the Arctic plays a key role in the European Raw Materials Alliance, while also protecting the Arctic's nature, despite the EU's interests in mining and raw material opportunities. European Arctic actors have world-leading skills in sustainable industries and processing throughout the value chain. The Arctic Council should take note of this;</p>	<p>The Commission pursues an ambitious raw materials policy to address the EU's dependence on Critical Raw Material imports. The main pillars of this policy are:</p> <ul style="list-style-type: none"> • fair and sustainable supply of raw materials from global markets; • sustainable sourcing of raw materials extracted within the EU; • resource efficiency and supply of 'secondary raw materials' through recycling and reuse. <p>With respect to mining in the Arctic, the Commission strives that associated impacts on the environment, human health and human rights impacts are adequately addressed.</p>
<p>40. The CoR highlights the need to involve regional education and research institutions and their networks in Arctic research policy formulation and to interpret Arctic research as covering all research activities that contribute to sustainable development and benefit the people</p>	<p>Horizon Europe supports both polar and, as part of it, Arctic research, with important focus on sustainable development. The EU Mission Ocean and Waters with its Arctic/Atlantic lighthouse might bring some elements to the concern raised.</p>

³ https://research-and-innovation.ec.europa.eu/news/all-research-and-innovation-news/adoption-bioeconomy-strategy-progress-report-2022-06-09_en

<p>of the Arctic, and not solely as polar research. The establishment of the Arctic innovation ecosystem, based on smart specialisation strategies, should contribute to the regional development of the EU Arctic region and lead to further innovation and cooperation opportunities;</p>	
<p>41. The CoR calls for sufficient resources to be made available to achieve the objectives. The Arctic should be identified as a cross-cutting theme across different funding programmes and synergies between programmes should be promoted. In addition to Horizon Europe and Erasmus+, relevant instruments include those with a regional base such as the European Structural and Investment Funds and territorial cooperation programmes;</p>	<p>The EU already has a policy for the Arctic that enables a cross-cutting frame for collaboration. Further synergies between programmes might be pursued under the EU Mission Ocean's Atlantic/Arctic lighthouse.</p>
<p>50. The CoR calls on the European Commission and the EEAS to organise the Arctic Stakeholder Forum and the Indigenous Peoples' Dialogue in the EU Arctic in partnership with regional and local actors, paying greater attention to giving young people a voice in the future. In order to ensure continuity of the dialogue, the European Committee of the Regions encourages representatives of the EU institutions to step up their participation in Arctic policy-related events and meetings in the region;</p>	<p>The Commission regularly holds the EU Arctic Forum and Indigenous Peoples' Dialogue together with regional and local actors, giving prominent roles to the Arctic youth as well as representatives from Indigenous Peoples.</p>
<p>51. The CoR call on the European Commission to consider setting up an Advisory Forum tasked with overseeing the implementation of EU Arctic policy. The Forum would bring together key stakeholders, including regional and local authorities.</p>	<p>The Commission together with the EEAS has already in place a task team following up and monitoring the implementation of the EU Arctic policy; this team can issue regular reports as needed. In addition, adequate feedback and dialogue processes are already in place with Arctic and EU stakeholders, for instance through the EU Arctic Forum and Indigenous Peoples' Dialogue as well as through regular contacts held with municipal, local and indigenous representatives. Therefore, an additional advisory forum to oversee the implementation of the EU</p>

	Arctic policy is not considered necessary.
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N°10 Enlargement Package 2021
COM(2021) 644 final
COR-2020-00109 – CIVEX-VII/012
150th plenary session – June 2022
Rapporteur: Anna MAGYAR (HU/ECR)
DG NEAR – Commissioner VÁRHELYI

Points of the European Committee of the Regions opinion considered essential	European Commission position
<p>2. The European Committee of the Regions (CoR) recalls the European aspirations and the European choice of Ukraine, as stated in the Association Agreement. On 28 February 2022, exercising the right of Ukraine to choose its own destiny, the President of Ukraine submitted the application of Ukraine to become a member of the European Union. The CoR calls on the Council and the Commission to further strengthen bonds and deepen the partnership to support Ukraine in pursuing its European path, in accordance with the relevant provisions of the Treaties;</p> <p>4. The CoR notes the formal applications of Georgia and Moldova to join the European Union and calls on the Council and the Commission to support them in their efforts to join the EU upon the fulfilment of enlargement criteria;</p>	<p>Following the applications for EU membership submitted by Ukraine, the Republic of Moldova (hereinafter ‘Moldova’) and Georgia in spring 2022, on 17 June 2022, upon Council’s invitation, the Commission presented its Opinions. The Commission recommended to give the perspective to become a member of the European Union to Ukraine, Moldova and Georgia and to grant candidate status to Ukraine and Moldova on the understanding that steps are taken in a number of areas, and to Georgia once a number of priorities have been addressed. The European Council of 23-24 June 2022 took a historic decision and fully endorsed the Commission’s recommendations. The European perspective opens a clear path forward - anchored in the EU values of freedom, democracy and rule of law - to all three applicants. The Commission continues to stand ready to advise and support Ukraine, Moldova and Georgia in this process, in line with EU enlargement policy.</p>
<p>3. The CoR welcomes the fact that the EU-Western Balkans Summit in Brdo in October 2021 confirmed that the enlargement process of the Western Balkans is a mutual strategic interest and a shared strategic choice, based on credible reforms by partners, fair and rigorous conditionality and the principle of own merits;</p> <p>5. The CoR emphasises that it is in favour of all Western Balkan countries as well as Ukraine, Moldova and Georgia joining the EU, provided they meet all the accession criteria; underlines the importance of sending positive</p>	<p>The full and unequivocal commitment to the EU membership perspective of the Western Balkans was reconfirmed by EU on 23-24 June 2022. The EU called for the acceleration of the EU integration process. The European Council invited the Commission, the High Representative and the Council to further advance the progressive integration between the European Union and the region already during the enlargement process itself in a reversible and merit-based manner. This corresponds to the revised methodology.</p> <p>The Commission is committed, more than ever, to</p>

<p>signals to them to foster their engagement in the regrettably long process of becoming EU Members; highlights that missing a real and trustworthy EU perspective would lead to frustrations in the partner countries and risks leading to further influence of third countries in the region;</p>	<p>bring the entire region within the European Union.</p> <p>The Commission welcomes that the first Intergovernmental Conferences formally opening the accession negotiations process with Albania and North Macedonia took place on 19 July 2022.</p> <p>The Commission welcomes the strategic priority of the new Montenegrin government to accelerate the country's EU accession negotiations. This is a moment of opportunity for Montenegro that should not be missed. The Commission also welcomes that, with 100% alignment with the EU's common foreign and security policy, Montenegro vocally stands on the same side as the EU. This is an important signal of commitment to the EU.</p> <p>Concerning Serbia, reforms need to continue, building on the constitutional reform referendum held in January 2022. In the current context, Serbia's positions on the Russian aggression against Ukraine will be an essential element to consider.</p> <p>The latest European Council (23-24 June 2022) gave a positive signal regarding the possibility to grant candidate status to Bosnia and Herzegovina. This requires Bosnia and Herzegovina to deliver on a substantial set of reforms as also outlined in the 2019 Commission Opinion on the country's application for EU membership.</p> <p>The Commission continues to stand behind its assessment of July 2018 that Kosovo¹ has fulfilled all visa liberalisation benchmarks set out in the Visa Liberalisation Roadmap from 2012.</p>
<p>6. The CoR reiterates that public administration reform in the Western Balkan countries cannot be implemented without good governance at local level, and calls on the EC to incorporate into its public administration reform support measures and instruments and more detailed performance indicators on the involvement of LRAs in the overall reform</p>	<p>The Commission agrees, and has taken measures to develop a policy approach that includes dimensions of multi-level governance into the public administration reform framework.</p>

¹ This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

<p>process;</p>	
<p>8. The CoR calls on the EC to make the best use of TAIEX and Twinning in order to help institutional development and capacity building at the local level in the enlargement countries; welcomes the extension of TAIEX to local authorities;</p>	<p>The Commission will continue to use TAIEX at both central and local level throughout the Western Balkans. Building on the successful outcome of the 2018-2020 pilot in support of local authorities in Albania, Bosnia and Herzegovina and Serbia, TAIEX continues to support local authorities in all Western Balkans. Activities are aligned with the priorities of the Economic Investment Plan (EIP), which are taken forward also at the municipal level.</p> <p>The Commission remains committed to using the expertise of EU Member States through the Twinning Instrument, funded from the bilateral programmes, as a proven tool of capacity building and expertise exchange.</p>
<p>15. The CoR calls on the Commission in cooperation with local authorities in the beneficiary countries to make best use of the IPA III and IPARD funds; reiterates the benefits of the LEADER Approach as rural development contributes excessively to economic development and sound demographic structures;</p>	<p>The Commission will work with both central and, where appropriate, local authorities in the Western Balkans in order to optimise the use of the Instrument for Pre-accession Assistance (IPA III) and Instrument for Pre-Accession Assistance for Rural Development (IPARD) funds, including where relevant the LEADER approach. Within IPARD, it is underlined that it is up to the beneficiaries to select the most appropriate measures for implementation under IPARD, including measure 5 ‘implementation of local development strategies - LEADER approach’. Particular emphasis will be placed upon faster implementation as well as outreach to all levels of governance.</p>
<p>27. The CoR calls on the Commission to increasingly facilitate the exchange of best practices among LRAs on ways of greater involvement of citizens in preparation of local budgets and policies, through measures such as participatory budgeting, and offers its full support in this regard;</p>	<p>With reference to item 8, the TAIEX instrument allows exchange of best practices among local and regional authorities. In addition, the EU funded Regional School of Public Administration, the Support for Improvement in Government and Management (SIGMA) programme and bilateral projects can provide support in this regard if Western Balkan partners consider this a strategic priority. The Commission encourages but cannot oblige partners to work on this, having in mind that the choice of local level participatory budgeting falls</p>

	<p>within the autonomy of EU Member States among whom it is not widespread.</p>
<p>28. The CoR fully supports the opening of the accession negotiations with North Macedonia and Albania, after the approval of their negotiating frameworks by the Council, as soon as possible, in order to show political support for the enlargement process, restore its credibility and reaffirm the promise for fully fledged membership;</p>	<p>The Commission welcomes that the first Intergovernmental Conferences formally opening the accession negotiations process with Albania and North Macedonia took place on 19 July 2022, following the approval by the Council of the respective Negotiating Frameworks. This was a historic moment, which sends an important signal to the citizens of Albania and North Macedonia, to the region and beyond.</p> <p>The same day, the Commission launched the process of the analytical examination of the EU <i>acquis</i> – the so-called ‘screening’ – with both countries. This process aims to help the candidate countries to determine the level of alignment with the EU <i>acquis</i> and outline plans for further alignment.</p> <p>The Western Balkans are a geopolitical priority for the EU and the Commission is committed to turn into reality their European perspective.</p>
<p>32. The CoR welcomes the progress achieved on the constitutional reform that reinforces the independence of the judiciary and calls on Serbia to enact all the laws and legislation that are necessary to make the reforms happen on the ground; calls on the Commission to monitor on-going reforms and report thoroughly in its next country report;</p>	<p>The Commission is preparing its annual Enlargement Package, which will be published in the autumn 2022. The package will examine the progress made by the Western Balkans and Turkey, the challenges encountered and reforms to be addressed. The individual reports, including the report on Serbia, will provide for a detailed overview and assessment of the ongoing reforms and the progress achieved by the Western Balkans partners and Turkey. Specifically for Serbia, the Commission closely follows the process of preparation of the legislation implementing the constitutional reform in the area of the judiciary.</p>
<p>42. The CoR calls on the EC to encourage Montenegro to step up its efforts to ensure transparent and inclusive policy-making, including greater centralised control over the quality of public stakeholder consultations;</p> <p>43. The CoR calls upon the EC to pay</p>	<p>The Commission is fully aware of these issues and follows up these topics in the policy dialogue on public administration reform, public financial management and as part of the Economic reform Programme process.</p>

<p>sustained attention to the requirements of transparency in public finances, also with a view to the external financial vulnerability of Montenegro;</p>	
<p>66. The CoR underlines the importance of reaching a comprehensive, legally-binding agreement in the normalisation of relations between Serbia and Kosovo, so that both can advance on their respective European paths. Calls on the EC to persevere in finding solutions regarding the establishment of an association of Serb-majority municipalities in Kosovo;</p>	<p>The Commission fully supports the EU-facilitated Dialogue on normalisation of relations between Kosovo and Serbia, which is a key component of the EU's engagement with the Western Balkans. It is more urgent than ever for Serbia and Kosovo to reach a comprehensive normalisation agreement, while fully implementing all past agreements. Kosovo and Serbia's respective European paths go through the EU-facilitated Dialogue.</p> <p>The agreement on the Association/Community of Serb-majority municipalities was concluded in good faith by all parties involved. The Commission expects Kosovo and Serbia to respect and fully implement this agreement.</p>
<p>81. The CoR welcomes the entry into force of the IPA Regulation (IPA III) that provides for 9 billion euro out of the 30 billion euro investment provided by the EIP; welcomes that the importance of the local dimension and people-to-people contacts is recognised in the IPA Regulation and the related programming process; invites the Commission to explore further the possibility of facilitating the cooperation of the central and local level and the cross-border cooperation at local level, including between Member States and beneficiary countries, in order to bring the most out of the available funds;</p>	<p>The Commission will work with both central and local authorities in the Western Balkans in the implementation of IPA III. While the main contacts shall continue to be via the central authorities, there will be a number of ways where the Commission will help facilitate the cooperation of central and local authorities. While a number of mainstream bilateral programmes will have important parts implemented outside the capital cities, there will also be specific programmes, such as the cross-border cooperation programme, which will facilitate cooperation at a local level throughout the region or an innovative access to Financial Instruments to municipalities as for example issuance of Green Bonds to help local governments in contributing to meet the Green Agenda targets. In addition, EU macro regional strategies, including the Danube strategy and the Strategy for the Adriatic and Ionian Region, will play an important role. In parallel, IPA and the European Regional Development Fund (ERDF) Interreg programmes with EU Member States such as Croatia, Romania, Hungary, Greece, Italy and Bulgaria will continue to play their role in</p>

	<p>opening up the Western Balkans to further capacity building, knowledge exchange as well as potentially further investment.</p>
<p>83. The CoR calls on the EC to develop practical tools to support effective capacity building for LRAs in the Western Balkans, including through specific thematic support programmes and regional technical assistance projects, as well as via ongoing exchanges, mentoring and networking; also invites the EC to include a reference to such initiatives in the annual reports;</p>	<p>The Commission is committed to continuing focus on public administration reform as one of the fundamentals of EU accession. This focus will continue via the on-going policy dialogue, in addition to a range of bilateral public administration reform programmes, as well as various multi-country initiatives including, notably, the EU financed Organisation for Economic Co-operation and Development (OECD) managed Support for Improvement in Government and Management (SIGMA) programme, which has been working for 30 years with partner countries on strengthening public governance and capacities.</p> <p>The Commission would like to further highlight that the Regional School of Public Administration and the SIGMA programme can provide guidance and support on multi-country basis. Western Balkan partners decide on including specific support measures for local and regional authorities under the IPA programme, based on their strategic priorities.</p> <p>The Commission already makes reference to multi-level governance and local and regional authorities related issues in the annual enlargement package.</p>
<p>85. LRAs are key in a successful integration process, therefore local public administration reform and capacity building are essential for all enlargement countries; in this context, the CoR calls on the EC to explore and possibly extend the Support for Improvement in Governance and Management (SIGMA) initiative to subnational levels of administration in enlargement countries;</p>	<p>Based on earlier discussion with the Committee, the Commission has developed a new and specific strand on multi-level and sub-national governance in the SIGMA programme.</p>
<p>86. The CoR calls on the EC to refine the indicators for measuring the progress made in public administration reforms by including local and regional authorities;</p>	<p>The new version of the assessment framework ‘Principles of Public Administration’ developed jointly by the Commission and SIGMA will incorporate specific principles and indicators related</p>

	to multi-level and sub-national governance.
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