

FOLLOW-UP PROVIDED BY THE EUROPEAN COMMISSION
TO THE OPINIONS OF THE
EUROPEAN COMMITTEE OF THE REGIONS
PLENARY SESSION OF NOVEMBER - DECEMBER 2022
104th REPORT

| N° | TITLE / LEAD DG | REFERENCES |
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| DG JUST | | |
| 1. | <p><u>Extending the list of EU crimes to hate speech and hate crimes</u></p> <p>Rapporteur: Aleksandra DULKIEWICZ (PL/EPP)</p> | <p>Own-initiative</p> <p>COM(2021) 777 final</p> <p>COR-2022-01407-00-01-AC-TRA</p> <p>CIVEX-VII/015</p> |
| DG HOME | | |
| 2. | <p><u>Legal migration - Attracting skills and talent to the EU</u></p> <p>Rapporteur: Giuseppe VARACALLI (IT/RENEW E.)</p> | <p>Own-initiative</p> <p>COM(2022) 650 final, COM(2022) 655 final, COM(2022) 657 final</p> <p>COR-2022-03942-00-00-AC-TRA</p> <p>CIVEX-VII/017</p> |
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| 3. | <p><u>The next generation of own resources for the EU budget</u></p> <p>Rapporteur: Nathalie SARRABEZOLLES (FR/PES)</p> | <p>Own-initiative</p> <p>COM(2021) 566 final, COM(2021) 569 final, COM(2021) 570 final</p> <p>COR-2022-01229-00-00-AC-TRA</p> <p>COTER-VII/021</p> |
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| 4. | <p><u>Enhancing cohesion policy support for regions with geographic and demographic handicaps</u></p> <p>Rapporteur: Marie-Antoinette MAUPERTUIS (FR/EA)</p> | <p>Own-initiative</p> <p>COR-2022-02959-00-01-AC-TRA</p> <p>COTER-VII/022</p> |
| 5. | <p><u>Small urban areas as key actors to manage a just transition</u></p> <p>Rapporteur: Kieran MCCARTHY (IE/EA)</p> | <p>Own-initiative</p> <p>COR-2022-00136-00-00-AC-TRA</p> <p>COTER-VII/018</p> |

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| 6. | EU Strategy for Sustainable Circular Economy and Textiles Rapporteur-general: Luca MENESINI (IT/PES) | Own-initiative COM(2022) 141 final COR-2022-02926-00-00-AC-TRA ENVE-VII/033 |
| DG AGRI | | |
| 7. | Reform of the geographical indications system Rapporteur: Karine GLOANEC-MAURIN (FR/PES) | Own-initiative COM(2022) 134 final COR-2022-03736-00-00-AC-TRA NAT-VII/025 |
| 8. | Safeguarding food security and reinforcing the resilience of food system Rapporteur: Piotr CAŁBECKI (PL/EPP) | Own-initiative COM(2022) 133 final COR-2022-02101-00-00-AC-TRA NAT-VII/026 |
| DG RTD | | |
| 9. | A New Innovation Agenda for Europe Rapporteur: Markku MARKKULA (FI/EPP) | Own-initiative COM(2022) 332 final COR-2022-04105-00-01-AC-TRA SEDEC-VII/032 |
| DG EAC | | |
| 10. | The Future of Youth Policy in the EU Rapporteur: Tine RADINJA (SL/GREENS) | Own-initiative COR-2022-02752-00-00-AC-TRA SEDEC-VII/030 |

OPINIONS ADOPTED DURING PREVIOUS PLENARY SESSION

DG ENV

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| <p>11. Opinion adopted during the plenary session of October 2022</p> | <p><u>Revision of the Industrial Emissions Directive</u> Rapporteur-general: Jean-Noël VERFAILLIE (FR/RE)</p> | <p>COM(2022) 156 final COM(2022) 157 final COR-2022-02951-00-01-PAC-TRA ENVE-VII/032</p> |
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DG GROW

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| <p>12. Opinion adopted during the plenary session of October 2022</p> | <p><u>Protecting Industrial and Craft Geographical Indications in the European Union (revised)</u> Rapporteur: Martine PINVILLE (FR/PES)</p> | <p>COM(2022) 174 final COR-2022-02982-00-01-PAC-TRA ECON-VII/025</p> |
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DG CNECT

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| <p>13. Opinion adopted during the plenary session of October 2022</p> | <p><u>European Chips Act to strengthen the European semiconductor ecosystem</u> Rapporteur: Thomas Gottfried SCHMIDT (DE/EPP)</p> | <p>COM(2022) 45 final COM(2022) 46 final COM(2022) 47 final COR-2022-01960-00-00-PAC-TRA ECON-VII/023</p> |
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DG ENER

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| <p>14 Opinion adopted during the plenary session of October 2022</p> | <p><u>Energy package on gas, hydrogen and methane emissions</u> Rapporteur: Jakub Piotr CHEŁSTOWSKI (PL/ECR)</p> | <p>COM(2021) 803 final COM(2021) 804 final COM(2021) 805 final COR-2022-01522-00-00-PAC-TRA ENVE-VII/029</p> |
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| <p>N°1 Extending the list of EU crimes to hate speech and hate crimes Own-initiative COM(2021) 777 final COR-2022-01407 – CIVEX-VII/015 152nd plenary session – November-December 2022 Rapporteur: Aleksandra DULKIEWICZ (PL/EPP) DG JUST – Commissioner REYNDEERS</p> | |
| <p>Points of the European Committee of the Regions opinion considered essential</p> | <p>European Commission position</p> |
| <p>17. The Committee of the Regions (CoR) notes that the Digital Services Act (DSA), which is currently in the legislative phase, is an opportunity for setting minimum standards in terms of transparency on the resources that platforms must mobilise to ensure the implementation of both the legal frameworks on disinformation and their own community guidelines. This legal act could provide an incentive to improve the relationship between intermediary service providers, the public and the State. The socio-economic potential of large platforms requires a coordinated effort at pan-European level and using the strength of the European single market as an argument.</p> | <p>The primary tool to address disinformation in the Digital Services Act (DSA) is a risk assessment framework, subject to regulatory oversight. Very large online platforms will have to assess for example how the design of their algorithms and their service overall can fuel disinformation. They will also have to report publicly on the resources and qualifications they have for content moderation.</p> <p>At the EU level the tool created to fight against disinformation is the currently voluntary (not legally binding) Code of Practice on Disinformation¹, which has been signed, among others, by major online platforms.</p> <p>For those signatories of the Code who will be designated as Very Large Online Platforms under the DSA, commitments under the Code could be risk mitigation measure, thus a part of the co-regulatory regime foreseen in Article 45 of the Digital Services Act ('Codes of Conduct'), linking it to its enforcement framework.</p> |
| <p>36. The CoR calls for the establishment of minimum rules at EU level concerning sanctions of hate speech and hate crime, which would allow for national legislations to be amended in order to criminalise membership in organisations that promote or incite hatred on any grounds and</p> | <p>Once the Council decision extending the list of EU crimes to hate speech and hate crime is adopted, the Commission will propose EU legislation establishing minimum rules on the definitions and sanctions of hate speech and hate crime. To that end, it will carry out an impact assessment to carefully assess the different options for defining</p> |

¹ <https://digital-strategy.ec.europa.eu/en/policies/code-practice-disinformation>

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| <p>participation in any such activities. There should be no room for acceptance of anti-democratic views or hate speech and hostility against another human being in any corner of the world or Europe.</p> | <p>criminal offences and sanctions, and their impacts on fundamental rights, as well as other types of impacts, in line with Better Regulation² requirements.</p> |
| <p>37. The CoR recommends improving the methods for recording and collecting data on hate crime and recommends carrying out expert discussions with Member States under the auspices of the Fundamental Rights Agency (FRA) which can help national authorities address problems concerning the practical application of the legislation and ensure effective investigation, prosecution and sentencing of hate crime and hate speech; also sees an important role here for social institutions and organisations that deal with hate speech and hate crime.</p> | <p>The Commission has set up and coordinates the EU High Level Group on combating hate speech and hate crime which since 2016 has produced guidance and support to national, regional and local authorities. With the involvement of experts from EU agencies and international organisations, such as the European Union Agency for Fundamental Rights (FRA), the European Union Agency for Law Enforcement Training (CEPOL), Council of Europe and the OSCE Office for Democratic Institutions and Human Rights (ODIHR), as well as civil society organisations extensive expertise, material, tools, recommendations, and good practices have become available in particular in the areas of tackling hate crime and hate speech, i.e. encouraging reporting, hate crime recording and data collection; support to victims of hate crime and hate speech; and hate crime training for law enforcement. The High Level Group also supports national authorities in addressing specific responses to hate speech, including online.</p> <p>Moreover, the Commission provides financial support to national authorities and civil society organisations through a dedicated priority focused on combating hate speech and hate crime, through under the Citizens, Equality, Rights and Values (CERV) programme.</p> |
| <p>38. The CoR sees a need for organisational and legal solutions to protect victims of hate speech and hate crimes which must be supported and assisted by EU institutions and organisations, Member States and</p> | <p>The Commission is working on the revision of the Victims' Rights Directive³, to enhance protection and support to all victims of crime, with a particular focus on the most vulnerable ones, including victims of hate crime and persons with disabilities.</p> |

² COM(2021) 219 final.

³ Directive 2012/29/EU of the European Parliament and of the Council of 25 October 2012 establishing minimum standards on the rights, support and protection of victims of crime, and replacing Council Framework Decision 2001/220/JHA, OJ L 315, 14.11.2012, p. 57–73.

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| <p>European regional and local authorities and civil society.</p> | <p>In addition, under the framework of the High Level Group and with the support of the OSCE Office for Democratic Institutions and Human Rights (ODIHR) specific work is carried out to develop standards and share good practices on protection of victims of hate crime. A dedicated working group gathering Member States authorities, civil society organisations, including victims' rights organisations, and international organisations has been set up in 2022.</p> |
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| <p>N°2 Legal migration – Attracting skills and talent to the EU COM(2022) 650 final, COM(2022) 655 final, COM(2022) 657 final COR-2022-03942 – CIVEX-VII/017 152nd plenary session – November-December 2022 Rapporteur: Giuseppe VARACALLI (IT/RENEW E.) DG HOME – Commissioner JOHANSSON</p> | |
| <p>Points of the European Committee of the Regions opinion considered essential</p> | <p>European Commission position</p> |
| <p><u>COM(2022) 650 – Long-Term Residents Directive (recast)</u></p> | |
| <p>Member States, <i>in close cooperation with the competent local and regional authorities</i>, shall establish appropriate control mechanisms to ensure that the requirement of legal and continuous residence is duly monitored, with particular regard to applications submitted by third-country nationals holding and/or having held a residence permit granted on the basis of any kind of investment in a Member State.</p> | <p>The Commission recognises the important role of local and regional authorities in managing migration, especially regarding migrants’ inclusion. It is for the Member States to decide on how to set up appropriate control mechanisms to ensure that the requirement of legal and continuous residence is duly monitored and to assess how local and regional authorities could play a role in this regard.</p> |
| <p>Any period of residence spent as a holder of a long-stay visa or residence permit issued under Union or national law, including the cases covered in Article 3(2), points (a), (b), (c), (d) and (e), shall be taken into account for the purposes of calculating the period referred to in paragraph 1, where the third-country national concerned has acquired a title of residence which will enable him/her to be granted EU long-term resident status.</p> | <p>In the 2022 recast proposal for the Long-term Residence Directive, the Commission did not propose an amendment to the article establishing that, for the purposes of calculating the 5-year time period necessary for obtaining long-term residence status, at least half of the period between the date of lodging the application for international protection and the date of granting the residence permit should be taken into account (or the whole period if it exceeds 18 months).</p> <p>In the proposal for a recast of the Long Term Residents Directive, the Commission did not reproduce the provisional compromise text reached in 2018 negotiations for the Qualification Regulation¹ because the co-legislators’ agreement was then provisional and the Commission did not</p> |

¹ <https://data.consilium.europa.eu/doc/document/ST-14597-2018-INIT/en/pdf>

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| | <p>want to jeopardise the finalisation of the negotiations on the Qualification Regulation. The compromise text of the Qualification Regulation establishes that the whole period in question should be taken into account.</p> |
| <p>Member States may require third-country nationals to comply with integration conditions, in accordance with national law. <i>For this purpose, a multi-actor governance of migration should be strengthened. The local and/or regional authorities, local and regional networks, trade associations and accredited private entities organising the integration programmes, if any, should receive sufficient operational and financial support from the Member State, tailored to the service provided. These integration programmes should be mainstreamed across education, employment, health, housing and participation policies.</i></p> | <p>The Commission takes note of the proposal of the Committee.</p> <p>With the Action plan on Integration and Inclusion 2021-2027², the Commission put in place specific actions to support Member States and other relevant organisations across a broad spectrum of policy areas: pre-departure/pre-arrival measures, education, employment and vocational training, access to basic services, active participation and social inclusion.</p> <p>The multi-stakeholder approach is one of the key principles of the Action plan on integration and inclusion. The Commission has maintained its efforts with a wide range of stakeholders, for example with local and regional authorities through the launch of a new Partnership with the Committee in the field of integration and of the work under the Urban Agenda inclusion partnership. On 19 December 2022, the Commission and the five European Social and Economic Partners - ETUC, BusinessEurope, SGI Europe, SMEUnited and Eurochambres - renewed their commitment to support the integration of refugees and other migrants into the EU labour market. The Commission has also organised several meetings on integration of the Expert Group on the views of migrants, which brings together experts predominantly of migrant background, from across EU Member States to provide input on the designing, implementing and monitoring of EU policies.</p> |
| <p>1. To acquire EU long-term resident status, the third-country national concerned shall lodge an</p> | <p>While the Commission agrees on the importance of providing information on the conditions and</p> |

² COM(2020) 758 final.

application with the competent authorities of the Member State in which he/she resides. The application shall be accompanied by documentary evidence to be determined by national law that he/she meets the conditions set out in Articles 4 and 5 as well as, if required, by a valid travel document or its certified copy. ***The competent national authorities shall inform the third-country national about the application process within three months of him having completed the required period of legal and continuous residence within the Member State territory.***

2. The competent national authorities shall give the applicant written notification of the decision as soon as possible and in any event no later than six months from the date on which the complete application was lodged. Any such decision shall be notified to the third-country national concerned in accordance with the notification procedures under the relevant national legislation.

Where the documents presented or information provided in support of the application are inadequate or incomplete, the competent authorities shall notify the applicant of the additional documents or information that are required and shall set a reasonable deadline for presenting or providing them. The period referred to in the first subparagraph shall be suspended until the authorities have received the additional documents or information required. If the additional documents or information required have not been provided within that deadline, the application may be rejected.

The person concerned shall be informed about his/her rights and obligations under this Directive.

Any consequences of no decision being taken

rights provided by the EU Long Term Residents Directive, it considers that an obligation to inform individually each third country national who becomes eligible for the EU Long Term Resident status might be difficult to apply in practice and might increase excessively the burden on Member States' administrations.

The Commission agrees that the decision to reject an application for long-term resident status shall take into account the specific circumstances of the case and shall state reasons of the rejection. The Commission recalls that this obligation is already provided in Article 10 of the Long Term Residents Directive and is reiterated in Article 10 of the proposed recast Directive on procedural guarantees, read in light of the general principles of EU law and of the Charter of Fundamental Rights of the EU³.

³ OJ C 326, 26.10.2012, p. 391–407.

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| <p>by the end of the period provided for in this provision shall be determined by national legislation of the relevant Member State.</p> <p>3. If the conditions provided for by Articles 4 and 5 are met, and the person does not represent a threat within the meaning of Article 6, the Member State concerned shall grant the third-country national concerned EU long-term resident status.</p> <p>4. Where an application for an EU long-term resident permit concerns a third-country national who holds a national residence permit issued by the same Member State in accordance with Article 14, that Member State shall not require the applicant to give evidence of the conditions provided for in Article 5(1) and (2), if the compliance with those conditions was already verified in the context of the application for the national residence permit.</p> <p>5. The decision to reject an application for long-term residence shall take account of the specific circumstances of the case and shall respect the principle of proportionality.</p> | |
| <p>EU long-term residents shall no longer be entitled to maintain EU long-term resident status in the following cases:</p> <p>a) detection of fraudulent acquisition of EU long-term resident status;</p> <p>b) adoption of a decision ending the legal stay under the conditions provided for in Article 13;</p> <p>c) in the event of absence from the territory of the Union for a period <i>exceeding</i> 24 consecutive months.</p> | <p>The Commission considers that the proposed recast Directive already allows for period of absences for up to 24 months, according to the combined reading of Article 9(1)(c) and Article 9(2). The Commission could agree to clarify further the text in this regard.</p> |
| <p>National residence permits of permanent or unlimited validity</p> <p>This Directive is without prejudice to the right of Member States to issue residence permits of permanent or unlimited validity other than the</p> | <p>The Commission considers that this addition is not necessary as the proposal for a recast already introduces new provisions aiming at ensuring a level playing field between the EU long-term residence permit and the national permanent</p> |

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| <p>EU long-term residence permit issued in accordance with this Directive. Such residence permits shall not confer the right of residence in the other Member States as provided by Chapter III of this Directive. <i>Where Member States issue national permanent residence permits, they shall grant third-country nationals to whom they granted the EU long-term resident status the same rights and advantages as those provided for under their national schemes where the rights and advantages under such national schemes are more favourable.</i></p> | <p>residence permits, so that third-country nationals have a real choice between the two permits. In particular, Member States should ensure that: integration and resources requirements for acquiring the EU status are not stricter than the requirements to acquire the national status (paragraph 3 of Article 5); applicants for EU permits pay the same level of fees for the processing of their application as applicants for national permits (Article 11); holders of the EU long-term residence status do not enjoy a lower level of procedural safeguards and rights than holders of national residence permits of permanent or unlimited validity (paragraph 3 of Article 10, paragraph 8 of Article 12, paragraph 6 of Article 15); Member States should ensure the same level of information, promotion and advertising activities on the EU long-term residence permit as the one provided in respect of the national residence permits of permanent or unlimited validity (Article 27); holders of national permits of permanent or unlimited validity who apply for an EU long-term residence permit benefit from a facilitated procedure (paragraph 4 of Article 7).</p> |
| <p>The second Member State shall issue members of the EU long-term resident's family with renewable residence permits valid for the same period as the permit issued to the EU long-term resident. <i>The residence permit shall be issued in accordance with the rules and standard model as set out in Council Regulation (EC) No 1030/2002. Under the heading "remarks", the Member States shall add "the holder shall have the same rights as an EU long-term resident under Chapter III".</i></p> | <p>The Commission takes note of the proposals of the Committee and will take them into account for the future negotiations on the proposed recast.</p> |
| <p>Treatment granted in the second Member State</p> <p>1. As soon as they have received the residence permit provided for by Article 21 in the second Member State, EU long-term residents and their</p> | <p>The Commission takes note of the proposals of the Committee and will consider taking them into account when preparing the future trilogues with the European Parliament and the Council.</p> |

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| <p>family members shall in that Member State enjoy equal treatment in the areas and under the conditions referred to in Article 12.</p> <p>2. EU long-term residents and their family members shall have access to the labour market in accordance with paragraph 1.</p> <p>Member States may provide that the EU long-term residents and their family members who exercise an economic activity in an employed or self-employed capacity communicate to the competent authorities any change of employer or economic activity. Such requirement shall not affect the right of the persons concerned to take up and carry out the new activity.</p> <p>Member States may decide in accordance with national law the conditions under which the persons referred to in Article 16(2)(c), and their family members may have access to an employed or self-employed activity.</p> <p>3. The persons referred to in Article 16(2)(b), outside their study time and subject to the rules and conditions applicable to the relevant activity in the Member State concerned, shall be entitled to be employed and may be entitled to exercise self-employed economic activity. Each Member State shall determine the maximum number of hours per week, or days or months per year, allowed for such an activity, which shall not be less than 15 hours per week, or the equivalent in days or months per year.</p> | |
| <p><u>COM(2022) 655 – Single Permit Directive (recast)</u></p> | |
| <p>Amendment 14 – Recital 5</p> <p>The provisions of this Directive should be without prejudice to the competence of the Member States to regulate the admission, including the volumes of admission, of third-country nationals for the purpose of work. <i>In setting the volumes of admission, the Member</i></p> | <p>While the Commission values the important role of local and regional authorities in understanding the local labour needs, it considers that the suggested change cannot be made.</p> <p>Member States are competent to determine volumes of admission. Article 79(5) of the Treaty on the Functioning of the European Union</p> |

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| <p><i>States are encouraged to consult their local and regional authorities and the relevant local actors.</i></p> | <p>provides the following: ‘<i>This Article [79] shall not affect the right of Member States to determine volumes of admission of third-country nationals coming from third countries to their territory in order to seek work, whether employed or self-employed</i>’.</p> <p>As such, the determination of the volumes of admission in this area falls within the national competence only and it is therefore up to the Member States to decide how these volumes are determined.</p> |
| <p>Amendment 16 – Recital 16</p> <p>The deadline for adopting a decision on the application should, however, not include the time required for the recognition of professional <i>and academic</i> qualifications <i>and</i> should be without prejudice to national <i>or regional</i> procedures on the recognition of diplomas.</p> | <p>The Commission does not consider necessary to add the reference ‘or regional’ in this recital. As mentioned by the Committee, procedures concerning recognition of qualifications differ in Member States. The reference to ‘national procedures’ covers all the relevant procedures applicable according to national law, including, if any, regional procedures.</p> |
| <p>Amendment 17 – Recital 32</p> <p>To ensure the proper enforcement of this Directive, Member States, <i>in cooperation with local authorities and regions</i>, should ensure that appropriate mechanisms are in place for the monitoring of employers and that, where appropriate, effective and adequate inspections are carried out on their respective territories. The selection of employers to be inspected should be based primarily on a risk assessment to be carried out by the competent authorities in the Member States taking into account factors such as the sector in which a company operates and any past record of infringement.</p> | <p>The Commission does not consider necessary to add the reference ‘in cooperation with local authorities and regions’ in this recital. The reason mentioned in the Committee opinion is that as such ‘local police could also be involved in the protection of workers and thus in workplace inspections’. The proposal does not aim at regulating how inspections are carried out at national level, as this is regulated by national law, but at ensuring that the adequate inspections are carried out. Moreover, the mere reference to ‘Member States’ does not exclude <i>per se</i> the role of local police. It is up to Member States to decide.</p> |
| <p>Amendment 18 – Article 5</p> <p>Competent authority</p> <p>1. Member States shall designate the authority competent to receive the application and to issue</p> | <p>The Commission disagrees with the addition of the possibility to reduce the processing time limit ‘in circumstances of severe political/social situations or natural disasters, subject to</p> |

the single permit.

2. The competent authority shall adopt a decision on the complete application as soon as possible and in any event within four months of the date on which the application was lodged.

The time limit referred to in the first subparagraph shall cover checking the labour market situation and issuing the requisite visa referred to in Article 4(3). The time limit may be extended in exceptional circumstances, linked to the complexity of the examination of the application, *or reduced in circumstances of severe political/social situations or natural disasters, subject to subsequent verification of the requirements.*

Where no decision is taken within the time limit provided for in this paragraph, any consequences shall be determined by national law.

3. The competent authority shall notify the decision to the applicant in writing in accordance with the notification procedures laid down in the relevant national law.

4. If the information or documents in support of the application are incomplete according to the criteria specified in national law, the competent authority shall notify the applicant in writing of the additional information or documents required, setting a reasonable deadline to provide them. The time limit referred to in paragraph 2 shall be suspended until the competent authority or other relevant authorities have received the additional information required. If the additional information or documents is not provided within the deadline set, the competent authority may reject the application.

subsequent verification of the requirements'. The main objectives of the Single Permit Directive⁴ are to establish a single application procedure for a combined work and residence permit and to guarantee a common set of rights for eligible third-country nationals, based on equal treatment with nationals of the Member State that grants the single permit. It should not replace international protection or humanitarian protection.

On the possibility to not run or accelerate the labour market test 'where the address of the employer is in a region or city which indicated to the Member State's competent authority a labour shortage which cannot be covered by domestic workforce', the competences of local and regional authorities may differ between Member States concerning the identification of labour shortages. However, the Commission recognises that reducing the use of labour market tests for migrants to be employed in sectors clearly facing shortages could contribute to facilitating legal migration procedures. It takes note of the proposal of the Committee and will consider taking it into account in when preparing future trilogues with the European Parliament and the Council.

⁴ Directive 2011/98/EU of the European Parliament and of the Council of 13 December 2011 on a single application procedure for a single permit for third-country nationals to reside and work in the territory of a Member State and on a common set of rights for third-country workers legally residing in a Member State; OJ L 343, 23.12.2011, p. 1–9.

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| <p><i>5. Checking of the labour market situation may be omitted or accelerated where the address of the employer is in a region or city which indicated to the Member State's competent authority a labour shortage which cannot be covered by domestic workforce.</i></p> | |
| <p><u>Policy recommendations</u></p> | |
| <p>6. The Committee of the Regions (CoR) stresses that local and regional authorities play a vital role in facilitating inclusion of all third-country nationals, independent of their legal status.</p> | <p>The Commission agrees. Integration is often planned centrally but is implemented locally. Migrants do not integrate in a State but in a city, a neighbourhood, a community. This is why, the Action plan on Integration and Inclusion has a strong focus on supporting local communities.</p> <p>One of the first actions that the Commission successfully put in place shortly after and in addition to adoption of the Action plan was the launch of a new Partnership with the Committee in the field of integration.</p> <p>The call for proposals for transnational projects under the Asylum, Migration and Integration Fund, which was launched in January 2023, has a specific topic on Integration and inclusion at regional and local level.</p> |
| <p>10. The CoR welcomes the further measures set out in the "Skills and talent" package, including the creation of an EU talent pilot project.</p> | <p>The Commission welcomes the Committee's support.</p> |
| <p>11. The CoR welcomes the Commission's announcement to extend the EU Talent Pool to refugees residing in the EU and in non-EU countries as paving the way towards a more sustainable and inclusive approach to labour mobility and third country solutions.</p> | <p>The Commission welcomes the Committee's support to this approach.</p> |
| <p>12. The CoR stresses that, in the future, the roll-out of mobility projects and talent partnerships should include: local authorities and regional governments, with the task of co-designing future projects; the diaspora, with</p> | <p>The Commission agrees on the need for a multi-stakeholder approach to the development of Talent partnerships. In particular, Member States and partner countries' co-ownership of a Talent Partnership is key to ensure scalability and to</p> |

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| <p>the task of pinpointing migrants' needs and helping shape projects in their countries of origin; and trade associations and employers' associations, with the task of collating labour market needs at national and local level and helping design effective measures.</p> <p>13. The CoR emphasises that the needs of the various stakeholders (migrants, the diaspora, local and regional authorities, employers and trade associations) should be taken into account, in order to ensure that the future projects are effective and sustainable as a tool for long-term legal migration management; therefore, calls for a round table to be set up between the Commission, the European Economic and Social Committee, the European Committee of the Regions and the European Parliament, the exchanges of which should be based on previous consultations and dialogues with key stakeholders on migrant integration; at the same time, calls for synergies with the EU platform on labour migration envisaged by the Commission.</p> | <p>bring about a mutually beneficial and sustainable cooperation. Talent Partnerships' objective is to match labour market needs and skills between the EU and partner countries. The partnerships should benefit public and private stakeholders such as employers, training institutions and diaspora organisations. In the spirit of the Team Europe Initiatives approach, Talent Partnerships should mobilise both EU and Member States' funding instruments and private sector as well as partner countries' funds, as appropriate. A strong multi-stakeholder involvement in the design and implementation of the Talent Partnerships is essential. The involvement of local and regional authorities as well as social partners will be crucial for the success of the Talent Partnerships.</p> <p>The Commission also agrees on the need to make the best use of the EU labour migration platform for designing and implementing Talent Partnerships. This platform will enable operational discussions on practical issues of labour migration, in particular on the external dimension of migration policy, labour shortages and issues linked to the labour market processes. The operationalisation of Talent Partnerships and the EU Talent Pool will be supported by the work of the platform. Discussions could feed into more political exchanges in appropriate fora, for example at the level of the Council and the European Parliament. Representatives of social partners, EU Agencies, the Committee of the Regions and the European Social and Economic Committee, the Public Employment Services, experts and international organisations, would be involved in the discussions when relevant.</p> |
| <p>15. The CoR considers that COM(2022) 657, the main objective and focus of which is to attract skills and talents to the EU, is not sufficiently taken into account in the proposals for Directives COM(2022) 650 and 655, despite the fact that it provides significant impetus for a paradigm shift in the analysis of</p> | <p>The Long-Term Residents Directive and the Single Permit Directive set the framework in terms of procedures, rights and obligations for a large part of the non-EU workers legally residing in the EU. As those Directives have not fully achieved their objectives, the Commission is proposing their overall revision in order to make</p> |

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| <p>migration.</p> | <p>procedures more efficient and quicker, strengthen the mobility within the EU of third country nationals that are already residing and working in the EU, to further integration and prevent labour exploitation. In so far, the Commission considers that the objective of the Communication ‘Attracting skills and talent to the EU’⁵ are sufficiently taken into account in the proposed recast directives.</p> |
| <p>14. The CoR supports the setting up of an EU work and travel programme for young people from non-EU countries, as envisaged by the Commission in its Communication on Attracting skills and talent in the EU, as well as the extension of the DiscoverEU programme beyond the third countries associated with Erasmus+ and calls for a similar approach with regard to the European Solidarity Corps to include more third countries in the programme than those currently provided for, in order to address the challenges and opportunities of migration throughout the overall migration cycle.</p> | <p>DiscoverEU joined the Erasmus+ Programme family in 2022. For the first time, it opened up to six new countries in the context of Erasmus+ (Iceland, Liechtenstein, North Macedonia, Norway, Serbia and Türkiye). Therefore, the primary focus is the successful and smooth integration of these six new countries into DiscoverEU.</p> <p>Nevertheless, some countries can take full advantage of all the possibilities offered by the international dimension of the Erasmus+ programme for countries not associated to the programme. In the current Erasmus+ 2021-2027, new actions in the field of vocational education and training (VET) and virtual exchanges are available to partner countries, in addition to those traditionally available in higher education and youth.</p> <p>Lastly, if young persons are legal residents in one of the participating in DiscoverEU countries, they are eligible to apply to the programme, regardless of their nationality. It means that young people from Kosovo⁶, Moldova or Ukraine for example, can take part in DiscoverEU as long as they are legally residing in a country part of the initiative.</p> <p>With regards to the European Solidarity Corps, the programme already allows young people residing in 23 non-EU countries not associated to the programme (from Europe, Africa and Asia) to</p> |

⁵ COM(2022) 657 final.

⁶ 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.

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| | <p>participate in a number of solidarity activities.</p> <p>The new European Voluntary Humanitarian Aid Corps, which will start deploying volunteers in April 2023, requires the participation in each project of at least one organisation based in a non-EU country not associated to the programme. In the projects approved under the first Call for projects, around a quarter of the participating organisations are based in Africa, and around a quarter are based in Latin America.</p> |
| <p>16. The CoR calls for greater targeted support for third-country nationals in order to facilitate their long-term resident status, intra-EU mobility and integration, with a particular focus on beneficiaries of international protection who, under the proposed long-term residents directive, fall under the same rules as any other third-country nationals falling within the scope of this directive, which fails to take into account the special situation of refugees and their vulnerabilities.</p> | <p>The Commission has put forward, under the Asylum and Migration Management Regulation, a proposal to reduce to three years the duration of continuous and legal residence needed to acquire the long-term residents' status, for beneficiaries of international protection.</p> <p>Other aspects concerning the specific situation of refugees and other beneficiaries of international protection are regulated under the asylum acquis.</p> |
| <p>17. The CoR points out that labour mobility can be a complementary legal avenue by which refugees can reach Europe or other destinations without having to resort to irregular routes as it can open a safe pathway for refugees to apply their skills and realise their potential in regions that are seeking to address specific skills shortages.</p> | <p>The Commission agrees with this view, which it outlined in the Recommendation on legal pathways to protection in the EU.⁷ The high-level Forum on legal pathways to protection of 29 November 2022 promoted refugee labour pathways through a high-level discussion on the topic. Moreover, dedicated EU funding is available through Asylum, Migration and Integration Fund (AMIF) Union Action projects (calls for proposals of 2020 and 2023).</p> <p>The possibility to open the future EU Talent Pool to refugees will also be assessed.</p> |
| <p>21. The CoR proposes the activation of a local (regional or metropolitan area) skills recognition system in order to accelerate the process of socio-economic inclusion of third-</p> | <p>The Commission agrees with the importance of speeding up the recognition of qualifications of third-country nationals.</p> |

⁷ Commission Recommendation (EU) 2020/1364 of 23 September 2020 on legal pathways to protection in the EU: promoting resettlement, humanitarian admission and other complementary pathways; OJ L 317, 1.10.2020, p. 13–22.

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| <p>country nationals, be they first arrivals or already residents, in possession of one of the statuses guaranteed by current national legislation. This system of skills recognition would not replace the national one, but would be in addition to it, guaranteeing faster integration into the regional or metropolitan area labour market.</p> <p>22. The CoR points out that the recent flow of highly skilled refugees from Ukraine is highlighting the need to speed up the skills recognition process for all third-country nationals, as already regulated by the new European Blue Card directive. An EU policy regulating the entry and treatment of migrant workers is essential to ensure a good balance between labour supply and demand, which is particularly unbalanced at this point in time, especially in certain socially relevant functions such as those related to the care sector and the health sector.</p> | <p>In 2023 the Commission will present a proposal on the recognition of qualifications of third country nationals, which will further contribute to facilitating labour migration in priority sectors.</p> <p>A local or regional skills recognition system could complement national and EU efforts.</p> <p>The Commission will also launch shortly⁸ a mapping of the admission conditions and rights of long-term care workers from third countries in the Member States and the needs in this regard, with a view to exploring the added value and feasibility of developing a legal EU-level admission scheme to attract such workers.</p> |
| <p>25. The CoR calls for fostering entrepreneurship by enlarging avenues for migration into the EU for the creation of businesses and start-ups and by facilitating permits for establishing businesses by third-country nationals.</p> | <p>The Commission welcomes the support of the Committee to assess the scope for Union level action targeting the admission of innovative entrepreneurs and start-up founders from third-countries.</p> |

⁸ The selection of the contractor is ongoing.

N°3 The next generation of own resources for the EU budget
COM(2021) 566 final,
COM(2021) 569 final,
COM(2021) 570 final
COR-2022-01229 – COTER-VII/021
152nd plenary session – November-December 2022
Rapporteur: Nathalie SARRABEZOLLES (FR/PES)
DG BUDG – Commissioner HAHN

| Points of the European Committee of the Regions opinion considered essential | European Commission position |
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| <p>1. The Committee of the Regions (CoR) notes the Commission's proposal to introduce three new own resources for the EU budget, but remains deeply worried about the lack of credible impact assessment as to incurred costs of these measures for European companies and consumers.</p> | <p>The own resource decision is addressed to Member States. As such, it has no direct impact on the companies and consumers. The underlying legislation, including on the EU Emissions Trading System (ETS)¹ and Carbon Border Adjustment Mechanism (CBAM)², which could have an impact on such stakeholders, was subject to a detailed impact assessment.</p> |
| <p>3. The CoR observes that the first own resource on non-recycled packaging waste, in place since 1 January 2021, is not earmarked to be invested directly into the re-use and recycling of plastic waste; calls for increased EU ambitions to reduce the use of plastic and plastic recycling.</p> | <p>The plastic based own resource incentivises Member States to put in place measures in line with the objective of the plastics strategy. It however aims at financing the general EU budget according to the universality principle (own resources are not earmarked to any specific expenditure).</p> |
| <p>4. The CoR notes that the introduction of a first basket of new own resources in 2023, in line with the roadmap established in the Interinstitutional Agreement of 16 December 2021, will send a positive message to; recalls that sufficient proceeds from new own resources are essential to guarantee the repayment of the NGEU debt without jeopardizing EU programmes in the next MFF.</p> | <p>The Commission agrees that the ability of the EU to introduce new own resources is necessary to maintain a sizable EU budget as of the next Multiannual Financial Framework as otherwise there is a very concrete risk of substantial expenditure cuts in the next MFF to bear the burden of NextGenerationEU (NGEU) repayment. It is also perceived by investors and rating agencies as a sign of unity, thereby reducing the</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.

² COM(2021) 564 final.

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| | EU borrowing costs. |
| 9. The CoR supports the proposal to create new own resources based on a reformed EU Emission Trading System (ETS); stresses that the cross-border nature of carbon emissions, which are associated with negative externalities not restricted to the emitting countries, provides a strong rationale for allocating auction revenues from ETS certificates to the EU level; underlines that this must not affect negatively the ability of Member States to finance their national climate change programme. | The EU Emission Trading System (ETS) own resource proposes allocating a reasonable share of the auction revenues to the EU budget. The EU budget and NextGenerationEU also finance the transition to a low carbon economy. In this respect, it must also be noted that the introduction of CBAM (as from 2026) will also act as an enabler to generate additional revenues under the EU ETS as free ETS allowances will gradually be replaced by full auctioning in the CBAM sectors. |
| 10. It is essential to mitigate the social and territorial negative effects of enlarging the ETS to the buildings and transport sector (ETS 2). The CoR believes that the Commission's proposal to set up a Social Climate Fund (SCF) financed by an amount equivalent to 25% of the receipts from ETS2 would be entirely insufficient to compensate for the vast scale of home renovations and road transport electrification. The CoR stresses the importance of having local and regional authorities fully involved in the management of ETS resources and in the management of the Social Climate Fund. The CoR recommends integrating the Social Climate Fund into the Common Provisions Regulation of the cohesion policy in order to simplify its management on the ground for managing authorities and beneficiaries. Priority should be given to making existing investment and cohesion tools work better and faster instead of setting up new funds that | The Social Climate Fund (SCF or Fund) will support vulnerable households, micro-enterprises and transport users, which are particularly affected by the inclusion of greenhouse gas emissions from buildings and road transport into the scope of Directive establishing a scheme for greenhouse gas emission allowance trading ³ . The size of the Fund has been considered very carefully in the negotiations on the SCF Regulation ⁴ . On 18 December 2022, co-legislators reached a provisional agreement with a size of the Fund of € 65 billion. ⁵ Member States will contribute to 25% of the total estimated costs of the Social Climate Plans. In total, the Fund will hence mobilise € 86.7 billion. In addition, Member States will use the revenues from the existing and new emissions trading for climate- and energy-related purposes, including addressing social impacts. Hence, emissions trading will provide significant resources for a socially fair transition towards |

³ 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.

⁴ COM(2021) 568 final.

⁵ <https://www.consilium.europa.eu/en/press/press-releases/2022/12/18/fit-for-55-council-and-parliament-reach-provisional-deal-on-eu-emissions-trading-system-and-the-social-climate-fund/>

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| <p>duplicate existing mechanisms and objectives with different rules and with the risk of bypassing current rules on the eligibility of energy source.</p> | <p>climate neutrality.</p> <p>Moreover, as of 2021, the Recovery and Resilience Facility⁶ has started facilitating targeted investments. Cohesion policy can also support these under the 2021-2027 programming period.</p> <p>As for the management mode choice, the performance-based 'sui generis' 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 emissions trading. The provisional agreement reached on 18 December 2022 maintains this key feature, but it also allows Member States to transfer up to 15% of their annual allocation to shared management funds, if the transferred resources are spent in line with the objectives of the SCF Regulation.</p> |
| <p>18. The CoR recalls that the 2021 OECD/G20 agreement on global taxation foresaw the conclusion of the preparatory work on the MLC by early 2022; observes that progress in the implementation is stalling as the OECD has not yet finalised the text of the MLC; is worried that a political change in the US mid-term elections could jeopardise the US' capacity to sign and ratify the MLC.</p> | <p>The work on the drafting of the multilateral convention continues and the Organisation for Economic Co-operation and Development (OECD) secretariat aims in finalizing these discussions in the first half year of 2023 in order to have it signed by the participating countries. As the final wording of this convention is not yet finalised it is too early to speculate about its ratification.</p> |
| <p>21. The CoR notes that the future reform of the EU budget system requires EU own resources that support the just transition to competitive circular economies. Requests the European Commission to consider the Ex"Tax proposals for a shift in taxation from labour to pollution and resource use, as put forward in the European Green Deal. Such a "taxshift" is based on applying the Polluter Pays Principle, as well as the principles of "making work pay" and</p> | <p>The plastic own resource introduced on 1st January 2021 and the basket of own resources proposed on 22 December 2021 aim at supporting EU political priorities. The CBAM and ETS legislation and own resources are consistent with the objective of shifting the burden to pollution away from labour. The provisional agreement of 18 December 2022 on the revised ETS includes the possibility for Member States to use their revenue also to reduce distortive taxes, notably to address social aspects in</p> |

⁶ https://commission.europa.eu/business-economy-euro/economic-recovery/recovery-and-resilience-facility_en

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| <p>"leaving no-one behind". Applying such principles would align tax policies with the goals of The European Green Deal and the European Pillar of Social Rights Action Plan, amongst others.</p> | <p>lower- and middle-income households.</p> <p>It should be noted that in the context of the European Semester, countries with high tax burdens on labour are advised to shift their tax burden towards alternative, more growth friendly tax bases. This is a view strongly pushed and supported by the Commission already for some time.</p> |
| <p>22. The CoR urges the Commission to work on proposals for new own resources without delay; sees as very promising the idea of creating an own resource linked to major corporations, building on the 'Business in Europe: Framework for Income Taxation (BEFIT)' proposal planned for 2023; observes that, according to some studies, the implementation of the OECD/G20 agreement could lead to an increase in corporate tax revenue in Europe by more than EUR 80 billion/year.</p> | <p>The Commission will present a second basket of own resources in the third quarter of 2023. This is one year ahead of what is foreseen in the interinstitutional agreement (IIA), and underscores the Commission's commitment to sustainable EU public finances.</p> <p>In line with the IIA, the second set of new own resources would complement the first, and aims at generating sufficient revenue for the repayment of the grant component of NGEU borrowing strategy including financing costs. It will include an own resource based on the 'Business in Europe: Framework for Income Taxation (BEFIT)'. The Commission will continue exploring all options, with a view to meeting its commitments, with hopefully the assistance and full engagement of Member States.</p> |

N°4 Enhancing cohesion policy support for regions with geographic and demographic handicaps
Own-initiative
COR-2022-02959 – COTER-VII/022
152nd plenary session – November-December 2022
Rapporteur: Marie-Antoinette MAUPERTUIS (FR/EA)
DG REGIO – Commissioner FERREIRA

| Points of the European Committee of the Regions opinion considered essential | European Commission position |
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| <p>11. The Committee of the Regions (CoR) proposes that each Member State provide basic public services in Art. 174 areas, in line with the European Social Pillar and the Charter of Fundamental Rights. The provisions of the Protocol on services of general interest should be taken into account in particular in this regard, for example the broad discretion of national, regional and local authorities in organising services, the promotion of universal access, and so on. The provision of effective and sustainable cross-border public services should be systematically explored. Conversely, the Commission must ensure, when reviewing the National Reform Programmes, the Partnership Agreement, the CAP Strategic Plans, the National Recovery and Resilience Plans and the delivery of the corresponding EU funds in the Member States, that these support the maintenance and development of such basic services. Additionally, EU and national support for Art. 174 territories must be specifically reflected in the Cohesion Report (Art. 175 TFEU).</p> | <p>EU Cohesion Policy and the Common Agricultural Policy (CAP) Strategic Plans provide funds to support investments in basic services and infrastructure, including broadband.</p> <p>Member States had to explain in their Recovery and Resilience plan how the investments and reforms will strengthen job creation, growth and economic and social resilience in the long term, including contribution to the European Pillar of Social Rights. Moreover, the Plans have to address all or a significant subset of challenges identified in the country-specific recommendations in the context of the European Semester, including the social dimension.</p> <p>The Commission acknowledges that in cross-border regions access to public services tends to be smaller than in other regions, as stated in the Report on EU Border Regions: Living labs of European integration¹.</p> <p>The Commission is promoting joint cross-border provision of public services, namely mapping obstacles regularly faced by those services, and their possible solutions with the b-solutions initiative. Member states can explore the potential of synergies amongst public services in neighbouring border regions, notably with the support of Interreg.</p> |

¹ COM(2021) 393 final.

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| <p>15. The CoR stresses that developing the present limited application in practice of Art. 174 TFEU must not effect, in any way, either Art. 349 of the Treaty, which provides special protection for outermost regions, or the specific treatment of the northernmost sparsely populated areas protected by the respective Accession Treaties.</p> | <p>The Commission is committed to implementing Articles 174 and 349 of the Treaty on the Functioning of the European Union (TFEU) within the respective scope of both articles.</p> <p>Moreover, the Commission has adopted a Communication² regarding the outermost regions as part of its policy to support the outermost regions' development.</p> |
| <p>18. The CoR urges the Commission, which at this very moment is holding negotiations with the Member States on the Partnership Agreement, the CAP Strategic Plans and the programmes, to challenge the relevant Member States to demonstrate that they are providing specific support for those Art. 174 areas under the Structural and Rural Development Funds.</p> | <p>See response under point 11.</p> <p>The Commission finished the 2021-2027 cohesion policy programming at the end of 2022³. In the negotiations the Commission has indeed paid particular attention⁴, together with the Member States, to the areas mentioned in Article 174 of the TFEU and made sure that Partnership Agreements contain wherever appropriate an integrated approach to address the demographic challenges of regions and areas. Moreover, the outermost regions benefit from specific measures and additional funding to offset their structural social and economic situation and specific handicaps referred to in Article 349 of the TFEU.</p> <p>In the CAP Strategic Plan negotiations, the Commission issued recommendations to the Member States urging to take steps to ensure EU funds work in full synergy to support rural areas.</p> <p>In the assessment of CAP Strategic Plans, the Commission paid attention to the consistency of support for rural areas in regards with all funds and instruments, making sure that the identified needs of rural areas, which could not be addressed through the Strategic Plans were taken into account in the programming.</p> |

² Putting people first, securing sustainable and inclusive growth, unlocking the potential of the EU's outermost regions, COM(2022) 198 final.

³ (except for a handful of programmes, which are currently in the final adoption process).

⁴ As requested by the TFEU and the Common Provisions Regulation.

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| <p>21. The CoR recommends making increased use of territorial tools such as Integrated Territorial Investments (ITI) and Community-Led Local Development (CLLD) in order to invest EU and national funds in overcoming territorial handicaps in an integrated way using a bottom-up approach, however, urges the Commission to increase the co-financing rate for territorial programming tools implemented in territories with geographical and demographic handicaps covered by Article 174, and to design implementation and result indicators that are more in line with the nature of the measures implemented in these territories.</p> | <p>Co-financing rates are determined for each priority of a programme, with maximum per category of regions as set out in the Common Provisions Regulation⁵. All outermost regions benefit from the same highest co-financing rate of 85% as less developed regions, including for their specific additional allocation. These rates are increased by ten percentage points for priorities entirely delivered through community-led local development. These maximum co-financing rates may be modulated at the level of operations, provided that the rate set at priority level is respected.</p> <p>The Commission notes that common indicators⁶ result from an extensive discussion with DG REGIO evaluation network of national experts of all Member States⁷. This list of common indicators is much more extensive than in the previous programming period. However, managing authorities also have the possibility to define additional, programme-specific indicators.</p> |
| <p>24. The CoR asks the Commission to develop new indicators in order to better assess and measure the severity of the geographical and demographic handicaps in regions mentioned in Article 174 of the TFEU. The CoR considers that, once such solid indicators are available, they should be used to adapt the distribution of European structural and investment funds for the next period to go beyond the sole GDP indicator in order to compensate for the overall growth difficulties faced by these regions mentioned in</p> | <p>The Commission agrees that Gross Domestic Product (GDP) cannot be the sole indicator to capture the social, environmental and economic challenges faced by EU regions. In this regard, the allocation methodology for cohesion policy⁸ already entails numerous additional indicators taking into account other issues such as education, employment, poverty, demography or climate transition. These issues are also analysed and addressed in detail within the cohesion reports.</p> |

⁵ Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L231, 30.06.2021, p. 159).

⁶ (as listed in ERDF Regulation, Annex I).

⁷ https://ec.europa.eu/regional_policy/policy/evaluations/network_en

⁸ detailed in Annex XXVI of the CPR.

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| <p>Article 174 of the TFEU.</p> | |
| <p>25. The CoR calls for post-2027 Cohesion Policy to include specific EU-level regional targeting and earmarking for regions with areas mentioned in Art. 174, with a minimum aid threshold in Partnership Agreements. Potentially, this should also comprise other policies in the EU budget that have a territorial dimension, including any successor to Next Generation EU.</p> | <p>The areas mentioned in Article 174 of the TFEU are located in regions having very heterogeneous social, demographic and economic performance, from the poorest regions to the richest ones. This situation does not justify addressing them in an isolated manner. Furthermore, some flexibility is needed to be able to tackle adequately evolving situations, in particular as regards areas affected by industrial transition or demographic decline.</p> <p>Member States in their cohesion policy programmes are free to establish minimum earmarking for specific areas in the programmes' geographical remit.</p> |
| <p>31. The CoR stresses that the new Long-Term Vision for the EU's rural areas up to 2040, (LTVRA) together with the Rural Pact and an EU Rural Action Plan, must set out, with the Member States and regions, clearly defined proposals for immediate action, specific targets, and investment towards stronger, connected, resilient and prosperous rural areas and communities.</p> | <p>The EU Rural Action Plan⁹ list actions taken by the Commission which work towards stronger, more connected, resilient and prosperous rural areas by 2040. In the first quarter of 2024, the Commission will issue a public report based on the implementation of the EU Action Plan which will spell out possible orientations for enhanced support and financing for rural areas.</p> |
| <p>47. The CoR stresses that the first ever EU-wide definition of a demographically declining area for the purposes of EU Structural and Investment Funds, originally put forward by the CoR and included in the ERDF Regulation (EU) 2021/1058, should be used to better spatially target other relevant funds beyond Cohesion Policy, particularly for the Just Transition Fund and the National Recovery and Resilience Plans, as all these funds shall contribute towards integrated and place-based actions.</p> | <p>The Just Transition Fund was created to address the negative impacts of the energy transition in the most affected regions. This includes potential demographic impacts as well. The selection of territories and the measures to be supported by the Just Transition Fund in several cases took demographic issues into account.</p> |

⁹ (including rural proofing mechanism, rural observatory, Rural Pact).

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| <p>51. The CoR reiterates its disappointment about the lack of local and regional-level involvement in the design of national recovery and resilience plans (NRRP) which creates a rebound effect during the implementation phase; underlines in this respect its disagreement with the European Commission's proposal to transfer from European Structural and Investment Funds to the Recovery and Resilience Facility to finance REPowerEU; objects any attempt to take resources from regions and provide them unconditionally to the national level as this goes against the EU's principles and the agreements on shared management.</p> | <p>As foreseen by the Recovery and Resilience Facility Regulation, the plans must include a summary of the consultation of stakeholders, including local and regional authorities, and the input provided by the stakeholders.</p> <p>The co-legislators have chosen not to introduce any possibility of transfers from cohesion policy funds. It has been instead replaced by the possibility to amend cohesion policy programmes to highlight which measures contribute to REPowerEU objectives, fully in line with Common Provisions Regulation and fund-specific regulations. The co-legislators also chose not to introduce any possibility to transfer from the European Agricultural Fund for Rural Development, but instead added the possibility to transfer funds from the Brexit Adjustment Reserve.</p> |
| <p>56. The CoR believes that, unlike the Pact of Amsterdam and the macro-regional strategies, the Islands Pact, as well as the Rural Pact, which is also in development, must have new legislation, new funds and new policy approaches specific to those areas: the rule of the three "no's" should be made more flexible as regards macro-regional strategies.</p> | <p>The Commission does not consider that a change in approach to the three 'nos'¹⁰ in relation to macro-regional strategies is appropriate.</p> <p>It is important to retain the distinction between strategies and pacts and the different sources of funding available to support them.</p> <p>The EU rural action plan under the Long Term vision for rural areas, including rural proofing mechanism, rural observatory, Rural Pact, and available funds already offer a very good basis to respond to rural needs. The Commission will take stock on the implementation of actions by mid-2023 and offer reflections on the way forward in a report due in the first quarter of 2024.</p> |
| <p>57. The CoR calls for special fiscal/state aid status for islands to be included in this Pact in order to help overcome the "insular tax", i.e. the overhead costs associated with insularity.</p> | <p>State aid rules take into account territories facing geographic or demographic challenges, including islands. On islands or in other areas facing similar geographical isolation, designated as assisted areas by Member States, undertakings can receive</p> |

¹⁰ The 'three no's' principle means no new EU funds, no additional EU formal structures and no new EU legislation.

regional aid, both under the Regional Aid Guidelines¹¹ and the General Block Exemption Regulation (GBER)¹².

The GBER recognises the situation of ‘remote regions’ including among others Malta, Cyprus, islands part of the territory of a Member State and outermost regions and allows aid to improve the connectivity of those remote regions: Article 51 GBER allows State aid for air and maritime passenger transport, for the benefit of final consumers with their normal residence in a remote region, on routes linking such regions to other (air)ports in the European Economic Area (EEA); Article 56a(14) GBER allows a higher aid intensity for investment aid to regional airports located in remote regions.

Additionally, undertakings in islands may also benefit from schemes that Member States can design under the different GBER exemptions.

At last the geographical specificity of islands may lead the Member States concerned to identify activities corresponding to services of general economic interest (SGEI) that could be subject to public funding under the 2011 State aid SGEI rules.

Therefore, the Commission does not think that a pre-defined status for the islands regions is necessary from a state aid perspective.

The Code of Conduct for Business Taxation takes into account, in addition to the five criteria for assessing harmfulness, whether the preferential tax regime under scrutiny is targeted and proportionate. In the case of the outermost regions and small islands, particular attention will be paid to special features, including demographic challenges, and constraints of such remote regions.

Moreover, as far as fiscal policy is concerned, the EU has specific measures for outermost regions in

¹¹ Communication from the Commission Guidelines on regional State aid 2021/C 153/01, OJ C 153, 29.4.2021, p. 1–46.

¹² https://competition-policy.ec.europa.eu/state-aid/legislation/regulations_en

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| | <p>accordance with Article 349 of the TFEU. These amount to exemptions or reductions to the dock dues¹³ and AIEM¹⁴ tax for certain products produced in the French and Spanish outermost regions respectively. These measures also authorise France and Portugal to apply reduced rates of excise duty on certain alcoholic products produced in the French outermost regions and in the autonomous regions of Madeira and of the Azores.</p> |
| <p>59. The CoR calls for this Pact to include European island regions within the Connecting Europe Facility/Trans-European Networks for Transport, Energy and Digital.</p> | <p>The 2021 proposal for revision of the current TEN-T Regulation¹⁵ has as one of its main objectives to enhance the economic, social and territorial cohesion by ensuring accessibility and connectivity for all EU regions - while taking into consideration the specific case of islands, isolated networks, sparsely populated, remote and outermost regions.</p> <p>The Connecting Europe Facility (CEF) Regulation¹⁶ for 2021-27 includes more favourable conditions for projects located in outermost regions¹⁷ whereas islands eligible under the Cohesion Fund may benefit from a co-funding rate of maximum 85% under the CEF Cohesion envelope.</p> |
| <p>62. The CoR calls on the Commission and the Member States to introduce digital operational resilience policies on EU islands, in order to ensure that citizens and entrepreneurs can operate on EU markets while based on an</p> | <p>The Commission fully recognises the importance of digital resilience on EU islands. The CEF 2 Digital¹⁸, a €2 billion programme, will, inter alia, support the deployment of backbone connectivity including submarine cables and satellite-based connectivity throughout the EU, in</p> |

¹³ The dock dues is an indirect tax in force in the French outermost regions of Réunion, Mayotte, Martinique, Guadeloupe and French Guyana. It applies to all products produced and imported in these regions, including those products ‘imported’ from mainland France and elsewhere. Decision (EU) 2021/991 of 7 June 2021 allows applying total exemptions or reductions to the Octroi de Mer for certain products manufactured locally in the French outermost regions.

¹⁴ The AIEM is an indirect State tax levied in a single stage on the supplies of goods in the Canary Islands. The specific measures covered by Decision No 2020/1792 establish a form of differentiated taxation, benefiting the local production of some products.

¹⁵ COM(202) 812 final.

¹⁶ Regulation (EU) 2021/1153 of the European Parliament and of the Council of 7 July 2021 establishing the Connecting Europe Facility and repealing Regulations (EU) No 1316/2013 and (EU) No 283/2014, OJ L 249, 14.7.2021, p. 38–81.

¹⁷ i.e. higher co-funding rate of maximum 70% for works under the CEF General envelope.

¹⁸ <https://digital-strategy.ec.europa.eu/fr/activities/cef-digital>

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| island. | particular for the Outermost Regions, islands and Member States with coastlines, as well as the Overseas Countries and Territories. |
| 66. The CoR stresses that the added value of Interreg is not only the development of (often peripheral) border regions but also building trust among people on the different sides of the border. The role of people-to-people projects is key and should be further supported. | Building trust, especially through people-to-people actions, is crucial for cross-border cooperation. This is why it is an explicit objective of Interreg programmes in the Interreg Regulation ¹⁹ . |
| 68. The CoR calls for a "European framework for cross-border workers" that would lead to more efficacy in cross-border labour markets across Europe. | <p>Cross-border cooperation and frontier-work differ very much, depending on history and economic structure of the bordering regions. By setting up Interreg programmes and providing the opportunity to develop EURES cross-border partnerships²⁰, the Commission provides practical tools for the bordering regions to organise the cooperation in the most appropriate way.</p> <p>In line with the outcomes of the conference ‘Vibrant cross-border labour markets’ organised on 18-19 January 2023 the Commission will continue to work on removing obstacles on cross-border employment covering access to information, teleworking rules, recognition of qualifications, etc.</p> <p>This conference has put in evidence that in many regions, cross-border workers are facing challenges of similar nature notably in the fields of taxation, social security, access to labour market and recognition of qualifications. It has demonstrated the need for further action to ensure legal and administrative obstacles do not hamper cross-border workers, or hamper the development of border regions.</p> |
| 79. The CoR considers that, in the new programming period, policy objective 5 "Europe closer to citizens" is particularly | Cohesion policy is a shared management policy and therefore the main decisions on how cohesion funds invested are taken by Member States. In |

¹⁹ Regulation (EU) 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments, OJ L 231, 30.6.2021, p. 94–158.

²⁰ https://eures.ec.europa.eu/eures-services/eures-cross-border-regions_en

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| <p>adapted to sub-regional strategies addressing specific territorial needs, such as those of mountain areas. However, as for the rest of the territories covered by Article 174 TFEU, the absence of a European budget allocation for PO5, even by way of an indication, disproportionately penalises mountain areas. Nevertheless, mountain areas should not be excluded from PO1 and PO2, for which at least 60% of cohesion policy funds have been earmarked, but as things stand this remains entirely a question of the political willingness of central and regional governments.</p> | <p>2021-2027, policy objective 5 and the territorial instruments provide continuity and further flexibility for the Member States to address strategic territorial development needs. Policy objective 5 and particularly the Integrated Territorial Investments allow combining EU funding from various other policy objectives, programmes and funds, while ensuring the integrated and place-based nature of the investment. Furthermore, there is no regulatory exclusion of mountain areas under policy objective 1 and 2.</p> |
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N°5 Small urban areas as key actors to manage a just transition
Own-Initiative
COR-2022-00136 – COTER-VII/018
152nd plenary session – November-December 2022
Rapporteur: Kieran MCCARTHY (IE/EA)
DG REGIO – Commissioner FERREIRA

| Points of the European Committee of the Regions opinion considered essential | European Commission position |
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| <p>9. The Committee of the Regions (CoR) notes with regret that, when introducing a definition of "urban areas" under the "Tercet" Regulation, the Commission did not consider it necessary to carry out an impact assessment, even though the introduction had a far-reaching impact on the distribution of funding.</p> | <p>The objective of ‘Tercet’ Regulation¹ is to enable the collection, compilation and dissemination of harmonised statistics in the EU. At the time of drafting in 2017, the European Statistical System already used the degree of urbanisation, which includes the definition of cities.</p> |
| <p>11. The CoR calls therefore on the Commission to undertake an impact assessment before introducing further definitions, in particular with regard to the objectives set out in Article 174 TFEU and the distribution of funding.</p> | <p>The Commission will continue to carry out impact assessments on initiatives expected to have significant economic, social or environmental impacts, pursuant to the provisions of the Better Regulation Guidelines.</p> |
| <p>21. The CoR sees therefore a need for a targeted approach that gives local people a positive vision for the future. The Commission's long-term vision for rural areas by 2040 could be valuable here, and the Rural Pact should also take full account of small towns in rural areas.</p> | <p>The long-term vision for rural areas and the EU cohesion policy, that introduced the Policy Objective 5, are committing to leave no place and no one behind and to bring the EU closer to citizens.</p> <p>Joint urban/rural development opportunities require an integrated approach. The Commission approaches the matter in terms of functional territorial concepts, local development strategies and bottom-up initiatives (see also reply to point 34).</p> <p>Within the EU rural action plan adopted with the long-term vision for the EU’s rural areas², the</p> |

¹ Regulation (EU) 2017/2391 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EC) No 1059/2003 as regards the territorial typologies (Tercet).

² https://agriculture.ec.europa.eu/news/long-term-vision-eus-rural-areas-launch-rural-pact-2021-12-20_en

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| | Commission is developing a definition of functional rural areas. Many small towns are part of these functional rural areas and are encouraged to take part in the Rural Pact. |
| 29. The CoR asks that the implementation of the Just Transition Fund (JTF) should target support to small urban areas within the already pre-defined regions, to support the municipalities most affected by the transition towards climate neutrality. | In line with the partnership principle, Managing Authorities will involve local authorities in the implementation of the Just Transition Fund (JTF) programmes. |
| 30. The CoR calls for the JTF to support small and medium-sized enterprises in order to develop their businesses and build attractive and vibrant places. | Support to small and medium-sized enterprises (SMEs) is one of the key priorities in the adopted Territorial Just Transition Plans ³ . |
| 31. The CoR calls for support for social inclusion projects and actions for vulnerable groups or citizens in need, as their needs in small urban areas can be greater and less connected. | Cohesion policy support for social inclusion under policy objective 4 ‘A more social and inclusive Europe’ in the areas of education and training, employment, housing, health and social care, focuses on marginalized groups and vulnerable areas, which may also include small urban areas. Such support is also available as part of territorial or local development strategies under Policy Objective 5 ‘A Europe closer to citizens’, tailored to local specificities and aiming at greater involvement of local and regional actors which can help small urban areas to better target activities to local needs, including social cohesion. |
| 34. The CoR recommends that Member States invest in smart village projects, implementing digital solutions to optimise connectivity, daily life and services in small urban areas, within the national recovery and resilience plans, as well as the European Structural and Investment Funds (ESIF). | For its part, the 2021/2027 legislative package of the Cohesion Policy has concrete references to Smart Villages that may trigger action from European Regional Development Fund (Common Provision Regulation recital 30 ⁴ , European Regional Development Fund/Cohesion Fund ⁵ , Regulation recital 13 and recital 47). |

³ See <https://cohesiondata.ec.europa.eu/funds/jtf/21-27>

⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021R1060>

⁵ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32021R1058>

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| | <p>As regards digital infrastructures as such and to support connectivity and innovation, there is still a gap between urban and rural areas, notably as regards broadband, with implication for digitally based innovation. Cohesion Policy Objective 1 for a smarter Europe addresses that via a specific objective (1.2) on information and communication technology, benefitting notably peripheral and rural areas.</p> <p>All recovery and resilience plans have been adopted as of December 2022, with many cross-cutting investments in digital solutions, given that 26% of the Recovery and Resilience Facility (RRF) funds support reforms and investments contributing to the digital transition.</p> |
| <p>39. The CoR recognises the efforts made by the Commission to put a particular emphasis on small urban areas and medium-sized cities within the call for New European Bauhaus Local Initiatives proposals, and recalls the proposal to launch a NEB Lab voucher scheme within the future call for proposals under the European Urban Initiative.</p> | <p>The New European Bauhaus (NEB)⁶ has the ambition to generate tangible change on the ground and much of this change is happening in local and regional settings. Therefore, rural areas, as well as small and medium size cities play a central role when it comes to making the NEB more accessible and involving citizens in the transformation process.</p> |
| <p>41. The CoR emphasises developing the Rural Agenda following the Urban Agenda for the EU model based on the principles: "better funding, better regulation and better knowledge", and delivering it through thematic multilevel and cross-sectorial partnerships.</p> | <p>The Commission highlights that the long-term vision for rural areas, with the EU Rural Action Plan, including the rural proofing mechanism, the rural observatory, the Rural Pact and funding available under the various funds already constitute the main building blocks of a rural agenda.</p> <p>The Rural Pact was established, to reinforce the voice of rural communities and citizens at the EU level and further consideration of the Committee proposal will be given within this Rural pact process.</p> |

⁶ COM(2021) 573 final.

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| <p>43. The CoR suggests that the Commission integrate the dimension of small urban areas into the rural proofing exercises, and reiterates the CoR's offer to cooperate on this topic. A screening for territorial and rural impacts should become a mandatory element of the policy-making process.</p> | <p>The Commission has updated its Better Regulation Guidelines⁷ and territorial impact assessment, including rural proofing, is an important consideration when preparing policy proposals. The Guidelines require services to explore whether EU legislative initiatives are likely to have territorial impacts and, if any, to take these into account in the preparation of its proposals.</p> |
| <p>44. The CoR recommends further considering possibilities for cooperation within existing EU territorial strategies such as the 2030 Territorial Agenda, the New Leipzig Charter and the implementation of a new generation of partnerships within the Urban Agenda for the EU, which create a rural urban agenda focus.</p> | <p>The long-term vision for rural areas emphasises that balanced territorial development, anchored in place-based approaches and the involvement of all governance levels, as outlined in the 2030 Territorial Agenda, is necessary to make the most of the potential of rural areas.</p> <p>In this respect, the EU Territorial Agenda 2030 Pilot Action ‘Small Places Matter’ addresses the key role of small towns in boosting the development of a wider territory. Smaller urban areas are also supported within the Urban Agenda for the EU partnerships. Furthermore, the concept of functional urban areas whose deployment is encouraged under cohesion policy (see point 21) actually contributes to taking into account local realities and opportunities with regards to urban rural linkages. Both agendas are intergovernmental initiatives not the Commission’s initiatives.</p> |
| <p>51. The CoR reiterates its disappointment about the lack of local and regional-level involvement in the design of national recovery and resilience plans (NRRP) which creates a rebound effect during the implementation phase; underlines in this respect its disagreement with the Commission's proposal to transfer from European Structural and</p> | <p>As provided for by the Recovery and Resilience Facility (RRF) Regulation⁸, Member States must consult stakeholders, including local and regional authorities, and the plans must include a summary of this consultation and of the input provided by the stakeholders. The involvement of stakeholders may vary in each Member State and the ultimate responsibility for their consultation lies with</p> |

⁷ https://commission.europa.eu/law/law-making-process/planning-and-proposing-law/better-regulation/better-regulation-guidelines-and-toolbox_en

⁸ 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.

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| <p>Investment Funds to the Recovery and Resilience Facility to finance REPowerEU; objects any attempt to take resources from regions and provide them unconditionally to the national level as this goes against the EU's principles and the agreements on shared management.</p> | <p>national authorities. In addition, in the context of Article 28 of the RRF Regulation, Member States and the Commission jointly organise annual events with the participation of those responsible for implementing the Recovery and Resilience Plan and other relevant stakeholders, to discuss complementarity, synergy, coherence and consistency between the implementation of the plan and the other Union programmes.</p> <p>In the context of the REPowerEU Regulation proposal, the possibility of transfers from the Cohesion policy Funds to the RRF has been replaced by the possibility to amend Cohesion policy programmes to highlight which measures contribute to REPowerEU objectives, fully in line with Common Provisions Regulation and the Fund-specific Regulations. The co-legislators also removed the possibility to transfer resources from the European Agricultural Fund for Rural Development, but instead added the possibility of transfers from the Brexit Adjustment Reserve (BAR).</p> <p>Moreover, when a Member State submits a REPowerEU chapter to their Recovery and Resilience Plan, it will have the obligation to submit a summary of the consultation process and an explanation of the outcome of the consultations with local and regional authorities and other relevant stakeholders, as is already the case in the RRF Regulation (Article 18), which will therefore provide an opportunity for an inclusive process. The Member State also needs to outline how the input received was reflected in the REPowerEU chapter.</p> |
| <p>52. The CoR suggests the use of the NRRPs to collect data which could be used to implement public policies and the lower level of governance.</p> | <p>The RRF Scoreboard monitors progress in the implementation of the Recovery and Resilience Plans and the Recovery and Resilience Facility as a whole. It provides information on the progress of RRF implementation, e.g. by reporting on the achievement of milestones and targets, payments made etc. It also reports on common indicators</p> |

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| | <p>demonstrating some key results of the implementation of the Facility. The scoreboard is updated twice a year, based both on Commission data and on reporting by the Member States on the common indicators. The ambition of the Commission is not to compare Member States to one another but to be transparent and show the progress with the implementation of recovery and resilience plans in relation to the six pillars and to the common indicators as foreseen by the RRF regulation. Third parties are welcome to use publicly available data on RRF implementation for their own ends, including the improved implementation of public policies at regional level, the amelioration of administrative capacity of local and regional authorities and other objectives aimed at enhancing access of citizens to public services in European municipalities and regions.</p> |
| <p>54. The CoR suggests that the Commission promote ITI and CLLD through a number of Peer-2-Peer activities of the European Urban Initiative, as suitable tools to support small and medium size urban authorities to face territorial challenges such as depopulation.</p> | <p>The European Urban Initiative will provide the opportunity for cities of all sizes to join City-to-city exchanges, peer review activities as well as capacity building events. Cities applying for an exchange or a peer review will be able to flag the issues they would like to tackle through these activities, in particular related to the implementation of Cohesion policy and use of territorial tools, as well as thematic issues they are facing.</p> <p>REGIO Peer-2-Peer+⁹ is available for programme authorities wishing to exchange and network on topics related to implementation of the European Regional and Development Fund, the Cohesion Fund and the JTF, including on Integrated territorial investment (ITI) and Community Led Local Development (CLLD).</p> |

⁹ https://ec.europa.eu/regional_policy/policy/how/improving-investment/regio-peer-2-peer_en

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| <p>55. The CoR urges the Commission to put forward a communication campaign to promote the EU's impact in the lives of people living in small places (urban and rural) in order to counterbalance the geography of discontent with the EU.</p> | <p>The Commission takes note of the Committee's request and acknowledges the importance of the inclusive involvement of all levels of governance to ensure the well-being of people living in small places.</p> <p>In this respect, the Commission informs that the Rural Pact was launched on 17 December 2021 as a common framework for the engagement and cooperation of a wide range of actors at the EU, national, regional, and local levels. To date, more than 1,200 members have joined the Rural Pact community and around 80 have made practical commitments to act, following the endorsement of the Rural Pact proposal on 16 June 2022. From the first quarter of 2023 onwards, a new Rural Pact support office will support the Commission in facilitating networking and knowledge exchange activities between Rural Pact community members.</p> |
| <p>57. The CoR asks the Commission to support all public administrations in small urban areas to find insights on how to tackle green, digital or demographic transition challenges, and direct support from the European Commission to the existing supra-local structures in Member States should be strengthened (such as - départements, Landkreise, powiats, județe etc.) so that they can develop their own capacities to advise small municipalities, in line with the subsidiarity principle; indeed, all local authorities should have their own EU affairs / funding officers to support this work.</p> | <p>Capacity and knowledge building activities for local authorities and administrations will be part of the support offered by the European Urban Initiative under the programming period 2021-2027. These activities will concern cities of all sizes and a number of activities will involve urban policymakers and practitioners not only from local level but also from regional and national levels (e.g. capacity building events, activities undertaken by the Urban Contact Points, capitalisation events).</p> |
| <p>58. The CoR requests that the Commission and the Members States make provisions for technical support to be used for municipalities throughout a project life cycle.</p> | <p>Member States and regions are also encouraged to explore the possibilities to <i>'improve the capacity of sectoral or territorial actors responsible for carrying out activities relevant to the implementation of the European Regional Development Fund and the Cohesion Fund, provided that it contributes to the objectives of the programme'</i> (Article 3.4 (b) of the European Regional Development Fund/Cohesion Fund</p> |

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| | <p>Regulation¹⁰). These administrative capacity building actions allow for tailor-made support to the efficiency and effectiveness of investments. Actions could cover e.g. the support of relevant territorial authorities or institutions or bodies responsible for the management of ITIs, CLLDs, or other territorial tools, to design or revise the territorial and local strategies, develop the project pipeline and improve procurement performance to shorten the tendering process.</p> |
| <p>59. The CoR asks the Commission to consider the possibility under the new European Urban Initiative (EUI) to offer on-the-spot coaching to small urban areas, and suggests that the future EUI national contact points act as intermediators for supporting small urban areas.</p> | <p>A range of support activities will be available under the European Urban Initiative¹¹ for small urban areas to take part in capacity building activities, such as peer learning and city-to-city exchanges, including the support of experts.</p> <p>Contact points in Member States will be key focal points for small urban areas to obtain information about calls for innovative actions, capacity and knowledge building activities and other opportunities they can benefit from. They will also collect information on the concerns and needs of small urban areas in order to take them into account regarding the focus of activities that the European Urban Initiative can provide.</p> |

¹⁰ Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund (<https://eur-lex.europa.eu/eli/reg/2021/1058/2021-06-30>).

¹¹ <https://www.urban-initiative.eu/>

N°6 EU Strategy for Sustainable Circular Economy and Textiles
Own-initiative
COM(2022) 141 final
COR-2022-02926 – ENVE-VII/033
152nd plenary session – November-December 2022
Rapporteur-general: Luca MENESINI (IT/PES)
DG ENV – Commissioner SINKEVIČIUS

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

European Commission position

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

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| <p>N°7 Reform of the geographical indications system COM(2022) 134 final COR-2022-03736 – NAT-VII/025 152nd plenary session – November-December 2022 Rapporteur: Karine GLOANEC-MAURIN (FR/PES) DG AGRI – Commissioner WOJCIECHOWSKI</p> | |
| <p>Points of the European Committee of the Regions opinion considered essential</p> | <p>European Commission position</p> |
| <p>3. The Committee of the Regions (CoR) regrets that the proposed regulation has relegated to the recitals the reference to achieving the objectives of rural development policy, whereas this reference previously appeared in Article 1 of the Regulation.</p> | <p>The geographical indications (GI) system indeed contributes to achieving the objectives of the rural development policy.</p> <p>When listing the objectives, the Commission focused on producers and their rights, and consumer information about geographical indications, while it included broader objectives like transition to sustainable food systems, producers’ competitiveness and Union’s living and cultural heritage to the recitals.</p> |
| <p>4. The CoR supports the establishment of a single set of procedural rules for all sectors, with a view to ensuring consistency and making the GI system clearer, while recommending that no further steps be taken, in order to maintain the specificities of each sector.</p> | <p>The Commission proposal provides for a single set of procedural rules for all sectors to ensure consistency while maintaining the specificities of each sector – agricultural products, wine and spirit drinks. Maintaining those specificities is key for the continuity of the GI system.</p> |
| <p>7. The CoR considers, therefore, that given its expertise in agriculture and rural development, DG AGRI should continue to handle the scrutiny of applications for registration, opposition and cancellation of GIs, as well as amendments to the specifications.</p> | <p>There is no aim to transfer the registration of names, decisions on oppositions, cancellation of registered names and approval of amendments to the product specifications; these powers will stay with the Commission as well as the GI policy. The legislative proposal provides for technical assistance of the European Union Intellectual Property Office (EUIPO) during the scrutiny process. In this way, the time needed for the registration will be reduced and delivering excellence to applicants and the users of the GI registration system ensured.</p> <p>After five years of close cooperation between the</p> |

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| | <p>Commission and EUIPO, based on the Memorandum of Understanding, EUIPO has acquired a full understanding and appreciation of GIs. EUIPO has thus become more attentive to GI rights to prevent unfounded trademark registrations. Assistance from EUIPO has considerably sped up GI registrations and amendment approvals.</p> |
| <p>8. The CoR considers that the European Union Intellectual Property Office (EUIPO), given its technical expertise on IPR and its resources, could be involved in the functioning of the EU GI system by providing technical assistance to the Commission in cases relating to intellectual property, and in a manner to be clearly defined in the legislative proposal and not through delegated acts.</p> | <p>Besides the initial examination of the files, the legislative proposal provides for the possibility to entrust EUIPO with other tasks such as the management of the GI register or the management of a domain name information and alert system.</p> <p>Taking into account that procedural elements are usually laid down in the implementing regulation, the legislative proposal include the delegated powers for the Commission with regard to the detailed EUIPO tasks.</p> |
| <p>9. The CoR stresses that EUIPO's involvement in the registration, amendment of specifications and opposition procedures must be limited to its area of competence in the field of intellectual property rights and must not lead to extra procedures or such procedures becoming longer.</p> | <p>EUIPO has already acquired a full understanding and appreciation of GIs. In partially relying on the assistance of EUIPO, there is no risk that GIs will be treated as ‘purely intellectual property rights’.</p> <p>Assistance from EUIPO has considerably sped up GI registrations and amendments to the product specifications.</p> |
| <p>12. The CoR notes also that EUIPO has developed real expertise in the field of geographical indications and has very effective tools that could be very useful for monitoring and promoting geographical indications and combating fraud.</p> | <p>The EUIPO has developed the IT tool GView¹ in cooperation with the Commission. This tool provides the possibility to inform about and promote the GI their products. It also facilitates interaction with enforcement authorities, thus helping to combat fraud.</p> |
| <p>13. The CoR recommends that a review be made of this partial transfer of competence within two years and in the light of EUIPO taking over full responsibility for registering non-agricultural GIs, in order to see whether</p> | <p>The legislative proposal includes the possibility to empower the Commission to supplement the basic act by criteria for the reviewing /monitoring performance in the execution of tasks delegated to EUIPO.</p> |

¹ https://agriculture.ec.europa.eu/news/new-search-database-geographical-indications-eu-2020-11-25_en

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| <p>any amendments are needed to the Regulation.</p> | <p>In this respect, the Commission would prepare and submit a report to the European Parliament and to the Council on the results and experience of the exercise of EUIPO's tasks.</p> |
| <p>16. The CoR approves of the inclusion of voluntary sustainability undertakings in GIs, the definition of which should be clarified in the Regulation, giving producer groups the possibility to adapt sustainability standards according to their territories.</p> | <p>The proposal for a legislative framework for sustainable food systems (FSFS) is one of the flagship initiatives of the Commission's Farm to Fork Strategy². In view of that, the GI legislative proposal does not include sustainability criteria in order not to pre-empt those that will be set in the future law on sustainable food systems.</p> <p>However, taking into account that sustainability information will be part of the product specification, if the producer group decides on sustainability undertakings, there might be a need to provide for a harmonised approach on how to present these undertakings in the product specification. In this respect, the Commission remains committed to engage with stakeholders.</p> |
| <p>18. The CoR regrets that, as formulated, by providing for two levels of representativeness the Commission's proposal creates a lot of confusion as to the different producer groups, their powers and their responsibilities, and considers that the current wording does not take into account the diversity of legal situations in the Member States.</p> | <p>One of the aims of the legislative proposal is to empower producers and producer groups to better manage their GI assets and encourage the development of structures and partnerships within the food supply chain.</p> <p>The legislative proposal clarifies and extends the powers and responsibilities of producer groups. By providing the possibility to producer groups to request recognition by the Member State authorities, a representative and recognised producer group will be able to carry out the tasks to act on behalf of all producers. The legislative proposal is flexible enough and takes account of the diversity of legal situations in the Member States.</p> |

² https://food.ec.europa.eu/horizontal-topics/farm-fork-strategy/legislative-framework_en

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| <p>21. Given the fact that GIs represent a sales value of EUR 74.76 billion and 15.5 % of total EU agri-food exports, the CoR recommends that they continue to be protected in trade agreements.</p> | <p>GIs are the cornerstone of the bilateral trade agreements as they provide for the mutual recognition of GIs. The Commission will continue to negotiate them in order to achieve high protection of EU GIs in third countries.</p> |
| <p>22. Given the fact that small and medium-sized GIs account for 48% of the total number of GIs in the EU, but only 0.5% of the total value of sales under GIs, the CoR recommends adequate support to enable producers to deal with production costs and thus avoid them giving up on certification.</p> | <p>The GI system rewards producers for their efforts to produce a diverse range of products having specific qualities or characteristics, thus ensuring inter alia a fair income for producers and contributing to the achievement of rural development policy objectives. This is particularly important to ensure that small GI producers are not disadvantaged in comparison to large producers.</p> <p>The common agricultural policy (CAP) strategic plans of the Member States provide to the producers various possibilities to financially support their activities, for example by contributing to control and certification costs, information and promotion activities and GI producers' co-operation activities.</p> |
| <p>23. The CoR considers that, within the optional quality terms (OQT), it may be useful to keep the possibility of reintroducing the term "product of island farming" and to consider introducing a reference to "milk, cheese and meat from grazing" for products that ensure that more than 80% of the feed comes from pasture throughout the grazing season.</p> | <p>The Commission takes note of the Committee's recommendation. The Commission presented in December 2013 a report to the European Parliament and to the Council on the case for an optional quality term 'product of island farming'³. In this report, the Commission concluded that 'most of the difficulties faced by EU islands and their farming sectors are structural and require primarily structural solutions and policy responses, already partly in place through regional policy and rural development measures on the one hand and subsidies to compensate for specific handicaps on the other.'</p> |

³ COM(2013) 888 final (<https://eur-lex.europa.eu/legal-content/en/ALL/?uri=CELEX:52013PC0888>).

24. The CoR recommends speeding up the implementation of the "mountain products" OQT, reminding the Member States of the opportunities offered by this term, and monitoring its implementation.

While the optional quality term 'mountain product' has provided mountain producers with an effective tool to better market their product and to reduce the actual risks of consumer confusion as to the mountain provenance of products on the market, the scheme has not yet fully met its potential in the Member States due to a short time of its application.

N°8 Safeguarding food security and reinforcing the resilience of food systems
COM(2022) 133 final
COR-2022-02101 – NAT-VII/026
152nd plenary session – November-December 2022
Rapporteur: Piotr CALBECKI (PL/EPP)
DG AGRI – Commissioner WOJCIECHOWSKI

| Points of the European Committee of the Regions opinion considered essential | European Commission position |
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| <p>4. The Committee of the Regions (CoR) stresses the urgent need to address the weaknesses of EU countries' food systems in order to introduce profound and structural changes and prepare for future crises.</p> | <p>The Commission is working relentlessly in the framework of the European Green Deal initiatives, with support from the common agricultural policy and common fisheries policy, on addressing the weaknesses of EU countries' food systems in order to introduce profound and structural changes and prepare for future crises. Ensuring food security and reinforcing the resilience of food systems in the EU and globally is a top priority for the Commission. Recently the Commission has analysed the drivers of food security comprehensively in a staff working document that was published on 4 January 2023¹.</p> |
| <p>6. The CoR strongly supports the willingness to enhance the EU's food sovereignty and achieve greater autonomy by encouraging regional and local diverse food production.</p> | <p>The March 2022 Communication on safeguarding food security and reinforcing the resilience of food systems² presented a range of short-term and medium-term actions to enhance global food security and to support farmers and consumers in the EU in light of rising food prices and input costs, such as energy and fertilisers.</p> |
| <p>9. The CoR stresses that the EU's actions in the area of food security [...] should be used not only to address the current problem, but to bring about changes in the Common Agricultural Policy of a more structural nature in order to improve quality of life and the competitiveness of the EU economy, and also to achieve</p> | <p>The new EU's common agricultural policy (CAP) legislation, which started implementation on 1 January 2023³, paves the way for a fairer, greener and more performance-based CAP. It seeks to ensure a sustainable future for European farmers, provides more targeted support to smaller farms, and allows greater flexibility for EU</p> |

¹ SWD(2023) 4 final.

² COM(2022) 133 final.

³ https://ec.europa.eu/commission/presscorner/detail/en/ip_22_7639

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| <p>significant environmental benefits in areas related to food supply.</p> | <p>countries to adapt measures to local conditions.</p> <p>Agriculture and rural areas are central to the European Green Deal, and the new CAP will be a key tool in reaching the ambitions of the Farm to Fork and biodiversity strategies.</p> |
| <p>22. The CoR calls on the Commission to complete this work on food security contingency plans in order to develop and implement a long-term strategy to ensure basic food security at regional level [...]; suggests, in this connection, the widespread use of local food plans developed in several European countries.</p> | <p>As outlined in the Farm to Fork Strategy⁴, the Commission has developed a contingency plan to ensure food supply and food security in times of crisis. The plan aims to ensure a sufficient and varied supply of safe, nutritious, affordable and sustainable food to citizens at all times.</p> <p>The Commission published its Communication on the plan on 12 November 2021⁵. It outlines areas for improvement that were identified during the COVID-19 pandemic, principles that should be adhered to in times of crisis. The European food security crisis preparedness and response mechanism has been established as part of the food security contingency plan and is actively working to respond to the current and to future crises. Furthermore, on 8 December 2022 a food security dashboard⁶ has been launched that includes a wide range of indicators affecting food supply and food security in the EU, such as weather and drought events, freight and energy costs, development of animal diseases and possible trade restrictions. A specific monitoring section shows data on self-sufficiency rates of the most significant agricultural commodities, as well as shares of EU and EU countries' imports for these commodities and fertilisers. The monthly rates of food inflation in the EU are also be displayed.</p> |
| <p>40. The CoR calls on the Commission to place greater emphasis on funding projects aimed at increasing food security at regional level to ensure the security of local communities, at</p> | <p>The May 2022 Solidarity Lanes Communication⁷ set out an action plan to establish 'Solidarity Lanes' to ensure Ukraine can export grain, but also import the goods it needs, from humanitarian aid to animal</p> |

⁴ COM(2020) 381 final.

⁵ COM(2021) 689 final.

⁶ https://agriculture.ec.europa.eu/news/european-commission-launches-dashboard-food-security-eu-2022-12-08_en

⁷ COM(2022) 217 final.

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| <p>least for the time needed for allied countries to organise aid.</p> | <p>feed and fertilisers.</p> <p>The November 2022 Communication on ensuring availability and affordability of fertilisers⁸ presented a wide range of actions and guidance on how to tackle the challenges that EU farmers and industry, as well as low and middle income countries, are currently facing.</p> <p>Horizon Europe Cluster 6⁹ aims at reducing environmental degradation, halting and reversing the decline of biodiversity on land, inland waters and sea and better managing natural resources through transformative changes of the economy and society in both urban and rural areas. It will contribute to food and nutrition security for all within planetary boundaries through knowledge, innovation and digitalisation in agriculture, fisheries, aquaculture and food systems and steer and accelerate the transition to a low carbon, resource efficient circular economy and sustainable bioeconomy, including forestry.</p> |
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⁸ COM(2022) 590 final/2.

⁹ https://research-and-innovation.ec.europa.eu/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe/cluster-6-food-bioeconomy-natural-resources-agriculture-and-environment_en

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| <p>N°9 A New Innovation Agenda for Europe COM(2022) 332 final COR-2022-04105 – SEDEC-VII/032 152nd plenary session – November-December 2022 Rapporteur: Markku MARKKULA (FI/EPP) DG RTD – Commissioner GABRIEL</p> | |
| <p>Points of the European Committee of the Regions opinion considered essential</p> | <p>European Commission position</p> |
| <p>3. The Committee of the Regions (CoR) proposes that the Commission adds to the New European Innovation Agenda without delay complementary measures focusing on societal, social and energy issues and integrates these measures to accelerate societal transformations towards sustainable growth.</p> | <p>The focus of the New European Innovation Agenda is on deep tech. However, by building and strengthening place-based innovation ecosystems and bridging the innovation divide, the third flagship will address the needs of all innovators.</p> |
| <p>4. The CoR points out that policy measures must include clear targets for closing two innovation divides: in several innovation policy areas, Europe lags far behind the global leaders – the US and Asia – and within the EU, in many regions the crucial importance of innovativeness is not taken thoroughly enough, the best-performing regions are up to nine times more innovative than the lowest-performing ones. The CoR reminds that all regions do not have the same technical, human and financial resources to improve their results in the area of innovation.</p> | <p>The Commission will support efforts to turn the diversity of the EU’s territories into a strength by leveraging the specific assets of each region and facilitating collaboration to build new EU value chains. In particular, fostering connected regional innovation valleys across the EU will enable regions with aligned areas of specialisation and complementary capabilities, as well as different levels of innovation performance, to collaborate and take forward joint innovation projects targeting EU priorities.</p> |
| <p>9. The CoR regrets that the Commission has missed the opportunity to highlight the need for a strong link between local innovation ecosystems and the European Research Area via the Area's hubs.</p> | <p>The New European Innovation Agenda is complementary to the European Research Area (ERA). For example, the ERA objective of translating research and innovation (R&I) results into the economy – with actions focused on industrial technology roadmaps, networking of ecosystems, and guidance for knowledge valorisation – links closely with actions included in the New European Innovation Agenda on entrepreneurial training and education, technology and knowledge transfer services, entrepreneur-</p> |

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| | <p>investor marketplaces, and stimulation of demand for innovation through public procurement. At the same time, actions aimed at facilitating access to finance for small innovative companies are specific to the New European Innovation Agenda.</p> <p>The Commission continues to encourage more coherence and greater synergies between EU policies and funding mechanisms supporting business innovation at all levels including by Member States under the ERA Policy Agenda 2022-2024¹ and on the grounds with the publication of guidelines on synergies between Horizon Europe and European Regional Development Fund (ERDF) programmes². This includes the industrial technology roadmaps that look to align research and innovation investments at EU and national levels to foster the development and uptake of innovative technologies and the ERA hubs.</p> |
| <p>28. The CoR notes that most European countries have a functioning financial market based on national government-supported venture capital and private equity markets, and that the proposed European Innovation Council (EIC) fund providing public grants and patient equity investment should bring additional value to the market and avoid upsetting the existing one.</p> | <p>In the Staff Working Document³ accompanying the communication on the New European Innovation Agenda (‘NEIA’), the Commission notes that although improvements in the European venture capital (VC) landscape have taken place since 2013, venture capital investments in the regions remain mainly concentrated in a few Member States (i.e., DE, FR, ES, NL) and far below the levels seen in the United States. The Commission agrees that the European Innovation Council (EIC) Fund, which was created to tackle the above-mentioned problems, among other things, should bring added value to the European VC market.</p> |
| <p>30. The CoR considers that more robust links between research and innovation should include effective dissemination of results of projects carried out under the Horizon research</p> | <p>The Commission recognises the importance of supporting dissemination and exploitation of projects’ results. In this context, the Commission is already offering free tailor-made support</p> |

¹ https://research-and-innovation.ec.europa.eu/system/files/2021-11/ec_rtd_era-policy-agenda-2021.pdf

² <https://www.era-learn.eu/news-events/news/eu-commission-published-guidance-synergies-horizon-europe-erdf>

³ SWD(2022) 187 final.

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| <p>programme – with particular focus on their value on improving regional innovation ecosystems and the Knowledge Triangle (research and education and innovation), and on the daily-life of cities, regions, and citizens, in particular on employment and well-being. The CoR stresses the need to effectively disseminate the results of the Horizon research projects on the institutions' open data portals.</p> | <p>services, several tools to increase visibility and recognition of successful results, as well as scheme to collect and utilise results relevant to policy makers (i.e. Feedback to Policy framework). Among the current tools can be mentioned the Horizon Result Booster, which includes business plan development and go-to-market guidance, the online Horizon Results Platform, the Innovation Radar and the Horizon IP Scan for intellectual property management. Further initiatives related to dissemination, outreach and dialogue with the civil society, such as EU Missions and R&I Partnerships, are already in place and will be reinforced within Horizon Europe.</p> |
| <p>31. The CoR reaffirms that the EIC and its portfolio are not well-known among industries, start-ups, scale-ups, and SMEs across Europe. Access to its services should be simpler and easier to use.</p> | <p>The Commission believes that as the number of projects and companies receiving funding from the EIC increases (to date, the EIC has supported about 500 research projects and 1600 companies across Europe) and as the visibility of this initiative grows through various outreach activities (e.g., EIC Summit, work of the EIC Board), companies across Europe will become more familiar with the EIC. With respect to access to EIC services, the Commission and the European Innovation Council and SMEs Agency have streamlined and simplified the process, as evidenced, for example, by the creation of the EIC Marketplace, which provides a common virtual forum for the wider European innovation ecosystem, and fast track procedures to facilitate access for beneficiaries from widening countries and certain women-led companies.</p> |
| <p>36. The CoR urges the Commission to take the lead and address the most significant structural problem in the stock market by enabling listed companies to issue new shares and sell these to the market without a burdensome share issuance process.</p> | <p>A key action under the flagship area on funding for deep tech scale-ups under the NEIA is a legislative proposal for a Listing Act, which was adopted by the Commission on 7th of December 2022⁴, and includes measures to help companies of all sizes, in particular small and medium-sized</p> |

⁴ COM(2022) 760 final.

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| | enterprises, better access public funding by listing on stock exchanges. |
| <p>39. The CoR stresses that in an approach based on multi-level cooperation, solutions to local problems should, in most cases, be developed jointly with all the quadruple helix stakeholders in a connected way in real-world environments. This development will lead to fast learning, scale-up and rapid corrections in the innovation path – while certain parts of coordination and monitoring take place in the form of trans-regional networks. The aim is to recognise "what is possible" and extend expectations of what is possible to include making "the impossible possible", then comparing alternative practices and to evaluate and learn about successful and failed experimentation paths, as well as to encourage the diffusion and uptake of innovation outside of its original context.</p> | <p>The Commission recognises the importance of identifying the areas where experimentation actions could succeed or fail. In this context, the guidance document on experimentation foreseen in the NEIA will include a Commission staff working document which will provide an overview of the main existing experimentation clauses and regulatory sandboxes in EU law but also provide support to innovators in order to identify areas and establish an experimentation space. The guidance document will give also the opportunity to elaborate on how the relevant stakeholders interact during the experimentation processes putting forward best-case examples, which could be either deployed or replicated. In line with the NEIA and the effort to understand the remits of experimentation and how different tools could help steer innovation, the Commission Joint Research Centre has produced a policy brief to articulate the ways in which experimentation spaces can support regulatory decision-making and learning⁵.</p> <p>Furthermore, Horizon Europe (HE) the multi-level cooperation for testing solutions in real-world environment with different tools. Living Labs, used for example in the Mission ‘A Soil deal for Europe’, are experimentation sites at regional, sub-regional level that test solutions with the involvement of different actors. The multi-actor approach is also used under Cluster 6 of HE: it requires that different actors (e.g. researchers, farmers, advisors, local communities, citizens) are involved all over the whole course of the project.</p> |
| <p>42. The CoR proposes that the regional innovation valleys, together with leading higher education institutes (HEIs) should become</p> | <p>The Commission agrees with the Committee opinion on the regional innovation valleys being an essential catalyst for societal and economical</p> |

⁵ https://research-and-innovation.ec.europa.eu/news/all-research-and-innovation-news/regulatory-learning-experimentation-spaces-2022-12-13_en

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| <p>essential catalysts for societal and industrial change and should enable regions with similar areas of specialisation to collaborate and take forward joint innovation projects. In this context a comprehensive, coordinated and decentralised system for programme monitoring and assessment will be required.</p> | <p>change with the higher education institutes (HEIs) as important actors of the innovation ecosystem. Therefore, the NEIA complements the new European strategy for universities that aims to turn HEIs into engines in regional innovation. The Agenda's action on the regional innovation valleys commits to identify up to 100 regions to enhance the coordination and directionality of their R&I investment and policies, at regional level. It is expected that these regions will prioritise 3-4 interregional innovation projects including in deep tech innovation, linked to key EU priorities. The Agenda underlines that identification of projects is closely linked to Smart Specialisation Strategies adopted by the regions.</p> |
| <p>43. The CoR notes that to reach the targets that have been set, Horizon Europe (EUR 100 million) and the Interregional Innovation Investments (I3) (EUR 70 million) under the ERDF will only provide enough resources for the initial framework, which needs to be supported by radically more extensive efforts and subsequent financing. The CoR urges the Commission to develop effective synergies between these funding streams by building on initiatives such as the Partnerships for Regional Innovation (PRI) and the network of European Digital Innovation Hubs (EDIHs).</p> | <p>The Commission can confirm that the ambition of NEIA goes beyond the initial funding announced in it related to the creation of regional innovation valleys. First, the action is intended to take into account already existing efforts aimed at reinforcing and connecting industrial and regional innovation ecosystems. This includes Interregional innovation investments (I3) under Cohesion Policy; Startup Villages⁶ as part of the Long term Vision for Rural Areas action plan⁷; Euroclusters⁸ under the Single Market Programme; and Horizon Europe including European Innovation Ecosystems, Startup Europe, Widening Participation and Strengthening the European Research Area, Missions, and the work of the European Institute of Innovation and Technology (EIT)'s Knowledge and Innovation Communities (KICs) and Regional Innovation Scheme (RIS). Second, domain specific initiatives and the Partnerships for Regional Innovation (PRI) pilot action will help shape the future innovation valleys. Finally, the guidance notice outlining</p> |

⁶ <https://startup-forum.rural-vision.europa.eu/?lng=en>

⁷ https://rural-vision.europa.eu/index_en

⁸ <https://clustercollaboration.eu/tags/joint-cluster-initiatives#:~:text=To%20implement%20the%20E2%80%A4updated%20EU%20Industrial%20Strategy%2C%20the%20European,the%20transition%20to%20a%20green%20and%20digital%20economy>

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| | <p>complementarities between the respective funding instruments had been already published⁹ and will facilitate the creation of synergies between cohesion policy programmes and Horizon Europe. The guidance supports managing authorities of the cohesion policy programmes, National Contact Points for Horizon Europe and project promoters in making better use of opportunities to foster innovation in all regions, through the integrated use of these key EU instruments to facilitate the deployment and uptake of advanced technologies funded through research and innovation programmes, and thereby increasing their impact.</p> |
| <p>46. The CoR highlights the fundamental challenge of the European deep tech innovation agenda, which has inadequate incentives, experiences, and resources to engage stakeholders in a systemic transition. We also need incentives for the change in top HEIs from "publish or perish" to an increased focus on how to address pressing major societal challenges and support deep tech innovation and global technology transfer in collaboration with industry.</p> | <p>Indeed, NEIA identifies a number of challenges that the European Innovation Ecosystem needs to overcome in order to achieve its full potential. It aims to provide a coordinated and systemic approach to address the major societal challenges and underlines that the deep tech innovation could be a key to success. The Agenda provides a number of actions in five flagship areas to tackle the identified challenges. The Commission underlines that in order to leverage the efforts, the active participation of the stakeholders in a ‘multi-governance’ approach is needed. In this respect, we are looking for a close cooperation between the Commission and the Member States so that Europe would take a leading role in addressing the present and future global challenges. Member States and regions in particular are encouraged to build on the proposals and work with the Commission and stakeholders to mobilise investments, ensure favourable framework conditions and implement essential reforms. A number of local events in the MS, including enhanced dialogues with the MS will be organized during 2023 to bring the Agenda closer to the stakeholders and ensure participation in its implementation.</p> <p>The Coalition of the Willing was created on 6 July</p> |

⁹ https://research-and-innovation.ec.europa.eu/system/files/2022-07/c_2022_4747_1_en_annex.pdf

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| | <p>2022. The Coalition involves the European Unicorns, the European Innovation Ecosystem Leaders, Women in Venture Capitals and Women Founders groups that has been extended with innovative companies, innovative local authorities and innovative universities. This group is currently working closely with the European University Alliances to develop a set of actions in line with the NEIA particularly relevant to HEI.</p> |
| <p>51. The CoR urges creating a particular action plan with incentives and adequate financing to encourage HEIs to play an active role in solving major societal challenges, fostering European deep tech innovation, industry collaboration, and integration and to train the talent needed in Europe.</p> | <p>The Commission would like to emphasise that ‘Next Generation Innovation Talents’ scheme – part of the NEIA and included in the EIC Work Programme 2023 – will allow eligible researchers to carry out an innovation internship in a hosting company.</p> <p>The Commission will also provide additional training support to HEIs, including European Universities Alliances, businesses and research and innovation centres through the Digital Europe programme. This will include the training of specialists in fields such as data science, artificial intelligence (AI), cybersecurity and quantum to support the future deployment of such technologies across all economic sectors.</p> |
| <p>54. The CoR reaffirms that the European Institute of Innovation and Technology (EIT), its Knowledge and Innovation Communities (KICs), and their portfolios are not yet well-known among cities, regions, students, citizens, and academia across Europe.</p> | <p>As a part of the NEIA, the EIT will take forward an initiative to target 1 million deep tech talents over a 3-year period across all Member States. The EIT will update and scale up its talent and skills development programmes based on the needs of deep tech fields ranging from new materials and synthetic biology to clean-tech. Scale-up companies alongside other industry representatives will inform curricula and ensure that they accommodate changing labour market needs in respective technology areas. This will contribute to enhance the EIT visibility among relevant stakeholders and cities, regions, students, citizens, and academia across Europe.</p> |

56. The CoR notes that this flagship includes action points that are very relevant to regions and cities. The CoR agrees with the Commission's statements on supporting regions in designing and implementing better innovation policies and proposes negotiating a joint implementation plan that takes into account different elements of the Innovation Agenda and this opinion.

The NEIA puts forward two main tools, which could substantially support regions in designing and implementing better innovation policies, namely the Technical Support Instrument and the Horizon policy support facility. It is important to clarify that both tools are demand driven, namely Member States have to request the support on the areas of interest, and it needs to be ensured that these provisions will not be under-utilised.

N°10 The Future of Youth Policy in the EU
Own-initiative
COR-2022-02752 – SEDEC-VII/030
152nd plenary session – November-December 2022
Rapporteur: Tine RADINJA (SL/GREENS)
DG EAC – Commissioner GABRIEL

| Points of the European Committee of the Regions opinion considered essential | European Commission position |
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| <p>3. The Committee of the Regions (CoR) points out that youth policy and youth mainstreaming are particularly sensitive to territorial and social dimensions, as there are significant inequalities in access to basic services, education, jobs, housing, and in social mobility across regions in the EU, which affect youth in differing ways. Local and regional authorities have important competences in many fields that are relevant for youth policy, such as housing, education, employment, the fight against poverty, discrimination, support for students, youth associations, youth work, cultural and leisure activities, which is why local and regional levels must be better taken into account at all stages of the coordination and implementation of the EU Youth Strategy;</p> <p>and</p> <p>4. The CoR calls for youth mainstreaming and mainstreaming a youth rights-based perspective in policy-making at local, regional, national and European levels, systematically ensuring perspectives of and for youth are taken into account across policy fields. Moreover, youth and youth organisations should be consulted across all policy discussions to consistently apply a youth mainstreaming approach, including in the delivery of national plans for the deployment of Next Generation EU Funding</p> | <p>Mainstreaming youth participation was one of the four objectives of the European Year of Youth (EYY), and is an area where key achievements were obtained.</p> <p>For example, to continue promoting youth participation the EYY National Coordinators and stakeholders’ group and the Commission Youth Network will, beyond 2022, continue functioning as platforms for knowledge-sharing and peer learning, facilitating exchange of ideas on youth engagement across all relevant policies.</p> <p>EU cohesion policy fosters equal opportunities and supports equal access to inclusive and quality mainstream services, including in employment, education and training, social inclusion, health, and social care – with particular attention to helping vulnerable groups and less developed Member States and regions. These investments can also target young people, their participation in society and their ability to take advantage of the transition to a green and digital economy based on the specific needs identified by Member states. The partnership principle is one of the core principles of Cohesion Policy programmes, which requires participation of relevant stakeholders in the cohesion policy cycle, including youth representatives and youth organisations. In some Interreg programmes, there are two concrete ways to reach out to young people. On the one hand, Interreg programmes and EU Macro-regional Strategies (EU MRS) are creating Youth Councils to allow young people to co-decide with decision-makers. On the other hand, they both are launching calls for projects</p> |

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| <p>and Recovery Packages.</p> | <p>where young people are project leaders. These are two ways of systematic involvement of young people following the recommendation of the Youth Manifesto¹.</p> <p>Reforms and investments for children and the youth are essential to mitigate the impact of the COVID-19 crisis and to ensure that the generational gap is reduced. The Recovery and Resilience Facility (RRF)² supports reforms and investments aimed at improving access to general, vocational, and higher education, as well as its quality and inclusiveness, focusing on digital education, early childhood education and care, and youth employment support.</p> <p>Based on the information available at this stage (as of 2 February 2023), the share of social expenditure in four social categories ((i) employment and skills, (ii) education and childcare, (iii) health and long-term care, and (iv) social policies) in the national recovery and resilience plans is around 28% (i.e. €138 billion). Around one third of this amount is dedicated to spending on education and childcare. In total so far, Member States have put forward 402 measures with a focus on supporting children and youth³.</p> |
| <p>5. The CoR calls on the Commission to implement an EU Youth Test that would enable the assessment of the impacts that policies have on young people. Before the adoption of all new policies, at least the following three steps should be taken: meaningful engagement with relevant youth stakeholders including experts working on youth and representative youth organisations working on relevant topics, impact</p> | <p>The youth dimension is integrated in the Commission’s Better Regulation framework, and the existing Better Regulation toolbox⁴ can largely deliver on the outcomes that are expected from the Youth test. For relevant initiatives, the ‘Call for evidence’ reflects the youth dimension and public consultations include tailored questions for youth. Youth can also be part of targeted consultations. The youth input is reflected in the short summary published within eight weeks from the closure of a</p> |

¹ https://ec.europa.eu/regional_policy/sources/brochure/youth_manifesto_interreg_en.pdf

² 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.

³ Social categories are defined and applied based on the methodology adopted by the Commission in consultation with the European Parliament and the Member States in the Delegated Regulation 2021/2105. Each measure of a social nature that includes a focus on children and the youth, or on gender equality, is also specifically flagged. As of 2 February 2023, data is available for 26/27 Member States and will be updated when more data becomes available.

⁴ https://commission.europa.eu/law/law-making-process/planning-and-proposing-law/better-regulation/better-regulation-guidelines-and-toolbox_en

assessment of what effect the policies will have on young people and proposed measures that would mitigate the possible negative effects.

public consultation, and well as in impact assessments and evaluations. It is also detailed in an annex on consultation activities, the synopsis report, attached to impact assessments and evaluations.

The Better Regulation tool 31 is dedicated to Education and Training, Culture and Youth and provides guidance, references and background on how to assess impacts on the youth. This provides guidance on how impact assessments analyse if there are expected significant impacts or adverse effects on youth and where needed, defines the necessary mitigating measures.

Given the complexity and multifaceted nature of most EU policy initiatives, it is important that better regulation tools are applied in a proportionate and meaningful way. This is why the Better Regulation tools contain questions to establish the relevance of an initiative for youth from the outset. There are initiatives that focus primarily on youth, such as youth employment initiative, Europass, child guarantee, or individual learning accounts where a deeper assessment on impacts on the youth is warranted.

There is always an opportunity to do more to ensure that decisions do not negatively impact young people today and in the future, and that their voice is fully heard when taking such decisions. This is why the Commission welcomes a stronger role of youth organisations in taking part in various consultations for new EU initiatives, and in actively pointing out where they see a need for mitigating measures.

As a follow up to the 2022 EYY, the national coordinators and youth stakeholder group, will become a platform which can play a key role in this consultation process.

In addition, as a follow up to the commitments made in the framework of the Conference on the Future of Europe, citizens' panels will become a permanent part of public participation for selected legislative/policy initiatives, and young people will continue to play a major role in them.

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| <p>6. The CoR calls on the European institutions, national and local governments to collect youth-relevant data in all policy fields, coherently disaggregated by age. The collection should be conducted in collaboration with youth organisations and policies should be deployed to enhance their data literacy skills, enabling them to access, analyse, and interpret information to design evidence-based advocacy actions and projects to promote change.</p> | <p>The Commission acknowledges the need for evidence-based youth policies requiring the availability of data disaggregated by personal characteristics such as age.</p> <p>Youth statistics published by Eurostat are derived from existing data collections, such as demographic and census data or the EU Labour Force Survey.</p> <p>In 2022, Eurostat updated the youth dashboard⁵, consisting of selected indicators, grouped according to the three pillars of the EU Youth Strategy - engage, connect and empower. In addition, Eurostat prepared a dissemination package with Statistics Explained articles, an interactive tool for young people presenting youth statistics, disaggregated by other personal characteristics such as gender or educational attainment, in a user-friendly way and an online publication summarising in graphs and infographics the most relevant statistics available about young people⁶. These together give a comprehensive picture of the situation of young people across Europe in different domains of their lives. Currently the data is shown for the age group from 15 or 16 to 29 year old, and further age breakdowns are available when the sample size allows. There is ongoing work in Eurostat to disseminate systematically data for the age group 15-29.</p> |
| <p>8. The CoR calls for measures that will strengthen and empower youth organisations, as strong European youth organisations contribute to civic education, increased knowledge on democracy and more active citizens.</p> <p>and</p> <p>9. The CoR regrets that the civil space for youth organisations has been shrinking in recent years and calls for more sufficient and</p> | <p>Erasmus+ supports youth organisations in many ways, including operating grants and projects, for example:</p> <ul style="list-style-type: none"> • European Youth Together call (KA3); • Civil Society Cooperation call in the field of youth, CSC (KA3); • Partnership for cooperation in the field of youth-European NGOs call (KA2). <p>Organisations such as Eurodesks, the European</p> |

⁵ <https://ec.europa.eu/eurostat/web/youth/data/eu-dashboard>

⁶ <https://ec.europa.eu/eurostat/web/youth/publications>

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| <p>sustainable resources as well as operating funding that fits the structural needs of youth organisations. These must be distributed transparently, which will support a strong youth sector that ensures that young people from all backgrounds can have access to a safe space to participate, engage and grow as active citizens.</p> | <p>Youth Forum and the European Youth Card Association (EYCA) receive an operating grant under either the Erasmus+ or the European Solidarity Corps Programme.</p> |
| <p>12. The CoR calls on the Commission to strengthen the youth dimension in the Erasmus+ and European Solidarity Corps programmes and take further measures to ensure that participation in the programmes is accessible to all groups of young people and that young people are empowered by and suitably supported including in the participation in the programmes; calls on the Member States and on local and regional authorities to promote information campaigns that show young people the personal and professional benefits and the enrichment brought by these programmes, and to promote youth participation in both of them at schools and universities.</p> | <p>In line with the priority of the Erasmus+ and European Solidarity Corps programmes, dedicated inclusion measures are being rolled out to better reach out to more participants with fewer opportunities and to better support the organisations working with these target groups. Such inclusion measures range from financial mechanisms, through targeted communication, to providing better outreach and access to the programmes for people with fewer opportunities. There is a dedicated framework and strategy addressing inclusion in the two programmes.</p> <p>The Erasmus+ and European Solidarity Corps 2021-2027 put enhanced focus on the participation and active citizenship of young people, notably youth at risk of social exclusion. Participation and civic engagement are overarching priorities for the programmes.</p> <p>This generation of Erasmus+ has introduced Youth participation activities, a new action format specifically aimed at fostering and facilitating participation in Europe's democratic life at local, regional, national and European level for young people from all backgrounds. This action supports youth-driven local, national and transnational participation projects run by informal groups of young people and youth organisations. This format, with a budget reinforced to reach €30 million, became one of the flagship initiatives of the 2022 EYY. Under call 2023, the same level of funding will be available for proposals submitted under this action.</p> <p>The projects under the European Solidarity Corps</p> |

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| | <p>Programme are bottom-up local solidarity activities set up and carried out by a group of young people to address key challenges within their communities. With a budget reinforced to reach €14 million, the Solidarity Projects also became one of the flagship initiatives of the EYY.</p> <p>The projects under both formats give young people a chance to engage and participate in society. By active participation and implementation of the solidarity project, young people experience non-formal learning through which they can boost their personal, educational, social and civic development.</p> |
| <p>14. The CoR underlines the positive role of entrepreneurial education, social entrepreneurship, and of the social economy in reducing youth unemployment, and calls on the decision-makers on European and national levels to work towards removing barriers for young entrepreneurs, including barriers to become an entrepreneur alongside studies.</p> | <p>As announced in the EU Action Plan for the Social Economy⁷, the Commission and the Organisation for Economic Cooperation and Development (OECD) will launch in 2023 a Youth Entrepreneurship Policy Academy (YEPA) to help national, regional or local administrations offer more effective support to young entrepreneurs. It will consist of a series of physical and online international capacity building events for policy makers and networks of young entrepreneurs from all Member States. It will raise knowledge about the barriers faced by young people in entrepreneurship and facilitating exchanges between policy makers, experts and young entrepreneurs on ‘what works’ in this field. An important focus of the Academy will be given to the specificities, opportunities and benefit of social entrepreneurship.</p> <p>The Commission has been supporting entrepreneurial education and youth entrepreneurship in Europe through the Erasmus for Young Entrepreneurs Programme (EYE). Until now, around 11 000 business exchanges have been concluded, involving more than 20 000 entrepreneurs. The Commission will continue to expand this successful Programme and look for other ways to promote new entrepreneurship.</p> |

⁷ COM(2021) 778 final.

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| | <p>The Social Economy Action Plan (SEAP) Communication⁸ also refers regularly to the role of social economy in supporting youngsters, for example in their way to the labour market.</p> <p>The Commission has also released the Transition pathway for the proximity and social economy industrial ecosystem⁹. This pathway has several relevant references for labour market integration of youngsters, such as the importance of digital training centres (e.g. coding schools) helping NEETS (those not in Employment, Education or Training) to get appropriate training and a job in digital industries.</p> <p>The Commission is promoting entrepreneurship education at all levels of formal and informal education through the implementation of the European Entrepreneurship Competence Framework (EntreComp), in particular with projects funded by the COSME and Single Market Programs.</p> |
| <p>16. The CoR proposes that the Commission sets supporting, supplementing and coordinating measures aimed at decreasing the level of job insecurity among young people, to facilitate better access to social protection that removes any form of age-based discrimination criteria, on par with older age groups, and end youth minimum wages.</p> | <p>In order to address existing gaps in access to social protection a Council Recommendation on access to social protection for workers and the self-employed¹⁰ was adopted in November 2019 based on a Commission’s proposal.</p> <p>The recommendation asks Member States to ensure formal and effective coverage to adequate social protection to all workers and the self-employed, whatever their employment status/forms of contract. Over 2021, almost all Member States have submitted national plans to implement the principles of the Recommendation. These served as basis for the Commission report on the implementation of the Recommendation, published on 31 January 2023.</p> <p>Moreover, EU Member States could benefit from technical support for the effective implementation of</p> |

⁸ <https://ec.europa.eu/social/BlobServlet?docId=24984&langId=en>

⁹ https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy/proximity-and-social-economy-transition-pathway_en

¹⁰ <https://ec.europa.eu/social/main.jsp?catId=1312&furtherNews=yes&langId=en&newsId=9478>

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| | the Council recommendation through the Technical Support Instrument ¹¹ . |
| <p>17. The CoR recommends strengthening coordination on youth employment policy, especially regarding the implementation of the Reinforced Youth Guarantee by local and regional public employment services.</p> | <p>Member States have started to implement the reinforced Youth Guarantee with help from the EU funds available (European Social Fund Plus - ESF+ - and Recovery and Resilience Facility). Although the revision of Youth Guarantee implementation plans (or national youth employment strategies) is not an explicit recommendation under the reinforced Youth Guarantee, to date 8 Member States (Portugal, Spain, Lithuania, Sweden, Estonia, Poland, Croatia, Greece) have adopted updated plans, while another three (Bulgaria, Italy, Romania) are working on them, also in the context of ESF+ and RRF implementation.</p> <p>The latest review on the implementation of the Youth Guarantee in the 27 Member States held in the Employment Committee (EMCO) showed that Member States maintained a strong political commitment towards the implementation of the Reinforced Youth Guarantee. Although challenges remain, there is progress in mapping the target population, in reaching out to inactive and vulnerable young people not in employment, education or training (NEETs), and in the quality of the offers. There is also a shared understanding of the importance of a preventive approach in reducing early school leaving and inactivity.</p> <p>The Commission remains committed to the full implementation of the reinforced Youth Guarantee with help from the existing funding instruments benefitting young people so that the EU can properly support young people in gaining work experience and developing the right skills for a just transition to greener and digital economies. The Commission will continue to help with the dissemination of results and good practice examples among Member States, including through the important work of the European Network of Public Employment Services.</p> |

¹¹ [Technical Support Instrument \(TSI\) \(europa.eu\)](https://european-council.europa.eu/media/en/press-communications/infographic/infographic-technical-support-instrument-2021-01-14-01.pdf)

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| | <p>Moreover, EU Member States have benefited and could benefit from support to developing the capacity, methodologies and tools of the Public Employment Services through the Technical Support Instrument.</p> |
| <p>18. The CoR calls for effective banning of unpaid internships in all Member States as part of the European Commission's review of the Quality Framework on Traineeships, and for measures, including the introduction of an EU directive, to ensure that internships, traineeships and apprenticeships are providing a minimum standard of rights concerning the working conditions, notably, access to statutory minimum wages and access to social protection.</p> | <p>The Commission is committed to improving working conditions for trainees. In its 2023 Work Programme, the Commission has indicated it will put forward an instrument (legislative and/or non-legislative) which would update the 2014 Quality Framework for Traineeships by addressing issues including fair remuneration and access to social protection. This initiative will take into account the findings of the evaluation of the 2014 Quality Framework for Traineeships. The Commission is also looking forward to the European Parliament's own-initiative report based on Article 225 of the Treaty on the Functioning of the European Union (TFEU), and will give appropriate follow up to it.</p> <p>The Council Recommendation on a European Framework for Quality and Effective Apprenticeships (2018)¹² includes 14 criteria for apprenticeships to ensure that they are proposing a high quality learning experience for apprentices. Among them, criterion 5 explicitly states that 'Apprentices should be paid or otherwise compensated, in line with national or sectoral requirements or collective agreements where they exist, and taking into account arrangements on cost-sharing between employers and public authorities.' An implementation report in 2021 showed that the Quality Framework is still relevant. The Commission continues supporting Member States in its implementation through the European Alliance for Apprenticeships and the Apprenticeship Support Services.</p> |

¹² Council Recommendation of 15 March 2018 on a European Framework for Quality and Effective Apprenticeships; OJ C 153, 2.5.2018, p. 1–6.

20. The CoR calls on the Commission and Members States to propose concrete measures to improve the inclusion of young people from all backgrounds in the job market, to fight discrimination and ensure equal opportunities. In this respect, further coordination is needed to improve the outreach to young vulnerable people facing multiple barriers due in particular to poverty, gender, sexual orientation and gender identity, disability, low educational attainment or ethnic minority/migrant background.

Young people of vulnerable groups, such as those with a migrant or ethnic minority background, young people with disabilities, or young people living in some rural, remote or disadvantaged urban areas, face additional barriers to labour market entry. The Reinforced Youth Guarantee has stepped up efforts to reach those hardest-to-reach, by emphasising the need for targeted and individualised support. It also underlines the importance offering integrated services, such as public employment services and social services working together to help disadvantaged young people get back on track.

In addition, one of the seven flagship initiatives of the European Strategy for the Rights of Persons with Disabilities is the Disability Employment Package¹³, aimed at improving labour market outcomes of persons with disabilities. The Package, consisting of guidance and good practices and addressed to employers, employers' associations and public authorities, will be developed with the stakeholders until 2024. It will cover all stages of recruitment and employment from hiring, through combatting stereotypes, prevention and retention of persons with disabilities at work as well as the transition to the open labour market.

The Commission's proposal for a Council Recommendation on adequate minimum income ensuring active inclusion¹⁴ calls for non-discriminative eligibility criteria, and explores barriers to take-up of such benefits.

The Recommendation is a part of a comprehensive package to tackle poverty and social exclusion. Other elements of this package include the Directive on adequate minimum wages¹⁵, the European Child Guarantee¹⁶, the active inclusion scheme for young people and the European Platform on Combatting Homelessness. The Commission monitors policy

¹³ <https://ec.europa.eu/social/main.jsp?catId=1597&langId=en>

¹⁴ COM(2022) 490 final.

¹⁵ COM(2020) 682 final.

¹⁶ COM(2021) 137 final.

developments through various channels, such as the European Semester, various studies and through mutual learning activities under the Open Method of Coordination. Also, regular exchanges are organised with civil society organisations.

The EU Roma Strategic Framework 2020-2030¹⁷ adopted in October 2020 and the Council Recommendation of March 2021 on Roma equality, inclusion and participation¹⁸ ask Member States to acknowledge the specific needs of certain groups, such as young Roma women and men, when designing and implementing their national Roma strategic frameworks.

The EU Anti-Racism Action Plan 2020-2025¹⁹, adopted in September 2020, aims to tackle racism and discrimination through legal protection, policy and funding programmes. The Anti-Racism Action Plan invites Member States to develop and adopt national action plans against racism and racial discrimination, which should address discrimination in employment, based on a comprehensive assessment of action needed at national level, and involve regional and local authorities, as well as civil society and equality bodies, in design, implementation and evaluation.

Moreover, through the Technical Support Instrument²⁰, the EU Member States have benefitted and could benefit from support measures fostering the inclusion of young people from all backgrounds in the job market, fighting discrimination and securing equal opportunities.

¹⁷ COM(2020) 620 final.

¹⁸ Council Recommendation of 12 March 2021 on Roma equality, inclusion and participation 2021/C 93/01; OJ C 93, 19.3.2021, p. 1–14.

¹⁹ COM(2020) 565 final.

²⁰ https://commission.europa.eu/funding-tenders/find-funding/eu-funding-programmes/technical-support-instrument/technical-support-instrument-tsi_en

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| <p>21. The CoR reiterates the need to "acknowledge that LGBTI+ youth in Europe is particularly vulnerable, as they are exposed to discrimination, victimisation, stigmatisation and abuse from a young age as they experience difficulties coming out to family and their communities, limited understanding by professional service providers and broader society of LGBTI+ issues, as well as mental, physical and sexual health challenges"¹ ; calls to this effect for effective measures at European level to fully empower young LGBTI+ people.</p> | <p>The Commission is committed to combatting discrimination of LGBTIQ people and promoting LGBTIQ equality. In November 2020, it adopted its first-ever LGBTIQ Equality Strategy 2020-2025²¹, which addresses the inequalities and challenges affecting LGBTIQ people, paying particular attention to the diversity of LGBTIQ people's needs and to the most vulnerable. The LGBTIQ Equality Strategy applies intersectionality as a crosscutting principle considering sexual orientation, gender identity/expression and/or sex characteristics alongside other personal characteristics or identities. It addresses stigmatisation and discrimination of LGBTIQ children and young people and includes actions to tackle discrimination in accessing health services, to raise awareness among healthcare professionals and in broader society, and to improve safe and inclusive education for LGBTIQ children and youth.</p> |
| <p>22. The CoR stresses that the difficult access and high cost of housing plays a significant role in impeding the autonomy of young people, thus rendering education and job mobility difficult as well as reducing the purchasing power of younger generations. Therefore, calls for considering it a priority to take supportive measures, including through the mobilisation of EU funds, aimed at ensuring suitable and affordable housing conditions for all young people in Europe.</p> | <p>Cohesion policy funding focuses on investments strengthening equal access to affordable decent housing in the context of the socio-economic inclusion of marginalised communities, low-income households and disadvantaged groups. Following the rationale of reducing social and territorial inequalities, the European Regional Development Fund (ERDF) supports building and renovating individual social housing in non-segregated areas. Member States and regions have possibility to define corresponding measures addressing their specific needs in this area in the cohesion policy programmes.</p> <p>Moreover, through the Technical Support Instrument, the EU Member States have benefitted and could benefit from support measures related to increasing access to more affordable and sustainable housing opportunities.</p> |

²¹ COM(2020) 698 final.

23. The CoR stresses that many young Europeans have faced a greater risk of poverty and social exclusion due to the COVID-19 pandemic, and calls for EU supporting measures aimed at ensuring that young people are always sufficiently supported in times of crisis.

COVID-19 highlighted the need for strong social safety nets for those in a precarious position on the labour market, in particular young people.

The Commission proposal for a Council Recommendation on adequate minimum income ensuring active inclusion mentioned above, aims to ensure a life in dignity at all stages of life.

Besides ensuring an adequate level of income support with a sufficient coverage, the proposal also focuses on making access to the labour market more inclusive, through improving skills, ensuring that work pays and safeguarding incentives to take up work or creating work opportunities in the social economy sector.

Youth Wiki Analysis Report: since it is essential to identify the concrete policy actions that have been implemented to mitigate the effects of the pandemic, in the framework of the Youth Wiki Network, an analysis report on ‘The impact of the COVID-19 pandemic on the mental health of young people. Policy responses in European countries’, was conducted. The new EU report analyses how European countries have addressed the challenges posed by the pandemic to the mental and emotional wellbeing of young people. The research is part of the Commission’s efforts to improve mental wellbeing and reduce the stigma of mental health issues. After an overview of the main factors that have provoked a deterioration in the mental wellbeing of many young Europeans, the report focuses on the policy response given by countries. Several policy areas are analyzed (healthcare, education, information, youth work, leisure and sport) and an array of examples of good practices are described. The report concludes that European countries have been proactive in establishing measures to support young people during the pandemic. Findings also point at some fields of action where further actions could be taken, such as youth work and sport. The comparative analysis is accompanied by a selection of good practices from countries. The report can serve as inspiration for

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| | <p>further actions.</p> <p>COVID-19 Knowledge Hub: the Commission is still monitoring the situation of the EU youth work sector via its instruments, such as the COVID-19 Knowledge Hub²², which was launched in October 2020 and is managed in cooperation with the Council of Europe. The purpose of this hub is to bring together the findings, analyses and impacts that COVID-19 has had on young people. This platform is a changing and evolving tool, in which young people can directly participate. A study on the needs of youth workers will help the EU and Member States to adapt their policy support in a relevant way.</p> |
| <p>24. The CoR suggests that further coordination is needed to exchange good practices, objectives and indicators relating to fighting poverty, the risk of social exclusion and the social precariousness of young people.</p> | <p>As mentioned above, the Commission monitors policy developments through various channels, such as the European Semester, various studies and through mutual learning activities under the Open Method of Coordination (OMC) and holds regular exchanges with civil society organisations.</p> <p>Under the social OMC, regular peer reviews are organised by the request of the Member States within the Social Protection Committee to facilitate mutual learning and exchange of practices [among other] in the field of active inclusion.</p> <p>The Disability Employment Package, mentioned under point 20, provides not only guidance, but also good practices covering recruitment and employment of persons with disabilities.</p> <p>Moreover, through the Technical Support Instrument, the EU Member States could benefit of support measures related to fighting poverty and social exclusion, including exchange of good practice and setting up indicators.</p> |
| <p>25. The CoR points out the critical situation that young refugees face, especially unaccompanied minors, and calls for the adoption of supporting measures aimed at</p> | <p>A successful integration policy is an essential part of a well-managed and effective migration and asylum policy. The guiding document for migrant integration is the Action plan on Integration and</p> |

²² <https://pjp-eu.coe.int/en/web/youth-partnership/covid-19-impact-on-the-youth-sector>

enabling all young refugees, and their families, to have access to basic services, such as education, housing, health, as well as the preservation of their human rights.

Inclusion 2021-2027. Adopted in November 2020, this Action plan puts forward a comprehensive policy framework setting out more than 60 actions.

Regarding the support to young refugees, especially unaccompanied minors, the Action plan on integration and inclusion sets out that Member States are encouraged to develop support programmes that are specific to unaccompanied minors who arrive past the age of compulsory schooling and programmes for unaccompanied minors.

The Commission also underlines the importance to support Member States efforts on 'transition to adulthood' for the young unaccompanied migrant children who already turned 18, and this involves supporting them to find accommodation, continue training/education, and even continued support from a guardian/mentor – that is all support that is necessary to reach full autonomy (including financial autonomy).

The Asylum, Migration and Integration Fund (AMIF) thematic facility Work Programme 2023-2025 plans a call for proposals, to be launched early 2023, for transnational actions to support Member States in the field of protection of children in migration. Some objectives of the call are to stimulate and support the exchange of good practices and knowledge-sharing amongst various relevant actors – in particular public administrations and institutions, international organisations, private organisations and citizens.

Support to young refugees was also addressed at the 7th European Migration Forum. This forum serves as a platform for dialogue between civil society and European institutions. Over 150 participants exchanged views and good practices, among others on peer-mentoring systems within schools, the use of multi-cultural tutors, and the importance of linking formal and non-formal education.

Moreover, through the Technical Support Instrument, the EU Member States have benefitted and could benefit from support measures related to

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| | migrants’ access to basic services, such as labour opportunities, housing, healthcare services and education. |
| <p>27. The CoR stresses that there is a great need to break the stigma and to recognise the mental health challenges and barriers young people are facing as a result of the pandemic and that immediate action should be taken to address the mental health needs of young people.</p> | <p>Under the 2022 EU4Health Work Programme²³, two calls for proposals (with an EU budget of €4 million each) were launched on 15 February 2022 to support the mental health of children, young people and their families, also contributing to the EYY.</p> <p>The Commission’s Healthylifestyle4All initiative aims to promote healthy lifestyles for all, including mental health, across generations and social groups. The initiative is open to the sport movement, public authorities and civil society organisations.</p> <p>Moreover, mental health issues featured prominently in the flagship Youth First put forward by the Commission, through its Technical Support Instrument. The instrument could support measures in the area of boosting youth mental health.</p> <p>In relation to the call on the Commission to break the stigma and recognise the mental health as the result of the pandemic, the Council adopted in November 2021 the Recommendation on blended learning approaches for high-quality and inclusive primary and secondary education²⁴, following a proposal by the Commission. The Council Recommendation includes both shorter-term measures to address the most pressing challenges and inequalities exacerbated by the COVID-19 pandemic. It also strives to achieve longer-term preparedness by blending learning environments and tools in primary and secondary education and training. It recommends to prioritise, inter alia, the mental well-being of learners and their families and to increase focus on the well-being of teachers and trainers.</p> <p>Furthermore, in November 2022, the Council adopted</p> |

²³ Regulation (EU) 2021/522 of the European Parliament and of the Council of 24 March 2021 establishing a Programme for the Union’s action in the field of health (‘EU4Health Programme’) for the period 2021-2027, and repealing Regulation (EU) No 282/2014; OJ L 107, 26.3.2021, p. 1–29.

²⁴ Council Recommendation on blended learning approaches for high-quality and inclusive primary and secondary education: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021H1214%2801%29>

the Council Recommendation on Pathways to School Success²⁵, a flagship initiative of the European Education Area aiming to enhance the inclusive dimension of education. The proposal calls for developing or further strengthening an integrated and comprehensive strategy towards school success. Pathways proposes a broad approach to ‘school success’ based on the key principles of engagement, achievement and well-being. The proposal for a Council Recommendation on Pathways to School Success outlines a new framework for action, which should inspire Member States when developing their strategies towards school success²⁶.

Furthermore, to address mental health challenges young people are facing in school settings, in September 2022 the Commission launched the call for applications for the informal expert group on supportive learning environments for groups at risk of underachievement and for supporting well-being at school, with the deadline of 31 October 2022. The group’s objective shall be to assist the Commission in developing evidence-based policies on the promotion of supportive learning environments and well-being in school at European and national levels and in individual schools. The expert group will also assist with the development of implementation paths to support national stakeholders. The launch event of the Expert Group will be on 30 March 2023. It will base its activities on current scientific evidence such as the ‘systemic, whole-school approach to mental health and well-being in schools in the EU – NESET’ report²⁷ which recognises the need for schools in Europe to prioritise and actively promote the mental health and well-being of school children within safe and inclusive contexts. The report develops a theoretical framework to guide the way in which a whole-school system, in collaboration with the community, can be mobilised at various levels to

²⁵ [EUR-Lex - 32022H1209\(01\) - EN - EUR-Lex \(europa.eu\)](#)

²⁶ For details of the measures proposed in relation to well-being and mental health, please consult the Annex of the Proposal for a Council Recommendation on Pathways to School Success.

²⁷ [A systemic, whole-school approach to mental health and well-being in schools in the EU - NESET \(nesetweb.eu\)](#)

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| | <p>promote mental health and well-being. The Expert group on well-being will further develop this approach toward a concrete up-take of innovative policies and practices.</p> |
| <p>28. The CoR suggests implementing a holistic approach to mental health by promoting social rights and economic protection packages to address socio-economic determinants of mental health, with targeted support and provision of basic services and rights for young people experiencing exclusion, discrimination and marginalisation.</p> | <p>In her 2022 State of the European Union speech, President von der Leyen called for a new initiative on mental health.</p> <p>This upcoming Commission initiative on mental health will – in line with all EU health policymaking – also have a focus on children and young people. Its adoption is expected in mid-2023. In the preparation of the Communication, specific contributions on the mental health of children/youth have been collected via:</p> <ol style="list-style-type: none"> 1) the Call for Evidence, whose preliminary outcomes show the need for awareness raising among children and young people; 2) the Youth Cancer Survivors Conference (7 February 2023); 3) the EU Youth Policy Dialogue on mental health (22 February 2023) and 4) the thematic Network on Mental Health in All policies – led by Mental Health Europe – that specifically focuses on vulnerable groups and organises stakeholders dialogue through the Health Policy Platform. |
| <p>41. The CoR calls for supporting and coordinating measures aimed at developing youth knowledge regarding civic education, to ensure that young people understand decision making in their local communities and are aware of democratic processes and their human and citizen's rights.</p> | <p>In the Erasmus+ Programme (2021-2027) specific actions are proposed for schools under Jean Monnet actions in other fields of education and training. The goal is to raise awareness on teaching and learning about the EU in schools spanning across all Erasmus+ EU Member States and third countries associated to the Programme.</p> <p>Through this set of Jean Monnet actions, aimed at citizenship education, funding support is offered to individual schools and vocational education and training (VET) institutions, teacher training institutions and networks of schools.</p> <p>The yearly calls invite applications for funding to support better teaching about the EU in primary,</p> |

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| | <p>secondary and vocational schools. These grants will help learners better understand the functioning, objectives, and values of the EU.</p> <p>Active citizenship is at the centre of teaching about EU at school and active citizens can navigate the world they live in to shape it, participate and contribute. The main goals are to strengthen EU literacy in schools, create interest in the European Union and constitute a basis to enhance participation of pupils and students in the democratic process and leave them better equipped to become active citizens.</p> |
| <p>43. The CoR supports coordination and exchanges of good practices on the role of gender in educational and employment paths, to identify barriers and to improve the access of women and girls to all educational and professional opportunities.</p> | <p>The European Education Area strategic framework Working Group on Equality and Values will produce an issue paper on gender equality in and through education to sum up discussions of its two meetings in 2022 and an online Peer Learning Activity (PLA). The Working Group meetings focused on gender segregation in educational and career choices, the disparate performance of boys and girls across subject areas, differences in learning experiences related to gender and gender-based violence. The PLA focused on the theme of ‘non-traditional career choices and confronting biases in learning materials’, through two main sub-topics: non-traditional career pathways and textbooks and teaching materials.</p> <p>Under the European Education Area and the new Strategy for Universities²⁸, it is a priority to help increase both the gender balance of students and academic staff and the total pool of skills and competences in STEM (Science, Technology, Engineering and Mathematics). In addition, the Commission encourages universities to implement institutional change through concrete measures for diversity and inclusion, including voluntary, quantified targets for inclusion and inclusive gender equality plans, building on the Rome Communiqué²⁹.</p> |

²⁸ COM(2022) 16 final.

²⁹ <https://sport.ec.europa.eu/news/commission-published-high-level-groups-recommendations-to-achieve-gender-equality-in-sport#:~:text=The%20high%2Dlevel%20group%20on,as%20well%20as%20grassroots%20organisations>

In line with the principles of the Gender Equality Strategy 2020-2025³⁰, Erasmus+ and the European Solidarity Corps contribute to fostering gender equality in all the sectors addressed. In particular, Erasmus+ aims to overcome gender stereotypes in education and educational careers, in all sectors, and to strengthen the promotion of participation of women in the areas of STEM education, especially in engineering, information and communication technology (ICT) and advanced digital skills. In addition, inclusion is mainstreamed in the field specific priorities of the 2023 Annual Work Programme.

Under the Creative Europe Programme, special attention is given to applications presenting adequate strategies to ensure gender balance, introduced as a crosscutting priority in all strands of the Programme.

The Programme includes specific indicators to measure to which extent the participation of women in a variety of actions supported by the Programme has been achieved. A significant number of projects aiming at strengthening gender equality in cultural and creative projects, including mentorship projects and sector specific evaluations are financed.

In sport, the High-Level Group on Gender Equality finalised a report³¹ tackling imbalances related to girls' and women's participation in sport, female coaches, women's representation in decision-making processes, media coverage as well as gender-based violence. An Action Plan towards a more gender equal sport sector in Europe³² was proposed by the experts and addressed to the Commission, Member States, national and international sport organisations, as well as grassroots entities.

In the context of the mapping for the EYY, all Commission services gender equality relevant actions

³⁰ COM(2020) 152 final.

³¹ <https://sport.ec.europa.eu/news/commission-published-high-level-groups-recommendations-to-achieve-gender-equality-in-sport#:~:text=The%20high%2Dlevel%20group%20on,as%20well%20as%20grassroots%20organisations>

³² <https://op.europa.eu/o/opportal-service/download-handler?identifier=684ab3af-9f57-11ec-83e1-01aa75ed71a1&format=pdf&language=en&productionSystem=cellar&part=>

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| | <p>were promoted, given visibility and made available to youth through the European Youth Portal.</p> |
| <p>45. The CoR considers integrating young people from migrant backgrounds into education and social life to be a priority, therefore calls for further coordination and exchanges of know-how and good practices on effective policies with this aim.</p> | <p>From early childhood education and care (ECEC) to tertiary and adult education and non-formal education, education and training is the foundation for successful participation in society. Schools have the potential to be real hubs of integration for children and their families.</p> <p>One of the principal ways in which the Commission can support Member States in achieving their integration goals, also in education, is through fostering partnerships and promoting mutual learning, and by developing strong cooperation mechanisms with stakeholders.</p> <p>As 2022 was the EYY, young migrants’ access to education was one of the main topics addressed at the 7th European Migration Forum. This forum serves as a platform for dialogue between civil society and European institutions. Over 150 participants exchanged views and good practices, among others on ‘buddy’ or peer-mentoring systems within schools, the use of multi-cultural tutors, and the importance of linking formal and non-formal education.</p> <p>The AMIF thematic facility work Programme 2023-2025 foresees a call for proposals to be launched early 2023 with a priority on Support to integration in education of migrant children and teenagers. It will fund transnational projects that will contribute to the dissemination of good practices on young migrants’ inclusion.</p> <p>Education related issues are regularly discussed at the European Integration Network which brings together representatives of national public authorities from the ministries responsible for migrant integration from all the 27 EU Member States as well we two European Economic Area (EEA) countries, Iceland and Norway.</p> <p>Support to welcoming displaced persons from Ukraine have also focused a lot on access to</p> |

education and schooling of children displaced from Ukraine. In June 2022, the Commission issued key principles and practices for supporting the inclusion of displaced children from Ukraine in school education for the school year 2022-2023³³.

The Action plan on Integration and Inclusion 2021-2027 puts forward a comprehensive policy framework setting out more than 60 actions. These actions are for the Commission and the Member States in cooperation with a range of relevant stakeholders – because cooperation between different levels and stakeholders is key to successful integration.

As mentioned in paragraph 27, one of the Council Recommendation on Pathways to School Success³⁴ key objectives is to promote better educational outcomes for all young Europeans, irrespective of their personal characteristics, family, socio-economic and cultural background. The Recommendation calls Member States to develop or further strengthen an integrated and comprehensive strategy towards school success which should include prevention, intervention and compensation measures and combine universal measures with targeted and/or individualised provisions for learners requiring additional support such as learners with migrant or refugee background. These include for example, strengthening the language(s) of schools while valuing and supporting the linguistic diversity of learners as a pedagogical resource for further learning and educational achievement, through early immersion within mainstream classes and curricula, with additional one-to-one support, access to equitable, responsive and adequate support for refugees and newly arrived children, including social, emotional and psychological support; support to teachers to develop competences to teach in multilingual and multicultural settings; encourage effective communication with the help of cultural

³³ SWD(2022) 185 final.

³⁴ [EUR-Lex - 32022H1209\(01\) - EN - EUR-Lex \(europa.eu\)](#)

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| | <p>mediators; promote ‘language awareness’ in and around schools, encouraging all actors to reflect on norms, values and attitudes towards language and cultural diversity, involving parents and families, carers and the wider community.</p> |
| <p>46. The CoR considers it necessary to strengthen supportive measures aimed at ensuring that young Roma have access to basic services in all EU Member States; The Committee reaffirms to this effect its firm conviction that "the four key themes identified by the European Commission [in its EU Roma strategic framework] when grouping its objectives – education, employment, healthcare and housing – play a key role in the Roma inclusion process, together with the role played by social services, especially at the local and regional levels"⁵ ; furthermore, it urges for significant support to Roma children in order to effectively address low educational attainment.</p> | <p>The Commission is committed to promoting Roma equality, inclusion and participation and recognises the continued relevance of the sectoral objectives in the areas of education, employment, housing and health.</p> <p>The EU Roma Strategic Framework for equality, inclusion and participation, adopted in October 2020, promotes effective equal access for Roma people to quality inclusive mainstream education, quality and sustainable employment, quality healthcare and social services, as well as to adequate desegregated housing and essential services. The Strategic Framework gives a strong emphasis on diversity among Roma, asking Member States to ensure that their national Roma strategic frameworks cover all Roma on their territory and reflect the needs of diverse groups. Member States should include measures for specific groups (Roma children, women, young people, older Roma or those with disabilities, EU mobile citizens, non-EU nationals, stateless Roma), including gender-responsive, child-sensitive and age-sensitive measures.</p> <p>Member States confirmed their commitment to support equality and inclusion of Roma people by unanimously adopting the Council Recommendation on Roma equality, inclusion and participation in March 2021. They adopted national Roma strategic frameworks and submitted these to the Commission.</p> <p>The Commission has assessed these national strategic frameworks and published its assessment report in January 2023. The report takes stock of national Roma strategic frameworks, assesses the commitments made by the Member States and provides guidance on improvements needed. The report includes an assessment of measures catering</p> |

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| | <p>for the diversity within the Roma population, including measures focusing on young people, as well as measures to ensure effective equal access to and participation in all forms of education.</p> <p>Moreover, through the Technical Support Instrument, the EU Member States could benefit from support measures facilitating Roma's population access to education and employment.</p> |
| <p>48. The CoR calls for measures to support quality youth work development at local, regional, national and European level, including further coordination and supporting measures aimed at ensuring a high-quality standard of training for paid and volunteer youth workers, and allocation of sufficient resources to youth work organisations</p> <p>and</p> <p>49. The CoR considers that for the European Youth Work Agenda for quality, innovation and recognition of youth work to be a success, it is necessary to strongly involve local and regional authorities. Further to this, considers it necessary to ensure that sufficient data and common indicators are available, including at local and regional level, to ensure efficient monitoring of the initiative</p> <p>and</p> <p>50. The CoR favours the establishment of a legal framework surrounding the concept of youth work in order to better define what youth work is, clearly state its functions and competencies and give youth workers specific recognition for their work.</p> | <p>In 2023, the Commission continues to work together with Member States, the Council of Europe and all relevant stakeholders on the implementation of the Council Resolution on the Framework for establishing a European Youth Work Agenda³⁵, a policy framework including numerous commitments aimed at ensuring a high-quality standard of training for paid and volunteer youth workers, and allocation of sufficient resources to youth work organisations. Recommendations put forward by the Sub-Group Youth Work, which was set up under the Expert Group in the Youth Policy Field, are particular useful in this context.</p> |

³⁵ Resolution of the Council and of the Representatives of the Governments of the Member States meeting within the Council on the Framework for establishing a European Youth Work Agenda 2020/C 415/01; OJ C 415, 1.12.2020, p. 1–8.

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| <p>53. The CoR calls for appropriate measures to be taken to further disseminate competence acquisition and recognise the competences learned through non-formal education and informal learning from early childhood on, and to ensure that these competences can be validated when entering or re-entering formal educational paths, employment, etc.; and also calls to encourage transversal skills, that are fitted with the changing nature of employment, to promote language skills, as a priority to increase young people's chances of integrating into the labour market.</p> | <p>To support the impact of Erasmus+ Youth and European Solidarity Corps activities on the personal, educational, social, civic and professional development of participants, the competences (combination of knowledge, skills and attitudes) that are the non-formal and informal learning outcomes of these activities are identified and documented, on a voluntary basis. For this, EU-level tools such as Youthpass and Europass can be used, in accordance with the specificities of supported activities and national circumstances. Use of the Youthpass process and the certificate that identifies and documents non-formal and informal learning outcomes is fully supported by the Commission and its implementation is ensured by SALTO Training and Cooperation.</p> |
| <p>55. The CoR calls for supportive measures aimed at ensuring that all teachers can acquire and keep up to date on the necessary pedagogical knowledge as well as high level skills, with a special focus on digital competences, and to ensure that their profession is recognised and valued in society, including how it is valorised economically in the job market.</p> | <p>A key goal of the Digital Education Action Plan (2021-2027)³⁶ is to support the effective use of technology for teaching and learning and central to this is equipping educators with digital competences to use technology in their practice.</p> <p>With the Erasmus+ Teacher Academies, launched in February 2022, the Commission is supporting the creation and application of digital pedagogies and of expertise in the use of digital tools for teachers, including accessible and assistive technologies.</p> <p>The Council Recommendation on a European approach to micro-credentials for lifelong learning and employability³⁷ was adopted in June 2022.</p> <p>In October 2021, the Commission launched the online self-reflection tool, SELFIE for Teachers, based on the European Framework for the Digital Competence for Educators and the existing Selfie-tool for schools. So far, this tool has assisted over 60 000 teachers in identifying strengths and gaps in their digital competences and helped them to plan further training.</p> <p>Most recently, the Commission published two sets of</p> |

³⁶ COM(2020) 624 final.

³⁷ <https://data.consilium.europa.eu/doc/document/ST-9237-2022-INIT/en/pdf>

guidelines on tackling disinformation and promoting digital literacy and on the use of artificial intelligence and data in teaching and learning. Both sets aim to support teachers and educators in their teaching practices on the topics. The guidelines are available in all official EU languages through the EU's Publications Office.

Moreover, through the Technical Support Instrument, the EU Member States have benefitted and could benefit from support measures related to recognition and validation of the competences learned through non-formal education and informal learning.

To help reduce disparities and address the uneven deployment of high-speed internet access in schools, the Commission -through the Connecting Europe Facility Digital Programme- supports gigabit and 5G connectivity for smart communities, where socio-economic drivers such as schools are located. As part of the Digital Education Action Plan, this action promotes 5G connectivity best practices in local communities and schools, alongside other education and training institutions.

In addition to high-speed internet, the Commission also recognises the importance for young people to have access to high-quality and inclusive digital tools/platforms/resources by addressing it through the planned Council Recommendation on the enabling factors for digital education. The adoption of the Council Recommendation by the Commission is foreseen at the end of first quarter 2023 and it will build on the findings of the Structured Dialogue with Member States on digital education and skills.

Moreover, through the Technical Support Instrument, the EU Member States have benefitted and could benefit from support measures related to the recognition of teaching profession and development of digital competences of teachers.

| <p>N°11 Revision of the Industrial Emissions Directive COM(2022) 156 final COM(2022) 157 final COR-2022-02951 – ENVE-VII/032 151st plenary session – October 2022 Rapporteur: Jean-Noël VERFAILLIE (FR/RE) DG ENV – Commissioner SINKEVIČIUS</p> | |
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| <p>Amendments and points of the opinion of the Committee of the Regions considered essential</p> | <p>Commission position</p> |
| | <p>Overall, the Commission welcomes the support of the Committee for an ambitious revision of the EU Industrial Emissions Directive (IED) and its commitment for a fair transition towards a climate-neutral, pollution-free and circular economy by 2050, across the whole of the EU.</p> <p>The Commission has focused its replies on key amendments tabled.</p> |
| <p>Amendment 4 to Article 1(12) in the revision</p> <p>(12) Article 15 is replaced by the following:</p> <p>‘Article 15</p> <p>Emission limit values, environmental performance limit values, equivalent parameters and technical measures</p> <p>(...)</p> <p>3a. The competent authority shallmay set environmental performance limit values that ensure that, under normal operating conditions, such performance limits values do not exceed the environmental performance levels associated with BATs as laid down in the decisions on BAT conclusions referred to in Article 13(5).</p> | <p>Best Available Techniques (BAT) Conclusions will only contain environmental performance levels associated to BAT where this is a key environmental issue. In such cases, it should be mandatory to include binding levels in the permit.</p> <p>Binding environmental performance levels associated with BAT would only be defined for very homogeneous processes. For more heterogeneous or variable processes, benchmarks are far more likely to be proposed by the relevant Technical Working Group that will draft the BAT Conclusions, in full consultation and cooperation with the affected sectors, Member States and environmental non-governmental organisations (NGOs).</p> |

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| <p>Amendment 5, Article 1(1)(18a) (new) in the revision</p> <p>Article 25(3)</p> <p><i>(18a) Article 25(3) is replaced by the following:</i></p> <p>3. What constitutes a sufficient interest and impairment of a right shall be determined by Member States, consistently with the objective of giving the public concerned wide access to justice.</p> <p>[....]</p> <p><i>To this end, the interest of any sub-national public authority whose territory or population could be adversely affected and compliance with any requirement of national law shall be considered sufficient for the purposes of paragraph 1(a).</i></p> <p>Such organisations <i>or authorities</i> shall also be deemed to have rights capable of being impaired for the purpose of paragraph 1(b).</p> | <p>The Commission proposal seeks to bring Article 25 of the IED in conformity with existing jurisprudence.</p> <p>It is up to Member States to define within their legal system the roles and powers of sub-national authorities.</p> |
| <p>Amendment 6, Article 1(22)</p> <p>Article 27</p> <p>(22) The following Articles 27a to 27d are inserted:</p> <p>[...]</p> <p>Article 27d</p> <p>Transformation towards a clean, circular and climate neutral industry</p> <p>1. Member States shall require that by 30 June 2030 <i>and as part of the review of the permit conditions pursuant to Article 21(3) following the publication of decisions on BAT conclusions after 1 January 2030</i>, the operator includes in its environmental management system referred to in Article 14a a <i>include an</i></p> | <p>The impact assessment showed that including transformation plans within a permit, or as part of a permit review, would create a very high burden on the permitting authorities.</p> <p>Furthermore, the transformation plan for large installations within the energy intensive industry will be needed only towards the end of this decade, when innovative solutions are expected to be widely available.</p> |

indicative transformation plan for each installation carrying out any activity listed in points 1, 2, 3, 4, 6.1 a, and 6.1 b of Annex I. The *indicative* transformation plan shall contain information on how the installation will transform itself during the 2030-2050 period in order to contribute to the emergence of a sustainable, clean, circular and climate-neutral economy by 2050, using the format referred to in paragraph 4.

~~Member States shall take the necessary measures to ensure that by 31 December 2031, the audit organisation contracted by the operator as part of its environmental management system assesses the conformity of the transformation plans referred to in the first subparagraph of paragraph 1 with the requirements set out in the implementing act referred to in paragraph 4.~~

2. The operator shall make the summary of its indicative transformation plan public.

~~2. Member States shall require that, as part of the review of the permit conditions pursuant to Article 21(3) following the publication of decisions on BAT conclusions after 1 January 2030, the operator includes in its environmental management system referred to in Article 14a a transformation plan for each installation carrying out any activity listed in Annex I that is not referred to in paragraph 1. The transformation plan shall contain information on how the installation will transform itself during the 2030-2050 period in order to contribute to the emergence of a sustainable, clean, circular and climate neutral economy by 2050, using the format referred to in paragraph 4.~~

~~Member States shall take the necessary measures to ensure that the audit organisation contracted by the operator as part of its~~

The Commission considers that not coupling the transformation plan to permits has three advantages:

- firstly, the permits are inherently tied to the adoption of BAT Conclusions, the timing of which, in each case, may not coincide with the pace of innovation;
- secondly, implementing the transformation plans via the Environmental Management Systems (EMS) rather than via the permits per se should make the updating of the plans more dynamic, with less administrative burden for both operators and authorities, and would enable the plans to be audited by the external EMS auditors;
- thirdly, the results of the EMS and its successive updating will be made public, thus facilitating information access by the public and all authorities, where this information does reveal any proprietary information, or does not conflict with established norms and legal responsibilities and constraints of EU competition law restricting sharing of information between economic operators.

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| <p>environmental management system assesses the conformity of the transformation plans referred to in the first subparagraph of paragraph 2 with the requirements set out in the implementing act referred to in paragraph 4.</p> <p>3. The operator shall make its transformation plan as well as the results of the assessment referred to in paragraphs 1 and 2 public, as part of the publication of its environmental management system.</p> <p>4. 3. The Commission shall by 30 June 2028, adopt an implementing act establishing the format for the transformation plans. This implementing act shall be adopted in accordance with the examination procedure referred to in Article 75(2).</p> | |
| <p>Point 8.</p> <p>The Committee of the Regions (CoR) points out [...] that industrial sites subject to the IED are also largely covered by decarbonisation rules and schemes; calls, therefore, for the IED not to encroach on these particularly effective tools [...] in order to avoid inconsistencies and promote decarbonisation efforts in the most cost-effective way.</p> | <p>The IED revision proposal has been designed to ensure full coherence with the EU's climate-related legislation, and to enhance synergies between the IED and climate law (inter alia, the EU Emissions Trading System [ETS], the Effort Sharing Regulation and the EU's Methane Strategy and EU international commitments stemming from the 2021 Global Methane Pledge).</p> <p>The ETS remains the main instrument to regulate the Greenhouse Gas emissions and activities within its scope. The planned mutual review of both the IED and the ETS will ensure that both instruments maintain coherence and synergies, in the light of the pace of innovation, the rapidity of global warming effects, the interactions of decarbonisation techniques and their optimal cost-effective deployment.</p> |
| <p>Point 12.</p> <p>The CoR has reservations about the current wording of Article 15(3), namely on setting emissions limit values (ELVs) at the strictest</p> | <p>The new Article 15(3) aims at ensuring that operators and permitting authorities employ the entire range of the emission levels associated</p> |

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| <p>levels, as mentioned in the BAT conclusions.</p> | <p>with the use of BAT for setting the emission limit values (ELVs) in permits, rather than using the least stringent BAT-AELs by default.</p> <p>A structured dialogue between the operator and the permitting authority will allow the setting of the most ambitious ELVs achievable by applying BAT in the given installation.</p> |
| <p>Point 18.</p> <p>The CoR supports the extension of the IED to other sectors such as the beef sector; is concerned, however, by the administrative burden and costs [...]; calls on the co-legislators not to confine themselves to the livestock rearing threshold criterion alone.</p> | <p>Under the proposed extended livestock scope, practical implementation of the future operating rules will consider the diversity of farms, their nature, type, size, density, complexity, and the specificities of pasture-based cattle rearing systems, where animals are only seasonally reared in indoor installations.</p> <p>Implementation of the livestock provisions in the current Directive shows that Member States presently use a mix of full permitting, simplified permitting and registration procedures for allowing and controlling livestock rearing activities, mainly depending on their size.</p> <p>The Commission proposal leaves it to Member States to decide on which farms this should be permitted or registered, whilst respecting the minimum requirements set in the Directive and in the operating rules.</p> |
| <p>Point 19.</p> <p>The CoR calls for a more in-depth assessment of the potential for including aquaculture in the Directive, taking into account environmental costs and benefits [...].</p> | <p>The evidence gathered during the supporting Impact Assessment accompanying the IED Proposal leads to the conclusion that, for the time being, including aquaculture as an activity within the IED is premature. However, two sources of evidence on evolving environmental impacts are important to bear in mind:</p> <ul style="list-style-type: none"> - assessment of possible reduced environmental impacts (e.g., excess nutrient emissions) following the application of recently agreed voluntary sectoral measures under the 2021 Strategic Guidelines for more sustainable and |

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| | <p>competitive EU aquaculture¹;</p> <ul style="list-style-type: none">- ongoing evidence being gathered on emissions from aquaculture activities that already need to be reported on as part of the E-PRTR Regulation (with an envisaged stricter, reduced reporting threshold in the new Proposal for the Industrial Emissions Portal Regulation). |
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¹ COM(2021) 236 final.

N°12 Protecting Industrial and Craft Geographical Indications in the European Union
COM(2021) 174 final
COR-2022-02982 – ECON -VII/025
151st plenary session – October 2022
Rapporteur: Martine PINVILLE (FR/PES)
DG GROW – Commissioner BRETON

Points of the European Committee of the Regions opinion considered essential

European Commission position

Amendment 1

Article 2 (new)

Objectives

This title provides for a unitary and exclusive system of geographical indications, protecting the names of craft and industrial products whose quality, reputation or other characteristics are linked to their geographical origin, thereby guaranteeing the following:

- a) producers acting collectively should have the necessary powers and responsibilities to manage their geographical indication, in order to meet society's demands for authentic products with heritage value and created through sustainable production in its three dimensions consisting of economic, environmental and social value, and to operate in the market;***
- b) fair competition for producers in the marketing chain;***
- c) consumers should receive reliable information and a guarantee of authenticity for such products and should be able to easily identify them in the marketplace including in e-commerce;***
- d) the simple and effective registration of geographical indications, ensuring the appropriate protection of intellectual property rights; and***

The Commission shares the Committee's view about the benefit of geographical indications protection. In this regard, the objectives of the geographical indication scheme for craft and industrial products are already enumerated in Recitals 7 and 8 of the Commission's proposal.

The Committee's amendment proposal however seems to limit the scope of the objectives listed in this new Article 2, to Title I on the general provisions, rather than to apply them to the entire Commission's proposal.

The final wording is in any event subject to the outcome of the interinstitutional negotiations.

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| <p>e) <i>effective enforcement and marketing throughout the Union and in e-commerce, ensuring the integrity of the internal market;</i></p> <p>f) <i>local economic development, which guarantees the protection of know-how and of a common heritage.</i></p> | |
| <p>Amendments 2 and 3</p> <p>Article 3</p> <p>Definitions</p> <p><i>(New, first point)</i></p> <p><i>A "geographical indication" for a craft or industrial product is a name that identifies a product: i) that originates in a specific place, region or country; (ii) whose given quality, reputation or other characteristic is essentially attributable to its geographical origin; and (iii) for which at least one of the production steps takes place in the defined geographical area.</i></p> <p><i>(corresponding wording deleted from Article 5)</i></p> | <p>While the Commission agrees in substance with the Committee as regards amendments 2 and 3, the Commission considers that Article 5 of the Commission's proposal should not be replaced by a new 'definition' of geographical indication in Article 3, since Article 5 lists the three necessary requirements that a name of a craft or industrial product has to meet to be considered a geographical indication. Article 5 is part of the substantive assessment that relevant authorities will carry out following reception of an application, including compliance with the product specifications as specified in Article 7 of the Commission proposal.</p> |
| <p>Amendment 4</p> <p>Article 6</p> <p>Applicant</p> <p>1. Applications for the registration of geographical indications <i>may</i> be submitted by a producer group ("applicant producer group"), the name of which is proposed for registration. Regional or local public entities may help in the preparation of the application and in the related procedure.</p> <p>2. An authority designated by a Member State, <i>in particular a regional or local authority</i>, may be deemed to be an applicant producer group for the purposes of this Title, if it is not feasible for the producers concerned to form a group by reason of their number, geographical location or organisational characteristics. Where such representation takes place, the application referred to in Article 11(3) shall state these</p> | <p>The Commission acknowledges the Committee's request to have a geographical indication registration granted to a regional or local authority. Article 6(2) of the proposal allows Member States to designate an authority to be deemed to be an applicant under certain conditions. Discussions are on-going in this regard as part of the co-decision process.</p> <p>The Commission takes note of the wish of the Committee to have the term 'single' producer replaced by 'sole producer'.</p> |

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| <p>reasons for such representation.</p> <p>3) A <i>sole</i> producer may be deemed to be an applicant producer group for the purposes of this Title, where both of the following conditions are fulfilled:</p> <p>(a) the person concerned is the only producer willing to submit an application for the registration of a geographical indication;</p> <p><i>(b) access to the GI remains open to any new producer/manufacturer complying with the GI product specification.</i></p> | |
| <p>Amendment 5</p> <p>Article 7</p> <p>Product specification</p> <p>1. Craft and industrial products the names of which are registered as a geographical indication shall comply with a product specification, which shall include at least <i>the following objective and non-discriminatory elements:</i></p> <p>(a) the name to be protected as geographical indication which may be a geographical name of the place of production of a specific product, <i>and</i> a name used in trade or in common language to describe the specific product in the defined geographical area;</p> <p><i>(b) the type of product(s) covered by the name;</i></p> <p>(c) a description of the product, including, if appropriate, the raw materials;</p> <p><i>(d) the specification of the defined geographical area creating the link referred to in point (g);</i></p> <p><i>(e) evidence that the product originates in the defined geographical area specified in Article 5, point (c);</i></p> <p><i>(f) a description of the method of producing or obtaining the product and, where appropriate, the traditional methods and specific practices used;</i></p> <p><i>(g) information concerning packaging, if the</i></p> | <p>The Commission takes note of the Committee's wish to add the type of product covered by the name, as well as the competent product inspection authority to the current definition of 'craft products'. Discussions are on-going in this regard as part of the co-decision process.</p> |

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| <p>applicant producer group so determines and gives sufficient product-specific justification as to why the packaging must take place in the defined geographical area to safeguard quality, to ensure the origin or to ensure control, taking into account Union law, in particular that on the free movement of goods and the free movement of services;</p> <p><i>(h)</i> details establishing the link between a given quality, the reputation or other characteristic of the product and the geographical origin as referred to in Article 5, point (b);</p> <p><i>(i)</i> any specific labelling rule for the product in question;</p> <p><i>(j) the competent product inspection authority;</i></p> <p><i>(k)</i> other applicable requirements where provided for by Member States or by a producer group, if applicable, having regard to the fact that such requirements must be objective, non-discriminatory and compatible with Union law.</p> | |
| <p>Amendment 6</p> <p>Article 8</p> <p>Single document</p> <p>1. The single document shall comprise:</p> <p>(a) the following main points of the product specification:</p> <p>i) the name;</p> <p><i>ii) the product type;</i></p> <p><i>iii)</i> a description of the product, including, where appropriate, specific rules concerning packaging and labelling <i>and the main stages of the production process;</i></p> <p><i>iv)</i> a concise definition of the geographical area;</p> | <p>The Commission takes note of the Committee's requests to add 'the product type' and 'the main stages of the production process' to the items listed in the single document under Article 8. This article includes a broad category 'description of the product' which could cover the items suggested.</p> |

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| <p>Amendment 7</p> <p>Article 22</p> <p>Admissibility and grounds for opposition</p> <p>2. Upon opposition, the name for which there has been an application for registration shall not be registered, if:</p> <p>(a) the proposed geographical indication does not comply with the requirements for protection laid down in this Regulation;</p> <p>(b) the registration of the proposed geographical indication would be contrary to Articles 35, 37, 38 or 39;</p> <p>(c) the registration of the proposed geographical indication would jeopardise the existence of, an entirely, or partly identical name or of a trade mark, or the existence of products which have been legally on the market for at least 5 years preceding the date of the publication provided for in Article 18(3).</p> | <p>The Commission acknowledges that the Committee would like to enlarge the admissibility and grounds for opposition by adding reference to Article 35 on ‘Protection of geographical indications’. For coherence and consistency, the Commission proposed that rules as regards admissibility of an opposition should be aligned with the rules applying to EU-agricultural geographical indication protection schemes. Having different rules would not be justifiable and may lead to confusion.</p> |
| <p>Amendment 8</p> <p>Article 23</p> <p>Transitional period for the use of geographical indications</p> <p>5. To overcome temporary difficulties with the long-term objective of ensuring that all producers of a product designated under a geographical indication in the area concerned comply with the related product specification, a Member State may grant a transitional period for compliance, of up to <i>five years</i>, with effect from the date on which the application is lodged with the Office, provided that the operators concerned have legally marketed the products in question, using the names concerned continuously for at least 5 years preceding the lodging of the application to the authorities of that Member State and have referred to that fact in the national opposition procedure referred to in</p> | <p>The Commission notes the Committee’s proposal to limit the additional transitional period of ten years granted by Member States for compliance with the product specification from ten to five years. The Commission would prefer to keep the current deadline to ensure alignment with the existing geographical indication protection scheme for agricultural products and foodstuffs.</p> |

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| Article. | |
| <p>Amendment 9</p> <p>Article 26.3</p> <p>The Union register of geographical indications for craft and industrial products (...) 3. Upon entry into force of a decision registering a protected geographical indication, the Office shall record the following data in the Union register of geographical indications for craft and industrial products: (a) the registered <i>protected geographical indication</i> of the product; (b) the <i>type of</i> product; (c) <i>the beneficiaries of the protected geographical indication</i>; (d) the reference to the instrument registering the name; (e) indication of the country or countries of origin.</p> | <p>The Commission takes note of the drafting amendments proposed by the Committee and shares the view that adding the name of the geographical indication registered as a ‘protected geographical indication’, the product type, as well as the name of the applicant in whose name the geographical indication is registered could clarify the wording.</p> |
| <p>Amendment 10</p> <p>Article 29.1</p> <p>Cancellation of the registration</p> <p>1. The Office may, on its own initiative or on a duly substantiated request by a Member State, a third country or any natural or legal person having a legitimate interest, decide to cancel the registration of a geographical indication in the following cases: (a) where compliance with the requirements for the product specification can no longer be ensured; (b) where no product has been placed on the market under the geographical indication for at least a consecutive period of <i>10</i> years.</p> | <p>The Commission notes the Committee’s proposal to extend the deadline to cancel a registration of a geographical indication for phasing out from seven to ten years. The Commission would prefer to keep the current deadline to ensure alignment with the existing geographical indication protection scheme for agricultural products and foodstuffs.</p> |
| <p>Amendment 11</p> <p>Article 33</p> <p>Geographical Indications Advisory Board</p> <p>5. The Advisory Board shall be composed of one representative of each Member State, and one representative of the Commission <i>and an independent expert recognised with regard to</i></p> | <p>The Commission acknowledges the Committee’s wish to have an independent expert on the type of product concerned participating in the Advisory Board. The Commission is not favourable to such addition as the proposal already mentions that the purpose of the Advisory Board is to provide the necessary local knowledge and expertise concerning certain products (Recital 27). Experts</p> |

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| <p><i>the type of product(s) concerned, including representatives of regional or local authorities, where appropriate, and their respective alternates.</i></p> | <p>could be invited as observers.</p> |
| <p>Amendment 12 Article 44 Union symbol, indication, abbreviation</p> <p>2. In the case of craft and industrial products originating in the Union that are marketed under a geographical indication, the Union symbol referred to in paragraph 1 <i>shall</i> appear on the labelling, advertising material <i>or communication materials</i>. The geographical indication shall be in the same field of vision as the Union symbol.</p> | <p>The Commission takes note of the Committee’s request to make use of the Union symbol compulsory instead of voluntary. The Commission understands this view and stresses that use of the logo is, in any event, ‘recommended’ in Recital 38. Discussions are ongoing in this regard as part of the co-decision process.</p> <p>The Commission takes note of the Committee’s wish to replace the wording ‘advertising material’ with ‘communication materials’.</p> |
| <p>Amendment 13 Article 50.2b)</p> <p>(b) the delegated product certification body <i>or the natural person</i>: (i) is to have the expertise, equipment and infrastructure required to perform the official control tasks delegated to <i>them, including for company accounting</i>; (ii) is to have a sufficient number of suitably qualified and experienced staff; (iii) is to be impartial and free from any conflict of interest and in particular is not to be in a situation which may, directly or indirectly, affect the impartiality of <i>their</i> professional conduct as regards the performance of those official control tasks delegated to <i>them</i>; and (iv) is to have sufficient powers to perform the official control tasks delegated to <i>them</i>;</p> | <p>The Commission takes note of the Committee’s wish to ensure a parallel approach between a delegated product certification body and a natural person. The Commission shares this view.</p> |
| <p>4. The Committee of the Regions (CoR) reiterates its request that, in order to ensure consistency between the two schemes, a solid mechanism for coordination between the relevant Commission and EUIPO services be put in place.</p> | <p>Coordination between the Commission departments and the European Union Intellectual Property Office (EUIPO) services already takes place and coherence with the existing geographical indication protection scheme for agricultural products and foodstuffs is one of the express objectives of the proposal. As a</p> |

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| | <p>‘backstop’ to ensure alignment, Article 25 of the Commission’s proposal allows the Commission to take over from the EUIPO the power to decide on the application for registration of the proposed geographical indication where such decision may jeopardise the public interest or the Union’s trade or external relations.</p> |
| <p>6. The CoR recommends that the EUIPO's powers to verify geographical indications be clearly set out in a legal act to enable the EUIPO to build up, in due course, the expertise needed to assess applications and their eligibility in the light of the required criteria;</p> | <p>The Commission appreciates the Committee’s interest in clearly establishing the powers of the EUIPO in respect of geographical indications for craft and industrial products (CIGIs). The proposal quotes the EUIPO as responsible entity in several recitals¹ and the corresponding articles. In Article 5 of the proposal, the conditions for geographical indications protection are set out to be examined by EUIPO. Articles 7, 8, 9 set out the requirements for the product specifications, the single document as well as the accompanying documentation.</p> <p>The EUIPO is working closely with the Commission services to build up the system.</p> |
| <p>7. The CoR emphasises the need to set up a common register of geographical indications to facilitate access to information for consumers, producers, States and local and regional authorities.</p> | <p>The Commission proposal foresees the use of the CIGIs Union Register in its Article 26, as a publicly accessible electronic register that will be developed, kept and maintained by the Office for the management of CIGIs. In addition, to facilitate access to information for consumers, producers, States and local and regional authorities, European CIGIs may also be included in the European GIview database which already contains official registered data in relation to all geographical indications concerning wines, spirit drinks and aromatised wines, agricultural products and foodstuffs protected at</p> |

¹ for examining the applications in the second phase of the procedure, including by granting or refusing the protection (Recital 15), for carrying out the corresponding procedures for geographical indications originating in third countries (Recital 14), or for application filed through the direct procedure (Recital 17), to operate the Union register of geographical indications for craft and industrial products (Recital 60), to deal with administration and promotion of geographical indications (Recital 56), to establish an information and alert system against the abusive use of CIGIs in the domain name system (Recital 26), or to decide on the appeal (Recital 25), to develop, keep and maintain the Union register of CIGIs (Recital 22).

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| | <p>EU level. This includes not only the geographical indications registered directly in the EU, but also third country geographical indications protected at EU level through bilateral and multilateral agreements, and all EU geographical indications protected abroad through such agreements.</p> |
| <p>8. The CoR nevertheless draws the attention of the co-legislators to the specific nature and diversity of the products and ecosystems concerned by this proposal compared to agricultural products, and calls for vigilance to ensure that this is taken into account consistently, throughout the proposal.</p> | <p>The Commission agrees that the specific nature and diversity of the CI products need to be considered throughout the proposal. The proposal includes specific rules to that end, e.g., rules to avoid overlaps with the existing protection scheme for agricultural products and foodstuffs as well as protection gaps; an Advisory Board allowing technical consultation in relation to the specific area at issue, and a self-declaration system.</p> |
| <p>9. The CoR notes that the proposed definition of "craft products" does not reflect practices in some Member States and therefore calls on the European Union to adopt a definition that covers existing manufacturing processes in the EU, whether these be entirely manual, mechanical or mixed.</p> | <p><i>(See the Commission's reply to Amendment 5 to Article 7)</i></p> |
| <p>10. The CoR highlights the importance it attaches to the issue of innovation and research, which should not be hampered by product specifications or by an overly restrictive interpretation of the terms "tradition" and "traditional".</p> | <p>The Commission agrees with the Committee that product specifications should promote and protect traditional know-how and innovation in coherence with and respect of EU competition rules. The Commission's proposal sets out in Recital 7 the objective that the geographical indication system for craft and industrial products should ensure that the production and marketing traditions are maintained and enhanced.</p> |
| <p>11. The CoR underlines the importance, in specific and justified cases, that a request to register a GI be granted to a regional or local authority.</p> | <p><i>(See the Commission's reply regarding amendment 4 to Article 6)</i></p> |

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| <p>13. The CoR notes the inclusion of a direct registration procedure and calls for equal treatment in all procedures, whether or not they include a step for national registration.</p> | <p>The Commission shares the Committee's view that equal treatment should prevail in all procedures. Support to applications made via the direct procedure is reflected in the proposal through e.g., designation of a national single point of contact to help the EUIPO as regards aspects related to the examination of the application, or compulsory consultation of the Advisory Board (Article 15 (6, 7 and 12)). In any case, the direct registration option does not allow Member States to opt out of their control and monitoring obligations (Article 15(15) of the proposal).</p> |
| <p>14. The CoR highlights the need to implement credible controls to ensure manufacturers' compliance with product specifications and consumer safety and confidence, and reiterates that external checks should be favoured in order to guarantee reliable and independent monitoring at an acceptable cost.</p> | <p>The Commission acknowledges the Committee's request to favour external checks. After a thorough impact assessment, the Commission concluded that, in view of the nature of the craft and industrial products geographical indications market, which is very diverse and small, it was more appropriate to leave it up to Member States to choose to establish either a third-party verification system or a verification system based on a producer's self-declaration. (<i>see also below reply</i>)</p> |
| <p>15. The CoR is therefore concerned about the control procedure based on self-declaration as proposed by the European Commission, which does not offer sufficient guarantees in terms of controls and could lead to abuses that could potentially harm the scheme's credibility.</p> | <p>The Commission takes note of the Committee's views related to the possible risks linked to a self-declaration system. The Commission's proposal accompanies self-declarations with a requirement for Member States to carry out random controls and take all necessary measures to remedy the situation in case of failure or fraudulent use of self-declarations. It also requires Member States to lay down rules on deterrent penalties (Article 56).</p> |
| <p>16. The CoR stresses the benefit of opting for an approach like the successful GIs for agriculture and agri-food to harmonise the schemes.</p> | <p>(<i>See the Commission's reply regarding point 14</i>)</p> |

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| <p>17. The CoR reiterates the need for a time-limited registration procedure and recommends in particular that the maximum duration of the decision on the national and European application be specified.</p> | <p>The Commission notes that, while Member States are responsible for the national phase of the procedure, the proposal mentions certain limitations regarding duration of the procedures (e.g., for opposition under Article 21). Discussions are on-going in this regard as part of the co-decision process.</p> |
| <p>18. The CoR emphasises the importance of ensuring that costs, in particular those related to appeals, such as the appeal fee, are non-discriminatory, so that every GI-holder can access them.</p> | <p>The Commission shares the Committee's view that it is important to ensure that costs are non-discriminatory, particularly for the appeal fee. The proposal creates simple procedures to register and manage new geographical indications (e.g., not requiring at any stage of the procedure the involvement of legal representatives) and keeps the administrative burden for micro, small or medium-sized enterprises (MSMEs) to the minimum (e.g., Recital 13 encourages Member States to charge lower fees for MSMEs).</p> |
| <p>19. The CoR underscores the need to propose, at European level, measures to support certification, the organisation of professionals and the awareness-raising and promotion of ICGIs. Such support measures will encourage the take-up of the scheme in the EU, thus making it possible to safeguard and develop non-relocatable economic activity in the regions.</p> | <p>The Commission acknowledges the Committee's call for EU-wide measures to support certification, organisation of professionals, and awareness raising and promotion of geographical indications. Article 40 of the proposal lays down the role and responsibilities of producer groups which involve actions to organise the group (e.g., manage internal controls), improve the performance of the geographical indications (e.g., development, organisation and conduct of collective marketing and advertising campaigns). In addition, Article 60 confers on the EUIPO tasks related to the promotion of geographical indications.</p> |

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| <p>N°13 European Chips Act to strengthen the European semiconductor ecosystem COM(2022) 45 final COM(2022) 46 final COM(2022) 47 final COR-2022-01960 – ECON-VII/023 151st plenary session – October 2022 Rapporteur: Thomas Gottfried SCHMIDT (DE/EPP) DG CNECT – Commissioner BRETON</p> | |
| <p>Points of the European Committee of the Regions opinion considered essential</p> | <p>European Commission position</p> |
| <p>Amendment 8 Amendment to Article 4 (2) point (b) 1</p> | |
| <p>strengthening technological capabilities in next generation chips production technologies, by integrating research and innovation activities and preparing the development of future technology nodes, including leading-edge nodes below two nanometres, Fully Depleted Silicon on Insulator (FD-SOI) at 10 nanometres and below, and 3D heterogeneous systems integration and advanced packaging; <i>this shall include the production of chips that are more than 10 nanometres in size, for which there is demand from the EU user industry;</i></p> | <p>The objective of the ‘Chips for Europe Initiative’, outlined in Article 4 of the European Chips Act¹ proposal, is to support large-scale technological capacity-building and related research and innovation activities throughout the Union’s semiconductor value chain to enable development and deployment of cutting-edge and next generation semiconductor and quantum technologies that will reinforce the Union’s advanced design, systems integration and chip production capabilities in the Union, as well as contribute to the achievement of the twin digital and green transition.</p> <p>The prime focus of the ‘Chips for Europe Initiative’ is on setting up these infrastructures, including pilot lines, the design platform, competence centres, and facilities for quantum chips, and on related research and innovation activities. Research and innovation may be partly focused on further miniaturisation of node structures, and partly on other objectives, including but not limited to energy efficiency, security, open-source hardware, new semiconductors materials, heterogeneous systems integration.</p> <p>As the ‘Chips for Europe Initiative’ focusses on technological capacity-building and research and</p> |

¹ COM(2022) 46 final.

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| | <p>innovation, the proposed amendment concerns an activity outside of its scope. Support to the production of chips of more than 10 nanometres in size could fall under pillar 2 of the Chips Act. It should be noted though, that to qualify for being recognised as a ‘first-of-a-kind facility’ under pillar 2, a semiconductor manufacturing facility needs to provide innovation with regard to the manufacturing process or final product that is not yet substantively present or committed to be built within the Union. Such innovation is not necessarily related to the technology node.</p> |
| <p>Amendment 11 Amendment to Article 9(1)</p> | |
| <p>The components listed in points (a) to (d) of Article 5 under the Initiative may be entrusted to the Chips Joint Undertaking referred to in Council Regulation XX/XX amending Council Regulation (EU) 2021/2085 and implemented in the work programme of the Chips Joint Undertaking. <i>Member States shall be required to include relevant semiconductor regions in the Chips Joint Undertaking.</i></p> | <p>The Chips Act proposal addresses the relevance of regions. Regions can participate in the Joint Undertaking (JU). This was/is already the case in the Electronic Components and Systems for European Leadership (ECSEL) JU and in the current Key Digital Technologies (KDT) JU (which would become the Chips JU). For instance, Saxony and Thuringia participated next to the German Federal Ministry of Education and Research (BMBF).</p> |
| <p>Amendment 16 Amendment to Article 19(2)</p> | |
| <p><i>Based on the results of the European Semiconductor Board consultation, the Commission shall be required to</i> limit the measures provided for in Articles 21 and 22 to <i>those</i> critical sectors the operation of which is disturbed or under threat of disturbance on account of the semiconductor crisis.</p> | <p>With the European Semiconductor Board, the European Chips Act proposes to establish an overarching advisory body. Its primary function is to assist the Commission in the implementation of activities related to the European Chips Act (see Article 23 of the proposal); the Board is an advisory body without a legal personality. The Commission is not bound by its advice. However, the Commission should consult the European Semiconductor Board and take its views into account before limiting the measures under Articles 21 and 22 of the proposal to certain critical sectors.</p> <p>In general, to ensure a coordinated approach, Member States are strongly involved in the</p> |

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| | <p>decision-making under the European Chips Act: through the vehicle of the European Semiconductor Board, they will be involved in all decisions, most importantly in the frame of the crisis response mechanism. In addition, important decisions such as setting up a European Chips Infrastructure Consortium (ECIC) or triggering the semiconductor crisis stage will require an implementing act, allowing full scrutiny of these decisions by Member States through comitology.</p> |
| <p align="center">Proposal for a Council Regulation amending Regulation (EU) No 2021/2085 establishing the Joint Undertakings under Horizon Europe, as regards the Chips Joint Undertaking COM(2022)47 final</p> | |
| <p align="center">Amendment 22 Amendment to Recital 7</p> | |
| <p>The activities funded by the Chips Joint Undertaking should be covered in one single work programme, which should be adopted by the Governing Board. Before each work programme is prepared, the Public Authorities Board, taking into account the advice of <i>the Private Members Board and</i> the European Semiconductor Board and input from other relevant stakeholders, including as appropriate, roadmaps produced by the Alliance on Processors and Semiconductor Technologies, should define the part of the work programme related to capacity building activities and research and innovation activities, including their corresponding expenditure estimates. For this purpose, the Public Authorities Board should include only the Commission and public authorities from Member States. Subsequently, on the basis of this definition <i>and the Strategic Research and Innovation Agenda</i>, the Executive Director should prepare the work programme including capacity building and research and innovation activities and their corresponding expenditure estimates. <i>The budget for the research and innovation</i></p> | <p>The Commission’s proposal already foresees that input from ‘other relevant stakeholders’ would be taken into account; private members would be relevant stakeholders.</p> <p>The Commission notes that the addition of the Strategic Research and Innovation Agenda (SRIA) is in line with the Presidency text 15368/22².</p> <p>The budget for research and innovation (R&I) activities is proposed to be higher than the one for the KDT JU. With the Chips Act and the amendment to the Regulation establishing the Joint Undertakings under Horizon Europe, the R&I budget (i.e. budget from Horizon Europe) is proposed to be up to €2.65 billion. It must be noted that this amount would be dedicated to R&I activities only. The amount could not be used to fund capacity-building activities (which could only be funded under the Digital Europe Programme).</p> |

² <https://data.consilium.europa.eu/doc/document/ST-15368-2022-INIT/en/pdf>

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| <p><i>activities of the Chips Joint Undertaking should be at least equal to the estimated budget for the Key Digital Technologies Joint Undertaking. The same scope and working methods should also be adopted.</i></p> | |
| <p>Amendment 24 Amendment to Article 1(7), point (c)</p> | |
| <p>c) In paragraph 2 point (f) is replaced by the following: “(f) establish coherence between the Strategic Research and Innovation Agenda of the Chips Joint Undertaking and Union policies so that electronics components and systems technologies contribute efficiently.”</p> | <p>The Commission notes that the proposed amendment is in line with the Presidency text 15368/22.</p> |
| <p>Amendment 25 Amendment to Article 1(9)</p> | |
| <p>(9) In Article 129 paragraph 3 is replaced by the following: “3. By way of derogation from Article 28(4), the private members shall make or arrange for their constituent and affiliated entities to make a financial contribution of <i>up to</i> EUR 26 331 000 for administrative costs of the Chips Joint Undertaking. The share of the total contribution on an annual basis for administrative costs of the Chips Joint Undertaking by the private members shall be <i>a maximum of 35%</i>.”</p> | <p>As correctly pointed out in the ‘Reason’ for the proposed amendment of the Committee, introducing ‘at least’ was a clerical error. This has been identified and corrected in the compromise text of 25 May 2022 of the Council Presidency. The addition ‘a maximum of’ is not warranted because the intention is precisely to share the administrative costs on a yearly basis in a proportion 65-35. Introducing ‘a maximum of’ would mean that private members could theoretically pay nothing in a given year.</p> |
| <p>POLICY RECOMMENDATIONS</p> | |
| <p><i>Importance of the European Chips Act</i></p> | |
| <p>Recommendation 3.</p> | |
| <p>At the same time [the Committee of the Regions] calls for the production of chips that are more than 10 nanometres in size, for which there is demand from the EU user industry, to be included in the scope of Regulation COM(2022) 46 final.</p> | <p>To address short and longer-term needs, mature and leading-edge nodes are indeed needed. The Commission underlines that the concept of a first-of-a-kind facility in the EU will apply to different types of advances, not only focused on the size of the chip but also in terms of its functionalities and performance, including energy performance.</p> |

Recommendation 5.

The Committee of the Region (CoR) points out that strengthening semiconductor production must at the same time be accompanied by steps to reduce energy and resource consumption and harmful environmental impact right along the value chain, as well as steps to ensure compliance with the sustainability criteria (SDGs) and to mainstream the use of renewable energy sources and mechanisms for the efficient use of water resources in production facilities.

The Commission agrees with the Committee on the importance of green aspects and the Sustainable Development Goals (SDGs). The European Chips Act, including the specific measures in pillar 1, contributes to the green transition. Given that semiconductor chips are central to the digital economy (from cars to critical infrastructures in health), they are powerful enablers for the sustainability transition.

There can be significant environmental gains through innovation. The design facilities and pilot lines proposed under pillar 1 (Article 4(2)(a) and (b) European Chips Act) will lead to the design, testing, and validation of new, low-power processors, which are the core components of servers that handle the computational workload in data centres. Such chips with a low-energy footprint contribute to positioning the Union as a leader in sustainable digital technologies. The pilot lines – in particular, the one on FD-SOI (fully depleted silicon on insulator) – will enable the development of highly energy-efficient chips that are central for the green transition in sectors like automotive, or information and communications technology (ICT).

The definition of the ‘first-of-a-kind’ (FOAK) concept, in particular, covers innovation on energy or environmental performance. The innovative element of FOAK may indeed lie in better ‘energy and environmental performance’. Environmental gains can relate to the entire lifecycle of the chips: from the process of manufacturing to the recyclability of materials. The relevant innovation elements could lie in reducing the amount of energy or chemicals used or introducing methods that allow to recover and reuse wastewater of semiconductor fabrication.

Recommendation 9.

LRAs should be given a key role in implementing the ECA.

The regulatory system of the European Chips Act appreciates the levels of government mentioned by the Committee by balancing the principle of subsidiarity and the differences in the organization of the Member States. At a national level, it is the discretion of the Member States which authorities are designated as national competent authorities (see Article 26 of the proposal). In this respect, each Member State will designate one or more national competent authorities for the purpose of effective implementation of this Regulation and ensure that those authorities are adequately empowered and resourced. In particular, all authorities designated shall ensure that administrative applications related to the planning, construction and operation of Integrated Production Facilities and Open EU Foundries are processed in an efficient and timely manner (see Article 14 of the proposal).

Recommendation 12.

The CoR calls on the Commission, in the upcoming negotiations with the Council and the European Parliament, to clearly emphasise the importance of the ECA in securing Europe's industrial base, and to demand additional financial contributions from the Member States and the economy.

The Commission appreciates the acknowledgment of the importance of the Chips Act to secure industrial base in the EU. Concerning the demand for additional financial contributions, the Commission points to the fact that, according to the Commission proposal, the Union would provide up to €3.3 billion until 2027 to the Chips for Europe Initiative. Participating States are expected to make a commensurate contribution. Furthermore, in the context of the Chips JU, €1.3 billion would also be dedicated to activities related to electronic components and systems outside the context of the Initiative – but contributing to the same goal. At the same time, it is expected that the industry makes a similar contribution to the one of the Commission and the Participating States of the Chips JU.

In addition to the budget related to the Initiative, at least €30 billion in public investments by Member States, coming i. a. from Recovery and

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| | Resilience Plans, Cohesion Fund plans, national budgets are expected, for purposes such as the Important Projects of Common European Interest (IPCEI) and large manufacturing projects. |
| Recommendation 17. | |
| The CoR considers it necessary for the EU to place additional emphasis on designing semiconductors and thus to build up its own design capabilities. | The Commission recalls that design companies are a target and priority of the Chips for Europe Initiative. The measures of the Initiative aim to accelerate the development of design companies while maintaining costs within an acceptable level, in particular through (i) new pilot lines for product development, (ii) access to the virtual design platform, and (iii) access to IP libraries and EDA (Electronic Design Automation) tools. |
| <i>Funding for the Chips Act</i> | |
| Recommendation 18. | |
| The CoR criticises the financial envelope proposed for the ECA as being far too low. | The overall level of policy-driven investment (public and leveraged equity support) for the European Chips Act is estimated to be €43 billion up to 2030. These investments are commensurate with the plans that other countries have announced. For example, the Chips and Science Act provides \$ 52.7 billion for the American semiconductor sector until 2026. Japan has recently announced \$8 billion in public funding for domestic semiconductor investments. |
| Recommendation 19. | |
| The CoR calls on the Commission to ensure transparency with regard to the ECA's financial envelope and to ensure adequate funding for all three pillars. | The financial envelope is fully set out in the legislative financial statement accompanying the European Chips Act proposal ³ , with an explanation provided in the Explanatory Memorandum ⁴ . Further information and clarification were provided in the Commission Staff Working Document published on 11 May 2022 in Section 10 ⁵ . |

³ pp. 61-89 of COM(2022) 46 final.

⁴ p. 15.

⁵ pp. 96-98 of SWD(2022) 147 final.

Recommendation 23.

The CoR calls on the Commission, when assessing and approving in accordance with Article 107(3)(c) TFEU, to interpret the "first of a kind in Europe" criterion generously, as in the case of semiconductors there is no traditional competitive situation that is relevant to competition in the single market.

In the overall balancing of the positive effects of the aid against its negative effects on competition and trade, the Commission will take into account the fact that new production facilities are first-of-a-kind in the Union. However, it must be underlined that the absence of such a recognition would not per se prevent the Commission from authorising aid to a facility if the aid is compatible under the applicable State aid provisions. At the same time, the European Chips Act clarifies that 'first-of-a-kind' facilities need to be capable of semiconductor manufacturing that is not yet substantively present or committed to be built in the Union. This definition allows for a sufficiently open and flexible approach to 'first-of-a-kind' which may take into account different aspects, e. g. scale of nodes or environmental performance. The Commission is aware of the many different dimensions of innovation in this sector, which goes beyond a limited view of node size only. Requiring that this innovation should not be 'substantively' present ensures that the existence of small-scale production or research of the same type would not preclude being 'first-of-a-kind'.

Recommendation 24.

The CoR asks the Commission to consider further forms of relief, such as the granting of tax write-offs, in addition to changes to and simplifications in State aid law and procedures, in order to make it easier to set up businesses along the entire semiconductor value chain in Europe.

The Commission notes that forms of relief, such as the granting of tax write-offs remain in principle national law. Concerning such reliefs, the rules on State aid apply without exception, even if these reliefs are within the scope of the European Chips Act.

The Commission may envisage approving public support to fill possible funding gaps in the semiconductor ecosystem to establish first-of-a-kind facilities in the Union under existing Treaty provisions, i.e. Article 107(3)(c) of the Treaty on the Functioning of the European Union (TFEU). Such aid would have to be subject to strong

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| | <p>safeguards to ensure the aid is necessary, appropriate, and proportionate, undue competition distortions are minimized, and that benefits are shared widely and without discrimination across the European economy. All cases must be rigorously examined based on their own respective merits.</p> |
| <p>Recommendation 25.</p> | |
| <p>The CoR considers it necessary, under the "first of a kind" principle, to enable support not only for production facilities, such as the Integrated Production Facilities (IPF) and the Open EU Foundries (OEF), but also for the production of precursors, such as wafers or production units, which are equally relevant when it comes to achieving the objectives.</p> | <p>The ‘first-of-a-kind’ approach covers all stages of production and processing of wafers, from materials production to front-end and back-end. Hence, facilities that produce precursors could also be recognised as ‘first-of-a-kind’ facilities. For example, the first one of the recent State aid authorisations concerned in the context of the Chips Act is for a Silicon Carbide wafer plant⁶.</p> |
| <p>Recommendation 29.</p> | |
| <p>The CoR shares the concerns of the research and higher education sectors that the redeployment of funding under the Horizon Europe and Digital Europe programmes, as provided for in the Chips Act, weakens other areas, thus increasing competition for the remaining funding; therefore expects the funding redeployed from Digital Europe and Horizon Europe to be made available to the programmes again in the course of the funding period.</p> | <p>The Commission has made its proposal within the frame of the current EU long-term budget (Multiannual Financial Framework – MFF). Because alternative funding sources within the agreed MFF are scarce, it is necessary to propose reallocations from Horizon Europe clusters and Digital Europe Programme specific objectives to finance the Chips for Europe Initiative, while ensuring that the budget of these clusters/objectives is enough to reach their envisaged goals.</p> <p>The Chips for Europe Initiative could exploit synergies with Horizon Europe Cluster 5 ‘Climate, Energy and Mobility’ through initiatives on semiconductors for energy and mobility. A concrete example is research on the ‘Car of the Future’, which would focus on high-end processors for automotive to support advanced driver assistance systems.</p> <p>In addition, there are synergies with Horizon Europe Cluster 4 ‘Digital, Industry and Space’ with respect to advanced semiconductor materials, energy efficiency, circular economy,</p> |

⁶ cf. case number SA.103083.

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| | <p>and manufacturing at large.</p> <p>A third example is Horizon Europe Cluster 3 ‘Civil Security for Society’, where research in semiconductor technologies can contribute to address the societal challenges of civil security. Embedded artificial intelligence in multi-sensing devices can offer technological solutions to the challenges arising from persistent security threats and can increase resilience against natural and man-made disasters. For instance, one could think of drones or robots for inspections in disaster areas or in dangerous spaces (radioactive, toxic gases, etc.), preventive maintenance and repairs of public infrastructure, prediction and prevention of catastrophes (e.g. building/bridge collapses, oil spills) and corresponding loss of lives.</p> |
| <p>Recommendation 32.</p> | |
| <p>The CoR calls on the Commission to define the term "pilot line" more precisely. Access to the pilot lines must be broad and open in order to enable clusters, educational and research institutions, and businesses, particularly SMEs.</p> | <p>The Commission points to recital (12) that explains the need for pilot lines as defined in Article 2(6) of the proposal. The Commission further notes that pilot lines will be open for a wide range of users. Additionally, the Commission underlines that, as a first step, several specific pilot lines are envisaged in order to strengthen technological capabilities in next generation chips production technologies, by integrating research and innovation activities and preparing the development of future technology nodes, including leading-edge nodes below two nanometres, Fully Depleted Silicon on Insulator (FD-SOI) at 10 nanometres and below, and 3D heterogeneous systems integration and advanced packaging⁷. Additional pilot lines could be developed, based on the needs identified. The Commission is currently working with Member States and industry – including many small and medium-sized enterprises (SMEs), and academic institutes – to define the pilot line model that will accommodate other promising technologies – not just those three mentioned – and enable</p> |

⁷ ref. Article 4(2)(b)(1) of the proposal.

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| | widespread access by relevant stakeholders. Furthermore, pilot lines have already been introduced and in practice under Horizon 2020. |
| <i>Impact of the Chips Act on cities and regions</i> | |
| Recommendation 43. | |
| <p>The CoR calls on the Commission to keep in mind the impact that the inward movement of businesses has on LRAs; the creation of a framework for the establishment of businesses and the implementation of supporting measures should be understood as regional development and co-financing from the ERDF and the ESF should be made possible.</p> | <p>The Commission recalls that there are supporting and relief mechanisms for local and regional authorities (LRAs). For example, the Chips Act foresees a network of competence centres in semiconductors, integration technologies and system design with centres in each Member States. They will play a key role in engaging with local education and training providers. Another example is that the Commission is increasing the availability of two funds, which also operate at local and regional levels, to support the growth of SMEs and start-ups. Firstly, the European Investment Fund will make use of the InvestEU guarantee to support start-ups and SMEs and help them scale up in the single market as well as on the regional level. Secondly, the European Innovation Council (EIC) will provide further dedicated support through grants and equity investment to high-risk, market-creating innovators, and early-phase start-ups through the EIC Fund.</p> <p>Co-financing from the European Regional Development Fund (ERDF) for creating favourable business framework and supporting measures is possible where this is identified and put forward by regions and Member States.</p> |
| Recommendation 49. | |
| <p>The CoR calls on the Commission to define the crisis situation, the rights of intervention provided for and the specific action to be taken in the event of a crisis in a more precise and legally certain manner, given the many different causes that may give rise to shortages and delivery problems, and to make it clear that this can only be applied as a last and proportional resort; is concerned that the proposed crisis response mechanism could discourage</p> | <p>The Commission points to the fact that the Chips Act uses an impact-based crisis definition in Article 18(1) exactly because many different causes may give rise in the future to shortages and delivery problems. The crisis definition sets conditions based on the impact of shortages on important economic sectors or critical sectors.</p> <p>The Commission agrees with the Committee that crisis tools should be used as a last resort. The</p> |

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| <p>investment.</p> | <p>objective of the European Chips Act is to anticipate situations that could lead to a shortage and react before they escalate. Deploying the crisis measures would be an ultima ratio. Additionally, the Chips Act proposes several safeguards to an intervention. Notably that the crisis measures may only be used after the Commission triggered the crisis stage through an implementing act adopted in the examination procedure. This allows for full scrutiny of the Member States in the Committee.</p> |
| <p>Recommendation 53.</p> | |
| <p>The CoR has doubts, however, as to whether the resulting amounts of data can be processed in a safe and targeted manner.</p> | <p>The Commission is committed to ensure that the data collected for the monitoring of the semiconductor value chain will be processed in a safe and targeted manner. Article 27 of the Chips Act proposal also explicitly addresses the question of the treatment of confidential information by the Commission, Member States, and third countries in the context of the implementation of the Regulation. In addition, there are internal Commission rules for the handling of confidential business information that will apply to in the context of the European Chips Act.</p> |

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| <p>N°14 Energy package on gas, hydrogen and methane emissions COM(2021) 803 final COM(2021) 804 final COM(2021) 805 final COR-2022-01522 – ENVE-VII/029 151st plenary session – October 2022 Rapporteur: Jakub CHELSTOWSKI (PL/ECR) DG ENER – Commissioner SIMSON</p> | |
| <p>Points of the European Committee of the Regions opinion considered essential</p> | <p>European Commission position</p> |
| <p>Proposal for a Regulation of the European Parliament and of the Council on methane emissions reduction in the energy sector and amending regulation (EU) 2019/942 – COM(2021) 805 final</p> | |
| <p><u>Amendment 15 - Article 3 "Assessment of the long-term potential of renewable gas sources as a basis for optimising the development of the transmission and distribution system" (new)</u></p> <p><u>Recommendation 17</u></p> <p>“calls on EU regulation to fully recognise and support the use of biogas also in transport, to reduce emissions from a life-cycle perspective. At present the production of biogas, but not the use of it in transport, are recognised as sustainable activities in the EU Taxonomy for sustainable activities;”</p> | <p>Biogas and biomethane production are not included in the scope of the proposal. Biogas and biomethane use, including in the transport sector, is incentivised under the Renewable Energy Directive¹.</p> |
| <p><u>Amendment 17 – Articles 12, 14, 17, 18, 25, 26, 27, 28, 29</u></p> <p>Extension of the mandatory deadlines in such Articles.</p> | <p>The Commission has taken into account the practical implementation of all the obligations laid down in the proposal. Extensions of deadlines may still result from the inter-institutional negotiations.</p> |
| <p><u>Amendment 18 – Article 3(3)(new)</u></p> <p>“3. The European Union Agency for the Cooperation of Energy Regulators (ACER) together with the national regulatory</p> | <p>The proposal does acknowledge the potential investments needed by regulated operators to comply with the Regulation and thus requires that the costs associated with such investments be taken into account in tariff setting, subject to efficiency</p> |

¹ Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (recast), OJ L 328, 21.12.2018, p. 82–209.

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| <p>authorities shall carry out a detailed calculation of the investment and operating expenditure related to the reduction of methane emissions in each Member State. The first calculation shall be completed by ... [12 months after the date of entry into force of this Regulation] and shall be updated every three years. The calculation of investment and operating expenditure shall be the basis for tariff and funding policy planning.”</p> <p><u>Recommendation 16</u></p> <p>“recommends taking into account the cost of efforts to reduce methane emissions in the EU. The European Commission should take into account the necessary costs for Member States and plan aid funds that directly benefit final customers, especially in less developed regions and in regions with high heat demand;”</p> | <p>principles.</p> <p>It also entrusts the European Union Agency for the Cooperation of Energy Regulators (ACER) with the task of making available a set of indicators and reference values for the comparison of unit investment costs linked to measurement, reporting and abatement of methane emissions for comparable projects.</p> <p>Moreover, in order to ensure a smooth and effective implementation of the obligations laid down in this Regulation, the Commission supports Member States through the Technical Support Instrument² providing tailor-made technical expertise to design and implement reforms, including those promoting the reduction of methane emissions in the energy sector. The technical support, for example, involves strengthening of administrative capacity, harmonising the legislative frameworks and sharing of relevant best practices.</p> |
| <p>Proposal for Directive of the European Parliament and of the Council on common rules for the internal markets in renewable and natural gases and in hydrogen – COM(2021) 803 final</p> | |
| <p><u>Amendment 1 - Article 4</u></p> <p>3. (...) in the price setting for the supply of natural gas to energy poor or vulnerable household customers <i>or protected customers as defined in Regulation (EU) 2017/1938</i>. Such public interventions shall be subject to the conditions set out in paragraphs 4 and 5.</p> <p><i>In the event of a long-term significant price increase, interventions that fulfil the criteria set out in paragraphs 4 and 5 may be extended to a different customer group to</i></p> | <p>This insertion of the concept of <i>protected customers</i> from the Security of supply regulation is not recommendable. Including in the gas directive³ both categories ‘protected customers’ and ‘vulnerable’ would mix up concepts that are conceived for different instruments. In the SoS Regulation⁴, rules on protected customers have different purposes, requirements and procedures -not related to social protection or consumer protection – that do not pertain to those in the gas directive provisions on consumers. ‘Protected customers’ in the SoS Regulation (Article 2(5)) include households, small</p> |

² Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument; OJ L 57, 18.2.2021, p. 1–16.

³ Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC; OJ L 211, 14.8.2009, p. 94–136.

⁴ Regulation (EU) 2017/1938 of the European Parliament and of the Council of 25 October 2017 concerning measures to safeguard the security of gas supply and repealing Regulation (EU) No 994/2010; OJ L 280, 28.10.2017, p. 1–56.

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| <p><i>avoid the negative consequences of energy poverty</i></p> <p><u>Recommendation 1:</u></p> <p>“stresses the need to protect consumers from high prices and to guarantee security of energy supply for them. This is particularly important in the current geopolitical context”.</p> | <p>and medium-sized enterprises (SME), essential services (e.g. hospitals etc.), district heating installations, thus much beyond vulnerable customers. This proposal would result in legal complexity and risks legal uncertainty (Member States have a discretionary power to interpret⁵).</p> <p>The criterion of ‘<i>In the event of a long-term significant price increase...</i>’ would even further increase this risk of legal uncertainty.</p> |
| <p><u>Amendment 2 - Article 10</u></p> <p>1. (...) trade and balancing rules <i>and authorisations required pursuant to Article 7(2) by the regulatory authority of the Member State where the gas supply takes place.</i> In that regard, Member States shall take all measures necessary to ensure that administrative procedures do not discriminate against suppliers already registered in another Member State.</p> | <p>The Commission does not welcome this proposal, as a supplier should be able to obtain an authorisation in accordance with Article 7(2) in any Member State, not necessarily in the country where the supply takes place. This amendment can be detrimental for cross-border trade in the internal energy market.</p> |
| <p><u>Amendment 3 – Article 26</u></p> <p>“(...) the renewable and low carbon gases production facilities are connected to distribution or transmission networks, <i>provided that they are considered beneficial on the basis of the national network development plans under Article 51. Member States shall ensure that the necessary mechanisms are in place to ensure fair and proportionate sharing of the costs related to the connection of new installations producing renewable and low-carbon gases.</i>”</p> <p><u>Recommendation 5</u></p> <p>“draws attention to the need to carry out an analysis of the costs of infrastructure development in order to ensure an economically predictable energy transition. Additional cost studies may be needed for the</p> | <p>The Commission agrees that Member States shall ensure that the costs related to the connection of new installations producing renewable and low-carbon gases are fair and proportionate in relation to its connection cost (i.e. fairly shared between the one requesting connection and the rest of the network users). However, the network development plan is not assessing whether the cost for connecting (i.e. the required investments in the transmission or distribution system to connect the facility) is beneficial or not from a system perspective. Instead, it identifies whether the network is sufficient in light of the joint scenario or whether there are additional investments required. There is no direct cost relation between an investment identified in the network development plan to enable the system to accommodate the flows and the direct cost of connection (mainly the</p> |

⁵ See the European Court of Justice case *Eni SpA and Others*, C-226/16 (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A62016CJ0226>).

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| <p>development of infrastructure for decarbonised gases, as well as studies on the impact of this transition in the outermost regions, given their specific characteristics, which are duly enshrined in Article 349 TFEU”.</p> | <p>connecting pipeline to the existing network).</p> <p>The Commission proposal does not contain detailed rules as regards who covers the connection cost, but requires that the network operators shall establish and publish transparent and efficient procedures for non-discriminatory connection of new production installations of renewable and low carbon gases. Those procedures shall be subject to approval by the regulatory authorities (Article 37 for transmission system operators (TSOs) and Article 42 for distribution system operators (DSOs)).</p> |
| <p><u>Amendment 5 - Article 51(2)</u></p> <p>The ten-year network development plan shall, in particular: (b) contain all the investments already decided and identify new investments which have to be executed in the next three years, <i>together with a detailed economic analysis, including the costs of constructing or upgrading existing infrastructure for low-carbon and renewable gases, and an indication of the existence of a potential financing gap in relation to conventional natural gas infrastructure;</i></p> | <p>The Commission notes that the proposed amendment to Article 51 entails implementation challenges. It is not necessarily possible to allocate costs for constructing or upgrading existing infrastructure that is not directly connected to a specific project for renewable and low carbon gases, unlike a connecting pipeline for a new production facility. In the majority of cases, the infrastructure will also transport other gases, notably fossil gases. It is the task of the regulatory authority to accept or not investments in the framework of tariff regulation. There is hence regulatory control on investments.</p> |
| <p>Proposal for Regulation of the European Parliament and of the Council on the internal markets for renewable and natural gases and for hydrogen – COM(2021) 804 final</p> | |
| <p><u>Amendment 8 - Article 60(1)(b)</u></p> <p>the investment contributes to decarbonisation <i>and ensures that the newly constructed natural gas infrastructure is designed to be capable of handling renewable and low-carbon gases from the start of its operational life, minimising the risk of lock-in;</i></p> <p><u>Recommendation 6</u></p> <p>“calls for avoiding the creation of stranded assets. In particular, newly built gas assets should be designed in such a way as to ensure</p> | <p>The Commission welcomes the idea that new natural gas infrastructure should be ready to receive renewable and low-carbon gases.</p> |

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| <p>that they can integrate high concentrations of renewable and low-carbon gases in the future;”</p> | |
| <p><u>Recommendation 7</u> and corresponding <u>Amendment 10</u> on the introduction of regulatory sandboxes to provide for the implementation of ‘innovative investments’.</p> | <p>The Commission agrees on the need for regulatory flexibility. However, the Commission does not agree on the proposed way to implement this principle. Firstly, the notion ‘innovative investments’ is not further substantiated which leads to unclarity on its scope. Secondly, the Commission’s proposal explicitly provides for regulatory flexibility in light of the nascent and staged development of the renewable and low carbon hydrogen market. Examples are Articles 4 and 60 of the Regulation and Articles 47 and 48 of the Directive. Leaving such competence at national regulators instead of up-front clarity on the regulatory framework will create (investor) uncertainty and it might lead to a fragmented development of the (needed) EU market. Moreover, a regulatory sandbox implies a dense set of rules from which derogations may be required. This is not proposed for hydrogen, not even for the rules currently envisaged for a mature market phase.</p> |
| <p><u>Recommendation 8</u> and corresponding <u>Amendment 11, 12</u> on the possibility of introducing guarantees of origin for low-carbon and renewable gases, which will ensure transparent trade on the market.</p> | <p>The Commission fully agrees that the development of a connected European market for low-carbon and renewable fuels will require the use of instruments to provide information on the origin of gases produced and supplied to final customers. Annex I of the proposed Directive requires suppliers to provide in final customers’ bills information on the share of renewable and low-carbon gases. For the renewable energy share the information shall be based on the use of Guarantees of Origin (GOs). Apart from this, the Commission proposes to certify renewable and low carbon fuels on the basis of the mass balance approach instead of the book and claim approach used in the GO-system. The mass balance approach more adequately ensures the compliance of low-carbon and fuels’ compliance with greenhouse gas-emission criteria given the required verification of the end use at the point of final consumption. For</p> |

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| | <p>this purpose the mass balance approach is also applied under the Renewable Energy Directive for renewable fuels and gases. The mass balance system may be complemented by information from guarantees of origin where appropriate.</p> |
| <p><u>Amendment 13</u> on the inclusion of identified connections with Third countries to enable import of low-carbon and renewable gases.</p> | <p>The first Union list of Projects of Common Interest and Projects of Mutual Interest will be adopted under the revised TEN-E Regulation⁶ by the fourth quarter of 2023 and will identify priority infrastructure projects for hydrogen between EU Member States and third countries.</p> |
| <p><u>Recommendation 9</u> on the creation of a road map for the import of decarbonised gases into the EU in order to preserve energy security and meet future demand.</p> | <p>Under the TEN-E Regulation, the Commission will map preliminary hydrogen infrastructure needs by March 2023. The first Union list of Projects of Common Interest and Projects of Mutual Interest will be adopted under the revised TEN-E Regulation by the fourth quarter of 2023. This will identify priority infrastructure projects for hydrogen between EU Member States and third countries. Apart from this, the Commission communications on the EU External Energy Strategy⁷ and the Hydrogen Accelerator⁸ have identified main principles and actions for development of hydrogen partnerships with reliable partner countries and international cooperation on promotion of renewable energy and the development of a global, rules based hydrogen market. Work on hydrogen partnerships is ongoing, as well as on the development of a Hydrogen Bank to support both domestic and imported renewable hydrogen. At COP27, President Von der Leyen signed a Memorandum of Understanding with Egypt that is dedicated exclusively to renewable hydrogen.</p> |

⁶ Regulation (EU) 2022/869 of the European Parliament and of the Council of 30 May 2022 on guidelines for trans-European energy infrastructure, amending Regulations (EC) No 715/2009, (EU) 2019/942 and (EU) 2019/943 and Directives 2009/73/EC and (EU) 2019/944, and repealing Regulation (EU) No 347/2013; OJ L 152, 3.6.2022, p. 45–102.

⁷ JOIN(2022) 23 final.

⁸ COM(2020) 301 final.

Recommendation 10 calling for the expansion of ENTSOG's remit to cover the development of a low-carbon and renewable gas market instead of setting up the separate ENNOH organisation for this purpose;”

The future market and infrastructure for hydrogen will not be a copy of the current natural gas system. Large industrial players and major transport hubs will be the main consumers for hydrogen, whilst natural gas is delivered to hundreds of millions of households, businesses, electricity and heat producers. A market and infrastructure for hydrogen produced from electricity will also require a hydrogen market design that is more closely connected to the one for electricity.

Hydrogen is thus not interchangeable with natural gas as it will serve different purposes, different customers and require different approaches, also in the development of dedicated hydrogen infrastructure and for market rules. The governance of the hydrogen network will thus also require a dedicated approach.

Creating a new, separate entity for the EU-level coordination of hydrogen network operators reflects our message on the role of hydrogen and on the priority of using it in its pure form transported in dedicated hydrogen networks for use in the hard-to-decarbonise sectors. Gas TSOs have a conflict of interest and could be potentially biased towards a less efficient use of hydrogen and to overinvestment to prolong the lifetime of natural gas assets. Gas TSOs are strongly interested in blending hydrogen into the existing gas network, and have therefore a different concept of hydrogen market and infrastructure development. This can distort decisions on infrastructure planning and setting the technical rules for the operation of hydrogen networks. On the contrary, a specific dedicated organisation such as the European Network of Network Operators for Hydrogen (ENNOH) is better placed to focus on the development of hydrogen valleys and can support the longer-term vision towards the hydrogen backbone concept.