FOLLOW-UP PROVIDED BY THE EUROPEAN COMMISSION TO THE OPINIONS OF THE

EUROPEAN COMMITTEE OF THE REGIONS PLENARY SESSION OF OCTOBER 2022 103rd REPORT

N°	TITLE / LEAD DG	REFERENCES			
DG NEAR					
1.	The role of EU cities and regions in rebuilding	COM(2022) 233 final			
	<u>Ukraine</u>				
	Rapporteur-general: Dario NARDELLA (IT/PES)	CIVEX-VII/018			
	DG HOME				
2.	Revised Schengen Area Governance	COM(2021) 890 final COM(2021) 891 final			
	Rapporteur-general: Antje GROTHEER (DE/PES)	JOIN(2021) 32 final			
		COR-2022-01129-00-02- PAC-TRA			
		CIVEX-VII/014			
DG CLIMA					
3.	The CoR's role in boosting subnational climate	Own-initiative			
	diplomacy ahead of COP27 and COP28	COR-2022-02284-00-00- PAC-TRA			
	Rapporteur: Olgierd GEBLEWICZ (PL/EPP)	CIVEX-VII/016			
4.	Towards a structural inclusion of Cities and Regions	Optional (outlook)			
	in UNFCCC COP27	COR-2022-02246-00-00- PAC-TRA			
	Rapporteur: Alison GILLILAND (IE/PES)				
DG ENV					
5.	Revision of the Industrial Emissions Directive	COM(2022) 156 final COM(2022) 157 final			
	Rapporteur-general: Jean-Noël VERFAILLIE (FR/RE)				
		ENVE-VII/032			
DG ENER					
6.	Energy package on gas, hydrogen and methane emissions	COM(2021) 803 final COM(2021) 804 final COM(2021) 805 final			
	Rapporteur: Jakub Piotr CHEŁSTOWSKI (PL/ECR)	COR-2022-01522-00-00- PAC-TRA			
		ENVE-VII/029			

	DG REGIO			
7.	Just and sustainable transition in the context of the coal and energy intensive regions Rapporteur-general: Sari RAUTIO (FI/EPP)	Council presidency referral COR-2022-04074-00-00- PAC-TRA COTER -VII/024		
8.	Towards a macro-regional strategy in the Mediterranean Rapporteur: Nikola DOBROSLAVIĆ (HR/EPP)	Own-initiative COR-2022-02167-00-00- PAC-TRA		
9.	8 th report on economic, social and territorial cohesion Rapporteur: Nathalie SARRABEZOLLES (FR/PES)	COTER-VII/013 COM(2022) 34 final COR-2022-00729-00-00- PAC-TRA COTER-VII/016		
DG MOVE				
10.	Guidelines for the development of the trans- European transport network (TEN-T) Rapporteur: Isabelle BOUDINEAU (FR/PES)	COM(2021) 810 final COM(2021) 812 final COM(2022) 384 final COR-2022-01228-00-00- PAC-TRA COTER-VII/019		
11.	The New EU Urban Mobility Framework Rapporteur: Linda GAASCH (LU/GREENS)	COM(2021) 811 final COR-2022-00952-00-00- PAC-TRA COTER-VII/020		
DG GROW				
12.	Protecting Industrial and Craft Geographical Indications in the European Union (revised) Rapporteur: Martine PINVILLE (FR/PES)	COM(2022) 174 final COR-2022-02982-00-01- PAC-TRA ECON-VII/025		
13. Opinion adopted during the plenary session of December 2021	Updating the new Industrial Strategy for Europe Rapporteur: Jeannette BALJEU (NL/RENEW E.)	COM(2021) 350 final COR-2021-02688-00-01- AC-TRA ECON-VII/017		

DG CNECT					
14.	Digital Cohesion	Own-initiative			
	Rapporteur: Gaetano ARMAO (IT/EPP) COR-2022-00 PAC-TRA				
		ECON-VII/021			
15.	European Chips Act to strengthen the European semiconductor ecosystem	COM(2022) 45 final COM(2022) 46 final COM(2022) 47 final			
	Rapporteur: Thomas Gottfried SCHMIDT (DE/EPP)	COR-2022-01960-00-00- PAC-TRA			
		ECON-VII/023			
DG EAC					
16.	Pathways to School Success	COM (2022) 316 final			
	Rapporteur-general: Inga BĒRZIŅA (LV/Renew E.)	COR-2022-02246-00-00- PAC-TRA			
		SEDEC VII/031			

N°1 The role of EU cities and regions in rebuilding Ukraine

COM(2022) 233 final

COR-2022-04172 - CIVEX-VII/018

151st plenary session – October 2022

Rapporteur: Dario NARDELLA (IT/PES) DG NEAR – Commissioner VÁRHELYI

Points of the European Committee of the Regions opinion considered essential

European Commission position

5. Reconstruction process must follow a bottom-up approach, involving Ukrainian and EU local and regional authorities, and build on Ukraine's decentralisation reform, which was already well advanced before 24 February 2022.

The Commission concurs with the Committee's opinion. As stated in the Commission's opinion on the application of Ukraine for EU membership¹, Ukraine's decentralisation is one of the most impactful and successful reforms implemented in the country, which has become a crucial enabler of the social and economic development.

Since 2016, the EU has consistently supported decentralisation in Ukraine through its flagship project U-LEAD with Europe worth over €150 million. Following Russia's full-scale military attack **U-LEAD** against Ukraine, organised emergency assistance worth over and provided direct €18 million help municipalities that were most affected due to the large quantities of internally displaced persons. Under its latest Emergency Support Package, the Commission plan topped up U-LEAD project with another €20 million aimed to extend its long-term activities in Ukraine under the recovery angle. The new design of the project will include Project Preparation **Facility** aimed to support municipalities in participating in investment and development projects alongside reconstruction.

7. The European Committee of the Regions (CoR) could launch actions, including within the framework of a joint consultative committee, aimed at preparing, in particular, approximation with the EU cohesion policy

The Commission appreciates the related actions of the Committee, in particular the establishment of the European Alliance of Cities and Regions for the Reconstruction of Ukraine. The Commission acknowledges the need to support the

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¹ COM(2022) 407 final.

acquis, and to support capacity-building and good governance through peer learning and the exchange of good practices.

reconstruction of a resilient local self-governance and remains ready to join efforts in implementation of the Alliance's goals. Among others, President von der Leyen met on 13 October 2022 the mayors of Florence, Gdańsk, Lyon and Riga, as well as the Mayor of Kyiv, to discuss ways to enhance collaboration between cities and the EU for a sustainable rebuilding of Ukraine.

Specifically, U-LEAD with Europe, along with PLATFORMA and the Council of European Municipalities and Regions, developed an initiative called the 'Bridges of Trust' which helps to liaise EU cities with their Ukrainian counterparts and support partnerships.

9. The CoR considers that the Commission's plans to establish a Ukraine Reconstruction Platform, coordinating all donor funding for the reconstruction of Ukraine, as pivotal to that effect provided that the Platform fully integrates the partnership principle and involves the Alliance of cities and regions for reconstruction of Ukraine as a fully-fledged partner at all stages of its planning and implementation phases.

In the Relief and Reconstruction Communication of 18 May 2022², the Commission stressed the importance of mobilising resources at regional and local level, and of the peer-to-peer partnerships between cities and regions in EU and Ukraine, which should enrich and accelerate reconstruction.

At the subsequent International Expert Conference in Berlin on the Recovery, Reconstruction and Modernisation of Ukraine on 25 October 2022, President Ursula von der Leyen confirmed³ that there should be continuity of decentralisation since the regions and the municipalities are economic powerhouses.

16. CoR considers that, in view of the launched EU accession process of Ukraine and in order to legitimize a strong coordination role for the EU in the reconstruction strategy, the European Commission should propose a substantial Ukraine Reconstruction Facility (...).

In its Ukraine Relief and Reconstruction Communication of 18 May 2022, the Commission stated that it would propose the establishment of the Rebuild Ukraine Facility as one of the strands of the EU contribution to the future reconstruction of Ukraine. The Commission stressed that establishing a clear link to the broad reform agenda will be vital for the success of the reconstruction process, and the alignment with the EU *acquis*.

https://ec.europa.eu/commission/presscorner/detail/en/STATEMENT 22 6377.

² COM(2022) 233 final.

The Commission concurs with the Committee about the need to keep a strong link between the EU accession and reconstruction processes, including at the local level. In line with the Regulation of the European Parliament and of the Council of 14 December 2022on the Macro-Financial AssistancePlus⁴, the financial support will be framed by policy conditions established in the Memorandum of Understanding between the EU and Ukraine. Beyond short-term rehabilitation, this support should be also geared towards strengthening the capacity of Ukrainian authorities to prepare for future post-war reconstruction and for the early preparatory phase of the pre-accession process, including the strengthening of Ukraine's institutions, with a view to supporting Ukraine on its path towards European integration. The Commission has already launched the first €3 billion tranche out of this €18 billion support package.

28. The CoR suggests the development of a reinforced U-LEAD programme that becomes the key multilateral instrument to support local communities and promotes decentralization in Ukraine. This "U-LEAD 2.0" would be made possible through a dedicated budget line for supporting further decentralisation in Ukraine, and for building the capacity of local and regional authorities to apply the EU cohesion policy acquis as soon as possible. It would be a peer-to-peer exchange programme and a programme for joint investment projects, which would enable the close involvement of EU and Ukrainian local and regional authorities in designing and implementing the EU-supported reconstruction efforts.

Under its Emergency Support Programme worth €330 million, the Commission topped up U-LEAD project with another €20 million aimed to extend its long-term activities in Ukraine under the recovery angle. The new design of the project will include the Project Preparation Facility aimed to support municipalities in participating in investment and development projects alongside reconstruction.

⁴ Regulation (EU) 2022/2463

N°2 Revised Schengen Area Governance

COM(2021) 890 final

COM(2021) 891 final

JOIN(2021) 32 final

COR-2022-01129 - CIVEX-VII/014

151st plenary session – October 2022

Rapporteur: Antje GROTHEER (DE/PES) DG HOME – Commissioner JOHANSSON

Points of the European Committee of the Regions opinion considered essential

European Commission position

Perspective of the regions to be reflected

Amendment 31 Ref to Article 27 Notification of temporary reintroduction of internal border controls and risk assessment

- 1. Notifications by Member States of the reintroduction or prolongation of internal border controls shall contain the following information:
- (a) the reasons for the reintroduction or prolongation, including all relevant data detailing the events that constitute a serious threat to its public policy or internal security, and reasons as to why alternative measures were not appropriate;
- (b) the scope of the proposed reintroduction or prolongation, specifying at which part or parts of the internal borders border control is to be reintroduced, or prolonged;
- (c) the names of the authorised crossing-points;
- (d) the date and duration of the planned reintroduction or prolongation;
- (e) the considerations as to the necessity and proportionality referred to in Article 26(1) and, in the case of a prolongation, in Article 26(2);
- (f) where appropriate, the measures to be taken by the other Member States.

A notification may be submitted jointly by two

While the Commission sees the need of reflecting the impact on cross-border regions when deciding on the temporary reintroduction of internal borders controls, it does not see it necessary to impose a reference to the position of regional authorities in the template for the notification. The obligations of the Member States in this regard are sufficiently guaranteed by the reference to the regional level in Article 26 setting out the criteria for temporary reintroduction of internal border controls.

or more Member States.

The notification shall be provided in accordance with a template to be established by the Commission by an implementing act and to be made available online. The template should include the position of the authority or authorities governing the local administrative areas considered as the cross-border regions under Article 39(1)(h). That implementing act shall be adopted in accordance with the examination procedure referred to in Article 38(2).

2. Where border controls have been in place for six months in accordance with Article 25a(4), any subsequent notification for the prolongation of such controls shall include a risk assessment. The risk assessment shall present the scale and anticipated evolution of the identified serious threat, in particular how long the identified serious threat is expected to persist and which sections of the internal borders may be affected, as well as information regarding coordination measures with the other Member States *and cross-border regions* impacted or likely to be impacted by such measures.

[...]

Amendment 32 Ref to Article 27a Consultation with the Member States and opinion of the Commission

1. Following receipt of notifications, submitted under Article 27(1), the Commission may shall a consultation process, establish appropriate, including joint meetings between the Member State that is planning to reintroduce or prolong border control at internal borders, and the other Member States, especially those directly affected by such measures, the Parliament, European the European Committee of the Regions and the relevant Union agencies.

While the Commission recognises the importance of reflecting the interests of cross-border regions, it does not see the possibility to involve the Committee in the consultation process with regard to the reintroduced border controls, due to time constraints and the pressure on the Member States to act quickly in order to address the identified serious threats to internal security/public policy.

For the same reasons, the Commission may have difficulties consulting the affected authority or authorities governing the local administrative areas The consultation shall concern in particular the identified threat to public policy or internal security, the relevance of the intended reintroduction of border controls taking into account the appropriateness of alternative measures, as well as the ways of ensuring implementation of the mutual cooperation between the Member States in relation to the reintroduced border controls.

The Member State planning to reintroduce or prolong border control at internal borders shall take utmost account of the results of such consultation when carrying out border control at the internal border.

- 2. Following the receipt of notifications, submitted in relation to the reintroduction or prolongation of border controls at internal borders, the Commission or any other Member State may, without prejudice to Article 72 TFEU, issue an opinion, if, based on the information contained in the notification and risk assessment, where appropriate, or any additional information, they have concerns as regards the necessity or proportionality of the planned reintroduction or prolongation of border control at internal borders.
- 3. Following receipt of notifications submitted in relation to a prolongation of border control at the internal border under Article 25a(4) which leads to the continuation of border controls at internal borders for eighteen twelve months in total, the Commission shall issue an opinion on necessity and proportionality of such internal border controls. This opinion should also be informed by the position of the affected authority or authorities governing the local administrative areas considered as the crossborder regions under Article 39(1)(h) included in the notification.
- 4. Where an opinion referred to in paragraphs 2 or 3 is issued, the Commission *may* shall

considered as the cross-border regions prior to issuing an opinion on the necessity/proportionality of reintroduced internal border controls.

establish a consultation process in order to discuss the opinion with the Member States. Where the Commission or a Member State issues an opinion expressing concerns on the necessity or proportionality of reintroduced internal border controls the Commission shall launch such a process.

5. Where a Member State considers that there are exceptional situations justifying the continued need for internal border controls in excess of the maximum period referred to in Article 25a(5), it shall notify the Commission in accordance with Article 27(2). The new notification from the Member State shall substantiate the continued threat to public policy or internal security, taking into account the opinion of the Commission given pursuant to paragraph 3. The Commission shall issue a follow up opinion."

Instrumentalisation

The CoR underlines that as it stands, the proposed definition of the concept of instrumentalisation in the Schengen Borders Code is overly broad and unclear, leaving room for misinterpretations. Member States should take the necessary measures to ensure that a sufficient number of registration points, including crossing points, are open and accessible to applicants for international protection in order to guarantee effective protection against refoulement, including the right to make an application for international protection, and that appropriate safeguards for the treatment of vulnerable people are in place; the CoR calls on the Commission thoroughly rework the Proposal for Regulation of the European Parliament and of the Council addressing situations instrumentalisation in the field of migration and asylum (Instrumentalisation Regulation), in line with its Better Regulation Guidelines

The Commission is open to a discussion on the definition of the concept of instrumentalisation, allowing to capture all relevant phenomena observed at the external borders, while providing the necessary safeguards, in particular for humanitarian aid organisations.

The Commission takes note of the proposals of the Committee and will take them into account when preparing future trilogues with the European Parliament and the Council. and good law-making principles, and to revise its proposal of the revised Schengen Borders Code accordingly, in line with the principles of subsidiarity and proportionality under Article 5 TEU.

Amendment 3 (Ref. Recital 8)

It is also necessary to reinforce apply effectively and efficiently the rules and safeguards in Union law in order to allow Member States to act swiftly to counter instances of instrumentalisation of migrants. Such instrumentalisation should be understood as referring to a situation where a third countryor an actor sponsored by it instigates irregular migratory flows by actively encouraging or facilitating the arrival supports a significant number of third country nationals in attempting to the external borders of the enter a Union Member State, where such actions indicate an intention irregularly en masse, aiming to destabilise the Union as a whole or a Member State and, where the Member State affected is able to duly justify why the nature of such actions is liable to put puts at risk essential State functions, including its territorial integrity, the maintenance of law and order or the safeguard of its national security, and where the European Council has acknowledged, as a matter of urgency, that the Union or one or more of its Member States facing situation are a of instrumentalisation of migrants.

Amendment 4 (Ref Recital 9)

Instrumentalisation of migrants can refer to situations *defined in point 27 of Art. 1 (1)(b)*, where irregular travel of third country nationals *into the European Union* has been actively *encouraged or* facilitated by a third country onto its own territory to reach the external border of the Member States but can equally refer to the active *encouragement or*

facilitation of irregular travel of third country nationals already present in that third country. Instrumentalisation of migrants may also entail the imposition of coercive measures, intended to prevent the third country nationals from leaving the border areas of the instrumentalising third country, in a direction other than through a Member State. Situations in which non-state actors are involved in organised crime, in particular smuggling, be considered should not instrumentalisation of migrants when there is no aim to destabilise the Union or a Member State. Furthermore. humanitarian operations should not be considered as instrumentalisation.

Amendment 23 Ref. Article 1(1)(b)

b) the following points 27 to 30 are added: 27. 'instrumentalisation of migrants' refers to a situation where a third country or an actor sponsored by it instigates irregular migratory flows into the Union by actively encouraging or facilitating the movement supports a significant number of third country nationals in attempting to the external borders, onto or from within its territory and then onwards to those external borders, where such actions are indicative of an intention of a third country enter a Union Member State irregularly en masse, aiming to destabilise the Union or a Member State, where the Member State affected is able to duly justify why the nature of such actions is liable to put puts at risk essential functions, including its territorial State integrity, the maintenance of law and order or the safeguard of its national security, and where the European Council has acknowledged, as a matter of urgency, that the Union or one or more of its Member States are facing a situation of instrumentalisation of migrants;

As above.

Amendment 6 (Ref. Recital 11)

At the same time, in addition to these measures, It is equally necessary to fully reinforce implement the current rules in relation to external border controls and border surveillance, To further assist the Member State facing an instrumentalisation of migrants, Regulation (EU) XXX/XXX complements the rules on border control by providing for specific measures in the area of asylum and return, while respecting the fundamental rights of the individuals concerned seeking asylum and in particular by ensuring the respect of the right to asylum and providing the necessary assistance by the UN agencies and other relevant organisations, especially for unaccompanied minors.

In line with Article 4 and Article 7 of the Schengen Borders Code⁵, border guards must respect fundamental rights when applying the Schengen Borders Code and fully respect human dignity in the performance of their duties, in particular, in cases involving vulnerable persons. The objectives of the amendment are therefore already ensured by the existing legislation.

Amendment 7 (Ref Recital 12)

In particular, in situation of instrumentalisation, as defined in point 27 of Art. 1 (1)(b), it should, where necessary, be possible for the Member State concerned, to limit border traffic to the minimum by closing border crossing points. guaranteeing genuine and effective access to international protection procedures. Any such decision should take into account whether the European Council has acknowledged that the Union or one or more of its Member States are facing a situation of instrumentalisation of migrants. Furthermore, any such limitations should take full account of not restrict the rights of Union citizens, third country nationals who are beneficiaries of the right of free movement pursuant an international agreement and third-country nationals who are long-term residents under national or Union law or are holders of long-term visas, as well as their

The proposed wording intends to ensure that persons benefiting from the freedom of movement under Union law are provided with possibilities to cross the external borders, also in cases where Member States consider it necessary to limit border traffic.

The Recital refers to a possibility already available to the Member States under the Schengen Borders Code, in the context of their competence to organise the opening and closing of border crossing points at the external borders.

The possibility of restricting access to the border crossing points remains without prejudice to the obligations of the Member States under the asylum *acquis*.

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Regulation (EU) 2016/399 of the European Parliament and of the Council of 9 March 2016 on a Union Code on the rules governing the movement of persons across borders (Schengen Borders Code) (codification); OJ L 77, 23.3.2016, p. 1–52.

respective family members. Such limitations should also be applied in a manner that ensures respect for obligations related to access to international protection, in particular the principle of non-refoulement.

Amendment 24 Ref. Article 5, whereby a new paragraph 4 is added:

- '4. In a situation of instrumentalisation of migrants, as defined in point 27 of Article I(1)(b), Member States may limit the number of border crossing points as notified pursuant to paragraph 1 or their opening hours where the circumstances so require in strictly limited and well-defined circumstances. Any limitations adopted pursuant to the first subparagraph shall be implemented in a manner that is proportionate and that takes full account of the rights of:
- (a) the persons enjoying the right of free movement under Union law;
- (b) third-country nationals who are long-term residents under Council Directive 2003/109/EC⁵⁶, persons deriving their right to reside from other instruments of Union or national law or who hold national long-term visas, as well as their respective family members;
- (c) third-country nationals seeking international protection. Member States shall take the necessary measures to ensure that a sufficient number of registration points, including crossing points, are open and accessible to applicants for international protection in order to guarantee effective protection against refoulement, including the right to make an application for international protection, and that appropriate safeguards for the treatment of vulnerable people are in place.'

As above. As regards the safeguards for the asylum seekers, all actions taken in the context of border controls must be without prejudice to the obligations resulting from the asylum *acquis*. Hence, the proposed additions in paragraph 4 c) are unnecessary. Moreover, the proposed language does ('shall' clause) does not fit the Recitals.

Border surveillance

Amendment 25 Ref. to Article 13

[...]

5. In a situation of instrumentalisation of migrants, as defined in point 27 of Article 1(1)(b) and acknowledged as such by the European Council, the Member concerned shall intensify border surveillance as when necessary in order to address the increased threat attempts to cross the border irregularly en masse. In particular To this effect, the Member State shall enhance reinforce, as appropriate, the resources and technical means to prevent an unauthorised crossing of the border enhance border surveillance.

Those technical means may include modern technologies including drones and motion sensors, as well as mobile units to prevent unauthorised border crossings into the Union.

6. Without prejudice to the support that the European Border and Coast Guard Agency may provide to the Member States, in the event of a situation of instrumentalisation of migrants, the Agency may carry out a vulnerability assessment as provided for in Articles 10(1), point (c), and Article 32 of Regulation (EU) 2019/1896 of the European Parliament and Council, with a view to providing the necessary support to the Member State concerned. On the basis of the results of that assessment or any other relevant vulnerability assessment or the attribution of a critical impact level to the border section concerned within the meaning of Article 35(1)(d) of Regulation (EU) 2019/1896, the

The possibility of intensifying border surveillance remains proportional to the existing threat arising from a situation of instrumentalisation of migrants without prejudice to the obligations of the Member States under the asylum *acquis*.

The Commission disagrees with the deletion of Article 13(6). While both, Article 13(6) of the Proposal for a Regulation on the rules governing the movement of persons across borders6 and Article 41(1) of Regulation on the European Border and Coast Guard⁷, refer to the possibility for the Executive Director of the European and Coast Guard Agency to make recommendations based on the result of a vulnerability assessment, Article 13(6) relates specifically to a situation of instrumentalisation of migrants.

⁶ COM(2021) 891 final.

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Regulation (EU) 2019/1896 of the European Parliament and of the Council of 13 November 2019 on the European Border and Coast Guard and repealing Regulations (EU) No 1052/2013 and (EU) 2016/1624; OJ L 295, 14.11.2019, p. 1–131.

Executive Director of the European Border and Coast Guard Agency shall make recommendations, in accordance with Article 41(1) of that Regulation to any Member State concerned.

6 7. The Commission shall be empowered to adopt delegated acts in accordance with Article 37 concerning additional measures governing surveillance, including the development of standards for border surveillance, in particular the use of surveillance and monitoring technologies at the external borders, taking into account the type of borders, the impact levels attributed to each external border section in accordance with Article 34 of the Regulation (EU) 2019/1896 and other relevant factors."

Transfer procedure

Amendment 15 (Ref Recital 25) and subsequent (Amendment 16 deleting Recital 26 and amendment 17 deleting Recital 27)

Amendment 27 deleting Article 23a

Amendment 36 deleting Annex XII

Amendment 37 deleting Article 2(1) modifying Article 6(3) of Directive 2008/115/EC is replaced by the following:

Measures need to be taken to address unauthorised movements of illegally staying third country nationals in an area without internal border controls. In order to strengthen the functioning of the Schengen area, Member States should be able to take additional measures to counter irregular movements between Member States, and combat illegal stays. Where national law enforcement authorities of a Member State apprehend illegally staying third country nationals at the internal borders as part of cross-border police operational cooperation it should be possible for those authorities to

The Commission disagrees with the view that the proposed transfer procedure is not in line with international and European legal standards regarding the movement of persons in the Schengen area and would create problems in view of the standards set by the Dublin system, as persons falling under the Dublin procedure are outside of the scope of the proposed transfer procedure. The Commission does not agree that the transfer procedure should be removed from the proposal. On the contrary, the Commission believes that the proposed transfer procedure would create an important additional tool for States address Member unauthorised movements of illegally staying third country nationals without having to resort to reintroducing internal border controls.

The transfer procedure builds on existing bilateral readmission agreements between the Member States. It is based on the joint police patrols and subject to the fulfilment of specific conditions. The transfer procedure would be applicable only to irregular migrants (asylum seekers would

refuse such persons the right to enter or remain in their territory and to transfer them to the Member State from which they entered. The Member State from where the person came directly should in turn be required to receive the apprehended third country nationals.

remain subject to the Dublin rules).

In line with Article 4 and Article 7 of the Schengen Borders Code, border guards must respect fundamental rights when applying the Schengen Borders Code and fully respect human dignity in the performance of their duties, in particular in cases involving vulnerable persons. The proposed transfer procedure would also be subject to these obligations.

Criteria for temporary reintroduction of internal border controls

Amendment 30 Ref Article 26 Criteria for the temporary reintroduction and prolongation of border control at internal borders

- 1. To establish whether the reintroduction of border control at internal borders is necessary and proportionate in accordance with Article 25, a Member State shall in particular consider:
- (a) the use of alternative measures such as proportionate checks carried out in the context of the lawful exercise of powers as referred to in Article 23 point (a);
- (b) the appropriateness of the measure of reintroducing border controls at internal border, having regard to the nature of the serious threat identified and in particular, whether the reintroduction of border controls at internal borders is likely to adequately remedy the threat to public policy or internal security;
- (c) the likely impact of such a measure on:
- movement of persons within the area without internal border control and
- the functioning of the cross-border regions, taking into account the strong social and economic ties between them.
- 2. Where a Member State decides to prolong the border control at internal borders pursuant to Article 25a(5), it shall also assess in detail whether the objectives pursued by such

The Commission considers that the need for assessing alternative measures as provided for in Article 23 (a) is already assured by the reference that reintroduced internal border controls need to be a measure of last resort. However, the Commission may take into account the proposed wording while maintaining a reference to Article 23a (transfer procedure), which is considered an important alternative to internal border controls.

prolongation could be attained by:

a) the use of alternative measures such as proportionate checks carried out in the context of the lawful exercise of powers as referred to in Article 23 point (a);

b) the use of the procedure as referred to in Article 23a;

b e) forms of police cooperation as provided for under Union law, including on matters such as joint patrols, joint operations, joint investigation teams, cross-border hot pursuits, or cross-border surveillance.

3. Where border controls at internal borders have been reintroduced or prolonged, the Member States concerned shall, where necessary, ensure that they are accompanied by appropriate measures that mitigate the impacts resulting from the reintroduction of border controls on persons and the transport of goods, giving particular consideration to the cross-border regions."

Grounds for temporary reintroduction of internal border controls

Amendment 18 deleting Recital 28

Furthermore, a serious threat to public policy or internal security can also result from large scale unauthorised movements of irregular migrants between the Member States where this creates a situation putting a strain on the overall resources and capacities of the responsible national services, where the other means provided for under this Regulation are not sufficient to address these inflows and movements. In this context, Member States should be able to rely on objective and quantified reports on unauthorised movements whenever available, in particular, when produced on a regular basis by the competent

The Commission does not agree with the view that the explicit possibility of reintroducing border controls in view of large-scale unauthorised movements is incompatible with and contradictory to the proposal's objective, as well as to the proper application of the principle of subsidiarity.

As explained in the Opinion of the Commission on the necessity and proportionality of the controls at internal borders reintroduced by Germany and Austria⁸, large scale migration putting a strain at the functioning of the national services may be considered a serious threat to internal security and public policy. The Commission makes in its proposal a distinction

⁸ C(2015)7100

Union agencies in line with their respective mandates. It should be possible for a Member State to use the information provided by the agencies to demonstrate the exceptional character of the identified threat caused by unauthorised movement in the risk assessment, in order to justify the reintroduction of internal border controls on this ground.

between large-scale unauthorised movements, which put the overall functioning of the Schengen area at risk, and any other secondary movements. The reintroduction of internal border controls in view of large-scale unauthorised movements is also subject to additional requirements concerning the risk assessment.

Amendment 28 Ref to Article 25

General framework for the temporary reintroduction or prolongation of border control at internal borders

1. Where, in the area without internal border controls, there is a serious threat to public policy or internal security in a Member State, that Member State may exceptionally reintroduce border controls at all or specific parts of its internal borders.

A serious threat to public policy or internal security may be considered to arise from, in particular:

- (a) activities relating to terrorism or organised crime:
- (b) large scale public health emergencies;
- (c) a situation characterised by large scale unauthorised movements of third-country nationals between the Member States, putting at risk the overall functioning of the area without internal border control;
- (c d) large scale or high profile international events such as sporting, trade or political events.
- 2. Border controls may only be introduced pursuant to Articles 25a and 28 where a Member State has established that such a measure is necessary and proportionate, taking into account the criteria referred to in Article 26(1), and, in case such controls are prolonged, also the criteria referred to in Article 26(2). Border controls may also be reintroduced in

As above.

accordance with Article 29, taking into account the criteria referred to in Article 30. In all cases, border controls at internal borders shall be reintroduced as a measure of last resort. The scope and duration of the temporary reintroduction of border control shall not exceed what is strictly necessary to respond to the serious threat identified.

3. Where the same threat continues to persist, border controls at internal borders may be prolonged in accordance with Articles 25a, 28 or 29.

The same threat shall be considered to exist where the justification advanced by the Member State for prolonging border controls is based on the determination of the continuation of the same threat that had justified the initial reintroduction of the border controls."

Time Limits

Amendment 29 Ref Article 25a (*Procedure for cases requiring action due to unforeseeable or foreseeable events*)

- 1. Where a serious threat to public policy or internal security in a Member State is unforeseeable and requires immediate action, the Member State may, on an exceptional basis, immediately reintroduce border control at internal borders.
- 2. The Member State shall, at the same time as reintroducing border control under paragraph 1, notify the Commission and the other Member States of the reintroduction of border controls, in accordance with Article 27(1).
- 3. For the purposes of paragraph 1, border control at internal borders may be immediately reintroduced for a limited period of up to one month. If the serious threat to public policy or internal security persists beyond that period, the

The Commission does not agree with the proposal by the Committee in paragraph 6, as it made a deliberate choice to continue with the current practice where the duration of the reintroduction of internal border controls in response to the situations requiring immediate action reintroductions of internal border controls based on the current Article 28 of the Schengen Borders Code) is not taken into account for the purpose of calculation of the overall time-limit applicable to the reintroductions of internal border controls in response to the foreseeable events (i.e. reintroductions of internal border controls based on the current Article 25 of the Schengen Borders Code).

Member State may prolong the border control at internal borders for further periods, leading to a maximum duration not exceeding three months.

- 4. Where a serious threat to public policy or internal security is foreseeable in a Member State, the Member State shall notify the Commission and the other Member States and the Commission in accordance with Article 27(1), at the latest four weeks before the planned reintroduction of border controls, or within a shorter period where the circumstances giving rise to the need to reintroduce border controls at internal borders become known less four weeks before the planned than reintroduction.
- 5. For the purposes of paragraph 4, and without prejudice to Article 27a(4), border control at internal borders may be reintroduced for a period of up to six months. Where the serious a threat of a new nature to public policy or internal security occurs persists beyond that period, the Member State may prolong the border control at internal borders for renewable periods of up to six months.

Any prolongation shall be notified to the Commission and the other Member States in accordance with Article 27 and within the time limits referred to in paragraph 4. *Subject to Article 27a(5), the* The maximum duration of border control at internal borders shall not exceed two years.

6. The period referred to in paragraph 5 shall *not* include periods referred to in paragraph 3."

New procedure of reintroductions in the interest of the EU

Amendment 19 (Ref. Recital 34)

In order to ensure compliance with the principle of proportionality, the decision of the Council should be adopted for a limited period of time of up to six months that may be prolonged *to up to*

Given that the new procedure under Article 28 is based on a proposal by the Commission, there is no need for an upper time-limit. This approach is compatible with the judgment of the Court of a total of 24 months if the threat is found to persist, subject to regular review upon a proposal from the Commission, as long as the threat is found to persist. The initial decision should include an assessment of the expected impact of the measures adopted, including its adverse side-effects, with a view to determining if controls at internal borders are justified or whether less restrictive measures could be applied in their place in an effective manner. Subsequent decisions should take account of the evolution of the identified threat. The Member States should immediately notify Commission and the Member States of the reintroduction of internal border controls in accordance with the decision of the Council.

Justice in the joined cases C-368/20 and C-369/20, as confirmed by the Commission and Council Legal Service.

Amendment 33 Ref Article 28 Specific mechanism where the serious threat to public policy or internal security puts at risk the overall functioning of the area without internal border controls

- 1. Where the Commission, establishes that the same serious threat to internal security or public policy affects a majority of Member States, putting at risk the overall functioning of the area without internal border, it may, make a proposal to the Council to adopt an implementing decision authorising the reintroduction of border controls by Member States where the available measures referred to in Article 23 *and 23a* are not sufficient to address the threat.
- 2. The decision shall cover a period of up to six months and may be renewed, *if the threat persists*, upon proposal from the Commission, for further periods of up to six months *as long as the threat persists and a total of 24 months*, taking into account the review referred to in paragraph 5.
- 3. Where Member States reintroduce or prolong border controls because of the threat referred to in paragraph 1, those controls shall, as of the

As above (as regards the overall duration of internal border controls under new Article 28, in case of threats affecting the majority of the Member States).

The Commission does not agree with deleting the references to the transfer procedure (Article 23a) being an important alternative measure to border controls at internal borders.

entry into force of the Council decision, be based on that decision.

- 4. The decision of the Council referred to in paragraph 1 shall also refer to any appropriate mitigating measures that shall be established at national and Union level in order to minimise the impacts caused by the reintroduction of border controls.
- 5. The Commission shall review the evolution of the identified threat as well as the impact of the measures adopted in accordance with the Council decision referred to in paragraph 1, with a view to assess whether the measures remain justified.
- 6. Member States shall immediately notify the Commission and the other Member States in the Council of a reintroduction of border controls in accordance with the decision referred to in paragraph 1.
- 7. The Commission may issue a recommendation indicating other measures as referred to in Articles 23 and 23a that could complement internal border controls or be more suitable to address the identified threat to internal security or public policy as referred to in paragraph 1. Such recommendation should also be informed by the position of the affected authority or authorities governing the local administrative areas considered as the crossborder regions under Article 39(1)(h)."

Mitigating Measures

Amendment 21 Ref Recital 38

In order to limit harmful consequences resulting from the reintroduction of internal border controls, any decision to reintroduce internal border controls should be accompanied by mitigating measures if needed. Such measures should include measures to assure a smooth operation of transit of goods and transport The Commission will consider the proposed wording concerning the role of regional authorities for mitigating measures, as this is fully compatible with the objective of the proposal to reflect as much as possible the interest of cross-border regions.

personnel and seafarers by the establishment of 'green lanes'. In addition, and to take account of the need to ensure the movement of persons whose activities may be essential for preserving the supply chain or the provision of essential services, Member States should also apply the existing guidelines on cross-border workers⁴⁵. Against this background, the rules for the reintroduction of border controls at internal borders should take account of the guidelines and recommendations adopted throughout the COVID-19 pandemic as a solid safety net for the Single Market, for the purpose of assuring that they are applied by the Member States, where appropriate, as mitigating measures during reintroduced internal border controls. Measures should in particular be identified, taking into account the position of local and regional authorities in cross-border regions, with a view to ensuring the uninterrupted functioning of the Single Market safeguarding the interests of cross-border regions and of 'twin cities' including for instance authorisations or derogations for the inhabitants of cross-border regions

Reporting obligation

Amendment 22 Ref Recital 45

In order to enable both the ongoing and the post factum analysis of the decision on the temporary reintroduction of border controls at the internal borders, Member States should remain obliged to submit a report regular reports on the reintroduction of border control at internal borders to the European Parliament, the Council and the Commission while such controls are conducted and a final report once they lift the controls. Where the controls are kept in place for prolonged periods of time, such a report ongoing assessment reports should also be submitted every six after twelve months every year thereafter if and

The Commission is open for further negotiations concerning the reporting obligations of the Member States, with a view to reinforcing the procedural safeguards accompanying the temporary reintroduction of internal border controls.

exceptionally controls are maintained and for as long as the a final post factum report has to be submitted once internal border controls are maintained lifted. The reports should outline, in particular, the initial and follow-up assessment of the necessity of internal border controls and the respect of the criteria for reintroduction of border controls at internal borders. The Commission should adopt in an implementing act a templates and make it these available online.

Amendment 34 Ref. Article 33 (*Reports on the reintroduction of border control at internal borders*)

- 1. Within Every four weeks while border controls are conducted at internal borders and within four weeks of the lifting of border control at internal borders, Member States which have carried are carrying out border controls at internal borders shall present a report reports to the European Parliament, the Council and the Commission the reintroduction and, where applicable, the prolongation of border control at internal borders.
- 2. Without prejudice to the first paragraph 1, where border controls are prolonged as referred to in Article 25a(5), the Member State concerned shall submit a report at the expiry of twelve months *and every twelve months thereafter* if border control is exceptionally maintained.
- 3. The *reports* shall outline, in particular, the initial and follow-up assessment of the necessity of border controls and the respect of the criteria referred to in Articles 26, the operation of the checks, the practical cooperation with neighbouring Member States, the resulting impact on the movement of persons in particular in the cross-border regions, the effectiveness of the reintroduction of border control at internal

As above.

borders, including an *ex-post ongoing* assessment of the proportionality of the reintroduction of border control.

- 4. The Commission shall adopt a uniform format for such reports and make it available online. The report shall include a section on the position of the affected authority or authorities governing the local administrative areas considered as the cross-border regions under Article 39(1)(h).
- 5.The Commission *may shall* issue an opinion on that *ex-post ongoing* assessment of the temporary reintroduction of border control at one or more internal borders or at parts thereof.
- 6. The Commission shall present to the European Parliament and to the Council, at least annually, a report on the functioning of the area without internal border control entitled ('State of Schengen report'). The report shall include a list of all decisions to reintroduce border control at internal borders taken during the relevant year. It shall also include information on the trends within the Schengen area as regards the unauthorised movements of third country available nationals, taking into account information from the relevant Union agencies, data analysis from relevant information systems and an assessment of the necessity and proportionality of the reintroductions of border controls in the period covered by that report."

$N^{\circ}3$ The CoR's role in boosting subnational climate diplomacy ahead of COP27 and

COP28

Own-initiative

COR-2022-02284 - CIVEX-VII/016

151st plenary session – October 2022

Rapporteur: Olgierd GEBLEWICZ (EPP/PL)

DG CLIMA – Executive Vice-President TIMMERMANS

Points of the European Committee of the Regions opinion considered essential

European Commission position

17. The European Committee of the Regions (CoR) calls on the Commission to address the gaps and limitations and to boost subnational climate diplomacy between EU cities, regions and the EU's neighbouring and partnering countries ahead of the next Conferences of the Parties in Egypt, the United Arab Emirates, and beyond.

The Commission continues to support actions recognising local and regional contributions to the EU's commitments to the Paris Agreement. The Commission however does not have the mandate to act upon the gaps and limitations described in paragraph 16, such as technical, financial, structural or political limitations that can only be addressed at local, regional and national levels.

The Commission notes that the EU Covenant of Mayors can play a significant role in boosting subnational climate diplomacy, in particular in the context of its role in the Global Covenant of Mayors, which could be a space to further develop such partnerships and promote climate diplomacy between cities and regions. Cooperation between cities, regions and financing institutions for instance is one area where EU/Global Covenant of Mayors could provide a suitable platform.

The Commission encourages the Committee to share best practices and lessons learned from the EU/Global Covenant of Mayors pertaining to climate diplomacy. Moreover, the Commission would like to point to the existing funds that can be tapped into for support, such as the Cohesion Funds, LIFE Programme, Horizon Europe's Mission on Adaptation and 100 climate neutral cities. In addition, EU Covenant's new Policy Support Facility (PSF) could be further used for building and technical capacity assistance including on issues highlighted by the Opinion. For instance, within this 2-year technical assistance programme of PSF, 37 municipalities and regions from 12 selected Member States (Bulgaria, Croatia, Czech Republic, Greece, Hungary, Italy, Poland, Portugal, Romania, Slovakia, Slovenia, and Spain) get expert support in developing adaptation policies and implementing adaptation measures.

The Commission also points to the Global Climate Action Agenda and Marrakesh partnership which provides one of the formal links between the UNFCCC process and climate action from Non-Party Stakeholders (NPS) with one of its functions focused on strengthening collaboration between national governments and NPS by identifying opportunities where climate action from NPS helps to create the conditions for enhancing ambition and accelerating implementation. For instance, in terms of tracking of subnational action, the Commission would like to point to two main databases of climate initiatives: UNEP's Climate Initiatives Platform (CIP), and the Non-State Actor Zone for Climate Action (NAZCA) also known as the Global Climate Action Portal.

With regards to the involvement of local and regional governments in the preparation of NDCs, Global Covenant has recently issued a second edition of the Multilevel Climate Action Playbook¹ which contains recommendations for both national and sub-national actors enabling better coordination between the two. This publication is part of the Global Covenant of Mayors work aiming at better embedding local and regional authorities into the country-wide planning.

Lastly, the Commission notes the role of the Local government and municipal authorities (LGMA) UNFCCC constituency, which has a designated role in the UNFCCC process, which provide a conduit for exchanges between local and regional authorities (LRAs) and the UNFCCC secretariat as well as logistical support to their constituents

https://www.globalcovenantofmayors.org/press/the-multilevel-climate-action-playbook-second-edition/.

during negotiations sessions.

21. The CoR commits to present the proposals of ARLEM and CORLEAP on climate issues to the UNFCCC, via its participation in the official EU delegation to the CoP; calls for the inclusion of LRAs in all stages of the preparation and the negotiations of the COP.

The Commission welcomes the commitment of the Committee to present its proposals to the UNFCCC before or during the negotiation sessions. Being part of the EU COP Delegation enables Committee Members and representatives to participate in many events and meetings taking place in-session. Moreover, Committee Members and representatives who are part of the delegation can also reach out to the EU negotiation team to make their positions known and thus inform the preparation of the negotiations.

22. The CoR calls on the European institutions, international financial institutions and all international partners, including LRAs in the EU who will contribute to the rebuilding and reconstruction of Ukrainian cities and towns as well as industrial and energy sites destroyed by the Russian war, to gear reconstruction investment towards the key aspects of the Paris Agreement as well as towards the objectives of the EU's Green Deal, with a view to achieving the target of net zero emissions by 2050, renewables-based energy autonomy, a carbonfree sustainable agriculture, economy, conservation and restoration of ecosystems and biodiversity.

The Commission recognizes the necessity to align the reconstruction of Ukraine with the commitments undertaken in the Paris Agreement and the objectives of the EU Green Deal.

To this purpose, the Commission is committed to steering the reconstruction efforts in a coordination platform to ensure that investments favour the sustainable reconstruction of the country in line with the reforms needed to become a Member State of the EU.

The Commission support the regional windows of the Global Covenant of Mayors for climate and energy including a strong support to the cities of Ukraine (see also point 17 above).

38. The CoR calls for the establishment of a well-designed and multi-level governance framework outlining the rules of European, national and subnational cooperation on climate diplomacy within the EU and with potential implementation in the partnering countries. Considering the lack of support for and inclusion of municipalities and smaller and less developed regions, the framework should give such underrepresented local and regional governments special consideration, ensuring just and equal participation in the process.

The Commission acknowledges the important role that local and regional authorities will play in contributing to the achievement of EU climate objectives. The European Climate Law provides for the Commission to facilitate engagement, participation and action at all levels – including national, regional and local – towards a climateneutral and climate-resilient society. This includes drawing on the multilevel climate and energy dialogues established by Member States under Article 11 of the Governance Regulation.

Please see also the replies in the point 17 above. In addition, specifically, the Policy Support

Facility under the EU Covenant of Majors is focusing especially on smaller municipalities in organising national workshops and collaboration with national partners.

42. The CoR calls for the EU to step up its engagement around the world through dedicated partnerships involving local and regional authorities, in the field of energy security, energy transition towards an efficient and renewable model and strategic sufficiency.

On 18 May 2022, the Commission launched the new EU external energy strategy that reinforces the EU's engagement with partners and strengthens its climate and energy diplomacy. The strategy aims to increase EU's energy security, to support Ukraine, the Western Balkans and developing countries impacted by the Russian war on Ukraine and to support the global energy transition.

To ensure the EU's energy security and energy transition, the strategy recognises the need for hydrogen partnerships to build the global renewable hydrogen market. It also recognises the capacity of renewable energy to be produce local benefits, including jobs and value chains.

The Commission supports the Global Covenant of Mayors for climate and energy and its regional windows across the globe (point 17 above).

46. The CoR stresses that climate diplomacy and climate ambition at the local and regional level require appropriate funding and investment; highlights in this regard the importance of making direct funding available for subnational governments to deliver climate action and climate adaptation.

As the world's largest contributors of climate finance. the EU and its Member States continuously seek to enhance support and increase transparency of its delivery. The EU, its Member States and the European Investment Bank are together the biggest contributor of public climate finance to developing countries, providing over €23 billion in 2021 alone. The EU and Member States are also the world's top provider of official development assistance (a total €67 billion in 2020), with climate action being increasingly integrated into the assistance.

The Commission is engaging with developing countries to address barriers and constraints for accessing adaptation and risk reduction finance, recognising that Local governments are in a unique position to identify climate change adaptation responses that best meet local needs.

Moreover, they are typically mandated to undertake the small to medium-sized adaptation investments needed to build climate resilience. Yet they frequently lack the resources to do so, the Commission has been supporting initiatives among which the Covenant of Mayors (see above) and the Local Climate Adaptive Living Facility (LoCAL). LoCAL helps local government authorities in developing and least developed countries including Small Island Developing States (SIDS) access the climate finance, capacity development and technical support they need to respond and adapt to climate change. Between 2014 and 2022, the EU has contributed €45.5 million to LoCAL, from global and bilateral envelopes, corresponding to 36.25% of the total funds mobilised.

51. The CoR calls for the provision of a toolkit and a platform for self-assessment and self-reporting by LRAs on climate action and international diplomacy.

The Covenant of Mayors supports local actors in reporting and monitoring climate action. The Covenant reporting and monitoring framework has been developed in consultation with practitioners from local and regional authorities, climate and energy experts and with the methodological support of the Commission's Joint Research Centre (JRC).

There are a number of resources to support LRAs in developing their Sustainable Energy and Climate Action Plans (SECAPs).

The SECAP Guidebook², developed by the JRC, offers a set of methodological principles, procedures and best practices to develop the action plans. This guidebook is a toolkit supporting LRAs in the process, step-by-step towards low-carbon and climate-resilient cities by 2030, baseline Emission Inventory and Risk and Vulnerability Assessment as well as policies, key actions, good practises for mitigation and adaptation to climate change and financing of the climate plans. The regional authorities are also empowered by the Cohesion Policy, by the European Structural and

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https://publications.jrc.ec.europa.eu/repository/bitstream/JRC112986/jrc112986_kj-nb-29412-en-n-1 corrected july 2021.pdf

Investment	Funds,	as	well	as	by	the	technical
assistance.							

$N^{\circ}4$ Towards a structural inclusion of Cities and Regions in UNFCCC COP 27

Outlook opinion

COR-2022-02246 - ENVE-VII/031

151st plenary session – October 2022

Rapporteur: Alison GILLILAND (IE/PES)

DG CLIMA – Executive Vice-President TIMMERMANS

Points of the European Committee of the Regions opinion considered essential

European Commission position

8. The European Committee of the Regions (CoR) expresses its readiness to work with the EU institutions on a coherent operational strategy to be developed ahead of COP 27; points out the openness and desire for an effective, regular consultation and cooperation both at the preparation stage and during the negotiations.

The Commission welcomes the readiness of the Committee to contribute to the preparation of the EU approach for the UNFCCC negotiation sessions, in the context of the important role that local and regional authorities play in contributing to the achievement of EU climate objectives. The Commission welcomes the Committee's inputs and looks forward to continuing the engagement and dialogue for the upcoming sessions.

9. The CoR calls upon the Commission to raise the profile of LRAs at COP 27 by boosting the visibility of EU subnational climate action in the EU pavilion's programme and side events, in cooperation with the CoR.

The EU pavilion at COP27 in Sharm el-Sheikh highlighted subnational action as a theme for 17th of November 2022. Several events were organized by the Commission in tandem with partners from the Global Covenant of Mayors. They included a focus on Climate neutral/smart cities, just transition in industrial regions, disaster risk reduction, among others. Two events at the EU pavilion were co-organised by the Committee.

12. The CoR calls upon the Commission, the Czech Presidency and the European Parliament to strongly support the organization of the First UNFCCC COP housing and urban development ministerial meeting on cities and climate change, welcoming the decision of the UN-Habitat Executive Board.

The EU welcomed the events organised during the COP27 Presidency thematic days and some EU Member States participated in the First UNFCCC COP housing and urban development ministerial meeting on cities and climate change.

22. The CoR considers that in the EU, the role of LRAs and contributions should be formalised by enshrining them in the of provisions the Regulation the Governance of the Energy Union, and notably

The role of Local and Regional Authorities (LRA) in climate and energy policies is already enshrined in the Regulation on the Governance of the Energy Union and Climate Action today. Member States are required to establish a multilevel

by making RLDCs an integral part of the National Energy and Climate Plans (NECPs).

climate and energy dialogue, in which, among others, local authorities are able actively to engage and discuss the achievement of the Union's climate-neutrality objective and the different scenarios envisaged for energy and climate policies. It should be possible for the Member States' integrated national energy and climate plans to be discussed within this framework. Member States are also required to biennially report on the progress in establishing such dialogue, which will be for the first time in March 2023. In their integrated national energy and climate plans, each Member State is required to describe the involvement of local and regional authorities.

32. The CoR stresses the importance of making direct funding available for LRAs to deliver climate action, as well as the need for LRAs to partner with the private sector and financial institutions to unlock sustainable investments; underlines that a direct link between access to funding and integrated development of plans and measures in cooperation with the local and regional levels should be established to facilitate cost-effective implementation.

Cohesion policy supports cities in green and just transition, and in particular, as it is working in close partnership with all the actors of a local ecosystem and is thus close to citizens. In that regard, sustainable urban development dimension of cohesion policy has been reinforced for the 2021-2027 period:

- a new policy objective 'A Europe closer to citizens' has been introduced to the main cohesion policy framework - it will support tailor-made investment strategies at territorial level, in cities and local communities, to address their diverse challenges such as green and just transition, and tapping into their development potentials;
- 8% of the European Regional Development Fund must be directed to priorities and projects selected by cities based on their integrated development strategies, amounting to over €16 billion in total;
- The European Urban Initiative will be set up to support sustainable urban development in the EU with a budget of €450 million from the European Regional Development Fund it will finance innovative actions to experiment and develop transferable and scalable solutions to urban challenges including green and just

transition.

N°5 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-general: Jean-Noël VERFAILLIE (FR/RE)

DG ENV – Commissioner SIEVIČIUS

Points of the European Committee of the Regions opinion considered essential

European Commission position

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

N°6 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 CHEŁSTOWSKI (PL/ECR)

DG ENER – Commissioner SIMSON

Points of the European Committee of the Regions opinion considered essential

European Commission position

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

 $N^{\circ}7$ Just and sustainable transition in the context of the coal and energy intensive regions

Council presidency referral

COR-2022-04074 - COTER-VII/024

151st plenary session – October 2022

Rapporteur: Sari RAUTIO (FI/EPP)

DG REGIO – Commissioner FERREIRA

Points of the European Committee of the Regions opinion considered essential

European Commission position

10. The European Committee of the Regions (CoR) requests the implementation of a stronger social component in the JTF as a place-based instrument, involving strong involvement of the social partners, and advocates keeping the bottom-up place-oriented approach as the main element of the Fund as each region represents a unique socioeconomic ecosystem.

The social component in the Just Transition Fund (JTF) is crucial for a fair and inclusive transition and the JTF regulation recognises and empathises its importance.

The JTF supports targeted activities in the areas of employment, education and social inclusion. Funding for social infrastructure supporting related activities is also allowed, provided that these activities are appropriately justified in the territorial just transition plans. In particular, JTF can support a wide variety of actions, such as upskilling and reskilling of workers and jobseekers; job-search assistance to jobseekers; active inclusion of jobseekers; other activities in the areas of education and social inclusion. The JTF regulation¹ not only allows this type of interventions, but also stress its importance.

However, it is up to Member States, together with the relevant local and regional authorities of the territories concerned, to assess the transition challenges faced in the territories involved and to identify type of operations envisaged to alleviating the impact of the transition.

Through the plans, the programming of the JTF resources further include an assessment of their consistency with other relevant national, regional or territorial strategies and plans, and in consideration of existing or potential disparities on

Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund; OJ L 231, 30.6.2021, p. 1–20.

people and territories.

In accordance with Article 8 of Regulation (EU) $2021/1060^2$, the preparation and implementation of territorial just transition plans (TJTP) shall also involve the relevant partners, arrangements include partnerships and involvement of partners in the preparation, implementation, monitoring and evaluation of the territorial just transition plan. The plan shall contain a description of the governance mechanisms consisting partnership arrangements, the monitoring and evaluation measures planned and the responsible bodies. It is therefore necessary that Member States comply with this principle and it is ensured that the social partners are effectively and actively involved. The Commission is checking this principle when assessing the JTF programmes and territorial just transition plans.

13. The CoR calls for a clear commitment to the creation of a JTF 2.0, covering a wider range of regions that face the challenge of the green transition in industry and the manufacturing sector, and for a broad discussion of the scope and size of the instrument in the context of the preparation of the next Multiannual Financial Framework.

The green transition will undoubtedly continue to trigger important challenges for the industrial sector as well as more broadly for the cohesion of the EU territory. These challenges will have asymmetric social and economic impacts that may generate new disparities between regions and Member States. Accordingly, assistance to the impacted territories will still be needed over the next decade. The Commission will assess in this regard the implementation of the JTF, drawing in particular the relevant lessons from the mid-term review planned in 2025 to optimise the design of such assistance.

17. The CoR suggests that the EU should, in particular, help those regions most dependent on fossil energy sources, so as to prevent regions from drifting further apart when it comes to future investment; stresses that the

The JTF resources are targeted to the territories most negatively affected by the economic and social impacts resulting from the transition to climate neutrality, in particular with regard to the expected adaptation for workers or job losses in

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 PE/47/2021/INIT, OJ L 231, 30.6.2021.

available EU funds for regions must be targeted to best achieve their aims.

fossil fuel production and use and the transformation needs of the production processes of industrial facilities with the highest greenhouse gas intensity.

19. In this regard, the CoR recalls the needy specific situation of the Outermost Regions, which, due to their small size, remoteness and isolation, are highly dependent on fossil fuels and prevented from connecting to the continental network; however, these regions were not covered by the JTF.

In France, the Commission and the French authorities have used two criteria to identify the territories eligible for the JTF, i.e. the intensity of greenhouse gas emissions and the employment in industrial areas.

In Portugal, the Commission and the Portuguese authorities have identified the territories most likely to be affected by the climate transition on the basis of a territorial analysis of greenhouse gas emissions associated with the industry and energy sector.

In Spain, the Commission and the Spanish authorities have worked on identifying territories that are expected to be most impacted by the transition from coal. Spain has committed to phasing-out the use of this fossil-fuel for energy purposes before 2030 and therefore regions expecting or having recently experienced closures in coal mines and/or coal-fired power plants have been the ones selected.

None of the outermost regions were identified using these criteria.

However, the outermost regions and islands are particularly territories targeted specifically assisted by the Commission's policies and initiatives. Under the new Multiannual Financial Framework, many instruments programmes have taken into account these regions' specific situation and needs. The European Regional Development Fund and Cohesion Fund support regions in their transition to a greener and low-carbon economy and the outermost regions benefit from an additional allocation to help them compensate additional costs associated with their insularity. remoteness and This includes investments in sustainable transport, smart energy distribution, storage and transmission systems,

renewable energy and research and innovation.

27. The CoR insists on clear guidance on the possible synergies with ESF+ and other ESIF funding; asks the Commission to provide additional expert assistance to concerned regions in order to achieve the objectives of the Just Transition Fund.

Under the shared management framework it is up to Member States to identify their needs and to decide how to cover them from the individual Funds. In each Partnership Agreement, the coordination, demarcation and complementarities between the Funds are elaborated.

The Commission services work closely with the Member States to provide assistance where needed. Up to 4% of the JTF allocation can be used for technical assistance to the Member States. Its purpose is among others to build the capacity of the partners necessary for the effective administration and use of the Funds. In addition, the managing authorities can use the Just Transition Platform or other EU mechanisms such as the Peer2Peer instrument for assistance.

N°8 Towards a macro-regional strategy in the Mediterranean

Own-initiative

COR-2022-02167 - COTER-VII/013

151st plenary session – October 2022

Rapporteur: Nikola DOBROSLAVIĆ (HR/EPP)

DG REGIO- Commissioner FERREIRA

Points of the European Committee of the Regions opinion considered essential

European Commission position

27. The European Committee of the Regions (CoR) appreciates the great progress made towards integration in the Mediterranean through the Adriatic-Ionian Macro-Regional Strategy (EUSAIR) and the WestMED Sea Basin Strategy.

The Commission welcomes the recognition of the progress made with the Adriatic-Ionian Macro-Regional Strategy and the WestMED Sea Basin Strategy. The Commission notes that both are still at a relatively early stage of development and work remains to be done.

28. The CoR calls on the Commission to progress further with the WestMED initiative as a matter of urgency, equipping it with resources, a solid structure and a long-term consolidation strategy, facilitating macroregional integration in the western Mediterranean.

The Commission agrees that further progress and advancement is needed. Recalling that it is an intergovernmental initiative (led by the countries), the Commission is keen to continue providing support (as already done through the Assistance Mechanism or specific calls for proposals under the European Maritime, Fisheries and Aquaculture Fund work programme).

29. The CoR stresses that the existing cooperation initiatives programmes and key players across the scale of multilevel governance must be better coordinated so as not to dilute their efforts and impact. It is therefore Mediterranean necessary for territories to finally have an operational instrument enabling them to develop and implement an integrated strategy, a concrete action plan, and joint projects, in response to common priorities identified in existing institutional frameworks for cooperation such as the UfM, ARLEM and initiatives as the MedCoop Alliance or BLUEMED among others.

The Commission recognises the need and logic for better levels of coordination within the content of cross-Mediterranean cooperation. That is why the European Union brought forward the new Agenda for the Mediterranean in February 2021¹, offering a renewed partnership with the Southern Neighbourhood. In parallel, the Union for the Mediterranean, bringing together all EU Member States and 15 countries of the Southern and Eastern Mediterranean, has continued to provide a forum to enhance regional cooperation and dialogue, as well as the implementation of concrete projects and initiatives with tangible impact on the citizens of its Member States.

It is important not to confuse stakeholders and

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¹ JOIN (2021) 2 final.

overload coordination with too many overlapping processes and structures.

32. The CoR calls for the Mediterranean macro-regional strategy, like any maritime macro-regional strategy, to pay particular attention to island territories in accordance with Article 174 TFEU; calls for the specific characteristics and vulnerabilities of these territories to be effectively taken into account by establishing a stronger partnership, with concrete and coordinated actions between these territories, the Member States and the European Union;

The Commission continues to pay particular attention to island territories, in accordance with the Treaty. This is especially notable in the support provided through EU cohesion policy, be it through targeted regional programmes or cooperation possibilities via Interreg programmes.

39. The CoR calls, as a first step, for efforts to focus on key challenges - climate change, digital transformation, the environment and humanitarian crisis, as well as the necessary green transition. The following priorities urgently call for coordinated action at Mediterranean level: the future of archipelagos and islands, coastal and urban areas, marine pollution (especially microplastics biodiversity wastewater), conservation. agroecology, the circular economy, management and prevention of natural hazards, and the reduction of greenhouse gas emissions and, climate adaptation and a response to the humanitarian crisis by ensuring fundamental human rights.

The key challenges identified in this paragraph already form the basis of many of the existing coordination and cooperation initiatives underway across the Mediterranean.

40. The CoR proposes that, in the short term, the Commission should support, through the Interreg Euro-MED or other relevant existing programmes (given the fact that macroregional strategies obey the rule of the 3 "no": no new legislation, no new funding, no new institution), the emergence in 2024 of a pilot project on zero marine pollution in the Mediterranean, also thematically contributing to the EU Mission Ocean. The aim will be to engage in joint work between countries and territories wishing to develop a Mediterranean

Interreg programmes, as with all cohesion policy programmes, are implemented through shared management, and project selection is the responsibility of the countries participating in each programme. Neighbouring countries can participate in the Interreg programmes on equal footing with the Member States. The Commission does not select nor decide upon individual projects.

macro-regional strategy and thus to test its key principles around a concrete objective.

- 41. The CoR efforts could then be extended to include the following challenges, in connection with the new Agenda for the Mediterranean: (a) promoting sustainable balanced and economic development through joint projects aimed at strengthening research, innovation and the sustainable use of natural resources. well interconnected as as entrepreneurship;
- (b) integrating the blue economy;
- (c) promoting human development, including culture and heritage, tourism, education, health, employment, youth development, social inclusion of marginalized groups and aid for refugees, as well as meeting the needs arising from the presence of migratory flows, particularly in the external frontiers of the EU;
- (d) strengthening connectivity through the transport and digital infrastructure;
- (e) enhancing food and energy autonomy in the Mediterranean considering the consequences of climate change and war in Ukraine caused by Russia;
- (f) strengthen the tools and capacities of public and private institutions in order to mitigate the causes of climate change and the loss of biodiversity;

50. The CoR encourages the Commission and the EU Member States to support the development of a macro-regional strategy for the Mediterranean and other needed new macro-regional strategies.

The areas of potential cooperation set out in this paragraph are already being taken forward in the work of delivering the new Agenda for the Mediterranean and the Roadmap for Action of the Union for the Mediterranean, to give two examples. Any further developments in these areas would have to be closely coordinated with existing actions, to avoid risks of duplication or inefficiency. In the maritime field, to mention another example, the Union for the Mediterranean countries work now very constructively on the implementation of the 2nd Ministerial Declaration on sustainable blue economy², promoting joint projects and introducing national strategies in line with the commonly defined priorities.

The established procedure for the creation of a macro-regional strategy requires, as an initial step, a formal request from the European Council to the Commission. The Commission cannot act in the absence of such a request. The development of a macro-regional strategy, and an accompanying action plan, is a major undertaking, requiring the

https://www.diplomatie.gouv.fr/IMG/pdf/210202 declaration-ufm-blue-economy-en-1 cle06d3f3.pdf.

unanimous and unambiguous political support of all of the relevant countries in the geographical area concerned. Experience has shown that the development of such a strategy is measured in years, rather than months, and necessitates significant administrative and financial investment from the countries concerned. Where there are existing coordination and cooperation structures in place, this generates additional challenges.

N°9 8th report on economic, social and territorial cohesion

COM(2022) 34 final

COR-2022-00729 - COTER-VII/016

151st plenary session – October 2022

Rapporteur: Nathalie SARRABEZOLLES (FR/PES)

DG REGIO – Commissioner FERREIRA

Points of the European Committee of the Regions opinion considered essential

European Commission position

6. The European Committee of the Regions (CoR) calls on the Commission for an open and strategic reflection on the role of cohesion policy post-2027 in the European policy mix.

The Commission agrees that the combination of the structural and of the new challenges that have emerged call for an open and strategic reflection on the role of cohesion policy post-2027 to further improve the capacity of cohesion policy to address challenges, drawing lessons from implementation, taking into account the inputs from stakeholders and the experience of other EU instruments. With the adoption of the 8th Cohesion Report and the following discussions in the 8th Cohesion Forum, the Commission has identified a set of critical challenges for cohesion objectives and launched the debate on the future of cohesion policy, inviting all stakeholders to contribute. To continue and deepen this debate, a dedicated reflection group, composed of highly skilled and experienced members, will be set up, fuelled by strong evidence delivered by experts. The group has started its activities on 31 January 2023.

17. The CoR opposes, however, the extremely restrictive interpretation of this concept, according to which this principle would only apply to operational programmes and not even to the partnership agreement; reiterates to the European Commission that this principle of "do no harm to cohesion" must apply to all European policies in order to reduce the anticohesive effect of certain European policies or programmes.

The Commission is fully aware that sectoral policies have territorial impacts. That is why the new Better Regulation framework strengthens, among other dimensions, territorial impact assessments and rural proofing¹. This represents a real opportunity to address how the territorial dimension (including urban, rural, cross-border territories and outermost regions) can be affected by the introduction of new legislation, and to make sure that horizontal policies are designed to avoid spatial blindness. In accordance with the 'do

¹ 'Better regulation: Joining forces to make better laws', COM(2021) 219 final of 29.4.2021.

no harm to cohesion' principle, Commission services will continue to ensure, notably through the inter-services consultation mechanisms preceding any new policy proposal, that other relevant policies do not undermine the cohesion objectives laid down in the Treaty.

19. The CoR calls on the Members States and the Commission to ensure that the RRF and any possible successor directly incorporates the cohesion policy approach based on multilevel governance and partnership.

Partnership is a key principle of cohesion policy and is part of the code of conduct for the European Structural and Investment Funds. That principle was not applied in the same manner by the colegislator for the Recovery and Resilience Facility (RRF), which is a direct management programme managed by the Commission, with the beneficiaries being the Member States. The Committee has proposed a code of conduct also for the European Semester and, in extension, for the RRF. While the Commission can fully agree with the intention of the request, the involvement of stakeholders may vary in each Member State depending on the national legal framework. The ultimate responsibility for consultation of stakeholders under the applicable rules of the RRF Regulation² lies with national authorities.

The Commission recalls that, as foreseen by the RRF Regulation, Member States must consult stakeholders, including local and regional authorities, and the Recovery and Resilience Plans (RRPs) must include a summary of consultation and of the input provided. the relevant partners involvement of and stakeholders in the design and implementation of **RRPs** is key for their successful implementation, and the Commission continue to encourage Member States to open stakeholder consultations.

In its proposed amendments to Article 18(4)(q) of the RRF Regulation in the context of REPowerEU, the Commission requires Member States to also provide a summary of the outcome

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. 17–7.

of such consultations during the preparation of the REPowerEU chapters of their national recovery and resilience plans 'to ensure broad ownership that will be key for the successful implementation of the measures'³.

In addition, Member States and the Commission organise annual events with the jointly participation of those responsible for implementing the RRPs and other relevant stakeholders, discuss complementarity, to synergy, coherence and consistency between the implementation of the RRPs and the other Union programmes. This event serves as a horizontal platform to exchange views on the state of implementation of the RRPs in view of ensuring close cooperation between all actors involved.

20. The CoR stresses, furthermore, the need to better align and increase synergies between cohesion policy and Horizon Europe in order to strengthen innovation in all European regions and thereby develop their research and innovation capacities, which allows the EU to compete on a global scale by investing in regional excellence and can be a solution to the development trap of middle-income regions.

The Cohesion Report underlines that regional innovation has been declining in less developed and transition regions, with only a few EU regions having well performing innovation systems. That is why the promotion of innovation remains a central feature in the 2021-2027 cohesion policy programmes, where at least €56.6 billion will go towards innovation and research. The coordination and complementarity between the cohesion policy Funds and other Union instruments and Funds have also been strengthened in the 2021-2027 period, for instance by facilitating the support by cohesion policy Funds of operations that have already received a Seal of Excellence or were cofunded by Horizon Europe.

22. The CoR calls for the consolidation of the approach based on smart specialisation strategies in order to boost competitiveness and the innovation ecosystem on the basis of placebased strategies and enhanced territorial cooperation.

The support for research and innovation in cohesion policy programmes will build on smart specialisation strategies that reflect the strengths and assets of the regions through a place-based approach. A stronger emphasis in the 2021-2027 period is put on applied research, uptake of new technologies and innovations, digitalisation and development of skills for smart specialisation.

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³ Communication on the REPowerEU Plan; COM(2022) 230 final of 18 May 2022.

23. The CoR calls on the Commission to define the concept "do no harm to cohesion" and to make it a real mechanism for assessing the impact of European policies on cohesion in Europe; proposes that the rural proofing provided for in the Communication on a longterm vision for the EU's rural areas be included in this mechanism in order to take account of the specific characteristics of these areas; calls on the European Commission to develop specific guidelines on the practical implementation of this concept, including the use of legislation after consulting the CoR.

As referred to in the Commission Communication on the 8th Cohesion Report⁴, the principle of 'do no harm to cohesion' means that 'no action should hamper the convergence process or contribute to regional disparities'. To this end, the recently Better Regulation guidelines revised strengthened territorial impact assessments, including rural proofing, requiring that particular attention should be given to these additional impacts and include them when relevant for new policy proposals. The Commission will continue to promote the use of the methodological tool that has been developed to indicate possible territorial impacts of policy options, and the implementation of territorial impact assessments for relevant policies.

25. The CoR therefore calls on the Commission to draw up a new long-term European strategy for 2030 linking imperatives of the green and digital transitions while strengthening the EU's economic, social and territorial cohesion; stresses that this strategy should encompass all EU policies and funds supporting investment, in line with the "do no harm to cohesion" principle introduced in the Cohesion Report.

Cohesion policy will continue to support the EU long-term strategy and priorities and contribute to the achievement of the long-term EU strategic objectives, in particular those set by the European Green Deal⁵ and the Digital Decade⁶, with concrete targets for 2030 and beyond - make Europe climate-neutral by 2050. The transition will therefore continue to impact European regions beyond the current programming period, posing certain challenges to social and economic cohesion.

26. The CoR regrets the lack of mechanisms for coordinating between and linking the RRF and 2021-2027 cohesion policy and the risk of overlaps or crowding out in the absence of a real mechanism to verify the additionality of funding from the RRF.

Support under the RRF should be additional to the support provided under other Union funds and may not cover the same costs. It is primarily up to the Member States to ensure complementarity, synergy, coherence and consistency among different instruments at Union, national and regional levels, in particular in relation to measures financed by Union funds, both in the planning phase and during implementation. The RRF Regulation requires the Commission and the Member States to foster synergies and ensure

⁴ COM(2022) 34 final of 4.2.2022.

⁵ COM(2019) 640 final of 11.12.2019.

⁶ COM(2021) 118 final of 9.3.2021.

effective coordination between the Facility and other Union programmes and instruments.

Member States are required to include in their RRPs information on existing or planned Union financing to be taken into account in the ex-ante estimation of costs and sufficient information and evidence clearly demonstrating that the amount of the estimated cost of each reform and investment is not covered by existing or planned Union financing. In addition, Member States should detail in their plans the procedures, structures and arrangements set up at national and regional levels to ensure the avoidance of double funding.

During the implementation of the plan, Member States are also responsible for monitoring the use of funds for the intended purpose under the RRP and for taking corrective action in case double funding is discovered. Bearing in mind that disbursements are paid only upon the satisfactorily fulfilment of milestones and targets, should double funding be identified but not corrected by the Member State, the Commission can either recover RRF funds, in accordance with the rules included in the financing and loan agreements, or the other Union programme's resources under the sector-specific rules.

In order to ensure synergy and effective coordination between the Facility and other EU instruments, the operational arrangements signed between the Commission and the Member States report on any investment or reform supported under their RRP that has or is receiving funding from any other Union programme under the biannual reporting exercise. To that end, a dedicated reporting module is available to Member States in FENIX, the RRF reporting tool.

27. The CoR stresses the need to put European investment policies on an equal footing in order to avoid competition between the various European policies on the ground, as state aid rules currently form an obstacle to cohesion

The qualification of a measure as State aid directly stems from Article 107 (1) of the Treaty on the Functioning of the European Union. When measures implemented under European Union policies are under shared management, as in

policy implementation, as compared to other policies.

cohesion policy, they may qualify as State aid and in such case have to be compliant with State aid rules. This applies also to other EU policies, provided they are also managed under shared management. Compliance with State aid rules does not depend therefore on a policy choice, but on obligations stemming directly from the Treaty.

28. The CoR in this context, calls on the Commission to carry out a thorough analysis with a view to adapting the European legislative framework on State aid so that projects supported by the various European programmes and funds are subject to the same rules.

The EU applies a coherent State aid policy across all European programmes and funds. Pursuant to the EU rules on State aid, funding of projects or measures under shared management is subject to State aid control. Funding of projects or measures that are not under shared management (but are centrally managed) does not qualify as State aid, and does not have to comply with State aid rules. However, the Commission introduced provisions in all EU programmes to ensure consistency with these rules.

31. The CoR calls on the Commission to continue its efforts to increase the focus on territorial cohesion challenges affecting European areas and regions in the relevant country reports and country-specific recommendations.

The Commission intends to continue to monitor economic trends at national and regional level to ensure that regional disparities within countries are adequately addressed in the Commission's analysis reflected in the Country Reports and in its proposals for country-specific recommendations.

32. The CoR calls for a more comprehensive reflection aimed at reforming the current framework for economic policy coordination so that the various phases of the European Semester can incorporate the "do no harm to cohesion" principle and better involve local and regional authorities.

Regional disparities and territorial inclusion issues and policies already feature prominently in the European Semester, including in the country reports and country-specific recommendations. Still, further improvements are always possible and the call to better take into account the impact on cohesion throughout the European Semester is well taken.

In particular, establishing a formal 'do no harm to cohesion' principle could inform and support the coordination and implementation of policies in the EU and Member States. However, the operationalisation of such a principle should add value and not represent an excessive burden. It would also need to maintain the balance between the various policy objectives in the European

Semester.

33. The CoR notes on the basis of the 8th Cohesion Report that the public investment deficit in the European Union constitutes a hidden debt; therefore reiterates its oftenexpressed call for a "golden co-financing rule", whereby expenditure by Member States and local and regional authorities on co-financing under the Structural and Investment Funds is not counted as structural, public or similar expenditure as defined in the Stability and Growth Pact, in compliance with the EU cofinancing limits that apply to it; stresses that public investments, such as those for digital sustainable ecological, and social transition and for maintaining European competitiveness, are important for future generations and should therefore be treated appropriately, including through a change in European accounting rules.

The Commission recognises the essential role of public investment to deliver public goods and to support sustainable public finances. Under the current EU framework, Member States can request ex-ante the activation of the investment clause that allows for a temporary deviation from the required fiscal adjustment path, in particular in relation to projects that are to a large extent co-financed by the EU. Furthermore, the Commission can take into account all the relevant factors, including an increase in investment expenditure, in the context of the excessive deficit procedure.

In its review of the EU economic governance framework published in February 2020⁷, the Commission also recognised that the current EU fiscal framework did not prevent a decline in the level of public investment during periods of fiscal consolidation, nor did it make public finances more growth-friendly.

The issue of a 'golden rule' to exclude investment from the European Union fiscal rules was discussed extensively as part of the public debate on the review of the European Union economic governance. No consensus emerged from these discussions, with many stakeholders and Member States pointing to a lack of success of golden rules in the past.

On 9 November 2022, the Commission published a Communication in which it presented its orientations for a reform of the European Union economic governance framework⁸. These orientations include more leeway for Member States to set medium-term fiscal adjustment path that take into account national plans for investment and reforms.

34. The CoR reiterates its call from previous opinions for a code of conduct for the input of

The Commission continuously encourages national governments to deepen the dialogue with

https://ec.europa.eu/commission/presscorner/detail/en/ip 22 6562,

⁷ <u>https://economy-finance.ec.europa.eu/economic-and-fiscal-governance/economic-governance-review_en</u>

local and regional authorities in the context of the European Semester. The code of conduct is necessary to make the European Semester more transparent, inclusive and democratic, but also more effective by involving local and regional authorities. This increases ownership at local and regional level, thus improving the implementation of the desired economic reforms in the Member States. local and regional authorities and other key stakeholders, and promotes the dissemination of good practices across Member States, notably for those with similar institutional and legal arrangements. National governments are invited to involve local and regional authorities in many instances in the context of the European Semester and beyond, such as, for example, in the preparation and approval of National Reform Programmes; the implementation and monitoring of the impacts of reforms and investments, including those under the Recovery and Resilience Facility, including REPowerEU measures.

In that respect, the Commission does not consider that a Code of Conduct is necessary. In addition, establishing a Code of Conduct that respects the autonomy and the practice and traditions of Member States would be a particularly complex task given the diversity in the institutional, constitutional and legal setups and in the sharing of competences between national and sub-national levels of government.

CoR 38. The therefore calls the Commission to develop a new framework for the post-2027 period focusing on partnership and multilevel governance and general provision making for investment funds with a territorial dimension, i.e. the ESIF, the possible future Social Climate Fund, the EAFRD and the future RRF where appropriate.

The structure and scope of the general provisions governing the EU investment Funds will be part of the Commission's strategic reflections for the post-2027 period. Partnership and multi-level governance will remain a key feature of cohesion policy.

40. The CoR calls also for special attention to be paid to the future of the European Social Fund (ESF) in order to incorporate a stronger territorial dimension and to enhance the role of local and regional authorities in its implementation.

The role of local and regional authorities is crucial and fully recognised as for the implementation of the European Social Fund in order to foster its territorial dimension and the attainments of its objectives both at local and global level.

45. The CoR already calls on the Commission to start a long-term reflection process

The Common Provisions Regulation for 2021-2027⁹ provides sharp simplification of audit rules,

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⁹ Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common

involving ESIF managing authorities at regional level in order to simplify management, control and audit rules, leading to a genuine reform with a view to the next cohesion policy legislative package for the post-2027 period.

notably through the promotion of the single audit principle, specific limitation on auditing for simplified cost option schemes and financing not linked to costs, and with the possibility under certain conditions for programme authorities to opt for enhanced proportionate arrangements with simplified audit procedures and sampling requirements. The Commission will assess how these simplifications have been taken up by the authorities cohesion managing policy programmes, notably with a view to explore possible further simplifications. The outcome of this assessment will be shared with the relevant stakeholders and managing authorities.

46. The CoR reiterates its request to implement a contract of trust between the Commission and the managing authorities for cohesion policy to make the ESIF funds attractive for project developers once more and so that programmes with a very low residual error rate in the 2021-2027 programming period can benefit from simplified management, control and audit rules for the next programming period.

Managing authorities are already rewarded, for the performance of their management and control systems, notably in the light of their error rates, granting them with enhanced proportionate arrangements for their management and control system.

51. The CoR therefore calls on the Commission to enhance the role of the regions in the management of the Structural and Investment Funds and to strengthen the legislative provisions linked to the partnership, particularly in view of the post-2027 period.

The Commission is committed to improve the quality of partnership in the programming and implementation of the cohesion policy programmes and closely followed the situation during the 2021-2027 negotiations. Building on the experiences of the thematic network on partnership in the 2014-2020 programming period, the Commission set up for 2021-2027 a European Community of Practice on Partnership, which met for the first time in April 2022. It gathered about 150 representatives of various stakeholders across all Common Provision Regulation Funds and European Agriculture Fund for Rural Development from all Member States and from

provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy; OJ L 231, 30.6.2021, p. 159–706.

various levels of governance. Its aim is to exchange best practices in the application of the partnership principle, review the application and functioning of the Code of Conduct and provide reflection for its possible update.

The Commission has also launched a study on the partnership principle to assess national and regional practices with a view to further enhance the effectiveness of partnership beyond the formal compliance with the rules. The findings will contribute to improving the application of the partnership principle and multi-level governance during the implementation of the 2021-2027 programmes and feed into the Commission's further reflections on the future of the policy.

55. The CoR regrets that the Cohesion Report only superficially addresses the challenges faced by regions with permanent geographical disadvantages and the outermost regions.

The Commission recognises the specific needs faced by islands, mountain areas or outermost regions and the Cohesion Report has identified the challenges facing the many different types of regions in Europe. When possible, the report provides evidence, for instance as highlighted in the box dedicated to the outermost regions or by stressing the impact of the COVID-19 pandemic on islands and mountain areas. However, the heterogeneity of the social and economic performance of these territories did not justify to address them in an isolated manner.

56. The CoR calls for a special focus on the regions with permanent geographical disadvantages defined in Article 174 TFEU, namely island regions, regions with very low population density, cross-border and mountain regions, and on the outermost regions in any reform project concerning the future of cohesion policy.

In accordance with the provisions of Article 174 of the Treaty on the Functioning of the European Union, the cohesion policy has consistently and continuously addressed the situation of these territories in the policy framework and will continue to do so in the future.

59. The CoR at the same time highlights the positive role metropolitan areas play in ensuring cohesive development through distributing wealth and benefits in a given area and forging more efficient urban-rural links.

The Commission agrees that Gross Domestic Product cannot solely capture the social, environmental and economic challenges faced by EU regions. In this regard, the allocation methodology for cohesion policy, detailed in

Reiterates that the GDP per capita does not give the full picture about their level of development and recommends the use of the Social Progress Index methodology to identify the most pressing challenges that need to be financed in the metropolitan areas by Cohesion Policy funds.

Annex XXVI of the Common **Provisions** Regulation, 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, providing a comprehensive assessment of them. The EU regional Social Progress Index was designed to help identify policy priorities, enabling Member States and managing authorities to address the challenges faced by metropolitan areas. The Commission will publish an updated regional Social Progress Index in 2023 and 2026.

N°10 Guidelines for the development of the trans-European transport network (TEN-T)

COM(2021) 810 final

COM(2021) 812 final

COM(2022) 384 final

COR-2022-01228 - COTER VII/019

151st plenary session – October 2022

Rapporteur: Isabelle BOUDINEAU (FR/PES)

DG MOVE - Commissioner VĂLEAN

Points of the European Committee of the Regions opinion considered essential

European Commission position

General

1. The European Committee of the Regions (CoR) supports the general nature of the Commission's proposal; considers it essential to have a regulation to establish a strategy for planning transport infrastructure at European level. Only this can ensure a satisfactory level of cohesion, coordination and interoperability.

The Commission welcomes the overall support of the Committee for the legislative TEN-T proposal.

2. The CoR believes that the transnational dimension of the TEN-T network provides strong European added value. Regional and local authorities can attest to the socioeconomic benefits of cross-border projects in their territories.

The Commission recalls that creating EU added value is indeed one of the main objectives of the TEN-T Regulation¹. For that reason, there is a special focus on overcoming infrastructural cross-border missing links and bottlenecks.

3. The CoR notes the geopolitical consequences of the Russian aggression in Ukraine and the need to address the vulnerability of the European transport system, which is now partly disconnected from the global market, particularly the food market; supports the suspension of European investments under the TEN-T network for projects involving Russia and Belarus, but calls for the development of better rail connections with Ukraine, in particular to promote the transport of essential

The Commission has indeed addressed those challenges via its amended proposal of 27 July 2022². The proposal extends four European Transport Corridors to Ukraine and Moldova, in view of better connecting these countries to the EU network. This will contribute to enhance traffic flows, notably exports of grain from Ukraine. With the same proposal the Commission removed from the TEN-T the networks of Russia and Belarus, and downgraded the last mile connections in the EU Member States to these two countries, from the

Regulation (EU) No 1315/2013 of the European Parliament and of the Council of 11 December 2013 on Union guidelines for the development of the trans-European transport network and repealing Decision No 661/2010/EU; OJ L 348, 20.12.2013, p. 1–128.

² COM(2022) 384 final.

raw materials. To this end, the planned increase in the CEF budget is welcome.

core network to the comprehensive network, thereby highlighting the lower priority of these connections.

4. The CoR welcomes the objectives assigned to TEN-T; stresses the importance of the regulation's contribution to combating climate change, particularly by supporting the development of the most climate-friendly modes of transport; at the same time, stresses the need to ensure that transport infrastructure is adapted to the effects of climate change and to the emergence of new risks.

The Commission welcomes the support of the Committee for the strengthened objectives to tackle climate change via inter alia the promotion of sustainable forms of transport. Provisions to improve the resilience of the transport network have been included throughout the legislative text.

Territorial Cohesion

- 5. The CoR welcomes the reaffirmation of territorial cohesion as a priority objective of the regulation for the whole core network, extended core network and comprehensive network; notes, therefore, that the TEN-T network follows the recommendation from the 8th Cohesion Report that every EU policy should contribute to European cohesion.
- Ensuring territorial cohesion was and remains indeed a central objective of the TEN-T Regulation.

- 6. The CoR recommends that the Commission define the "do no harm to cohesion" principle developed in the 8th Cohesion Report, in order to make it possible to monitor how it is applied to TEN-T and in particular to projects of common interest.
- The 'do no significant harm' principle has been enshrined in the revised legislative text. However, the Commission considers that the TEN-T Regulation would not be the right place to define this principle further as it concerns a much broader area than just transport. For this reason, reference to other EU guidance documents is made in the revised TEN-T Regulation.
- 7. The CoR believes that the TEN-T must take into account the diversity of challenges facing EU regions. In this regard, welcomes the attention paid to rural, remote, mountainous, sparsely populated, peripheral, island and outermost regions and points out that regions not included in these categories also have to deal with a wide variety of territories and challenges arising in them.
- Cohesion of the EU territory is one of the objectives of the TEN-T regulation and connecting all regions across the EU has always been its central objective. While the TEN-T core network concentrates on the main traffic flow in the EU, the comprehensive network ensures that all regions, in particular peripheral regions, are well connected with transport infrastructure.

8. The CoR points out that achieving the territorial cohesion objective requires the network as a whole to establish a strong and efficient connection with secondary transport networks beyond the TEN-T framework.

Better integrating the TEN-T network with the overall transport network is indeed one of the objectives of the revision. In this regard the Commission would like to point to the increased focus on urban nodes with the aim to better integrate those in the TEN-T and to assure seamless transfer between modes and from the TEN-T to the local or regional networks.

9. The CoR recognises the relevance of common and ambitious technical measures that make it possible to ensure the continuity and interoperability of the network; points out, however, that the diversity of European regions makes it difficult to maintain the timetable for implementing the technical standards laid down in the Commission proposal, in particular the minimum speed, electrification and gauge requirements for railway sections, the implementation of which would require far too much investment.

The Commission would like to highlight that the TEN-T network consists of the major arteries of the transport network with the highest traffic flows and connecting the major urban centres across the EU. Only through a network at highest standards that is fully interoperable one can achieve the ambitions of the European Green Deal³ and of the Smart and Sustainable Mobility Strategy⁴. Interoperability and seamless transport operations between the core and the comprehensive network can only be assured if both types of networks largely meet the same standards. However, the proposal provides also for exemptions in case an investment cannot be justified or where there are specific geographic or significant physical constraints.

10. The CoR points out that, alongside the large European transport axes of the core and extended networks, bridging missing links at regional level can also make a significant contribution to the development of cross-border rail connections. By connecting border regions more effectively, Europe will become more integrated in a tangible way and offer citizens the possibility of enjoying climate-friendly, cross-border mobility.

The revised Regulation puts indeed a focus not only on the large European transport axes through the development of the European Transport Corridors, but also pays particular attention to bridging missing links as one core objective and priority of the TEN-T. To this end, the Commission also attempted to increase the number of cross-border connections in the revision process. However, it must be noted that the comprehensive TEN-T network is defined together with the Member States. Adding additional cross-border sections thus requires the approval of the Member States concerned in line with Article 172 of the Treaty on the Functioning of the European

³ COM(2019) 640 final.

⁴ COM(2020) 789 final.

Union (TFEU).

Governance

11. The CoR stresses that regional and local authorities actively contribute to the planning and financing of transport infrastructure in their territories, some of which are part of the TEN-T network, and calls, therefore, for them to be better involved in the TEN-T governance structure, in particular by fully involving them in the corridor forum beyond the mere observer role currently assigned to them.

The Commission would like to stress that while indeed it is up to the European Coordinator to formally establish the Corridor Forum and the Member States to agree on the members of the forum, the Commission fully encourages the involvement of local and regional authorities as formal members of the Forum. Already under the current Regulation, local and regional authorities are invited as formal members of the Corridor Forum and actively contribute and bring their projects and issues forward. They have thus no mere observer status already in the current setting.

12. The CoR recognises, however, that, despite these potential improvements, the Commission's proposal respects the principle of subsidiarity: the trans-European transport network brings undeniable European added value across the borders of the Member States by aligning the planning efforts of states, regions and cities, particularly through the increased role of urban nodes in the draft regulation.

The Commission would like to stress that the revised TEN-T Regulation indeed fully respects the principle of subsidiarity whilst putting an increased focus on urban nodes in the TEN-T context.

13. The CoR notes many examples of crossborder sections where implementation is adversely affected by a lack of political attention at national level, a lack of coordination and cumbersome uncoordinated administrative procedures. The Commission shares the Committee's concerns. It is for this reason that the revised TEN-T Regulation proposes to strengthen the role of the European Coordinators as well as to better align national planning with TEN-T planning and policy goals. Most importantly, the Commission considers its proposal with regard to implementing acts per Corridors or per cross-border section that shall bring the clear push, coordination and monitoring with regard to the realisation of cross-border sections vital.

14. The CoR calls for the governance of the TEN-T network to be significantly strengthened in order to facilitate its implementation, in particular for missing

The Commission welcomes the support of the Committee for its proposals to strengthen the rules for the implementation of the TEN-T and the reinforced governance instruments. On top of the

cross-border links; welcomes, in relation to this, the Commission's proposals to strengthen the role of coordinators and encourage the coordination of national plans with European policies. reinforced role of the Coordinators and the alignment of national plans with the TEN-T objectives, the Commission proposal also provides that the Commission shall adopt implementing acts for each corridor, on the basis of the work plans. The implementing acts will ensure a coherent priority setting of infrastructure and investment planning.

15. The CoR considers that the merging of the core network corridors and the rail freight corridors within the European transport corridors has significantly improved network governance and should lead to better coordination and implementation. Is surprised that the alignment effected by the Commission in its proposal does not cover seaports located on rail freight corridors.

The Commission welcomes the support of the Committee for its proposals to integrate the Core Network Corridors and the Rail Freight Corridors into the European Transport Corridors. The Commission would like to clarify that ports are added to the TEN-T following strict volume criteria and/or geographical criteria, which are set out in the TEN-T methodology.

Urban nodes

16. The CoR points out that the sustainability of urban mobility, together with that of long-distance travel, is a key element in achieving the TEN-T objectives, and more broadly those of the European Green Deal.

The Commission fully agrees with the Committee's assessment. This is one of the reasons why the role and number of urban nodes has been increased in the TEN-T proposal with the aim to assure seamless transfer between modes and from the TEN-T to the urban mobility networks.

17. The CoR stresses that the third IPCC report identifies urban development policies, including urban mobility, as an opportunity to reduce greenhouse gas emissions. Points out, in this regard, the importance of active mobility, the development of which requires coherent infrastructure across urban nodes.

The Commission would like to point out that the TEN-T has its main focus on interregional connectivity and long-distance transport. The focus with regard to urban nodes is therefore put on a better interconnection of local transport with regional, interregional and international transport. Therefore, a better interconnection of active modes with the long-distance TEN-T network has been enshrined as objective in the TEN-T proposal.

18. The CoR notes the need to put in place sustainable urban mobility plans (SUMPs). Is of the view that SUMPs help to strengthen a multilevel governance model by integrating mobility planning and spatial planning strategies at local and regional level within the

The Commission welcomes the Committee's support for its provisions on sustainable urban mobility plans (SUMPs) in the TEN-T Regulation.

TEN-T.

19. The CoR notes that for sparsely populated and island regions, an approach that is more tailored to their characteristics should be adopted.

The Commission would like to emphasize that it fully recognises the specificities of sparsely populated regions and islands. It is for this reason the proposal includes an exemption mechanism from the TEN-T requirements in cases investments cannot be justified or where there are geographic or significant physical specific constraints. Furthermore, the TEN-T planning methodology takes the specificities of such regions into account e.g. by applying geographical criteria to determine ports or airports in addition to the volume criteria and by ensuring that such regions are well connected to the TEN-T network.

20. The CoR suggests that the criteria for sustainable urban mobility plans (SUMPs) should emphasise flexibility so that these plans can be integrated successfully into existing plans. Urban nodes should not be burdened by large-scale data provision and related procedures. As the number of urban nodes increases, EU funding for such nodes needs to be increased accordingly.

The Commission welcomes the Committee's suggestions. The Commission would like to clarify that the provisions on SUMPs in the proposal allow for maximum flexibility as regards the content and the scope of each SUMP that should be decided at local level. Moreover, the Commission would like to highlight that there is a need to gather coherent data at European level for the monitoring of urban mobility. It considers it therefore crucial that a certain number of sustainable mobility indicators are collected at the level of the TEN-T urban nodes.

Modes of transport

21. The CoR points out that waterborne and rail transport are climate-friendly modes of transport, and therefore encourages their development within the framework of TEN-T.

The Commission agrees with the Committee and would like to point out that the TEN-T Regulation precisely focuses on promoting the most sustainable forms of transport.

22. The CoR welcomes the significant improvements in the management of railway infrastructure, but stresses the efforts still to be made in terms of interoperability and continuity in order to achieve an efficient rail network for freight and passengers at European level.

The Commission fully agrees with the Committee on the challenges of ensuring interoperability and network continuity. By establishing the European Transport Corridors, the TEN-T proposal aims to address these issues. The Commission proposal includes two targets in terms of speed on the core and extended core network (100 km/h for the freight lines and 160 km/h for the passenger lines),

which should contribute to better services. The proposal also includes operational targets that shall be met by freight trains (maximum time at border crossing and punctuality).

23. The CoR welcomes the strengthening of the TEN-T maritime pillar and in particular the extension of eligibility for funding to all maritime sections between TEN-T ports, which should facilitate the development of coastal trading in order to encourage a modal shift from road to sea and the connectivity of island and outermost regions.

The former concept of Motorways of the Sea has been reinforced by the new concept of European Maritime Space, putting short-sea shipping connections on an equal footing with the other sustainable transport modes addressed by the TEN -T. In addition, the European Maritime Space opens up the possibility to finance short-sea shipping connections in a much wider dimension, e.g. domestic connections or connections with third countries. However, it needs to be underlined that the TEN-T Regulation does not define eligibility rules; this is up to other regulations such as the Connecting Europe Facility (CEF)⁵.

Financing the TEN-T network

24. The CoR points out that completing the TEN-T network on time is a priority for regional and local authorities, but stresses that the budget of the Connecting Europe Facility is still minuscule in view of the scale of the amounts that need to be mobilised, and regrets that it is impossible for many regions to use structural funds to help fill this funding gap; Furthermore, the assessment of the economic viability of projects of common interest should take into account, in addition to the benefit-cost analysis, the different socio-economic and geographical circumstances of the Member States, such as distances and traffic volumes, as well as the projects' wider economic impact. Consideration must also be given to the feasibility of the requirements imposed on the Member States in terms of time and financial conditions.

The Commission acknowledges the high investment needs that follow from the implementation of the TEN-T requirements. The development of the TEN-T network will be funded by various sources such as national budgets, private finance, EU sources etc. Experience with the implementation of the TEN-T shows that in recent years actual funds allocated to the network have matched the estimated funding needs.

Furthermore, the Commission would like to stress that socio-economic and geographical circumstances are explicitly taken into account in the legislative text.

Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010; OJ L 348, 20.12.2013, p. 129–171.

25. The CoR notes that the third IPCC report recommends encouraging more climate-efficient mobility choices. Regrets, therefore, that there is no mechanism to encourage a modal shift towards the most climate-friendly modes of transport.

The Commission would like to point out that it is at the very heart of the TEN-T Regulation to promote more sustainable modes of transport in order to move towards more sustainable modal composition of the transport system that would contribute to achieving EU environmental and climate objectives. By improving the infrastructure of such modes, TEN-T aims to incite a shift of passengers and goods to those modes.

26. The CoR stresses the necessity of financial support for maintaining the TEN-T network throughout the project lifecycle and the need to guarantee the long-term sustainability of funding in transport infrastructure.

Without prejudging the responsibility of Member States when it comes to the maintenance of the network the Commission proposal specifically includes provisions to ensure that the infrastructure of the trans-European transport network is maintained in a way that it provides the same level of service and safety during its lifetime.

Action plan to boost long-distance and cross-border passenger rail

27. The CoR is pleased that the action plan encourages the establishment of a uniform European framework and the removal of remaining barriers to cross-border and long-distance rail services.

The Commission welcomes the Committee's opinion on the action plan to boost long-distance and cross-border passenger rail.

N°11 The New EU Urban Mobility Framework

COM(2021) 811 final

COR-2022-00952 - COTER VII/020

151st plenary session – October 2022

Rapporteur: Linda GAASCH (LU/GREENS)

DG MOVE – Commissioner VĂLEAN

Points of the European Committee of the Regions opinion considered essential

European Commission position

Policy Recommendations

- 2. The European Committee of the Regions (CoR) underscores the need for an effective multilevel governance approach based on active subsidiarity for the delivery of the objectives of the EU's Smart and Sustainable Mobility Strategy; calls on the EU level to reinforce direct dialogue with LRAs to this end and to reinforce the funding opportunities available under the EU budget as part of an active subsidiarity approach.
- 3. The CoR recalls that the economic growth of urban centres is directly linked to the fluidity of mobility, and that the fluidity of mobility is dependent on a strong public transport backbone; underlines that, in addition to the environmental impact, congestion costs EUR 270 billion per year¹ at EU level. Recalls the chronic underfunding of public transport infrastructure over recent decades, and emphasises the need to increase EU funding to accelerate the mobility transition and support LRAs in the investments required to meet the EU's sustainability targets.
- 8. The CoR regrets, in this regard, that, despite, these advantages, the most polluting transport modes in cities, i.e. individual petrol and diesel vehicles, occupy the largest part of public space dedicated to mobility; requests urgently that the

The Commission agrees that an effective multilevel governance approach is needed, and therefore it has reformed the Commission expert group on urban mobility, which now has also representatives of local and regional authorities as members while the Committee has an observer status.

Cohesion policy, through Cohesion Fund and European Regional Development Fund (ERDF) programmes, is a major source of EU funding for investments in sustainable, multimodal urban mobility. These programmes are implemented under shared management, i.e. in a multi-level governance and partnership approach, with a central role played by regional and local authorities. Furthermore, Interreg programmes support regional and local cooperation across-borders.

The Commission acknowledges the need for significant efforts in terms of support for developing and testing new solutions as well as investing in mobile assets and infrastructure. Targeted financial support has been a key factor for development and implementation of many urban mobility measures across the EU.

In the period 2014-2020, a particular emphasis was placed on the European Structural and Investment Funds and the financial support provided under the Connecting Europe Facility to urban node projects

ECA special report 06/2020: https://www.eca.europa.eu/en/Pages/DocItem.aspx?did=53246.

European Commission encourage, through new financing, local authorities to give this space back to more active mobility such as walking or cycling and strong and well-structured and integrated public transport. on TEN-T network.

In the MFF financing period 2021-2027 Member States have the opportunity to continue to support the urban mobility projects through a wide range of financing instruments complementing each other while focusing on different scopes.

In line with recommendations of European Court of Auditors (special report 2020), in the process of preparation of the programming documentation or project applications with the Member States for the 2021-27 programming period, the Commission is working with the Member States partners to ensure that the support is linked to the existence of an integrated urban mobility strategy (e.g. Sustainable Urban Mobility Plan or equivalent plan). The existence of an integrated urban mobility strategy (Sustainable Urban Mobility Plan or equivalent) can give additional assurance on the effectiveness and efficiency of investments as part of a systemic approach.

With this, in the financing period 2021-2027, several funding and financing instruments at European and national levels are available for support of urban mobility measures, such as the Connecting Europe Facility, InvestEU, the European Regional Development Fund, the Cohesion Fund, Horizon Europe R&I Framework Programme, Digital Europe Programme and the Recovery and Resilience Facility, are available to support the transition towards sustainable urban mobility; and Neighbourhood, Development and International Cooperation Instrument (NDICI) and Pre-accession Assistance (IPA III) the enlargement region. Moreover, those cities that joined the Climate Neutral Cities Mission can seek to access the funding, including from Horizon Europe that has been allocated to this mission.

Local and regional authorities therefore have different options to obtaining funding. On the one hand, they can liaise with national authorities and explore many of the funding opportunities mentioned above. On the other hand, the EU

Climate Neutral Cities mission comes with funding that is awarded directly to cities based on their climate-neutrality plans.

9. The CoR confirms its support for the reinforced focus on Sustainable Urban Mobility Plans (SUMPs) and the objective of a more harmonised approach across the EU; emphasises the environmental and societal benefits of active mobility such as walking and cycling, including particularly in the domain of public health, and calls for an ambitious approach in the forthcoming updated SUMP guidance; calls for an integrated approach to space allocation and spatial planning drawing on best-practices in this area and a comprehensive safety approach in urban areas; stresses particularly the importance of active involvement of citizens, and in particular women and persons with disabilities, for increased ownership of changes in allocation of space and enhancement of public transport in urban areas.

The Commission welcomes the support for the reinforced approach on sustainable urban mobility plans. Active mobility, public transport, safety, and active involvement of citizens have been indeed identified as a key elements of the EU urban mobility framework.

It also agrees that there is a need for an integrated approach to planning and is supporting it, through e.g. the Horizon Europe mission work programme.

The Commission is supportive of initiatives at municipal level aimed at increasing the safety and feeling of security of active road users, such as segregated cycle lanes, pedestrianisation of city centres and well-designed road crossings.

7. The CoR highlights that walking entails no costs for the pedestrian, and is healthy, and sustainable; stresses that cycling is a carbon-neutral and affordable transport alternative that can easily be combined with other transport modes; therefore encourages the Commission to promote awareness-raising measures on the benefits of active mobility over the use of private vehicles, putting particular emphasis on how active mobility can prevent diseases linked to sedentary lifestyles, such as cardiovascular diseases, obesity and diabetes.

The Commission agrees on the importance of active mobility and points out that promotion of active modes of mobility is in the focus of the annual EU awareness-raising campaign European Mobility Week.

16. The CoR proposes an EU-wide 'safe active mobility strategy' to encourage a coordinated European response to the challenge of making walking and cycling as safe as possible.

12. The CoR requests the Commission to accelerate their work towards a European Cycling Strategy, as first discussed during the

The Commission agrees with the importance of cycling and believes that this is already being reflected in its policy priorities. As announced by

informal Council of Transport Ministers in 2015, in order to provide a European framework and guidelines for cycling policies.

Executive Vice President Frans Timmermans at the Cycling Summit in June 2022 in Copenhagen, informal consultations with Parliament and Council are on-going to work towards an inter-institutional EU Declaration on Cycling and other forms of active mobility. The process is still ongoing and particularly driven by TRAN Committee Chair Karima Delli and the interested Member States.

15. The CoR regrets that the Commission's TEN-T proposal does not currently provide for bike-sharing/storage facilities and direct access routes into the multimodal hubs of TEN-T urban nodes.

The Commission proposal for a revised TEN-T Regulation² includes specific requirements for urban nodes as regards multimodal mobility. Specifically, the proposal requires Member States to ensure sustainable, seamless and safe interconnection between rail, road and air, the active modes of transport and, as appropriate, inland waterway and maritime infrastructure for passenger transport within the 424 urban nodes designated within Annex II of the proposal.

17. The CoR calls for another Euro emission standard for cars, vans, trucks and buses (Euro 7/VII) in order to reduce the emission of toxic pollutants (i.e. nitrogen oxide, ammonia, carbon monoxide and particulate matter PM 10-2.5) and to avoid tens of thousands of premature deaths each year; deeply regrets the European Commission's decision to again delay the Euro 7/VII proposals in its 2022 Work Programme, which casts doubt over its "Zero Pollution Ambition" and its commitment to the European Green Deal, and jeopardises the industry's ability to plan engineering changes.

The Euro 7 proposal on type-approval of motor vehicles and engines and of systems, components and separate technical units intended for such vehicles, with respect to their emissions and battery durability (Euro 7) was adopted by the Commission on 10 November 2022³.

21. The CoR welcomes the intention signalled by the Commission to 'work with national and local administrations and all stakeholders to ensure that [public transport] remains the backbone of urban mobility'; highlights the need to coordinate all available tools and resources to that end, including the important role of Public

The Commission agrees. However, it would suggest stressing the importance of the applicable principles of EU public procurement law, in particular the principle of competitive award of public service contracts, for the efficient provision of urban mobility services.

² COM(2021) 812 final.

³ COM(2022) 586 final.

Service Obligations (PSOs) in ensuring connectivity with urban centres.

27. The CoR points to the need for measures to encourage the deployment of on-demand public transport services, especially in peripheral and outermost rural areas, and calls on the Commission to provide both support for trialling such solutions and a system for financing and subsidising this type of service.

Supporting public transport, including demand responsive transport, is in the centre of the EU urban mobility policy. Demand responsive transport is one of the key elements of successful mobility solutions for rural and peri-urban areas. It was tested in two pilot EP-financed projects called Smarta 1 and Smarta 2.

Smarta 1 identified a set of good practices in the rural mobility area and Smarta 2 looked at the implementation of demonstrators.

The upcoming Smarta 3 project will focus on creating network of rural communities to facilitate deployment and mobility for sustainable tourism and rural areas.

See the reply to point 2 regarding financing opportunities that cover also public transport.

30. The CoR calls on the Commission to explore the possibility of supporting joint public procurement for public transport operators or LRAs wishing to join forces in this area in order to achieve more sustainable and standardised buying processes; calls for a renewed EU funding mechanism to support the procurement of clean buses and highlights the need to ensure that EU budgetary rules are compatible with the realities of rolling stock purchases.

The Resilience and Recovery Facility (RRF) has been used by several Member States to provide financial support to the procurement of zero-emission buses. The Alternative Fuels Infrastructure Facility also offers financial support to the deployment of bus recharging and refuelling points for public transport services in urban nodes.

Additionally, the Clean Bus Europe Platform provides technical support as well as a forum to exchange experiences and good practices across cities. The Commission agrees that joint procurement represents another important tool for cities and public transport authorities to exploit economies of scale and further reduce the effort required for the transition to clean public transport, and the Commission is willing to explore ideas further with the Committee of the Regions.

The Commission would also like to point out that joint procurement of buses is covered in a

dedicated SUMP guidance document on Public Procurement of Sustainable Urban Mobility Measures⁴.

35. The CoR highlights the significant impact of introducing overall speed reductions improving road safety in urban areas as first formulated by the Commission of the European Communities in their Communication on "Speed Limits in the Community"; reiterates the European Parliament's call on the Commission to issue a recommendation for the Member States for a 30 km/hour speed limit on relevant streets in urban areas and highlights the positive impact this policy change has shown in different cities by reducing road casualties and generally having a positive impact on health in cities, as also endorsed by the 3rd Global Ministerial Conference on Road Safety in February 2020 and subsequently by the General Assembly of the UN.

In the Save Energy communication, which was adopted as part of the RepowerEU package on 18 May 2022⁵, the Commission included among a list of targeted measures able to generate significant energy savings a recommendation to introduce reduced speed zones in urban areas. The Commission looks forward to seeing these measures introduced in many municipalities, regions and Member States across Europe.

Furthermore, addressing excessive speed is already inherent in many of the policy, financing and outreach initiatives that we are promoting at EU level, such as the key performance indicators (KPIs), developed with Member States experts, which include speed management, and the European Road Safety Exchange project, which covered speed limit enforcement as a core topic. National, regional and local authorities are best placed to define both the most appropriate speed limits and the specific speed management interventions that correspond to local factors including traffic patterns and volumes, environment, the condition and design of the roads and of the vehicle fleet. Many cities across the EU have adopted speed management initiatives. Others have opted for other measures, for example, focused on improving infrastructure design, better risk identification and management or traffic flow separation.

The Commission will continue to monitor and support these interventions and to promote crossborder cooperation and exchanges of best practice.

36. The CoR underlines the positive impact carfree days have on cities, as they offer opportunities for citizens to explore alternative modes of transport and help citizens to re-claim The Commission agrees and points out that it encourages cities to organise a car-free day in the framework of its annual European Mobility Week campaign.

⁴ https://www.eltis.org/mobility-plans/topic-guides#faq-Public-Procurement-of-Sustainable-Urban-Mobility-Measures

⁵ COM (2022) 230 final.

ownership of public spaces; calls on the European Commission to put forward a proposal to invite cities in the EU to designate at least one harmonised day per year as a car-free day.

38. The CoR calls on the Commission to take up these recommendations in its forthcoming guidance on quality infrastructure for vulnerable road users.

The Commission has committed to producing guidance on quality infrastructure for vulnerable road users and will be progressing work on this issue with the Expert Group on Road Infrastructure Safety (EGRIS) in the course of 2023.

40. The CoR emphasises the importance of accelerating progress towards integrated ticketing across all public transport modes; calls on the Commission to envisage the development of a standardised EU app, under a common rule, in order to facilitate access in cities across the EU and promote the use of public transport, positively impacting both rail tourism and commuting.

A new proposal on Multimodal Digital Mobility Services is expected to be adopted on 21 June 2023. The Commission will consider putting in place the enablers facilitating the development of ticketing applications across the EU, with the objective of promoting the most sustainable transport options positively impacting both rail tourism and commuting.

45. The CoR confirms its support for the reinforced focus on Sustainable Urban Mobility Plans (SUMPs), in the context of the UMF and, as a mandatory requirement for the 400+ urban nodes defined under the proposed revision of the TEN-T Regulation. However, cities/municipalities that have already developed plans that meet the requirements for SUMPs should be able to use those plans.

The Commission agrees with the statement. Urban nodes were proposed to develop Sustainable Urban Mobility Plans (SUMPs) that outlined Annex V ofrequirements in the Commission proposal for a revised TEN-T Regulation. In order to ensure continuity with SUMPs prepared earlier, these requirements were based on key elements of the 2013 SUMP concept that serves as a recommended basis for developing SUMPs.

46. The CoR also supports the recommendation, that cities adopt SUMPs; however, stresses the need to draw up SUMPs that can be extended to areas with various municipalities that function as metropolitan areas or urban agglomerations.

The Commission presented a concept for sustainable urban mobility plans as part of the 2013 Urban Mobility Package. Within this concept, the Commission argued for a comprehensive form of planning that cover sustainable mobility and transport to, through and within the urban area. A sustainable urban mobility plan should regard the needs of the 'functioning city' and its hinterland rather than a municipal administrative region.

The New EU Urban Mobility Framework embeds this approach. It is designed to support European cities in their journey to reduce emissions and improve mobility in a sustainable manner. It considers the entire functional urban area beyond cities boundaries that generates demand within the cities (rural-urban linkages).

Furthermore, this approach was also followed in the Commission proposal for a revised TEN-T Regulation⁶. Article (3)0 provides the definition of a SUMP based on the functional urban area approach:

'sustainable urban mobility plan' (SUMP) means a document for strategic mobility planning, aiming at improving accessibility to and mobility within the functional urban area (including commuting zones) for people, businesses and goods.'

The Commission considers it crucial that SUMPs are integrated into a comprehensive approach for the development of the transport network, as well as into a cross-sectorial sustainable local development strategy.

47. The CoR welcomes the Commission's intention to request Member States long-term **SUMP** implement support programmes in order to help build capacity and implementation of SUMPs in compliance with EU SUMP guidelines and calls for mandatory close cooperation with LRAs in that context; calls on the Commission to work towards close cooperation between the envisaged SUMP national programme managers and representatives of local and regional authorities on the ground, and to monitor this cooperation in practice.

The Commission shares the same opinion. Within the reformed Expert Group on Urban Mobility, the Commission will work together with representatives of Member States, cities and urban mobility organizations on a number of topics, including sustainable urban mobility planning. The first meeting of the expert group took place on 25 October 2022.

48. The CoR emphasises that to address the mobility transition in urban areas, it is critical for SUMPs to efficiently cover functional areas as a whole; calls on the Commission to consider ways of incentivising improved connectivity and access to mobility services in suburban,

See the reply to paragraphs 27 and 46.

⁶ COM(2021) 812 final.

peri-urban and surrounding rural areas.

49. The CoR welcomes the announced streamlined set of indicators and benchmarking tools scheduled to be published by the end of 2022, as well as the planned CEF Programme Support Action to support TEN-T urban nodes in this area. However, it is important to ensure that the development and monitoring of indicators does not result in an excessive workload for cities/municipalities.

52. The CoR insists, while supporting the development of SUMPs, and in order to respect the subsidiarity principle, that the Commission should reinforce direct consultation of European cities and their associations in its ongoing and future work on indicators for SUMPs. The CoR duly notes the involvement of some 50 cities in the recent pilot project on the development of sustainable urban mobility indicators (SUMI), and points out in parallel that many European cities have already developed quality SUMPs with operational indicators. Wider outreach and more direct information flows between the EU and LRA levels could be facilitated in future by the CoR, in order to ensure that indicators proposed by the Commission do not create red tape or unnecessary burden for local and regional authorities;

57. The CoR calls on the Commission to provide a more detailed overview of the funding sources available for urban mobility and on the ways in which these resources may be accessed by LRAs; underscores in parallel the critical importance of long-term strategies and long-term budgets to provide a stable framework for urban mobility planning and investment.

The Commission agrees. It aims to develop a set of sustainable urban mobility indicators that provide reliable and relevant data to decision makers and serve as a solid basis for policymaking.

At the same time, the Commission seeks to develop realistic indicators cities can work with relatively easily. The cost of obtaining data and the related administrative capacity in cities will be taken into consideration.

During 2023, the Commission will work together with European cities and stakeholders on the proposed methodology for calculating these indicators and mobilize expertise and funding from Connecting Europe Facility Programme Support Action (CEF PSA) to support cities in improving their data collection systems.

The Commission would refer to the already existing overview of funding for EU cities covering also transport, including urban mobility⁷. In addition, a dedicated section of ELTIS, the EU urban mobility observatory, provides information about funding opportunities for urban mobility⁸. Moreover, in the frame of the European Urban Initiative⁹ under cohesion policy, a Knowledge Sharing Platform is being set up that will interconnect progressively with the most significant

https://ec.europa.eu/info/eu-regional-and-urban-development/topics/cities-and-urban-development/funding-cities_en.

⁸ https://www.eltis.org/in-brief/eu-funding.

https://www.urban-initiative.eu/

urban-focused EU initiatives and programmes with the view of explaining their main content and related funding resources, including in the area of urban mobility.

60. The CoR points to the expectations of many LRAs for the EU level to provide for stronger measures to encourage the internalisation of external costs in the transport sector and more systematic application of the polluter pays and user pays principles; points to the need for a supportive framework to accompany the efforts of LRAs in this regard.

The Commission agrees and points out that this is in line with the Sustainable and Smart Mobility Strategy¹⁰, which calls for the 'polluter pays' and 'user pays' principles to be implemented without delay in all transport modes, and mentions that the Commission will pursue a comprehensive set of measures to deliver fair and efficient pricing across all transport modes.

62. The CoR underscores the need for an effective multilevel governance approach based subsidiarity; welcomes on active the Commission's intention to associate LRAs more closely in the reformed Expert Group on Urban Mobility (EGUM) alongside Member State representatives, and calls on the Commission to associate the CoR in this context; emphasises the importance of reinforcing the representation of the main active mobility actors (pedestrians and cyclists), as well as public transport users, in urban mobility planning.

The Commission agrees; it has already granted the Committee an observer status in the reformed expert group on urban mobility.

63. The CoR calls for the exchange of best practices with a focus on an adequate infrastructure that provides for safe and comfortable spaces for active mobility such as walking and cycling; in that regard highlights the importance of separated lanes for pedestrians and cyclists.

The new expert group on urban mobility, operational since October 2022, is the relevant forum for the exchange of best practices on active mobility.

64. With regard to road safety, the CoR calls for an exchange of experience to date and best practices to ensure an approach which is conducive to triggering behavioural change. The Commission facilitates exchanges of experience on urban road safety in many fora, notably the High Level Group on Road Safety, made up of senior officials in charge of road safety in the EU Member States; but also through the EU Road Safety Exchange, which allows countries that are below the EU average in terms of road safety to

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¹⁰ COM(2020) 789 final.

learn from those that are performing strongly; the European Road Safety Charter, which highlights good practices and rewards effective initiatives; and also through the ELTIS urban mobility observatory and the annual European Mobility Week initiatives.

65. The CoR welcomes the high level of interest expressed by EU cities in the EU Climateneutral and Smart Cities Mission, reflecting both the strong commitment of many EU cities to delivering on the mobility transition, but also the need for additional support – financially, technically and strategically – from the EU level; calls on the Commission to maintain this momentum by providing for as active an involvement as possible of all EU cities wishing to be associated.

The Commission agrees and points that one of the two goals of the Mission is that the 100 selected cities act as experimentation and innovation hubs to put all European cities in the position to become climate-neutral by 2050.

66. The CoR insists, in particular, that the EU Climate-neutral and Smart Cities Mission and the "100 climate-neutral cities" should not increase inequalities and divergences between the most advanced cities and the ones lagging behind; calls for close attention to be paid to the Mission's objective of supporting all EU cities in the green transition.

The Commission agrees; this has been already reflected in the selection of cities.

68. The CoR calls for an EU-wide exchange of best practices on the affordability of public transport; further asks the Commission to conduct a study on the feasibility of implementing a free public transport system across the EU in order to incentivise modal shift. This study should address both social and financial aspects, incl. the current role of ticket sales in offsetting increasing running costs borne by LRAs and public transport operators.

The new expert group on urban mobility is the relevant forum for the exchange of best practices on the affordability of public transport. The Commission takes note of the call to conduct a study on the feasibility of implementing a free public transport system across the EU in order to incentivise modal shift.

N°12 Protecting Industrial and Craft Geographical Indications in the European Union (revised)

COM(2021) 174 final

COR-2022-02982 - ECON-VII/025

149th plenary session – April 2022

Rapporteur: Martine PINVILLE (FR/PES)

DG GROW - Commissioner BRETON

Points of the European Committee of the Regions opinion considered essential

European Commission position

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

N°13 Updating the new Industrial Strategy for Europe

COR-2021-02688 - ECON-VII/017

147th Plenary Session – December 2021

Rapporteur: Jeannette BALJEU (NL/ Renew E.)

DG GROW - Commissioner BRETON

Points of the European Committee of the Regions opinion considered essential

European Commission position

1. The European Committee of the Regions (CoR) welcomes, from a general perspective, the update of the Industrial Strategy recommends, however, that the Commission link it more closely to the European Green Deal and its 2050 climate-neutrality objective by setting concrete short-, medium- and long-term objectives, ...

One of the Industrial Strategy goals is to accelerate the green and digital transition across the EU territory, which in turn helps to bring about the Green Deal while safeguarding a competitive European economy for the medium and long term and ensure the resilience of the EU's economy.

The Commission presented a Green Deal Industrial Plan on 1 February 2023. This plan is meant to make Europe the home of clean tech and industrial innovation on the road to net zero. It will be covering four key pillars: the regulatory environment, financing, skills and trade.

4. The CoR stresses the need for an inclusive industrial strategy that creates value across European regions and takes into account the unique characteristics of all areas, such as the outermost regions; the EU needs an industrial pipeline for the whole innovation Furthermore, the industrial strategy should be adapted to the current needs of Member States, based on local and regional development needs. To this end, efforts should be made to achieve greater security of supply, resilience and independence by diversifying supply chains.

The new industrial policy is implemented in parallel with the Commission's regional policy including its renewed Strategy for the outermost regions¹. The EU's green and digital transitions include numerous process and product innovations. Industrial alliances, Important Projects of Common European Interest (IPCEIs) and other policy tools can help realise these innovations. The European skills agenda² complements the industrial strategy.

The Commission is analysing the EU's strategic dependencies and shortages (also in view of Russia's unprovoked and unjustified invasion of Ukraine) and addresses some of those, most visibly with the European Chips Act proposal³ as well as its upcoming Critical Raw Materials Act⁴ proposal.

https://ec.europa.eu/commission/presscorner/detail/en/IP 22 2727

https://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=9723&furtherNews=yes#navItem-1

³ COM(2022) 46 final.

https://ec.europa.eu/commission/presscorner/detail/en/STATEMENT 22 5523

In the energy field, REPowerEU⁵ ensures that European energy independence improves by facilitating the saving of energy, clean energy deployment and diversification of Europe's energy supplies.

5. The CoR recognises growing concerns about the uneven recovery from the pandemic in various European regions. The EU must reinforce its efforts to close this gap by supporting businesses, including those from rural and less developed areas.

In addition to its existing regional policies, the Commission has addressed the needs of rural and less developed regions in recovery and resilience plans as well as in the context of the Just Transition Mechanism.

6. The CoR stresses that industry will face challenges in implementing the objectives of the Fit for 55 package and that local and regional authorities should be involved in discussions on how to ensure that infrastructure proposals for renewable transport, autonomous driving and possible retraining measures are successfully implemented.

The Commission proposal for a revision of the Intelligent Transport Systems Directive⁶ includes the mandatory availability of crucial data to support safer and more efficient driving in the short term and higher levels of automation in the longer term. This will require efforts from, and collaboration with local authorities and regions.

The proposal for a new Alternative Fuels Infrastructure Regulation (AFIR)⁷ takes into account the specific situation in each Member State through fleet-based targets, while also ensuring, that a minimum infrastructure is deployed to allow that alternative fuel vehicles can be operated smoothly across the EU. The proposal also requires Member States to take into account the interests of regional and local authorities and stakeholders in the context of their National Policy Frameworks.

7. The CoR stresses the need to strengthen the regional ecosystem approach, so as to effectively involve key actors at local and regional level, such as governments, clusters and cluster organisations, and the social partners, as well as knowledge institutions (including universities of applied science with a

The European Cluster Collaboration Platform specifically focuses on encouraging collaboration between industry clusters through exchange, tailored events and knowledge sharing activities. In terms of involving key actors at local and regional level, the Clusters Meets Regions initiative, involving a series of 15 transnational workshops

https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/repowereu-affordable-secure-and-sustainable-energy-europe en

Directive 2010/40/EU of the European Parliament and of the Council of 7 July 2010 on the framework for the deployment of Intelligent Transport Systems in the field of road transport and for interfaces with other modes of transport; OJ L 207, 6.8.2010, p. 1–13 (https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32010L0040).

COM(2021) 559 final (https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A52021PC0559).

strong link to SMEs).

hosted by EU Regions in 2022-23, aims at better clusters regional involving in economic governance, policy design, and cluster and publicprivate collaboration.

9. The CoR stresses the need to obtain better metrics on innovation, as those are now centred around R&D investments (and input) and patents (a partial indication of uptake of innovations). A clear view on the renewal of the economy and the relevant data is missing. A first step would be to monitor the type of R&I investments made. The focus should especially be on those linked to technology capabilities, technology infrastructures and on competitiveness with regard to the twin transition towards the markets of the future.

The Regional Innovation Scoreboard (RIS)⁸ uses similar indicators to the European Innovation Scoreboard but at a regional level. measurement framework for the RIS was revised in 2021 including changes to the investment, digital and environmental indicators. Member States are starting the collection of Community Innovation Survey data [they each start on their own datel and data will be transmitted to Eurostat [or to the Commission] in June 2024⁹.

Strengthening Single Market resilience

13. A well-functioning internal market is crucial for the recovery after the COVID-19 crisis. It is of utmost importance to prevent export restrictions by individual Member States and to prevent renewed border closures within the EU, as was the case at the beginning of the coronavirus outbreak.(...). The CoR stresses the importance of establishing reciprocal industry requirements in trade agreements with third countries, so that European industry has a level playing field on the international market. Completion of the internal market, including for services, is becoming even more urgent.

The COVID-19 crisis has shown that some of the current rules and tools for the Single Market are insufficiently adapted to crises and emergencies. Therefore, the Commission put forward a proposal for a Single Market Emergency Instrument on 19 September 2022¹⁰. It will help mitigate the harmful impacts on the Single Market, safeguard the free movement of persons, goods and services and maximise the availability of products needed in the crisis response.

The Commission in its negotiations of trade agreements, follows the principle of reciprocity with a view to ensure a balanced overall outcome of such negotiations. This also applies to government procurement part of any trade agreement.

16. The CoR considers that the exploration of the merits of a legislative proposal for regulating key business services supported by harmonised

The Commission welcomes the supportive position of the Committee for harmonising key business services by using standards. The Commission

https://research-and-innovation.ec.europa.eu/statistics/performance-indicators/european-innovation-scoreboard en.

https://ec.europa.eu/commission/presscorner/detail/en/QANDA 22 5444.

In accordance with Commission Implementing Regulation (EU) 2022/1092, https://eur-lex.europa.eu/legalcontent/EN/TXT/PDF/?uri=CELEX:32022R1092&from=EN.

standards is of great importance, as the dual transition also entails new business models and a shift from owned products to services delivered. published in February 2022 an EU Strategy on Standardisation¹¹, proposing a set of actions to put standards back at the core of a resilient, green and digital EU single market.

18. The CoR highlights the importance of looking into ways to address distortive effects on clusters caused by acquisitions, by state-backed investors, of innovative companies (not listed on the stock exchange) essential for those clusters.

The European Cluster Panorama report¹² will consider the impact of investment activity on industry clusters using European Cluster Collaboration Platform data to the extent possible.

19. The CoR encourages the Commission to make use of the principle of reciprocity in trade agreements. Companies from non-GPA countries will not be allowed to partake in European government procurements.

In accordance with the EU's international commitments and as acknowledged by the EU Directives on public procurement, economic operators established in countries that are not parties to the Government Procurement Agreement and neither have concluded a Free Trade Agreement covering government procurement with the EU, do not have secured access to the EU public procurement market.

Contracting authorities in EU Member States may exclude bidders from third countries which do not have any agreement providing for the opening of the EU procurement market or whose goods, services and works are not covered by such agreement.

23. The CoR speaks out against unfair competition between European clusters through the means of state-aid given by member states or LRAs. And urges to minimise the differences in the amounts of state aid local and regional authorities can give by creating a level playing field within the Regional Aid Guidelines.

Regional aid rules aim at fostering the development of disadvantaged areas of the EU. Disadvantaged areas eligible for regional aid can benefit from more favourable conditions under State aid rules. In fact, aid to less disadvantaged areas is assessed on another legal basis (Article 107(3)(c) of the Treaty on the Functioning of the EU (TFEU)). The Commission's guidelines on regional State aid duly take such differences into account.

Strengthening the SME Dimension in the Industrial Strategy

27. The CoR welcomes the recognition of the role of Europe's SMEs as well as the intention of

The Commission is deploying a broad range of instruments to support small and medium-sized enterprises (SMEs) in the digital transition: concrete

¹¹ COM(2022) 31 final.

^{12 &}lt;a href="https://clustercollaboration.eu/knowledge-sharing/publications/european-cluster-panorama">https://clustercollaboration.eu/knowledge-sharing/publications/european-cluster-panorama.

the Commission to help them scale up and attract a qualified workforce. This, in turn, requires a business-friendly environment and necessary investments in workers' skills and training (e.g. internal ICT and/or managerial knowledge), as well as decent working conditions. The CoR calls for support to be provided to SMEs to help them devise a digital strategy or action plan, by using financial instruments from InvestEU and concerning solvency risks affecting SMEs.

supporting measures such as the European Digital Innovation Hubs or The Ideas Powered for business SME Fund¹³. The InvestEU programme, expected to mobilise more than €370 billion, is now launched via financial intermediaries throughout Europe. In the next years, InvestEU will help support, through debt and equity financial instruments, the EU's green, digital and resilient economic recovery. Digitalisation of SMEs is a pronounced policy priority for the dedicated SME window of InvestEU. Finally, the Recovery and Resilience Facility (RRF) regulation¹⁴ required that at least 20% of the funds are invested in digitalisation.

28. The CoR observes that the digitisation of SMEs can differ greatly within and across Member States, and on a local and regional basis. In order to close this digital divide, the support to SMEs needs to be adaptable, well-designed and targeted to their specific needs, based on local and regional sustainable development, and with specific support to those from rural and less developed areas.

The Commission's support to SME digitalisation ranges from establishing a conducive regulatory framework (Digital Markets Act¹⁵, Digital Services Act¹⁶, Data Ac¹⁷t, etc.) to capacity-building instruments, providing inter alia tailored support to SMEs on the ground. The SME strategy for a sustainable and digital Europe¹⁸ supports the digital transition for SMEs in a holistic way, e.g. with actions for capacity-building, by improving access to finance, by reducing the administrative burden for SMEs or by addressing the skills challenge. The National Recovery and Resilience Plans make available unprecedented support to Member States for their recovery, including support to SME digitalisation on a local, regional and national level and propose substantial reforms. Measures that are relevant for SMEs account for close to 24% of the estimated **RRF** expenditure. Digital transformation of SMEs is also addressed in the context of the transition pathways for EU industrial ecosystems.

29. The CoR stresses the need for investment in

The European Digital Innovation Hubs in close cooperation with the Enterprise Europe Network,

https://euipo.europa.eu/ohimportal/en/online-services/sme-fund.

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.

¹⁵ COM(2020) 842 final.

¹⁶ COM(2020) 825 final.

¹⁷ COM(2022) 68 final.

¹⁸ COM(2020) 103 final.

testing and validation infrastructures such as Industry 4.0 test centres, pilot factories and Digital Innovation Hubs (DIHs). This can help companies and especially SMEs to turn innovations more quickly into market-ready products.

will provide access to technical expertise and experimentation as well as the possibility to 'test before invest'.

The Commission has adopted in October 2022 a revised Communication on State aid rules for research, development and innovation¹⁹ with the introduction of a new aid category for the construction and upgrade of testing and experimentation infrastructures²⁰.

30. The CoR suggests increasing its collaboration with the Commission, particularly with the network of European Entrepreneurial Regions in supporting entrepreneurship and the industrial transition at local and regional level. Another area of focus could be on better regulation and better EU policy implementation, as part of the Fit4Future platform. The aim would be improving the business friendly environment, while preparing companies for future challenges.

32. The CoR welcomes the exploration of the merits of a legislative proposal for regulating key business services supported by harmonised standards. In particular, the CoR is looking forward to the services standard that has been announced and emphasises that these could help overcome difficulties in providing cross-border services. LRAs are affected by insufficient notifications (as mentioned in the annual Single Market accompanies report that the communication) and by the legal uncertainty as result of the ECJ 2018 ruling on zonal planning.

The Commission appreciates the excellent cooperation with the Committee, inter alia in the context of the network of the European Entrepreneurial Regions.

The Commission has put in place one of the most advanced regulatory approaches in the world to ensure that regulation achieves benefits, is easy to comply with and does not add unnecessary regulatory burdens. Making legislation simpler and less burdensome also improves implementation, compliance and enforcement. It ultimately delivers better results, which is especially important for small and medium-sized enterprises.

The Fit for Future Platform²¹ supports efforts to simplify EU laws. The Committee has a special role to play in the activities of the Platform by contributing not only its own expertise to the Platform's work, but also by liaising with its RegHub network of regional and local authorities, and channelling their on-the-ground experience with EU legislation to the attention of policy makers. The Committee's importance is reflected through its strong representation, composed of three representatives, which is unique in the Platform's setup.

33. The CoR regrets that the target of 3% of GDP

Through the European Research Area (ERA)

Communication from the Commission — Framework for State aid for research and development and innovation: OJ C 198, 27.6.2014, p. 1–29 (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A52014XC0627%2801%29).

https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52022XC1028(03)&from=EN.

https://commission.europa.eu/law/law-making-process/evaluating-and-improving-existing-laws/refit-making-eu-law-simpler-less-costly-and-future-proof/fit-future-platform-f4f_en.

investments in R&D&I is still far from being met. While some Member States achieve that level, others are below 1%. These differences are hampering the EU's global capacity as a bloc, keeping it behind the USA, Japan and China.

Common Industrial Technologies Roadmaps, the Commission is linking key industrial ecosystems with Horizon Europe Partnerships, seeking to draft Research and Innovation (R&I) investment agendas. The roadmaps aim to support the increase of R&I investments into environmental technologies (low-carbon, circular) and to accelerate their market deployment in order to meet climate objectives.

Furthermore, the ERA Policy Agenda (November 2021) focuses on the acceleration of the green and digital transition of Europe's key industrial ecosystems (Action 12), pursuing the development of a robust policy framework to better support fundamental research at national and European levels.

35. The twin transitions require industry and its workforce to adapt and change to a new reality; therefore The CoR asks the Commission to include in its European skills agenda a place-based approach for sectors affected by these transitions; this includes design of incentives to stimulate augmentation of the productivity of the workforce with the use of supporting technology (like AR/VR), and to include upskilling the workforce of industries strongly affected by technological changes, such as the car industry.

The Commission is implementing the Pact for Skills²², which now includes about 600 members, including regional authorities, local industrial clusters and technology and innovation park with a strong regional dimension. The Commission has held roundtables with all 14 strategic industrial to promote the setting ecosystems partnerships. Financial support is made available through the Erasmus+ programme. In particular, huge sectoral partnerships are supported through the Partnerships for innovation, Lot 2 (seven or eight projects per year up to € four million each), and smaller projects, bot regional and sectoral, are supported through Forward Looking Projects, Lot 3.

President von der Leyen also announced in her 2022 letter of intent that the Commission will continue looking at new digital opportunities and trends, such as the metaverse.

Adding a territorial dimension to the industrial ecosystems

39. The CoR underlines the need for a strong social pillar in industrial change in order to adequately address the social consequences of

The European Pillar of Social Rights Action Plan²³, presented in March 2021, acknowledges that a vibrant industry is central to Europe's future

https://ec.europa.eu/social/main.jsp?catId=1517&langId=en.

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

structural change and enable regions that have been particularly badly affected by the pandemic to recover in economic and social terms. prosperity and a key source of new jobs. It also recalls activities to support regions recovering from the pandemic, inter alia a Commission Recommendation for Effective Active Support to Employment (EASE)²⁴ and an evaluation on the experience of the European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE).

40. The CoR underlines that the regional dimension can best be reinforced by using the regional smart specialisation strategies as a blueprint for interregional cooperation; welcomes the idea of further developing the concept of smart specialisation by adding the United Nations' Sustainable Development Goals (SDGs) as a fourth element (S4).

Regional Smart specialisation strategies (S3) incorporate a directionality towards sustainable development goals. The Commission supports regions in developing and testing tools that allow S3 to reinforce this directionality.

42. The goals that are set in the Fit for 55Strategy to become more sustainable are ambitious and need to be supported by industry through concrete steps to secure climate neutrality by 2050. The CoR proposes carrying out a strategic dialogue led by the European Commission on linking the industrial ecosystems with the regional innovation ecosystems. The aim would be to promote multi-level governance and to provide better coordination.

The Industrial Forum, which was set up under the Industrial Strategy communication²⁵ and consists of a wide array of stakeholders, including industry partners, Member State and regional authorities, non-governmental organizations (NGOs), research institutions and social partners, has a Taskforce on cross-border and cross-ecosystem collaboration. This, in particular, looks at aligning regional, national and European mission-oriented policy goals.

Commission services prepare with the industry (as well as Member States, experts and stakeholders), transition pathways towards a greener and more digital European economy for individual economic ecosystems.

Dealing with dependencies: open strategic autonomy in practice

43. The CoR welcomes the efforts from the Commission to further analyse the EU's strategic dependencies and capacities with an in-depth review of a number of technological and industrial strategic areas; welcomes the efforts to

The Commission has published its findings on strategic dependencies in the Industrial Policy Update. In addition, it develops, as mentioned above, its policies with regard to semiconductors and critical raw materials while monitoring strategic

²⁴ C(2021) 1372 of 4 March 2021.

²⁵ COM(2020) 102 final.

identify measures to reinforce the EU position in global value chains; notes that "natural ecosystems" span sectors, especially on a regional scale, and are part of a network.

dependencies and shortages. The Commission continues to support industrial alliances²⁶ as well as Member States efforts to develop IPCEIs²⁷.

45. The CoR supports the revision of strategic dependencies, especially those particularly impacting SMEs. Moreover, it supports the reinforced actions to assist SMEs to address disruptions and vulnerabilities, or diversify by connecting them to new local and cross-border partners.

Both the Chips Act and the upcoming Critical Raw Materials Act and EU efforts to diversity sources will contribute to addressing this problem. In 2023 the Commission through the SME Pillar of the Single Market Programme will launch a new action²⁸ to support SMEs with their efforts to improve the energy efficiency of their facilities and production lines building on the initiatives taken by the Enterprise Europe Network. This initiative will support financially up to 10,000 SMEs for specific energy efficiency audits, contribution to the adoption of energy efficient technologies in production lines or contribution to investments to increase the energy efficiency of company facilities in view of reducing energy demand consumption.

Accelerating the twin transitions

48. The CoR urges the Commission to come up with a mechanism for assessment and prevention of takeovers of companies in sectors with a vital or strategic role of importance in the European economy, with a particular focus on smaller, often unlisted, companies that are essential for regional innovation and entrepreneurship ecosystems.

In March 2021, the Commission finalised the Evaluation of selected procedural and jurisdictional aspects of EU merger control. The evaluation revealed that although turnover-based jurisdictional thresholds, have generally proved effective in capturing significant transactions in the EU internal market; a number of transactions that could have an impact on competition in the internal market have not been reviewed by the Commission or, in some cases, by any Member State.

To address this enforcement gap, the Commission has decided to make use of its powers under the Article 22 referral system and to accept, in certain circumstances, the referral of cases where the

E.g. Alliance for Zero-Emission Aviation, European Raw Materials Alliance, European Solar Photovoltaic Industry Alliance, European Clean Hydrogen Alliance, European Battery Alliance, Circular Plastics Alliance European Alliance for Industrial Data, Edge and Cloud, Industrial Alliance on Processors and Semiconductor Technologies, Renewable and Low-Carbon Fuels Value Chain Industrial Alliance.

E.g. microlectronics I and microelectronics II, batteries I and batteries II, hydrogen I and hydrogen II (which will consist of four waves).

²⁸ Programme to support SMEs to increase energy efficiency.

referring Member State does not have initial jurisdiction. This encompasses in particular concentrations involving nascent competitors and innovative companies, including in the digital, pharmaceutical, biotechnology and certain industrial sectors.

In addition, the Commission is implementing its investment screening Regulation²⁹.

53. The CoR considers it essential that the new industry model find solutions to protect jobs, particularly in sectors heavily affected by the green transition, such as the automotive sector, given that it is one of the main driving forces behind the European economy. To safeguard jobs, the greening required of automotive products should be carried out with flexibility and sufficient time, on the basis of technical neutrality, and through EU financial aid to affected regions with a view to adapting existing factories, suppliers and production facilities. Furthermore, the competitiveness of existing production sites should be ensured, as well as the ability to adapt jobs.

The Commission agrees that the green transition towards climate neutrality brings the need to adapt. The automotive sector, as well as other affected sectors, may need to shift to new production processes and new skills required.

Nevertheless, this transformation must be accompanied by an adequately-paced reskilling and upskilling of the workforce (from i.a. the European Social Fund Plus (ESF+).

The Commission is supporting a number of initiatives to support the identification of new skills. These include the development of long-term frameworks for identifying automotive and battery skill needs through the Sectoral Alliance Blueprints: DRIVES³⁰, for the automotive sector as a whole and ALBATTS³¹ for the battery sector. The Commission has launched the Route 35 platform sets out priorities for achieving electrification goals notably by ending the sales of light-duty vehicles with an internal combustion engine by 2035.

55. The CoR calls for a broad and inclusive conception of economic growth, also in terms of sex, race, gender, language, religion, political opinion and personal and social circumstances, as we need all the talent Europe has to offer; (...) calls on companies to make gender parity at all levels of management an integral part of their

The Commission agrees on a broad and inclusive conception of economic growth, which is also the underlying reason for having such a detailed analysis based on all possible data sources.

https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1867.

Project DRIVES (project-drives.eu).

Project ALBATTS (project-albatts.eu).

fundamental corporate principles.

56. The CoR points out that the European Union's State aid framework needs to be fundamentally recalibrated in order to examine how the gradual transformation of energyforeign-trade-dependent intensive and commodity industries into low-carbon and carbon-neutral processes can be better supported. In addition, European and national funding programmes must be given sufficient resources and it must be possible to combine them.

Climate, The revision of the Energy Environmental State Aid Guidelines (CEEAG)³² adopted in January 2022 significantly increases the possibilities grant aid for industrial decarbonisation. The CEEAG provide additional flexibility for a variety of aid instruments including Carbon Contracts for Difference, they enable aid for the full additional costs of more environmentally friendly activities, and they cover a wider range of technologies to achieve the Green Deal objectives. The current State aid regime also allows for electricity cost relief for industries that have been identified as being sufficiently electro-intensive and open to international trade, The Temporary Crisis Framework to support the economy in context of Russia's invasion of Ukraine³³ widens options for Member States to support undertakings among others for de-carbonation of industrial production processes and for exceptionally high gas and electricity prices.

60. The CoR points out to the Commission the important role LRAs and regional development agencies can have in accelerating the twin transition in supporting digital and green SMEs; urges the Commission to embrace the principle of "think small, act regional".

The SME strategy for a sustainable and digital Europe remains the compass to support all kinds of SMEs, on the regional, local, national and European level, in particular in the twin transition. The success of the strategy's implementation depends on all actors. It is complemented by the updated industrial strategy, the EU's long-term budget as well as the Recovery and Resilience Facility.

³² Communication from the Commission – Guidelines on State aid for climate, environmental protection and energy 2022; C/2022/481; OJ C 80, 18.2.2022, p. 1–89.

Temporary Crisis Framework to support the economy in context of Russia's invasion of Ukraine: https://ec.europa.eu/commission/presscorner/detail/en/statement 22 1949.

N°14 Digital Cohesion

Own-initiative

COR-2022-00195 - ECON-VII/021

151st plenary session – October 2022

Rapporteur: Gaetano ARMAO (IT/EPP) DG CNECT – Commissioner BRETON

Points of the European Committee of the Regions opinion considered essential

European Commission position

5. The European Committee of the Regions (CoR) emphasises that the EU needs to work to make the digital transformation as accessible as possible to all EU citizens and to pay particular attention to help the less developed regions as well as those suffering from permanent natural demographic disadvantages, such archipelagos, outermost regions, islands, crossborder and mountain regions, to speed up their digital transformation, given the challenges they face while maximising their assets, and the importance of peer to peer collaboration.

The Commission takes note of the position concerning less developed regions as well as those suffering from permanent natural or demographic disadvantages. These challenges are also well acknowledged in the Communication on the long-term vision for the EU's rural areas, and the EU rural action plan, which includes a 'Rural digital futures' flagship aiming to boost connectivity, technology development and skills.

- 7. The CoR recalls that "digital divide" is a term that refers to "different levels of access and use of information and communication technologies and, more specifically, to the gaps in access and use of internet-based digital services"¹; underlines that high-speed connectivity for everyone in the European Union from cities to rural and remote areas must be a service of general interest and treated accordingly.
- 9. The CoR stresses that digital cohesion must address the reasons behind the growing digital divide in the Union and the challenges encountered in regions which, while striving to bridge the digital divide, are nevertheless still

Leaving no region and no person behind is an overarching political objective when supporting actions with cohesion policy funding. Around 90% of the jobs in Europe require some kind of digital competences². It is crucial to equip European workers with the right digital skills, ensuring they benefit from the opportunities offered by digitalisation.

The Commission will intensify its actions towards leveraging public and private investment in Gigabit networks to reach the 2030 targets of the Digital Decade policy programme concerning digital infrastructure, which aims to bring gigabit connectivity for every business and every

OECD (2021), Bridging Connectivity Divides, OECD Digital Economy Papers, No 315, OECD Publishing, Paris. Available online: https://doi.org/10.1787/e38f5db7-en.

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions 2030 Digital Compass: the European way for the Digital Decade COM/2021/118 final.

lagging behind, even though the widening of the digital divide is not officially recognised as a threat to the cohesion of the EU.

11. The CoR is concerned that existing digital gaps are not diminishing, but are in fact growing around the following key components of digital transformation in the EU:

[...]

in the area of connectivity and digital infrastructure, rural areas are still lagging behind in terms of Next Generation Access (NGA) coverage and the total coverage of households with high capacity networks.

20. The CoR stresses, in this regard, that particular focus is needed on digital empowerment of the most vulnerable groups, such as older people, ensuring that they have at least some basic skills and also to support youth in less developed regions whose education performance was mostly affected by the crisis due to the digital divide and the lack of access to appropriate online education in several regions. EU policies should put more emphasis on regional differences – in particular on less developed regions - when it comes to the allocation of the education budget to respond to the educational emergency, as it was in the recent years. Digital education content should also integrate the possibilities for children of national minorities, assuring equality by this means for all social backgrounds.

household in Europe, also in remote areas. In order for the digital transformation to become a reality, massive investments in Very High Capacity Network infrastructure are needed. Already, around €16 billion of Recovery and Resilience Facility investments have been approved to support the roll-out of digital connectivity in the next three years, especially in rural areas.³ In addition, Connecting Europe Facility - Digital will grant €2 billion over 7 years for Very High Capacity Networks, such as fibre and 5G. Investment may come from the European Regional Development Fund and the European Agricultural Fund for Rural Development, which complement the Recovery and Resilience Facility and Connecting Europe Facility connectivity measures, as well as the Connecting Europe Broadband Fund, which is still investing its €555 million in new ultra-high speed networks across rural Europe.

Furthermore, the Commission adopted 15 February 2022 a proposal for a Union Secure Connectivity Programme⁴, which was agreed at trilogue on 18 November 2022. One of its objectives is to enable the provision of commercial services by the private sector to facilitate, among seamless connectivity including others. communication dead zones and increasing cohesion across Member States' territories, thus contributing to fulfilling the objectives set in Europe's Digital Decade targets. Satellites could resilient and flexible provide connectivity provision including the of an alternative infrastructure (redundancy) in the event of largescale cyber-attacks.

In addition, under Horizon Europe, research and innovation decision-making support on connectivity options in remote settings is including development supported, the of

Recovery and Resilience Scoreboard, page 3 (https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/assets/thematic_analysis/scoreboard_thematic_analysis_connectivity.pdf)

⁴ COM(202) 57 final.

innovative technological solutions as well as costeffectiveness and sustainability assessments.

10. The CoR emphasises that the outermost regions, islands, cross-border and mountain regions and those that are facing demographic challenges have specific geographical, economic, demographic and social characteristics, which entail unique challenges. These include limited size (surface, population, density, economy), limited local market and difficulty in achieving economies of scale, high costs of transport, poorly developed interindustrial relations, deficits in entrepreneurial skills, infrastructure and supply of services for businesses (compared to continental ones) and reduced social and training services to citizens. Moreover, archipelagos that have double or triple insularity, face another level of burden as specified most recently by the European Parliament's report on "Islands and cohesion policy: current situation and future challenges".

Territorial focus is at the heart of cohesion policy. Cohesion policy offers Member States high flexibility in terms of financial allocations, thematic concentration, co-financing rates and programming within each country to promote place-based approaches. The flexibility allowed in the use of cohesion policy funds makes it possible for Member States to target the specific needs of those regions within the context of regular programmes or via territorial tools such as Integrated Territorial Investment (ITI), Community led local development (CLLD) or tools supporting initiatives designed by the Member States.

14. When designing digital services, public administrations and other organisations providing digital services should cater for accessibility for people with some form of sensory disability or digital skills impairments, ensuring that these services are accessible from connections with constraints in the area of access infrastructure.

The Commission welcomes the Committee's position about the need to ensure accessibility when designing digital public services⁵. European policies promote a digital transformation and digital public services that are inclusive of and accessible for persons with disabilities⁶.

The Digital Europe Programme recognises that digitalisation can facilitate and improve barrier-free accessibility to all, including older people, people with reduced mobility or with disabilities, and people in remote or rural areas⁷. The

Accessibility is an enabler of rights, autonomy and equality according to the Strategy for the Rights of Persons with Disabilities 2021-2030, COM(2021) 101 final, and United Nation Convention of the rights of persons with disabilities.

During the last decade, a number of EU rules have been adopted in different areas to make the EU more accessible for persons with disabilities: the Web Accessibility Directive laying down common accessibility requirements for all users not only for people with some form of sensory disabilities, the European Accessibility Act covering products and services, the European Electronic Communications Code, the Audiovisual Media Services Directive and copyright legislation, and the Digital Services Act that entered into force on 16 November 2022.

⁷ Regulation (EU) 2021/694 of the European Parliament and of the Council of 29 April 2021 establishing the Digital Europe Programme and repealing Decision (EU) 2015/2240; OJ L 166, 11.5.2021, p. 1-34. The programme aims, among others, to bridge the geographical digital divide, including the outermost regions, in particular under specific objective 4: advanced digital skills and specific objective 5: deployment and best use of digital capacity and

Commission supports a high-performing digital education ecosystem including Gigabit connectivity of schools and encourages Member States to include broadband in investment and reform projects in national recovery and resilience plans, supporting in particular students from disadvantaged groups and students and educators with disabilities.⁸ The new Digital Competence Framework for Citizens DigComp 2.2 introduces, for the first time, competences on 'Digital accessibility'9.

22. The CoR proposes, as a follow-up to the recently issued Declaration on European Digital Rights and Principles, that the European Commission put in place a comprehensive framework, legal acts and instruments to enforce European digital rights and foster closer cooperation with European citizens to ensure that digital principles are shared and respond to societal needs. Indeed, a revision of the EU Charter for Fundamental Rights established in 2000 should be envisaged, taking into account the newly proclaimed digital rights.

Following the adoption and signature of the Declaration on 15 December 2022. the Commission will regularly report to the Parliament the Council on the promotion implementation of the principles set in the Declaration. This is expected to be done in the context of the annual report on the 'State of the Digital Decade,' as outlined in the Decision on the Digital Decade Policy Programme. In the context of the exercise, the Commission will also conduct a Eurobarometer survey to monitor the perception of those principles among people in the Member states. It is to be noted that the Declaration builds on the EU acquis. Significant regulatory measures in the areas addressed in the digital principles have already been adopted at EU level. These measures will be enforced on this basis and not on the basis of the Declaration.

28. The CoR emphasises the role of local and regional schools, universities, research centres and local and regional ecosystems in taking part or even leading Digital Innovation Hubs, as these are often not coordinated by regional policies and thus extensive know-how and brain power is often wasted; in this context, measures to avoid brain drain must be put in place and decentralised working, under fair conditions,

European Digital Innovation Hubs (EDIHs) will operate in each Member State. EDIHs work locally with local stakeholders (including universities) and with local companies to address local needs. In addition, local undertakings can reach out to the EDIH network to seek capacities that are not available locally, hence giving them more possibilities.

interoperability.

⁸ Digital Education Action Plan (2021-2027), COM(2020) 624 final.

⁹ DigComp 2.2: The Digital Competence Framework for Citizens - With new examples of knowledge, skills and attitudes, https://publications.jrc.ec.europa.eu/repository/handle/JRC128415.

can be part of the solution, in particular for disadvantaged areas.

The EDIHs offer advice on digital transformation to small and medium enterprises (SMEs), access to technologies, support in accessing finance, training and skills development via research centres, universities, etc. with a view to supporting the digital transformation of companies.

29. The CoR stresses that concerning SMEs, more needs to be done to support them in digitalising. [...] The European Commission should carry out an SME test for the current practices and put forward proposals to reduce the administrative burden especially for microenterprises (e.g. audit exemptions).

In March 2020, the Commission adopted its SME Strategy for a sustainable and digital Europe, which puts forward numerous actions to support the digital transformation of SMEs – with the European Digital Innovation Hubs being one of the supporting actions to digitise SMEs.

EDIHs aim to support SMEs in their digital transformation. The hubs help companies to become more competitive with regard to their business processes using digital technologies.

EDIHs provide access to technologies in order to 'test before invest' via technical expertise and experimentation. The hubs offer trainings, skills development and support in accessing finance in order to successfully reach a digital transformation.

The application of the 'SME test' has been strengthened since the adoption of the new Better regulation guidance from November 2021, which must now be performed in all impact assessments, where proportionate. This allows to anticipate the impacts on SMEs and if necessary, mitigate them.

36. The CoR insists, in line with its recent CoR opinion on the Artificial Intelligence Act, that the European Commission broaden the impact assessment on the implications of ΑI technologies for citizens, in particular for vulnerable groups, by obligatorily involving LRAs and/or their representatives in the consultation and by defining stricter transparency and information requirements for high-risk AI technologies¹⁰.

Firstly, the Commission notes that the impact assessment carried out in preparation of the AI Act considered vulnerable groups. This is also reflected in recital (16), (28) and articles 5(1)(b), 7(2)(f) of the AI Act, and paragraph 5.2.2. of the Explanatory Memorandum of the Artificial Intelligence (AI) Act proposal¹¹. Secondly, the Commission agrees with the Committee that consultation of local and regional authorities is important. Following the publication of the White Paper on Artificial

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¹⁰ It aims, among others, to bridge the geographical digital divide, including the outermost regions, in particular under specific objective 4: advanced digital skills and specific objective 5.

¹¹ COM(2021) 206 final.

Intelligence of February 2020, a broad consultation took place, including local and regional authorities. Moreover, the Commission took well into account the Committee opinion 2014/2020, adopted on 14 October 2020. Thirdly, the Commission notes that the AI Act proposal already ensures transparency and information-sharing with the users (Article 13(1), Article 52 and Article 60). Furthermore, the Commission points out that the transparency obligations of the GDPR remain fully applicable (see Articles 12, 13(f), 14(g), 15(h), 22(1)).

N°15 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

Points of the European Committee of the Regions opinion considered essential

European Commission position

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

N°16 Pathways to School Success

COM(2022) 316 final

COR-2022-02246 - SEDEC-VII/031

151st plenary session – October 2022

Rapporteur-general: Inga BĒRZINA (LV/Renew E.)

DG EAC – Commissioner GABRIEL

Points of the European Committee of the Regions opinion considered essential

European Commission position

I. RECOMMENDATIONS FOR AMENDMENTS

General remark: The Commission welcomes the Committee Opinion and fully subscribes to its policy recommendations. The entailed messages are also fully in line with the ambitions of the European Year of Youth¹. As regards the recommendations for amendments, the Committee Opinion was delivered at a time when negotiations in the Council had almost reached the final stage. At that stage, it was therefore hardly possible to re-open the text to introduce substantial changes.

The Commission agrees that the role of Local and Regional Authorities (LRAs) is vital for making the European Education Area a reality, due to the direct and substantial links they have with the communities where educational policies defined at European level need to be implemented, and where they have a direct impact. It considers that the proposal reflects the complexity of multilayered governance of education systems; and that its emphasis on a systemic approach allows to accommodate and articulate the interrelations between national, regional and local levels. The specific role of local and regional authorities will be further taken into account during the Council implementation phase of the Recommendation.

For some specific recommendations, additional

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What is the European Year of Youth? | European Youth Portal (europa.eu).

comments are provided below.

Recital 2, Committee proposes to add: In the final report of the Conference on the Future of Europe, citizens also call on the EU to ensure that all European citizens can benefit from digitalisation, by empowering them with the necessary digital skills and opportunities [1]. The European Commission intends to present proposals for a recommendation on improving digital skills provision in education and training and for European Digital Skills Certification [2].

This Commission proposal on pathways to school success does not directly address digital skills. The digital skills dimension will continue to be addressed in other initiatives.

[1] Conference on the Future of Europe – Report on the Final Outcome, May 2022, Proposal 32 (p. 74).

[2] COM (2022) 404 final

Recital 25, Committee proposes to add:

The objective (...) and effective cooperation between different actors at all levels (*European*, national, regional, local, school) is needed *in accordance with the principles of multilevel governance* (...).

The Commission considers that the concept of multilevel governance is implicit in the existing text, which refers to 'effective cooperation between different actors at all levels'.

Point 1, Committee proposes to add:

Special attention should be paid to well-being *and to environmental and health conditions* at school and in surrounding areas as a key component of school success. Such a strategy should include *planning*, prevention, intervention and compensation measures.

The Commission proposal builds on a broad notion of well-being (physical, mental, emotional, social...), which encompasses the dimensions proposed by the Committee.

Planning is referred to later in the same point (implementation and evaluation plan); the sentence here focuses on an established taxonomy of measures, already used by the 2011 Council Recommendation on policies to reduce early school leaving² (which the new Recommendation will repeal and replace, and whose policy framework was based on the idea of articulating prevention, intervention and compensation measures).

² Council Recommendation of 28 June 2011 on policies to reduce early school leavingText with EEA relevance (europa.eu).

II. POLICY RECOMMENDATIONS

1. The European Committee of the Regions (CoR) believes that education and training systems that are high-quality, inclusive and equally accessible to all, regardless of the learners' personal characteristics, family, cultural and socioeconomic situation, create not only paths to school success, but also our common path to social cohesion and a more sustainable economy in the EU;

The Commission share the views of the Committee that promoting better educational outcomes for all, irrespective of personal characteristics, family, cultural and socioeconomic background, through the fostering of inclusive and supportive learning environments is key to building more equitable and flourishing societies and economies. This is fully in line with Principle 1 of the European Pillar of Social Rights³ and lays at the heart of the Commission Communication on achieving the European Education Area by 2025⁴.

However, even today not all young people in the EU have equal opportunities to benefit from education. Socio-economic patterns and stratification exert a strong influence on the educational experiences of individuals; students from disadvantaged backgrounds are overrepresented among underachievers in basic skills (literacy, numeracy and science) and are more likely to leave education and training without an upper secondary qualification.

The COVID-19 pandemic has made it even more urgent to address these challenges. Several studies suggest that the crisis may have increased likelihood that learners disconnecting from school will actually drop out and has had detrimental effects on learners' mental health and well-being in general. Even though evidence suggests than remedial actions help address overall learning gaps, nevertheless, inequalities remained and specific cases were widened.

This is why a renewed and sustained action at EU and national level towards promoting school success for all learners is needed. The Commission proposal has the ambition to support

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The European Pillar of Social Rights in 20 principles (europa.eu).

⁴ EUR-Lex - 52020DC0625 - EN - EUR-Lex (europa.eu).

and accelerate policy reforms towards achieving this goal.

2. The CoR highly appreciates the "whole school approach" encouraged by the Commission and including local and regional authorities, which is an important prerequisite for reforming education and training policy and achieving such key targets of European cooperation in education and training as reducing the share of low-achievers in basic skills and countering early leaving from education and training.

The Commission welcomes the view of the Committee and fully agrees that educational success cannot be achieved without systemic and collaborative approaches at all levels. Lessons learnt from the past, in particular from the implementation of the 2011 Council Recommendation on policies to reduce early school leaving, clearly point to the need of broad approaches.

A 'whole school approach' is an ecological way of viewing a school, which acknowledges the role, relationships and interactions between a whole range of players (schools, families, communities, local authorities, etc.) that can have an impact on the individual. It implies not only collaboration within the school, but also continuous dialogue, collaboration and partnership with a wide range of external stakeholders (local authorities, social services, youth services, outreach care workers, psychologists, nurses, speech and language therapists, career guidance specialists, nongovernmental organisations (NGOs), business, unions, volunteers, etc.) and the community at large. This will help dealing with complex issues that schools do not (and cannot) have the relevant expertise required.

The Commission will continue to collect and disseminate promising practices of 'whole school approaches', in particular using EU collaborative tools. online platforms and communities for education and training, including eTwinning, the new European School Education Platform, the European Toolkit for Schools on promoting inclusive education and tackling early school leaving and Cedefop's VET⁵ toolkit for tackling early leaving.

4. The CoR considers it important to reduce

The Commission proposal acknowledges that, as

^{5 &}lt;u>https://www.cedefop.europa.eu/en.</u>

the educational gap between remote, rural and urban areas, and also between different educational institutions, in order to promote the well-being of pupils and staff at school. Adequate funding to promote social and territorial cohesion and the possibility to take data-based decisions are important for this purpose; in any case, the quality of the decentralised education system can only be improved through a broad (and not purely budgetary) approach.

regards educational outcomes, considerable differences still exist across and within countries, with persisting inequalities among specific groups (e.g. migrants, young men, ethnic minorities such as Roma, and young people in rural and remote areas perform less well).

For this reason, the proposal invites Member States to develop or, where appropriate, further strengthen an integrated and comprehensive strategy towards school success, appropriate level, in accordance with the structure of their education and training system, with a view to minimising the effects of socio-economic status on education and training outcomes, promoting inclusion in education and training and further reducing early leaving from education and training and underachievement in basic skills. It stresses the importance of structured cooperation between actors representing different policy areas, levels of governance and education and training levels, and of adequate funding. The proposal also invites Member States to optimise, according to national, regional and local needs, the use of national and EU resources for investment in infrastructure, training, tools and resources to increase inclusion, equality and wellbeing in education, including EU funds and expertise for reforms and investment in infrastructure, tools, pedagogy and the creation of healthy learning environments.

While EU funds and programmes are significant, they cannot replace, but operate in addition to national public funding. It is key that Member States make effective use of the EU tools and explore synergies with national, regional and local funding to mobilise EU and national efforts.

In turns, the Commission engages to support the implementation of the Council Recommendation, in particular by raising awareness and encouraging the use of opportunities to promote, support and enable inclusion, equity and wellbeing in education and training within EU funds.

The Commission will also continue to facilitate mutual learning and exchanges among Member States and all relevant stakeholders, in particular thorough a dedicated European Education Area (EEA) Strategic Framework Working Group on Schools⁶.

8. The CoR calls for account to be taken of the impact of COVID-19 on pupils' mental and physical health as well as overall well-being. Furthermore, attention should be paid to the fact that the impact of this crisis has also reduced the learning motivation of groups of pupils who were not previously at risk of early school leaving and has at the same time disproportionately impacted pupils of vulnerable and disadvantaged backgrounds. It calls, therefore, also for innovative motivating activities for children who are successful in learning.

The Commission agrees that the COVID-19 pandemic triggered huge disruptions in education, owing to prolonged periods of physical school closure. Evidence shows that, in addition to learning outcomes, the well-being of most learners was also adversely affected. In this respect, the COVID-19 crisis aggravated a situation which was far from ideal before the vividly depicted pandemic; as by the 2018 Programme for International Student Assessment (PISA) survey, pupils' sense of school is declining belonging at and bullying/cyberbullying is widespread.

For this reason, the Commission proposal takes a holistic approach, considering well-being at school as key factor for educational success, and outlining concrete measures to improve well-being at school.

To further support this work, the Commission is setting up an expert group on strategies for creating supportive learning environments for groups at risk of underachievement and for supporting well-being at school. The expert group will work on identifying good practice in respect of developing supportive and healthy learning environments, promoting mental health, healthy lifestyles, and physical and emotional well-being, and preventing bullying and violence at school, as well as proposals for effective uptake of successful practices in schools and recommendations for awareness-raising activities at EU and national level. The expert group will start its activities in the first half 2023. The first meeting is planned for 30 March 2023. The

⁶ Working Groups of the EEA strategic framework | European Education Area (europa.eu).

expert group duration is 15 months.

9. The CoR calls for socially inclusive and psychologically adapted education for all school-aged Ukrainian citizens residing in EU Member States due to the ongoing war. It calls also for tailored and smart language learning programmes (such as the one implemented in the Flemish region of Belgium) for pupils who do not speak the language of the EU Member State concerned, in order to promote their integration and improve their chances of success.

The Commission proposal reflects the need to adequately welcome children and young people fleeing the war in Ukraine, a large proportion of whom are children of school age requiring targeted learning support (including acquisition of the language of schooling) and psycho-social support.

The Commission has taken a number of important initiatives in this respect:

- The Commission published, on 30 June 2022, a practical manual on 'Supporting the inclusion of displaced children from Ukraine in education: Considerations, key principles and practices for the school year 2022-2023'7. This was written by the Commission services in consultation with the United Nations High Commissioner for Refugees (UNHCR), the International United **Nations** Children's Emergency Fund (UNICEF), representatives of ministries of education, stakeholder organisations that met in peer learning events between March and June 2022, and academic experts. The objective is to pool the available experience and knowledge and provide information on good practice and practical insights to support Member States in the inclusion of displaced children from Ukraine in education.
- The School Education Gateway (a public platform providing information to anybody interested in school education issues) supports teachers and the wider education community with resources and professional development material, related to integrating refugees into the classroom. Since 18 March 2022, a dedicated landing page8 has been opened, offering a series of articles and resources to

⁷ Supporting the inclusion of displaced children from Ukraine in education | European Website on Integration (europa.eu).

⁸ https://www.schooleducationgateway.eu/en/pub/latest/news/education-support-ua-refugees.htm.

support the integration of young Ukrainian refugees into the education systems of EU Member States and Erasmus+ (e.g. information about online platforms and resources in Ukrainian, information from Ukrainian Ministry of Education and Science, etc.).

The Commission has set up an EU Education Solidarity Group Ukraine, anchored in the tools and mechanisms that already exist in the Strategic Framework of the European Education Area (High Level Group and EEA Working Groups). Numerous webinars, focus sessions, seminars and peer learning activities have been organised to support Member States facing the largest influx of refugees by addressing issues pertaining to integration of refugees in the education and training systems.

The Commission will continue to monitor the situation and assist Member States in their efforts.

11. The CoR points out that Local and Regional Authorities have a key role to play in creating and modernising educational institutions, promoting equal opportunities for all and a safe, inclusive and efficient learning environment, also paying attention to growing bullying/cyberbullying. In view of the impact on national and local budgets of Russia's war in Ukraine, the energy crisis and rapid Committee inflation, the stresses the importance of long-term support from the EU Structural Funds for municipal projects to modernise the learning environment and ensure the quality maintenance of existing educational infrastructures.

The Commission engages to support the implementation of the Council Recommendation, particular by raising awareness encouraging the use of opportunities to promote, support and enable inclusion, equity and wellbeing in education and training within EU funds, such as Erasmus+, the Recovery and Resilience Facility, the European Social Fund Plus, the European Regional Development Fund, the Digital Europe programme, Horizon Europe, the Technical Support Instrument, the Asylum, Migration and Integration Fund, etc.

12. The CoR calls for a "whole school approach" to respond to the current challenges, including the generational replacement of teachers, and for broader motivation programmes for teachers and school staff, as already implemented by individual local and

The Commission agrees that promoting better educational outcome though 'whole school approaches' requires that educational staff have the necessary knowledge, skills and attitudes. It will continue to support professional development opportunities for educational staff and other

regional authorities with measures such as scholarship programmes for final-year students, especially future STEM teachers and guidance practitioners (psychologists, social educators, etc.). At the same time, professional development, upskilling where and, appropriate, retraining for programmes teachers should continue to be promoted.

stakeholders by:

- sharing good practices from Erasmus+ staff exchanges, projects and networks, including through the eTwinning online community, the Erasmus+ Teacher Academies and the Centres of Vocational Excellence;
- making available educational opportunities for continuous professional development for teachers, trainers, school leaders and teacher educators, through the new European School Education Platform, and promoting widespread use of these courses.