



English edition

## Information and Notices

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## I

*(Resolutions, recommendations and opinions)*

## RESOLUTIONS

## COMMITTEE OF THE REGIONS

**INTERACTIO - HYBRID - COR 140TH PLENARY SESSION, 12.10.2020-14.10.2020**

**Resolution of the European Committee of the Regions on the 2020 Annual Regional and Local Barometer – Local and regional authorities facing COVID-19 and building the recovery**

(2020/C 440/01)

THE EUROPEAN COMMITTEE OF THE REGIONS (CoR),

- having regard to its report: ‘2020 Annual Regional and Local Barometer’, based on an inclusive, factual and evidence-driven approach, involving multiple partners and institutions;
  - whereas the report’s purpose is to reflect on the regional and local dimension of the State of the Union, to provide political decision-makers at European, national, regional and local level with evidence on the most pressing challenges for the year ahead, and to offer key recommendations to drive Europe’s political responses. These recommendations should allow for open and inclusive debates at all levels in order to explain the choices to be made and increase the legitimacy of the decisions to be taken;
  - whereas local and regional authorities are at the frontline of crisis management, being responsible for critical aspects of containment measures, health care, social services and economic development, as these responsibilities are shared among different levels of governance in the Member States;
  - whereas the impact of the COVID-19 crisis is highly diverse, with a strong territorial dimension that has important consequences for crisis management and policy responses;
  - whereas subnational governments are playing a major role in managing the COVID-19 crisis both through their own policy decisions and actions, and through the implementation of policies decided at other levels of governance;
1. highlights the importance of multilevel governance and the need for coordination in emergency healthcare management and cross-border health cooperation to ensure a coherent and efficient response to future crises;
  2. stresses that according to a public opinion survey carried out in September 2020 on behalf of the CoR on the views of EU citizens on the coronavirus crisis and the role of LRAs, the latter remain the most trusted level of governance in the EU (52 %) and also the most trusted level (48 %) to take, now and in the future, the right measures to overcome the economic and social impact of the coronavirus crisis. A clear majority of Europeans (58 %) also thinks that greater influence by regional and local authorities would have a positive impact on the EU’s ability to solve problems, and this is the majority view in all Member States;

3. stresses that the crisis has resulted in increased expenditure and reduced revenues for local and regional authorities and demands that LRAs receive sufficient resources from central governments and the EU level to boost their healthcare systems now and in the long term. Regional disparities in health systems and bottlenecks in emergency preparedness should be addressed through relevant national authorities. The EU4Health programme, and the RescEU reserve and flexibility measures should complement these efforts;
4. stresses that the 2020 Annual Regional and Local Barometer demonstrates that the criteria to receive funding should be region-sensitive and based on a comprehensive set of indicators reflecting the different levels of exposure and vulnerability, including on the loss of GDP since the start of the crisis, on the share of risk sectors, reliance on tourism, cross-border and international trade and transport, and on the share of self-employed people and SMEs in the region's economy;
5. highlights that the Recovery and Resilience Facility as the heart of the EU recovery plan must not be 'spatially blind': subnational governments must be closely involved in the preparation of national plans and frame their own regional and local recovery plans in coherence with the EU and national plans. The European Semester — as the Facility's governance mechanism — must incorporate a Code of Conduct for the involvement of LRAs, following the principles of partnership and active subsidiarity;
6. reiterates that SMEs and the most heavily affected sectors such as transport, tourism and the cultural sector need access to a variety of sustainable financial support such as public grants, venture capital and access to credit with favourable repayment conditions over the long term;
7. reaffirms the need for a swift agreement on the new recovery instrument (and MFF) so that resources can be quickly mobilised to address the negative effects of the crisis, supporting the economy and job creation at local level;
8. stresses that social, intergenerational and gender inequalities have been dramatically exacerbated by the devastating impact of COVID-19 across Europe, undermining a decade of progress in just six months. Therefore, targeted, ambitious, adequately funded policies balancing economic, social and health priorities must form the basis of European recovery to limit the long-term consequences of this pandemic;
9. underlines that inhabitants of cities and regions most challenged by climate change, a deteriorated environment and weakened natural ecosystems face a higher risk of exposure to the spreading of pathogens. Insists, therefore, that the European Commission and the Member States use the current crisis as an opportunity to combine the post-pandemic recovery with an accelerated transition to make the European Union climate-neutral by 2050;
10. urges the EU institutions and Member States to ensure better integration of the Sustainable Development Goals (SDGs) within a renewed territorially-based and reformed European Semester to more effectively link the recovery plan, the Green Deal and the European Pillar of Social Rights;
11. highlights that the crisis has turned access to up-to-date information technologies and infrastructure into an even more critical resource, and calls for the 'digital divide' to be tackled, high connectivity to be achieved for all EU regions and cities — including rural, peripheral, outermost and geographically disadvantaged areas — and for it to be ensured that people from all ages and socioeconomic backgrounds can adapt to the crisis and the changing world of work;
12. deplores the fact that the new measures to enhance the flexibility and accelerate the use of cohesion policy funding bear the risk of increased centralisation at Member State level; demands therefore that any reallocations of resources and changes to cohesion policy programmes be carried out in line with the principles of subsidiarity partnership and multilevel governance, with LRAs fully involved in decisions on [re]programming investment under REACT-EU. Highlights that flexibility, particularly the suspension of thematic concentration, should remain of a temporary nature, and a return to ordinary rules for cohesion policy programmes should be envisaged as soon as conditions permit;
13. points out that regions with the highest number of elderly people (i.e. over 65) have been hit particularly hard by the outbreak of COVID-19 and that people from this age group are most at risk of contracting the virus. Therefore underlines the constant need to exchange best practices on how to effectively protect the elderly, including through facilitating their access to telemedicine;

14. calls on the Commission, in light of the number of support instruments and modifications to existing and future rules on the use of the European Structural and Investment Funds, to ensure that there is sufficient clarity with regard to the interplay between different new mechanisms such as React EU, the Just Transition Fund and the Recovery and Resilience Facility on the one hand, and existing national and EU schemes on the other, to avoid additional complexity and potentially low absorption rates; highlights in this respect that agreeing on large financial envelopes is not enough and that local and regional authorities also need sufficient time to put forward programmes and projects, as for instance for the REACT-EU programme;

15. notes with concern that the crisis has put the single market under strain, with disruptions to the free movement of people, goods and services, severely impacting SMEs and affecting the lives of all EU citizens in particular in border regions; welcomes the flexibility provided within the State Aid rules and notes that measures must be put in place to ensure the smooth functioning of the single market in future crises;

16. emphasises that LRAs' finances are gravely threatened by the crisis, which jeopardises their ability to deliver valuable public services; reiterates that LRAs need new, smarter budgetary rules both nationally and at the European level, and a golden rule on sustainable investment to ensure that public services and local investment be considered as essential towards building more competitive, resilient and sustainable economies and societies;

17. notes that COVID-19 has led governments — both in the EU and abroad — to enact strict measures affecting citizens' freedoms, and that a complex balance has had to be found to preserve democracy, the rule of law and trust in institutions while striving to contain the pandemic. These challenging times could be turned into an opportunity to reinforce local democracy and to reflect collectively on Europe's founding values during the Conference on the Future of Europe;

18. instructs its President to transmit the 2020 Annual Regional and Local Barometer and the present resolution to the Presidents of the European Parliament, the European Commission and the European Council, as well as to the Heads of State of the 27 EU Member States; and encourages regional and local elected politicians in Europe to disseminate the report to citizens and local media.

Brussels, 14 October 2020.

*The President*  
*of the European Committee of the Regions*  
Apostolos TZITZIKOSTAS

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## OPINIONS

## COMMITTEE OF THE REGIONS

INTERACTIO - HYBRID - COR 140TH PLENARY SESSION, 12.10.2020-14.10.2020

**Opinion of the European Committee of the Regions – Equivalent standards of living as a joint challenge for all levels of government in Europe**

(2020/C 440/02)

**Rapporteur:** Bernd LANGE (DE/EPP), Head of Görlitz District Council**POLICY RECOMMENDATIONS**

## THE EUROPEAN COMMITTEE OF THE REGIONS

1. expresses its concern about the growing economic, social and territorial inequality within and between EU Member States. Recent developments in Europe have shown that the disparities between places and between people are increasing, in terms of economic development, employment and well-being. These disparities can be seen at all levels, from sub-local to European, and have reached critical proportions. The ongoing debate surrounding areas that have been left behind or 'forgotten' clearly shows that a more place-based approach is needed in order to address the development challenges faced by these areas;
2. points out that the COVID-19 pandemic in the Member States is exacerbating the existing challenges resulting from the crisis in most regions. The economic and social consequences and the resulting prerequisites for recovery vary greatly between regions;
3. stresses, therefore, that the objective of territorial, economic and social cohesion, as set out in Article 174 TFEU, must continue to be a high priority for the European Union. As well as EU regional policy and the common agricultural policy, all other EU policy areas (e.g. transport, environment, social and energy) must contribute to this cross-cutting objective; this applies in particular to EU measures under the European Green Deal and further digitalisation;
4. draws attention to the specific circumstances of the outermost regions as recognised in Article 349 TFEU, and underlines the EU's commitment to developing these regions through specific measures, benefiting those regions and the EU as a whole;
5. emphasises that in 2017 one third of the EU's population lived in cities with more than 100 000 inhabitants, one third lived in towns with a population of between 10 000 and 100 000, and one third in small towns and rural communities with fewer than 10 000 inhabitants<sup>(1)</sup>. In her political guidelines<sup>(2)</sup>, the president of the European Commission pointed out that 50 % of Europeans live in rural areas;

<sup>(1)</sup> *Die Unterschiede bestimmen die Vielfalt in Europa — Ein Atlas ausgewählter Aspekte der räumlichen Strukturen und Entwicklungen* [Differences determine diversity in Europe — An atlas of selected aspects of spatial structures and developments], Federal Institute for Research on Building, Urban Affairs and Spatial Development.

<sup>(2)</sup> [https://ec.europa.eu/commission/sites/beta-political/files/political-guidelines-next-commission\\_en.pdf](https://ec.europa.eu/commission/sites/beta-political/files/political-guidelines-next-commission_en.pdf)

6. notes that in the past European structural policy was primarily concerned with cohesion between regional authorities (Nomenclature of Territorial Units for Statistics (NUTS) 1 or 2), but that the impact of measures on the lower, local levels was not always sufficiently examined or taken into account;
7. notes that increased net migration flows from rural to urban areas have been observed in various Member States and regions in recent years <sup>(3)</sup> and considers that EU policies should contribute to the challenges and opportunities which arise from this;
8. is concerned that further migration to metropolitan areas creates significant challenges for the respective urban centres in many places, such as a lack of housing, rising rents, overburdening of public infrastructure, and social problems. As a result of depopulation, small and medium-sized towns and municipalities in rural areas and the businesses based there face major challenges. It is harder to maintain public infrastructure and fund public services as there are fewer, increasingly older users needing more services, and businesses often face skills shortages;
9. refers here to the CoR opinion in preparation on *Demographic change: proposals on measuring and tackling its negative effects in EU regions* <sup>(4)</sup> and the CoR opinion on *The challenges of metropolitan regions and their position in the future Cohesion Policy post-2020* <sup>(5)</sup>;
10. notes that the first of the six priorities set out in the Territorial Agenda of the European Union 2020 is to promote polycentric and balanced territorial development <sup>(6)</sup>, and that this objective is also a priority in the draft 2030 Territorial Agenda;
11. observes that there is currently no cross-cutting approach at EU level to address the factors driving migration and uncontrolled urbanisation or counter-urbanisation by improving standards of living in all regions;
12. emphasises the importance of UN Sustainable Development Goal (SDG) 11, 'sustainable cities and communities', which must be applicable for all types of locality;
13. believes that universally accessible public infrastructure sites, universally available public infrastructure networks and universal public services are a vital prerequisite for high standards of living and sustainable development in all parts of the European Union. Once again, the structural prerequisites vary greatly between and within Member States and even within regions;
14. believes that measures taken by the European Union should be balanced among support given to densely populated urban areas and rural areas, which have often been considered primarily from an agricultural point of view. Regrets, in this sense, the comparatively low intervention of ESF and ERDF in rural areas <sup>(7)</sup> <sup>(8)</sup>;
15. fears that the COVID-19 crisis will make the provision and maintenance of public infrastructure and the delivery of public services even more difficult, especially in smaller, more remote and isolated and financially weaker municipalities and regions, which are likely to be particularly affected by a drop in tax revenues. This could reinforce the opposing trends seen in recent years; underlines that a decrease in public investment in infrastructure and services generally has a more severe impact on particularly vulnerable population groups;

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<sup>(3)</sup> [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Archive:Statistics\\_on\\_rural\\_areas\\_in\\_the\\_EU#Further\\_Eurostat\\_information](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Archive:Statistics_on_rural_areas_in_the_EU#Further_Eurostat_information)

<sup>(4)</sup> COR-2019-04647-00-00-PAC.

<sup>(5)</sup> COR-2019-01896-00-00-AC (OJ C 79, 10.3.2020, p. 8).

<sup>(6)</sup> [https://ec.europa.eu/regional\\_policy/en/information/publications/communications/2011/territorial-agenda-of-the-european-union-2020](https://ec.europa.eu/regional_policy/en/information/publications/communications/2011/territorial-agenda-of-the-european-union-2020)

<sup>(7)</sup> 'Evolution of the Budget Dedicated for Rural Development Policy', study for the Commission for Natural Resources, Progress Consulting, 2016 (updated 2020).

<sup>(8)</sup> 'EU Cohesion Policy in non-urban areas', study for the European Parliament's REGI Committee, EPRC, 2020.



### National strategies for balanced territorial development

16. believes that the policies of the European Union and the Member States should always complement each other. Under no circumstances should they contradict each other or pursue conflicting objectives; highlights therefore that gold-plating by Member States should be avoided when transposing EU directives into national law;

17. calls on the Member States, therefore, to further develop national cohesion policies and dovetail them with efforts at EU level, in close cooperation with local and regional authorities and in accordance with the partnership principle and multilevel governance;

18. points out, in this regard, that there are already approaches at national level in various Member States to achieve a balanced structural policy that is intended to benefit all localities. While some Member States are proposing general principles to develop all communities<sup>(9)</sup>, plans for specific types of locality are being drawn up in other parts of the EU<sup>(10)</sup><sup>(11)</sup>;

19. observes that the national strategies mentioned above are not primarily concerned with economic cohesion in terms of economic performance but rather with the establishment of a certain standard with regard to public administration, infrastructure and services, which provide the basis for further socioeconomic development;

20. notes that decentralised governance is usually mentioned in all national strategies as an essential prerequisite for an area being a good place to live. Local and regional structures are essential to ensure citizen-centred governance and democratic participation;

21. acknowledges that all the national policies mentioned focus more than EU policy does on smaller units (municipalities, associations of municipalities, small and medium-sized towns, etc.) in rural areas with a view to making these stronger and thereby more attractive. All strategies consider rural areas primarily as places where people live and where there is economic activity, and provide for structural policy measures to develop them;

22. welcomes in particular the sector-specific approaches that the Member States have adopted in their national strategies. Despite the heterogeneity of local areas, it is clear that the challenges are similar in the various Member States;

23. notes that digitalisation is a key aspect of all national approaches. Universal digital infrastructure and digital public services make it possible to create and maintain jobs outside urban centres, which could in turn limit the migration of workers to cities. Underlines that an increase in telework, as experienced during the COVID-19 pandemic, could offer workers increased flexibility for choosing their place of residence; stresses in this respect its expectation that the continual digitalisation of many types of work means that the locational advantages of employees being near the workplace will likely play a less important role in many sectors in the long term; stresses that this trend should not compromise the mobility policies, in particular aimed at limiting the environmental impact of commuters' and business travel;

24. notes the need to make sure that the areas located furthest away from urban centres and with a lower population density have exactly the same levels of digital connectivity, so as to promote online public services and teleworking as tools for attracting people and talent to these areas;

25. welcomes the attention paid by all strategies to aspects of services of general interest, in particular provision of health, care and social services, schools and other educational institutions, services to protect older people and integration services; equity has to be the way ahead for providing public services to people, regardless of where they live;

26. therefore asks the future German, Portuguese and Slovenian presidencies of the EU to support implementation of the Territorial Agenda 2030 by initiating a discussion and exchange of experiences on how the EU's structural policy and national regional development policies can best be combined so as to reduce regional inequalities and improve living conditions across Europe;

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<sup>(9)</sup> Final report of the *Kommission 'Gleichwertige Lebensverhältnisse'* (Equal Living Standards Commission), Germany.

<sup>(10)</sup> 'Ruralités: une ambition à partager – 200 propositions pour un agenda rural' [Rural areas: a shared goal – 200 proposals for a rural agenda], France.

<sup>(11)</sup> 'Masterplan für den ländlichen Raum' [Master plan for rural areas], Austria.



**General recommendations for EU policy**

27. calls on the European Commission to take the same approach as national governments and entrench the goal of equivalent living standards at EU level, putting Article 174 and Article 349 TFEU into effect;
28. emphasises the Member States' discretionary power with regard to services of general interest. In line with the principle of subsidiarity, a European framework should only complement measures taken at the national, regional or local levels;
29. calls for a European long-term strategy on territorial development, taking into account interactions between agglomerations, urban areas and rural areas;
30. calls on the European Commission to not only consider the Member States' economic development, but also to take into account and recognise efforts made with regard to services of general interest, especially in less densely, or sparsely, populated areas or outermost regions where people are widely dispersed;
31. believes that creating appropriate structural conditions in all Member States and all local and regional authorities is vital for the sustainable socioeconomic development of the European Union. The Structural Funds can make a significant contribution in this regard, but must not remain the only means of promoting balanced development. All policy areas, including the vision for rural areas announced by the European Commission, should contribute to this cross-cutting objective;
32. stresses that such an objective would require detailed consideration of the territorial impact of EU measures, at both the pre- and post-legislative stages;
33. therefore recommends that the 'urban proofing' of EU policy measures proposed in the Urban Agenda for the EU be widened to 'territorial proofing', i.e. an integrated assessment of their feasibility in more densely (i.e. urban) and more sparsely populated (i.e. rural) areas, taking into account the specific features of those areas, and that it be complemented by a territorial impact assessment. This would ensure that regulatory provisions have a targeted effect and do not further promote uncontrolled urbanisation or counter-urbanisation;
34. believes that greater attention should be paid to small and medium-sized towns as anchor points in sparsely populated areas. Municipalities supply essential services of general interest and provide the public with critical infrastructure that significantly improves the attractiveness of rural areas;
35. emphasises that cities still face major challenges as well and therefore need the financial and organisational support of the European Union. The different types of locality must not be played off against each other. The Urban Agenda for the EU and the resulting partnerships are good examples of potential cooperation between the EU and local levels of government;
36. encourages the European Commission to enhance the systematic gathering of comparable statistical data for the evaluation of the development of rural areas below NUTS 2 level, without increasing red tape for municipal authorities;
37. advises the chairs of the European Parliament intergroups to fully involve CoR representatives in the work of the intergroups on urban and rural development so as to promote discussions on specific challenges;
38. notes that any working and expert groups that the EU sets up in future must include a good balance of representatives of authorities at different levels and of various sizes from urban and rural areas. Approaches developed for and by cities are not generally transferable to smaller authorities due to their different organisational and financial situations;
39. calls for all European Commission directorates-general and the European Parliament committees to fully take into account interactions between urban and rural areas and create coherent EU policies that work for all types of area in a balanced way;

40. calls for all European Commission directorates-general and the European Parliament committees to better recognise the benefit of institutional and functional cooperation in areas such as planning, mobility, the environment, provision of services of general interest, and public investment. This cooperation will allow economies of scale and strengthen links, as well as territorial, economic and social cohesion, between urban, peri-urban and rural areas which are part of the same functional area or region;

41. calls for a comprehensive approach at EU level which addresses the challenges for cross-border cooperation of cities, regions and municipalities and amplifies the potential of this cooperation for reducing disparities between different types of settlements;

#### **Recommendations for EU regional policy**

42. believes that EU regional policy should focus primarily on laying the structural foundations for balanced growth in all localities, in pursuit of convergence and development in the regions of the EU. Sustainable and sustained socioeconomic development can only happen in places where the necessary conditions are in place for individuals and businesses. In this respect emphasises the need for stronger incentives for businesses in rural areas;

43. considers that the goal of equivalent standards of living should also be taken into account in the thematic focus of the European Structural and Investment Funds (ESIF), as well as the European Agricultural Fund for Rural Development (EAFRD). The ESIF should provide support for the required local and regional infrastructure and public services in all regions. Removing the EAFRD from the common provisions on the Structural Funds is counterproductive in this sense, since the separation makes coherent, multi-fund support in urban and rural areas unnecessarily difficult;

44. takes note here of the specific allocation for urban areas under the European Regional Development Fund (ERDF), while also pointing out that such an allocation also requires a counterpart on a comparable scale for rural areas. In the long term, it would be more appropriate to provide for a specific allocation for comprehensive provision of services (broadband infrastructure, hospitals or healthcare, transport infrastructure, etc.) that contribute to balanced territorial development and to promoting the resilience of all local and regional authorities. This would promote a basis for individuals and businesses to locate outside of urban centres as well, which would in turn create jobs and reduce the pressure on people to move away to cities;

45. believes that, in view of the limited economic viability of public services in more sparsely populated areas, Structural Fund support should primarily take the form of grants;

46. believes that more Structural Fund support must go to introducing and maintaining the technological infrastructure, both telecommunications and digital services, necessary to guarantee equal development between areas. To achieve this, public-private partnerships will be promoted, with the public sector playing a leading role in implementing investment activities for this purpose;

47. asks the European Commission to address the issue in the upcoming 8th Cohesion Report, which is expected in September 2021;

48. calls for stronger links between the new Territorial Agenda 2030 of the EU and the new Cohesion Policy 2021-2027 in order to provide Cohesion Policy with a territorial strategic guiding framework to achieve a Green and Just Europe where no territory would lag behind;

#### **Recommendations for other policy areas**

49. believes that EU transport policy rules should also be framed to better ensure balanced human settlement. This includes public transport planning, rail transport and the deployment of ride-sharing services. So far, ride-sharing services have primarily been based in urban areas because the lower population density in rural areas makes them less remunerative there. In the long term, comprehensive provision of appropriate transport services should be considered, by means of public service obligations where necessary;

50. points out that EU transport rules (particularly those relating to emissions and climate) often present much greater challenges to public transport operators in rural areas than to their counterparts in urban areas. Switching to low-emission technologies is also not currently possible everywhere, due to technical requirements and market availability, particularly in areas that are less densely populated and have mountainous terrain. This is particularly the case for buses, due to higher costs, limited ranges and sometimes also longer charging times. However, EU funding is made available primarily for urban mobility, as higher pollution levels tend to be recorded in cities. To create and maintain efficient public transport everywhere, the rules should either provide for different measures for different types of locality or should provide additional funding for places where financial resources are particularly hard to find (such as rural, remote and outermost regions, and island and mountain areas);

51. points out that mobile working also played a significant role before the COVID-19 pandemic. Digital government services can also only be offered and used where both providers and users of such services have high-speed broadband connections;

52. believes that, when rolling out broadband and mobile telecommunications or 5G and 6G, the goal should always be universal availability while complying with European emissions standards. Such work should primarily be carried out by the private sector. In places where for financial reasons fibre optics can be rolled out extensively only with the help of public funding, local and regional authorities should be put in a position where they can provide this in a legally certain and targeted way.

Brussels, 14 October 2020.

*The President*  
*of the European Committee of the Regions*  
Apostolos TZITZIKOSTAS

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**Opinion of the European Committee of the Regions – Implementation and future perspectives for cross-border healthcare**

(2020/C 440/03)

<b>Rapporteur:</b>	Karsten Uno PETERSEN (DK/PES), Regional Councillor, Region of Southern Denmark
<b>Reference document:</b>	Outlook opinion

## POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

### Introductory comments

1. observes that cross-border patient mobility is a major policy issue. 34 % of EU citizens cite health as the most important policy topic in their region, an increase of 8 percentage points since 2015 and 10 percentage points since 2012;
2. emphasises that the local and regional dimension is absolutely key to cross-border healthcare. For a variety of reasons, many people living close to a border seek treatment in the neighbouring country. Border regions make up 40 % of the EU's territory, with more than one in three Europeans living in such a region. Local and regional authorities provide a link between all the stakeholders involved (national, regional and local actors, hospitals, GPs, pharmacies, members of the public, etc.);
3. is of the view that cross-border patient mobility poses a series of questions — regarding, amongst other things, access to information on treatment abroad, continuity of care, exchange of information between healthcare professionals on either side of the border, disparities in healthcare and the types of care or treatment provided for a given medical indication, the ability of the healthcare system to prioritise and provide care on under the same conditions, and logistical and administrative challenges — that have an impact on the number of people wishing to make use of the opportunities for obtaining healthcare in another EU country under the cross-border healthcare directive;
4. expresses its satisfaction with the budget of the new EU4Health programme, which will make it possible to strengthen health security and increase preparedness for future health crises. It will be a robust stand-alone programme with increased funding in the next multiannual financial framework (MFF) (2021-2027), in order to properly address the challenges identified in the Commission's programme for the current mandate, in particular regarding the fight against cancer, the prevention, early detection and management of chronic and rare diseases, anti-microbial resistance, access to affordable medicine and serious health threats (such as coronavirus epidemics), and to deliver an ambitious health policy with a focus on cross-border cooperation;
5. welcomes the fact that all Member States completed the transposition of the directive; remains concerned however about the compliance check and a sheer number of issues detected to date by the Commission; understands that the directive touches upon a large number of laws pertaining to healthcare organisation and governance, reimbursement mechanisms, information channels, patients' rights and entitlements and professional liability;
6. in the light of the foregoing, welcomes the fact that the Commission's first vice-president, Frans Timmermans, has asked the CoR, in a letter addressed to its president, to draw up an outlook opinion on the implementation of the directive on cross-border healthcare, which could help to improve enforcement and strengthen patient rights;
7. wishes to make it clear that this must be done in such a way as to ensure that the organisation, management, funding and delivery of healthcare services remain the prerogative of the EU Member States. Furthermore, the implementation of the directive should be seen in the light of the overall tasks to be undertaken by the competent health authorities in people's best interests;

8. thanks all the RegHubs <sup>(1)</sup> and the stakeholders they consulted for their careful consideration of the survey and their insightful replies that informed this opinion;

### COVID-19

9. believes that the COVID-19 crisis has made it clear that Europe needs more cooperation in the field of health;

10. echoes the call of the CoR president to set up a European Union Health Emergency Mechanism, closely linked to or integrated into existing EU structures for crisis management (i.e. the EU Solidarity Fund and the European Centre for Disease Control and Prevention) to better prepare the Union for any future pandemic crisis and to 'support regional and local leaders to provide health services and materials to hospitals and schools, hire medical staff, buy medical devices and support intensive care services';

11. also draws attention to Article 10 of the directive, on mutual assistance and cooperation, enabling Member States to 'render mutual assistance' and 'facilitate cooperation in cross-border healthcare provision at regional and local level in border regions' and is convinced that Member States should explore this opportunity more creatively to address pandemic situations as well;

12. recalls that, according to article 222 of TFEU, the Union and its Member States shall act jointly in a spirit of solidarity;

13. finds reassuring the solidarity shown in the hour of need when Member States took over patients from their overburdened neighbours to relieve the pressure of their intensive care capacities; firmly believes that this could be formalised in the future through a request for assistance under the directive;

14. recommends setting up 'health corridors' <sup>(2)</sup> between the border regions, making it possible for patients and health professionals to continue moving across the border during the lockdown to guarantee access to and provision of care;

15. points to digital cross-border solutions enabling e.g. imaging and remote analysis of samples (such as lung x-rays transferred for assessment abroad) as an example of a cost-effective and practical way to cooperate when there is a surge;

### Increased patient mobility is not an end in itself

16. agrees with the European Parliament that only a tiny fraction of EU citizens make use of the opportunities offered by the directive, and that most patient mobility occurs across shared borders;

17. refers, in this respect, to the Commission's report, which concludes that cross-border patient flows display a stable pattern, with people primarily choosing cross-border healthcare for reasons of geographical or cultural proximity;

18. draws attention to the Commission's conclusion that patient mobility and its financial implications within the EU as a whole remain relatively low, and that the cross-border healthcare directive has not had significant budgetary consequences for the sustainability of health systems;

19. underscores that cross-border healthcare may be appropriate for certain groups of patients affected by rare diseases or for reasons of geographical proximity, especially in border regions;

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(1) In November 2019, the European Committee of the Regions launched a consultation through its Network of Regional Hubs to investigate the implementation of the directive at territorial level. 27 regional hubs, representing 18 European countries, participated in the survey.

(2) France has set up such a 'health corridor' at the FR-ES border to enable the continuity of care in the Hospital of Cerdanya, whereas Luxembourg has looked into a specific derogation for the French healthcare workforce to assign them a special 'settled' status and keep them coming to work in the Grand Duchy.

20. welcomes the positive impact that the directive seems to be having on cross-border patient mobility, with figures showing a slight upwards trend since 2015. The number of prior authorisations has likewise been steadily increasing over the past few years, with more than twice as many requests being made and authorised in 2017 as in 2015 across the Member States;

21. points out that the regulations and the directive are not the only routes by which care may be provided in another Member State, as several of them have adopted bilateral and multilateral parallel procedures to address the particular needs of care in their border regions (BE, DK, SE, DE, CZ, EE, LU, HU, NL, PT, RO, FI and LT). Often predating the directive, these agreements generate significant flows of patients that are not captured in European statistics;

22. notes that the purpose of the cross-border healthcare directive is not to achieve the highest possible number of patients using care abroad; the arrangements offered by the directive have been designed to complement the basket of care services and products available regionally or nationally and to clarify the rights of European patients willing to access healthcare or treatment in another EU/EEA country; the number of users therefore cannot be interpreted as either a success or a failure of the legislation;

23. emphasises in this connection that any increase in cross-border patient mobility must be based on individual patient circumstances, and is not an end in itself;

#### **Readily accessible information on health care under the terms of the directive**

24. like the European Parliament, maintains that, if the directive is to be implemented successfully, it is crucial for patients, healthcare professionals and other stakeholders to be properly informed of the opportunities it affords for cross-border treatment;

25. therefore stresses that people must have easy access to information on the conditions for obtaining treatment in other Member States under the directive, so that they can make an informed choice if they are considering treatment abroad;

26. points out that since there are significant differences in how individual countries organise their health systems, including regional and local differences in some countries, health authorities should make sure that adequate arrangements are in place to provide the public with access to appropriate information;

27. draws attention to the fact that National Contact Points (NCPs) can have regional antennas or be integrated into the regional health systems' websites or hosted on regional health insurers webpages; while these solutions may not necessarily increase the overall visibility of the NCPs, they may be more successful in providing citizens with information;

28. recommends that the Commission provide examples of good practice from different countries and from regional and local authorities on how best to disseminate information, so that the health authorities in the Member States can learn from the experience of health systems similar to their own;

29. stresses that, even if the Member States step up their efforts to make information available, there will still be major differences in patient mobility depending on the organisation of individual health systems and the services they deliver. The Commission's report makes this clear. The main reasons why patients decide to seek cross-border treatment are swifter access to good quality care, cultural affinities and not least the possibility of saving money on treatment with a substantial proportion of own funding, such as dental treatment;

#### **Additional administrative costs incurred for treatment abroad**

30. notes that by far the major part of Member States' health budgets is spent on the domestic market. The Commission calculates that, under the directive, the cost of cross-border healthcare across the EU as a whole amounts to only 0,004 % of the total annual health budget of the EU countries;

31. reiterates that only a tiny fraction of patients make use of treatment in another EU country under the directive. According to the most recent estimate by the European Court of Auditors, the number of reimbursement requests is in the region of 214 000 per annum, corresponding to approximately 0,04 % of the EU's population. The vast majority of requests (over 210 000) are for reimbursement for treatment that does not require prior authorisation;

32. notes that reimbursement for out-patient services, which do not require prior authorisation (for example, dental care), is relatively low from a financial point of view in comparison with the additional information and administrative costs to health authorities incurred by implementing the directive;

33. stresses that in endeavouring to comply with all aspects of the directive and make it as straightforward as possible for people to seek treatment in another EU country, the Member State health authorities must also take into account the fact that by far the majority of EU citizens opt for healthcare that is delivered relatively close to their home or family. The organisation, quality and capacity of the Member States' healthcare services must in principle, therefore, aim to enable people to be treated as close as possible to their place of residence or family;

34. notes that Member States' spending on treatment in other EU countries is not just a matter of reimbursement. Administrative and information costs are also linked to treatment — money that could otherwise be spent on improving treatment in the Member States' own health systems. When implementing the directive, the national health authorities should therefore take care to ensure that the very small proportion of patients wishing to receive treatment in another EU country does not place a disproportionate burden on resources in their own health systems;

#### **Appropriate use of prior authorisation**

35. takes note of the fact that Member States' use of prior authorisation for hospitalisation or highly specialised medical treatment in another country has been identified as a barrier to cross-border patient mobility;

36. observes in this regard that, according to the Commission report, the impact on national health budgets of patients seeking access to cross-border healthcare is marginal, something that applies to all countries regardless of whether or not they have made provision for prior authorisation;

37. notes that the use of prior authorisation is deemed necessary by the majority of RegHubs (63 %) to ensure access to quality healthcare, as well as being key to avoid wasting resources (48 %) and to controlling costs at the regional level (44 %);

38. points out that recourse to the directive's prior authorisation rules also offers financial certainty for patients, because before they receive treatment in another country their State of insurance guarantees that it will cover the cost of the treatment under the directive;

39. calls on the Member States to make prior authorisation as swift as possible so as not to delay treatment unnecessarily, while providing a realistic assessment of the estimated cost of the planned intervention;

40. highlights the much less-used mechanism of prior notification (Article 9(5) of the directive) found by the RegHubs to be a useful tool to provide patients with clarity and to support authorities in complying with their obligations, and invites the Member States to make more ample use of this voluntary arrangement;

41. draws attention to the mechanism of financial compensation, which Member States may implement in connection with prior authorisation, to introduce direct billing between competent institutions thus replacing upfront payment and reimbursement to patients (Article 9(5)) as a means to reduce the burden on patients and open up the possibility of seeking treatment abroad for less affluent societal groups;



42. following on from the above, recommends regarding the further implementation of the directive that recourse to the system of prior authorisation still be possible where the authorities in the Member States consider it necessary;

**Further cooperation on the implementation of the directive**

43. invites DG SANTE, in cooperation with the other relevant directorates-general, to follow up on this evaluation of the implementation of the Patient Mobility Directive and to collect, analyse and publish examples of cross-border healthcare activities and problems encountered by participating authorities;

44. requests adequate and long-term EU funding in the next programming period, especially but not exclusively through Interreg, including for the implementation of cross-border studies/projects aimed at removing specific barriers and at smooth cooperation;

45. notes that, whilst it does not specifically refer to the directive, the Memorandum of Understanding between the CoR and WHO nevertheless commits the CoR to promoting access to healthcare, health promotion and knowledge sharing, all of which are essential aspects of the directive;

46. invites the Commission to engage in a regular dialogue with the European Committee of the Regions, including the NAT commission and the Interregional Group on Health, on challenges and solutions with a view to improving the implementation of the directive on cross-border healthcare;

47. expresses its ongoing support for this much-needed European collaboration and stands ready to further advise and inform on best practice examples from the regions;

48. reiterates that diseases know no borders and that European health emergency solidarity should never stop at administrative or legal borders;

49. expects the forthcoming third implementation report from the European Commission to fully reflect the considerations of the European Committee of the Regions, as expressed in this opinion.

Brussels, 14 October 2020.

*The President*  
*of the European Committee of the Regions*  
Apostolos TZITZIKOSTAS

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**Opinion of the European Committee of the Regions – An EU Health Emergency Mechanism**

(2020/C 440/04)

**Rapporteur:** Birgitta SACRÉDEUS (SE/EPP), Member of Dalarna County Council

**POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS

**General observations**

1. notes that the COVID-19 outbreak that has hit Europe and the rest of the world in 2020 has not only led to very high rates of sickness and death, but has also had major economic and social consequences of which nobody yet has a full overview. The rapid spread of the virus has put both health and social care and public health structures under increased pressure and generated an extremely high workload for health and care workers, while at the same time preparations also need to be made for further waves;
2. points out that the COVID-19 pandemic has impacted different parts of Europe to different extents, with significant variations not only between countries but also between regions, municipalities, neighbourhoods and age groups, but that people with underlying conditions and those already in fragile health, and living under inadequate socioeconomic conditions, have consistently been hit harder than others;
3. notes that, in the fight against COVID-19, and in order to safeguard and guarantee public health, the Member States have taken measures that restrict individuals' freedom of movement to an extent that would have been unthinkable under normal circumstances;
4. takes the view that the COVID-19 pandemic clearly demonstrates the importance of skilled, highly-trained staff and well-funded, well-equipped and robust healthcare systems with the capacity to adapt to a new public health and care situation quickly and, if need be, both to strengthen primary and outpatient care and to increase the capacity of hospitals' general wards and intensive care units;
5. points out that in many countries the treatment of patients with other diagnoses and medical needs has been postponed, building up a 'healthcare backlog' that will take a long time to catch up on. Many of those whom COVID-19 hit particularly badly now need rehabilitation, and there are also strong indications that the need for care and treatment of mental health issues has increased in the wake of the pandemic, both in the population in general and among health and care workers. Healthcare, including public health, primary and outpatient care, will therefore need more resources for a long time yet;
6. notes that the EU institutions have actively supported the Member States in their fight against COVID-19, but that cooperation between Member States ceased at an early stage, with for instance national borders closing to medical supplies, just when the need for European cooperation, leadership and engagement was higher than usual;
7. recalls that, according to Article 222 TFEU, the Union and its Member States shall act jointly in a spirit of solidarity;
8. stresses that, while the EU has an important role to play in efforts to improve public health, prevent disease and eliminate health risks, it is fundamentally the responsibility of the Member States themselves to decide how to organise, finance and design their public health, healthcare and social services;

9. is convinced that Europe's systems of universal healthcare, funded on the basis of solidarity, are a huge asset in the fight against COVID-19;

### **General lessons**

10. considers that there are many important lessons to be learned from the fight against COVID-19 that can be applied both to ongoing work on this global crisis and to other crisis situations;

11. draws attention to the fact that many Member States have opted to give local and regional authorities primary responsibility for health, care and public health. Even in countries with national health systems, responsibility for social services and social care often lies at local level. Local and regional authorities therefore play a very important role in the fight against COVID-19;

12. stresses that it is important for the EU institutions and authorities, as well as the Member States, to ensure that the single market is maintained and continues to operate in crisis situations, that the procurement and transport of medicines, medical devices, personal protective equipment and other goods and services are not hampered, and that health and care workers and other key groups are not prevented from commuting across national borders;

13. highlights the importance of quality-assured data collection, high-quality research and reliable information sources, in order to ensure that authorities can take well-founded decisions and that businesses, organisations and individuals can act responsibly to prevent disease;

14. highlights the importance of mutual assistance and cooperation in cross-border healthcare, including the transport of patients in need to hospitals in neighbouring countries with free capacity, and the transfer of medical professionals and other forms of cross-border cooperation to alleviate the pressure on health systems in the worst affected EU regions;

15. for this reason, insists on the need for the Member States to agree on a common statistical protocol to allow for comparability of the data on the impact of the COVID-19 crisis and future pandemics. This protocol, to be developed under the joint authority of the ECDC and Eurostat, could rely on data provided at NUTS 2 level to facilitate a policy response integrating the use of European Structural and Investment Funds;

16. draws attention to the digital solutions in fields including medical information, medical consultations and contact tracing that have been developed or have made further progress in the wake of the COVID-19 outbreak; the identification of virus carriers does, however, raise legitimate questions regarding privacy and data security, not least in cross-border situations. The pandemic has also highlighted the need for the digital cross-border exchange of patient data when patients receive healthcare in another Member State;

17. stresses the importance both of global cooperation with the World Health Organization (WHO), among others, to combat COVID-19 and other serious threats to health, and of cooperation with businesses and voluntary organisations, families, neighbours and friends in local and regional crisis management;

18. highlights the need to find a better way to protect older and vulnerable people — both those in special accommodation and those living in their own homes — against COVID-19 and other infectious diseases; in this regard, stresses the importance of health and social care policies that strengthen local primary care systems, with a focus on prevention;

### **An EU health emergency mechanism**

19. welcomes the steps that the Commission has already taken to reduce the burden on national, regional and local authorities in their efforts to address the COVID-19 crisis, takes note of the comprehensive recovery plan for Europe presented on 27 May 2020, and takes a positive view of the agreement to use all available funds in this year's EU budget to help meet the needs of European health systems;

20. notes that Decision No 1082/2013/EU of the European Parliament and of the Council on serious cross-border threats to health <sup>(1)</sup> has laid crucial foundations for the EU's emergency preparedness and crisis response, but that in the light of the ongoing health crisis, that there is a need to further develop the EU's emergency and disaster response capacities;

21. therefore suggests that, in compliance with the subsidiarity principle and the fact that the Member States have primary responsibility for healthcare, public health and civil protection, an 'EU health emergency mechanism' should be set up in order to:

- coordinate EU action and support to assist national, regional and local healthcare and disaster-preparedness structures to respond effectively to health threats and crisis situations;
- ensure effective cooperation and coordination on preparedness and response with competent international organisations such as the WHO;
- coordinate European distribution of essential medical equipment;
- reinforce the role of health related European Agencies;
- improve the supply of essential medical equipment through joint procurement initiatives and monitor the supply chain for essential products;
- in cooperation with the European Centre for Disease Prevention and Control (ECDC), support Member States in reviewing and updating their pandemic plans, with a focus on also involving local and regional authorities. Member States' healthcare systems should also undergo 'stress tests' analogous to those carried out on financial institutions after the financial crisis, to assess their preparedness for various types of health threat;

22. takes the view that the future EU health emergency mechanism should also rely on the 'Emergency Support Instrument' laid down in Council Regulation (EU) 2016/369 <sup>(2)</sup>;

23. is convinced that the EU Civil Protection Mechanism — not least its instruments rescEU and the European Medical Corps — needs to be further reinforced if the EU is to be prepared and able to respond rapidly, efficiently and in a coordinated manner to any future emergency, biological or otherwise. However, the EU Civil Protection Mechanism should be assessed in light of the experiences from the COVID-19 pandemic, in order to provide it with the most effective possible organisation and structure;

24. proposes strengthening the early-warning capacity of the EU Emergency Response Coordination Centre (ERCC) and developing its links to the Health Security Committee and the ECDC so that it can fulfil its coordinating role even more effectively in the future and give tailored support to local operational management;

25. notes that the COVID-19 crisis has highlighted how vital the ECDC is, and urges the Member States and the Commission to work together to strengthen and develop its role in combating major health scourges. The Committee therefore welcomes the fact that EU health ministers are now discussing strengthening that role;

26. is in favour of many of the actions proposed by the European Commission in its communication of 15 July 2020 on Short-term EU health preparedness for COVID-19 outbreaks;

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<sup>(1)</sup> OJ L 293, 5.11.2013, p. 1.

<sup>(2)</sup> Council Regulation (EU) 2016/369 of 15 March 2016 on the provision of emergency support within the Union (OJ L 70, 16.3.2016, p. 1).

27. in the interests of safeguarding both freedom of movement and public health, welcomes the European Commission's proposal for a Council recommendation on a coordinated approach to the restriction of free movement in response to the COVID-19 pandemic, published on 4 September 2020;

#### **Procurement and stockpiling of medical supplies**

28. welcomes the fact that, as of April 2020, the joint procurement agreement covers almost 540 million people, including all residents of EU and EEA countries, the United Kingdom and almost all of the candidate and potential candidate countries;

29. therefore welcomes the proposal from German chancellor Angela Merkel and French president Emmanuel Macron on 18 May 2020 to set up a special task force in the ECDC, as part of a strategy for dealing with health emergencies, which would be asked to work with national health authorities to draw up plans for prevention and response measures for future epidemics;

30. appreciates the voluntary nature of the agreement but feels that an opt-in should be replaced by an opt-out system, as this would facilitate a fast-lane procedure while guaranteeing freedom of choice to the participating parties;

31. welcomes the Commission's proposal firstly to create a new, stand-alone EU4Health programme, as part of the recovery plan for Europe, with a total budget of EUR 9,4 billion, whose purpose would be partly to strengthen health protection and prepare the Union for future health crises, and secondly to boost the EU's rescEU civil protection mechanism with a EUR 2 billion increase in funding; regrets, however, that the European Council has since lowered its ambitions to EUR 1,7 billion, which will seriously reduce the scope for responding to the negative consequences of the pandemic.. The Committee of the Regions intends to make specific comments about the new health programme in a separate opinion;

32. takes a positive view of the European procurement and distribution of essential medical supplies to hospitals and other care providers (respirators, ventilators, personal protective equipment, reusable masks, medicines, medical and laboratory equipment and disinfectants), but stresses that hospitals, health centres and care homes in many Member States are run by local and regional authorities that need to be involved in this process, and points out that the joint procurement undertaken in the spring took too long and thus could not fully achieve its purpose;

33. welcomes the rapid creation of the rescEU stockpile of medical equipment and its swift delivery to the worst affected Member States;

34. calls on the Member States and the Commission to establish a permanent European Strategic Stockpile (ESS) as the EU's repository of antibiotics, vaccines, chemical antidotes, antitoxins, and other critical medical supplies, which have been proven to be effective, in order to guarantee the availability of an 'emergency reserve' and coordinate prompt distribution and delivery of essential resources across Europe;

35. welcomes the Commission's Decision of 3 April 2020 to temporarily exempt medical equipment and personal protective equipment from import duties and VAT. The Commission should consider revising the scope of its Decision so that it includes private companies required to use PPE, and implement the Decision in a way that does not put local EU producers at an economic disadvantage;

36. points out that the shortages of essential products and medicines, including antibiotics and anaesthetics, previously experienced in many regions have been exacerbated by the current pandemic, and calls for efforts to rapidly acquire key basic substances, increase production of testing kits and other medical devices where there are shortages, and launch the development and production of essential medicines on European soil by promoting research and innovation and creating incentives for manufacturers;

37. agrees that the EU must be able to develop, buy, transport and distribute testing supplies and protective gear imported from abroad or produced within the EU. With regard to the production of medicines and other medical supplies, the EU and its Member States must reduce their dependency on third countries and work to make medicines more affordable;

38. firmly believes that it must be possible at all times for protective equipment, such as masks and protective suits, to be quickly and easily supplied on the market. To that end, the necessary conditions should be created at EU level to establish production capacity for protective materials in the Member States, and EU procurement and antitrust rules should be reviewed in light of the pandemic;

39. points to the need to assess what type of personal protective equipment is suitable for use in what contexts, and not only with regard to controlling COVID-19;

40. finds it positive that the European Committee for Standardisation (CEN) and the European Committee for Electrotechnical Standardisation (Cenelec) have agreed to make available a number of European standards for certain medical devices and personal protective equipment, and believes this will help to increase and convert production capacities of EU enterprises to address shortages of supplies;

41. points to the need for personal protective equipment, especially where it is for the general public, to be recyclable as far as possible;

### **Vaccines, diagnostics and treatment**

42. stresses the urgent need to develop vaccines against COVID-19, and urges the EU legislator to take account of the Committee's call to strengthen EU cooperation on the development, production and distribution of vaccines, complementing public and private medical research to combat COVID-19;

43. welcomes in this context the European Commission's proposal to increase the budget for the Horizon Europe framework programme for research and innovation to EUR 94,4 billion, and finds it regrettable that the European Council has since proposed reducing that to EUR 80,9 billion;

44. welcomes the agreements that the European Commission has reached with a number of pharmaceutical companies for the supply of medicines and vaccines if and when one of the companies develops a safe and effective vaccine;

45. notes with concern that the global efforts to develop a COVID-19 vaccine, diagnosis and treatment could easily turn into a fierce competition that leaves poorer nations defenceless against the disease; expresses its strong support for multilateral cooperation to develop safe and effective vaccines, diagnostics and treatment, and for fair funding and distribution of future vaccines and medicines;

46. supports the development of a common EU vaccination card and a virtual European register providing information on vaccine stocks and needs to facilitate the voluntary exchange of information on available vaccine resources and shortages of essential vaccines;

47. calls for more action to counter the dissemination of misinformation about COVID-19, treatments for it and vaccines against it online and through other channels. In this fight against disinformation, the WHO, the EU and its Member States, and local and regional authorities all have important roles to play;

48. supports the Commission's efforts to raise more funds for research into COVID-19 vaccines, and expects Horizon Europe to allocate significant resources to support for research and innovation in this area.

Brussels, 14 October 2020.

*The President*  
*of the European Committee of the Regions*  
Apostolos TZITZIKOSTAS

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**Opinion of the Committee of the Regions – Bio-diverse cities and regions beyond 2020 at the UN CBD COP 15 and in the EU Biodiversity Strategy for 2030**

(2020/C 440/05)

<b>Rapporteur:</b>	Roby BIWER (LU/PES), Member of Bettembourg Municipal Council, Luxembourg
<b>Reference document:</b>	Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions — EU Biodiversity Strategy for 2030 Bringing nature back into our lives COM(2020) 380 final

## **POLICY RECOMMENDATIONS**

### THE EUROPEAN COMMITTEE OF THE REGIONS

1. Calls on the international community to make the 15th Conference of the Parties (COP) of the UN Convention on Biological Diversity (CBD) in 2021 the Kunming Moment for Biodiversity and a wake-up call to irreversibly bend the curve in the loss of biodiversity and ecosystems;
2. Alerts people to the fact that since 2018 the state of biodiversity has worsened and most international societal and environmental goals, in particular the Aichi Biodiversity Targets (ABT), have not been met. Global efforts to halt biodiversity decline have failed, as documented by the IPBES 2019 Global Assessment leading to the World Economic Forum 2020, identifying the loss of biodiversity and collapse of ecosystems as one of the top five threats facing the world;
3. Points out that the main drivers of biodiversity loss are land-use change, direct exploitation of natural resources, and climate change, which have to be addressed by concrete and timely actions.
4. Emphasises that the total ecological footprint of the EU-27 Member States exceeds more than twice the capacity of ecosystems to produce useful biological material and to act as carbon sinks in the region;
5. Stresses the increasing evidence of the direct connection between the climate, biodiversity and human health crises and the increased zoonotic risk of pandemics due to advancing global destruction of natural ecosystems;
6. Highlights that the current state of the biodiversity crisis requires a set of ambitious and easily communicable targets and immediate science-based policy and action on the drivers of biodiversity loss and ecosystem degradation that are proportionate to the aim of bending the curve in biodiversity loss;
7. Calls for policy coherence to align the efforts, objectives and outcomes produced by the different EU policies, including the new Common Agricultural Policy (CAP), the EU Green Deal and the EU's trade relations and international commitments, namely the UN 2030 Agenda for Sustainable Development, the UN Paris Agreement on Climate Change, the CBD and the Sendai Framework for Disaster Risk Management, in a comprehensive EU Sustainability Strategy with clear objectives and implementation measures;
8. Highlights the urgency to act as confirmed by the CBD's 5th Global Biodiversity Outlook and its recommendation to promote local level urban governance and transdisciplinary planning, to promote NBS as well as to adopt integrated approaches to land use and land use change on the local and landscape level as key components of pathways towards bending the curve in biodiversity loss;



9. Stresses that, despite increasing acknowledgement, a formal recognition of the key role for Subnational Governments, Cities and Other Local Authorities for Biodiversity (SLGs) <sup>(1)</sup> in bending the curve in biodiversity loss and applying a 'whole-of-government approach' in each step and at every level of the biodiversity governance process is still lacking in both the EU Biodiversity Strategy for 2030 and the Post-2020 Global Biodiversity Framework (Post-2020 GBF). Such recognition could be achieved in particular through the inclusion of Local and Subnational Biodiversity Strategies and Action Plans (LBSAPs/SBSAPs) in National Biodiversity Strategies and Action Plans (NBSAPs);

10. Supports the establishment of the EU's long-term climate neutrality objective to steer the European project towards irreversible climate neutrality by 2050, based on a 2021-2027 MFF which meets at least the target of 30 % climate related expenditure; and emphasises that the EU's Climate Law should ensure convergence of measures to achieve net-zero greenhouse gas emissions with EU and global biodiversity objectives; <sup>(2)</sup>

### **The Role of Cities and Regions to bend the curve in biodiversity loss**

11. Agrees with the IPBES 2019 report's conclusion that LRAs, through responsible production and consumption, as well as integrated territorial land use planning and implementation, and nature-based solutions (NBS) and solutions that are based on the protection and sustainable use of natural and primary resources that are sensitive and specific to social, economic and ecological contexts, can make significant contributions to relevant UN Conventions, including the UN 2030 Agenda and Paris Agreement;

12. Points out that LRAs are a constituent part of national authorities ratifying the CBD, make extensive voluntary contributions and create important partnerships that mobilise the major groups (Indigenous Peoples and Local Communities — IPLCs, youth and women) and relevant sectors (business, culture and civil society organisations);

13. Emphasises that LRAs, as engines of innovation and of the implementation of integrated spatial and territorial plans and strategies, are an underused resource, also financially, for achieving EU and global biodiversity goals and that their full capabilities can be harnessed by recognising, activating and equipping the key roles of LRAs;

14. Emphasises that innovative NBS — which are solutions that are inspired and supported by nature, which are cost-effective, simultaneously provide environmental, social and economic benefits and help build resilience — are among the most effective tools for restoring ecosystems and mobilising people's ability to thrive with nature, as the 2020 Naturvation project report points out <sup>(3)</sup>;

15. Calls for the exchange of best practices in order to foster the uptake and spread of innovative NBS, and build guidance for all relevant stakeholders;

16. Draws attention to the interconnectedness of the Sustainable Development Goals, and suggests the integration of biodiversity and climate targets in further policy developments, e.g. by continuously considering the biodiversity of renewable energy infrastructures' surroundings, in order to reach both biodiversity and climate targets;

17. Recalls its encouragement to LRAs to establish LBSAPs or SBSAPs, respectively, and engage in international, European and national standardisation to mainstream biodiversity and ecosystems management as well as NBS for increased applicability and impact;

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<sup>(1)</sup> All levels of government below national level are referred to in the wording 'Subnational Governments, Cities and Other Local Authorities for Biodiversity' (SLGs) in the context of the global framework, and in the wording 'Local and Regional Authorities' (LRAs) in the EU context.

<sup>(2)</sup> COM(2020) 80 final, COR (2020) 01361 (OJ C 324, 1.10.2020, p. 58).

<sup>(3)</sup> Xie, L.; Bulkeley, H. (2020) City for Biodiversity: The Roles of Nature-Based Solutions in European Cities, NATURVATION.

**Cities and regions as drivers for implementing the EU's biodiversity ambitions**

18. Welcomes the EU Biodiversity Strategy for 2030 as an interface for vertical collaboration in addressing the main causes of biodiversity loss and its links to societal challenges such as climate mitigation and adaptation and protection from future pandemics;

19. Calls for strong cooperation among LRAs for the establishment of ecological corridors, as part of the Trans-European Nature networks, as they are the key for local buy-in;

20. Stresses the importance of coordinating nature conservation measures and setting targets at local level. The EU should provide funding and information support for cities and regions in order to promote biodiversity, including for conservation projects, nature-based solutions, development of nature data resources, spatial planning that safeguards biodiversity and the strengthening of expertise and resources in cities and regions;

21. Welcomes the Council's commitment in its conclusions on the preparation of the Post-2020 GBF to increase the application and implementation of NBS in support of biodiversity conservation, ecosystem restoration and sustainable land-use;

22. Welcomes and supports the ambitious EU-wide commitments, targets and goals of the EU Green Deal and the EU Biodiversity Strategy; highlights the key role of LRAs in their achievement, in particular by establishing Urban Greening Plans by the end of 2021 and emphasises their innovation and integration potential for supporting regional and urban biodiversity, resilient recovery and social cohesion;

23. Stresses the need for an integrated EU-wide strategy for the goal to plant at least 3 billion additional trees in the EU in full respect of ecological principles to ensure consideration of key functions; reiterates its opinion<sup>(4)</sup> on the crucial role of forests in both rural and urban areas for biodiversity protection, climate change mitigation, protection against hydrogeological damage, carbon storage, human health and other co-benefits, and calls for increased efforts to protect and restore forests in full respect of ecological principles, significant age, unique ecological characteristics and the highest level of biodiversity;

24. Welcomes the EU Urban Greening Platform as a capacity development tool for cities and recommends that it be integrated into key initiatives and platforms such as the new EU Green City Accord, NetworkNature, CitiesWithNature and RegionsWithNature. In particular, it supports CitiesWithNature and RegionsWithNature as the official platforms of the Sharm El-Sheikh to Kunming Action Agenda for Nature and People to engage and commit SLGs to showcase their efforts and recognise the value of nature in cities and regions;

25. Emphasises the LRAs' key role in managing Natura 2000 sites and requests sufficient logistical, scientific and financial support for full coverage and enforcement by 2025;

26. Calls on the EU to supply sufficient resources, capacity development and guidance to LRAs to implement climate mitigation and adaptation activities, conservation measures, site management and urban greening plans for implementing ambitious biodiversity action;

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<sup>(4)</sup> NAT (2019) 4601 (OJ C 324, 1.10.2020, p. 48).

27. Welcomes the goal of putting in place a new European biodiversity governance framework as put forward in the EU Biodiversity Strategy, enabling LRAs and all levels of government, based on local conditions, to comply with monitoring and evaluation responsibilities and measure progress on biodiversity action, and asks for a clear set of indicators and measurable targets that are standardised at European level; stands ready to collaborate and contribute in the development and implementation of the new governance framework to ensure a structure that is most effective in harnessing the full potential of LRAs in bending the curve in biodiversity loss;

28. Calls on the EU, building on existing evidence of effective implementation, to take concrete action, including capacity development, that further mainstreams and aligns biodiversity priorities across jurisdictions and policy areas — namely agriculture, spatial planning and urban development, trade, environment, research and innovation, climate mitigation and adaptation and the EU Green Deal — and adequately integrates all levels of governance to ensure delivery of EU-wide impacts;

29. Emphasises the recommendations of its report on financing biodiversity action<sup>(5)</sup> to step up ambitions in environmental mainstreaming across EU funding as well as increasing and streamlining biodiversity-dedicated funding targeting LRAs at the appropriate scale, including in LIFE;

30. Requests coherent cross-border environmental policies and corollary cross-border cooperation, since species live beyond borders;

31. Calls on the EU to prioritise bending the curve in biodiversity loss as a key principle in all major financial plans, including the Multiannual Financial Framework for 2021-2027 and COVID-19 recovery plans, mobilise sufficient resources to, directly or indirectly, stimulate biodiversity action at all levels of government and specific to the regional context, simplifying procedures for increased uptake of funding; to this end, suggests considering the implementation of a traffic light system on public spending or investment activities which reflects the possible impact on biodiversity and drivers of its loss;

32. Asks that EU state aid schemes fully integrate the objective of eliminating subsidies that are harmful to biodiversity, ensuring that public and private economic and regulatory incentives are positive for biodiversity by 2030; it also emphasises the importance of including biodiversity in the cohesion policy;

33. Draws attention to the high number of jobs endangered by biodiversity loss and ecosystem degradation and to the job-creation potential of applying bioeconomic and sustainable production models, and calls on the Commission to make preservation of jobs that are directly related to halting biodiversity loss and ecosystem degradation a priority in future environmental strategies;

34. Calls for stepping up investment in research on the links between nature and the economy to ensure additional input for evidence-based policy-making and more effective investments;

35. Encourages a facilitated process for mainstreaming biodiversity in CAP plans; encourages common binding and effective minimum earmarking for eco-schemes in all national strategic plans;

36. Points out that there is often incoherence in the terminology used in different directives and regulations, that procedures (e.g. the LIFE programme) are often too complicated for smaller LRAs and mostly targeted at large scale projects and not adequate for nature projects in peri-urban and rural areas;

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<sup>(5)</sup> CoR (2020) Financing biodiversity action: opportunities and challenges for EU subnational governments.

37. Notes the important role of zoos and aquariums, but highlights that the conservation and preservation of biodiversity should focus on in-situ efforts and the prevention of wildlife trafficking, stepping up the protection of local species and increasing knowledge about them; offers its support to LRAs in improving the implementation of the EU Zoo Directive in alignment with CBD targets;

38. Recalls that while the EU's framework for marine environmental protection is one of the most comprehensive and ambitious worldwide, a boost in action is necessary to be able to properly address main pressures such as overfishing and unsustainable plastic litter, excess nutrients, fishing practices, underwater noise and all kinds of pollution; sustainable fishing practices and health of marine ecosystems are essential for economies, people and communities in coastal areas;

39. Calls on the EU to strengthen the important role of sub-national governments in preserving and re-establishing biodiversity, particularly in unlocking the potential of biocultural diversity. As the concept of biocultural diversity encompasses biodiversity, cultural diversity and local, regional and European identity, the preservation of biodiversity is likely to bring added value from the perspective of local communities;

40. Calls on the EU to stand up for a strengthened Post-2020 GBF reflecting the equal importance of the international, regional and local levels by means of a dedicated decision for full involvement of LRAs, building on the legacy of the Plan of Action of Decision X/22 and its remarkable achievements at all levels of government over the past decade;

#### **Establishing the role of cities and regions in the Post-2020 Global Biodiversity Framework**

41. Supports the goal of the UN Decade on Ecosystem Restoration for accelerating and massively scaling up the global restoration of degraded and destroyed ecosystems to fight the climate crisis and enhance food security, water supply and biodiversity, e.g. through the Bonn Challenge that aims to restore 350 million hectares of degraded ecosystems by 2030;

42. Reiterates the need for formal recognition of the key role of SLGs in achieving global restoration and biodiversity objectives by multiple decisions of previous CBD COPs and calls on UN Parties to engage with their SLGs and strengthen their capacities to incorporate biodiversity into urban, spatial and territorial plans in order to achieve the CBD objectives and the Post-2020 GBF as per the mission of Decision X/22;

43. Welcomes the formal recognition of the connection between biodiversity and human health in the Post-2020 GBF and highlights the fact that SLGs are key to implementing and managing NBS, including accessible and inclusive green spaces in urban, peri-urban and rural areas, effectively improving health conditions;

44. Recommends explicitly referring to the role of SLGs throughout the Post-2020 GBF, in particular by developing goals and targets (amending section I. Introduction/B), building partnerships, driving momentum for change (by amending section I. Introduction/C) and mainstreaming biodiversity, including in relevant sectoral policies at all levels of government (by rephrasing section D, 2030 targets, item 13)<sup>(6)</sup>;

45. Recalls the need for collective action of all stakeholders and the wider public, with special attention to contributions from IPLCs, women, youth and those directly relying on and managing biodiversity;

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<sup>(6)</sup> As per Zero Draft of the Post 2020 GBF <https://www.cbd.int/article/2020-01-10-19-02-38>

46. Calls for prioritising a Long-term Approach to Biodiversity Mainstreaming (LTAM), horizontally and vertically, across policy areas and sectors at subnational and local levels, and notes that SLGs, as the local public governance interface with civil society and the private sector, are best positioned to address ecosystem restoration and protection in specific local and regional contexts, pooling resources and utilising economies of scale;

47. Advocates Post-2020 GBF Target 15 for explicitly addressing the need for additional resources to support the LTAM through targeted capacity development at all levels of government, including through innovative, activating methods such as peer-to-peer learning, to reverse biodiversity loss, restore ecosystems, prevent invasive alien species and the illegal killing of and trade in wildlife, and involve key stakeholders and experts, in particular IPLC, in managing biodiversity and providing technical assistance and adequate financial and human resources;

48. Calls on CBD Parties to significantly step up public funding as the backbone of resource mobilisation, collected by and distributed to SLGs for investment in biodiversity action at their level, with special consideration of biodiversity hotspots, in order to create enabling conditions for private sector investment;

49. Recommends developing Communication, Education and Public Awareness-raising (CEPA) initiatives in alliance with technical experts, artists, writers and the education and media sectors, tailored to the local and subnational level to highlight the cultural, tourism-related, recreational, human health, economic and intrinsic value of biodiversity across communication in the public, private and business sectors and emphasises the unique position, insight and legitimacy of SLGs as the level of government closest to the people for implementing such initiatives;

50. Calls for provision of consistent definitions of indicators, including on urban green space, based on the revised Singapore Index on Cites' Biodiversity, as a tool to measure the contribution of local biodiversity action supporting a clear role for SLGs in the Post-2020 GBF monitoring, reporting and verifying mechanism (MRV);

51. Urges monitoring efforts to be significantly scaled up, harnessing new technologies, all adequate data sources and predictive modelling in integrated biodiversity monitoring systems, so as to inform assessment of the effectiveness of international agreements and accurately and transparently track the impact of biodiversity action at all levels;

52. Calls on the Global Biodiversity Outlook (GBO) to make explicit reference to the importance of SLGs in developing and implementing national policies;

53. Encourages annual platform conventions for SLGs to connect, exchange and collectively present their contributions to the Post-2020 GBF and to establish interfaces to such as the Global Platform for Sustainable Cities, the Global Environment Facility's Sustainable Cities, BIODEV 2030, IADB's Emerging and Sustainable Cities Programme, the FAO's Great Green Wall of Cities and the CBD Area-based commitments Platform;

54. Advocates the COP15 Decision dedicated to full participation of SLGs in the post-2020 GBF, including a renewed Decision X/22 delineating a Plan of Action on SLGs for Biodiversity and accelerating a 'whole-of-government' approach to vertical collaboration between all levels of government to ensure policy coherence and exploit their full potential for meeting the 2050 Vision and 2030 Mission;

55. Supports the recommendation by the Subsidiary Body on Implementation (SBI) 'On Engagement with Subnational and Local Governments to enhance implementation of the Global Biodiversity Framework' and requests that the SBI undertake a mid-term review of the role of SLGs in the implementation of the Post-2020 GBF and LTAM in 2024;
56. Highlights the important collaboration with international key partners <sup>(7)</sup> in the 'Edinburgh Process for SLGs on the development of the Post-2020 GBF' and the forthcoming 7th Global Summit of Subnational and Local Governments in the global positioning of SLGs as part of an effective Post-2020 GBF;
57. Commits itself to proactively engage in implementing the Post-2020 GBF and the EU Biodiversity Strategy to 2030 and in preparing an aligned, ambitious EU Biodiversity Action Plan.

Brussels, 14 October 2020.

*The President  
of the European Committee of the Regions*

Apostolos TZITZIKOSTAS

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<sup>(7)</sup> Such as the Group of Leading Subnational Governments (GoLS), ICLEI, Regions4 and the Governments of Scotland and Quebec.

**Opinion of the European Committee of the Regions – Single Market Barriers Report and Single Market Enforcement Action Plan**

(2020/C 440/06)

<b>Rapporteur:</b>	Tadeusz TRUSKOLASKI (PL/EA), Mayor of Białystok
<b>Reference documents:</b>	Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Identifying and addressing barriers to the Single Market  COM(2020) 93 final  Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Long term Action Plan for better implementation and enforcement of Single Market rules  COM(2020) 94 final

**POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS

**Background**

1. believes that the European single market is one of the greatest achievements of the European Union (EU), and represents a unique model of integration in the world by guaranteeing free movement of people, goods, services and capital throughout the EU and in associated countries and regions;
2. stresses that policy on the European single market plays a key role in carrying out the strategy for sustainable growth and greater economic, social and territorial cohesion in the European Union. The creation of a European single market stimulates trade and makes Europe more attractive for foreign investment;
3. emphatically points out that the European single market is at the core of the economic and political integration of the EU, because it covers 450 million consumers and 22,5 million small and medium enterprises (SMEs), which make up around 99 % of all businesses in the EU;
4. stresses that the European single market provides EUR 14 trillion in gross domestic product (GDP) annually, which ensures the functioning of the European economy and growth for Europeans;
5. points out the importance of trade in goods on the European single market, as it accounts for a quarter of the EU's total GDP and represents almost one sixth of world trade in goods;
6. agrees with the European Parliament's Committee on the Internal Market and Consumer Protection (IMCO) that completing the European single market, and thereby removing barriers, can generate at least EUR 183 billion a year in added value for Member States, which makes up 1,2 % of EU GDP;
7. appreciates the efforts of the European Commission (EC) to identify barriers to the European single market and points out that its communication of 10 March 2020 presents key problems concerning businesses that require immediate solutions. Regrets however that the two Commission communications focus mainly on the obstacles perceived by businesses and did not address concerns by other social partners and address consumer aspects only peripherally;



8. notes that the 2020 edition of the Single Market Scoreboard published on 3 July 2020 concludes that, despite an improvement in the transposition of EU legislation notably in the field of consumer legislation (a 15 % decrease in the transposition deficit), the number of infringement proceedings is not decreasing, still due to either 'incomplete' or 'incorrect' transposition. The CoR is also concerned by the fact that most market infringement cases relate to environment (28 %) (ahead of transport (17 %) and taxation (10 %));

9. acknowledges that the form of the current regulations and tools for the single market is better suited to exchange of goods than of services. The Committee stresses the need to build flexible tools that can quickly be adapted to changing and newly emerging products and services;

10. believes that the priority of a new strategy for the European single market must be to truly eliminate barriers and increase access to information;

### **Barriers to the single market — sources and consequences**

11. points out that legal divergences between Member States are precisely why eliminating barriers to the European single market is such a lengthy process;

12. agrees with the European Commission that regulatory differences create particularly heavy regulatory burden for businesses, in particular SMEs, including start-ups and scale-ups, innovators and promoters of new business models, therefore calls on the European Commission and Member States to intensify their efforts with regard to removing unnecessary regulation;

13. stresses that small and medium-sized enterprises in particular have limited administrative and human resource capacities to be able to cope with complex red tape; a major barrier to cross-border cooperation in the single market is the A1 certificate, for which time-consuming formalities need to be completed when workers are posted, even for regular postings in a neighbouring country. These formalities could consequently considerably reduce cross-border activities and thus significantly hamper the functioning of the single market. In this regard, the Committee calls on the Commission to be proactive and, together with the EU legislators, ensure that the existing procedures for A1 certification in border regions are simplified;

14. draws attention to the need for more effective enforcement of Treaty provisions that prohibit quantitative restrictions on imports and exports (TFEU Articles 34 to 36) and the need to manage the notification procedures concerning technical regulations (Directive (EU) 2015/1535 of the European Parliament and of the Council<sup>(1)</sup>) and technical barriers to trade;

15. expects the European Commission to create a new tool for observing market malfunctions, for example, 'following' a product and enabling checks on barriers throughout the whole chain of production, distribution and sales, as well as consumption and end-of-life handling;

### **The European economy of the future**

16. is in favour of the priorities of the strategy for European industry indicated so far, such as aligning it with the goals of the European Green Deal and digitalisation, while at the same time implementing the UN Sustainable Development Goals (SDGs), which will ensure a sustainable economic recovery, especially following the COVID-19 pandemic;

17. acknowledges that there are still significant challenges: Big Data, 5G networks, the development of innovation (including in particular IT, the creation of digital realities and autonomy of machines), while remaining focused on building and defending the sovereignty of industrial data;

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<sup>(1)</sup> Directive (EU) 2015/1535 of the European Parliament and of the Council of 9 September 2015 laying down a procedure for the provision of information in the field of technical regulations and of rules on Information Society services (OJ L 241, 17.9.2015, p. 1).

18. encourages the extension of the powers and geographical structure of the European Union Intellectual Property Office (EUIPO). An effective institution for protecting intellectual property rights with a sufficiently large budget and staff base allowing it to work throughout the world is a way to ensure the growth of European companies;

19. acknowledges that environmental protection policy must play a leading role in the development of industry. Therefore, this objective requires that activity, including scientific activity, be geared towards creating the groundwork for an ecological society and ecological business;

20. notes the need for comprehensive support for modernisation and decarbonisation of energy-intensive industries. However, this cannot be done by transferring production to other countries or using subcontractors in third countries which do not respect European regulations;

21. stresses the need for (financial and IT) support for sustainable and smart sectors in the areas of energy efficiency, mobility and models for eliminating pollutant emissions;

22. understands the need to diversify production and reduce costs, but notes the need to decrease the dependence of European businesses on components from other parts of the world; the current COVID-19 pandemic shows that a stronger local economy should be promoted for certain industries. In the area of medical products in particular, it is important to increase production in Europe and thus become independent from, for example, Asian markets;

### **Services in the single market**

23. stresses the importance of trade in services on the European single market, because it makes up approximately 70 % of all economic activity in the EU and has a similar rate in terms of employment;

24. notes that the European Commission should commit more resources to increasing the scale of trade in services to implement the services directive more effectively;

25. in further work on a strategy, calls for advantage to be taken of the capacity and knowledge of local and regional authorities which have daily contact with business representatives from the micro and small enterprise categories;

26. calls on the European Commission to act more decisively regarding monopolies, particularly on the digital services market, where entities from third countries have a predominant position;

27. welcomes the announcement of a new Digital Services Act, which would i.a. replace the 20 year old 'Directive on electronic commerce' <sup>(2)</sup>. Insists however that the scope of the planned legislation must not be limited to the conformity of products sold on online platforms but also address the risk of circumvention of employment, social, consumer protection, tax and duty regulations and thereby unfair competition with companies in the offline sector. Precarious working conditions for workers of digital platforms are a matter of particular concern;

28. points out the need to focus on innovations, investment and skills so that the new 'skills package' reflects the real needs of the labour market and that upskilling and reskilling are carried out according to its guidelines, including within projects funded by the EU budget;

### **Assessment of the previous activity of the European Commission**

29. welcomes the establishment of a Single Market Enforcement Task-Force (SMET) but regrets that its membership is so far restricted to representatives of Member States;

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<sup>(2)</sup> Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market (OJ L 178, 17.7.2000, p. 1).

30. acknowledges the considerable value of the experience gained from the REFIT platform;
31. appreciates the Commission's efforts to make SOLVIT a default alternative dispute resolution tool;
32. considers it essential to make bold decisions on Member States in breach of binding legislation so that proceedings could be imminently launched, carried out and enforced;
33. calls for better application of the principle of mutual recognition to the free movement of goods, which has not been used to its full potential in practice, and for applying this principle to the area of services as much as possible; in this respect calls for the thorough application of the Regulation (EU) 2019/515 of the European Parliament and of the Council<sup>(3)</sup>;
34. expects a clear and decisive stance from the European Commission on unfair trade practices, including the promotion of export-oriented industries by third countries;
35. eagerly awaits the publication of the white paper on antitrust rules and further consultations which should show the scale of the problem;
36. demands that actions on coordinating EU legal frameworks on the single market be accelerated so that the flows of essential types of goods — e.g. food, medical, etc. — would not be held up in any way;
37. expects border control to be carried out based on the principles of necessity and proportionality;
38. calls for more efforts to provide information on the possibility of using modern ICT tools. Modern industry and the growth of cross-border trade require solutions that are able to reduce geographical distance, especially in cross-border regions;
39. looks forward to the preparation of a strategy for the single market with ambitious, yet realistic road map for proposals aimed at removing the remaining barriers, not only an analytical section showing barriers and orientations;
40. challenges the purpose and usefulness of the One-In, One-Out principle, according to which one EU piece of legislation is to be deleted for every new one. Instead of following such a quantitative approach to legislation, which would run the risk of having a negative impact on broad sectors of society, including the employment sector, consumer protection and the environment and may contradict Article 3(3) TEU, the quality of the legislation, adapting to technological evolutions and societal needs, should remain the guiding principle for any new legislation;
41. points out the need to create an integrated pharmaceutical safety system, which would allow resources to be channelled according to critical demand in crisis situations;

#### **Activity of public administration and local and regional authorities**

42. points out the full support of local and regional authorities for the European Commission's efforts to eliminate barriers in the European single market;
43. draws attention to the need to provide education about the possibilities that arise in relation to the European single market — above all, to inform local and regional government entities that have direct contact with European entrepreneurs and consumers;

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<sup>(3)</sup> Regulation (EU) 2019/515 of the European Parliament and of the Council of 19 March 2019 on the mutual recognition of goods lawfully marketed in another Member State and repealing Regulation (EC) No 764/2008 (OJ L 91, 29.3.2019, p. 1).

44. supports the idea of setting up a central information point on the legislation in force in the single market for officials in Member States and with the aim of maximising the flow of information between the European and local level;

45. supports actions aimed at improving knowledge and awareness that include the single digital gateway, which will ensure access to comprehensive information on legislation and administrative procedures of the single market, and direct users to the most relevant support services and contact points;

46. envisages better use of existing European single market IT tools, such as the Internal Market Information System (IMI), and agrees that it is necessary to create a unified online platform for law enforcement;

47. encourages the Commission to consider the possibility of harnessing the potential of local and regional authorities in predicting compliance with proposed legislation in advance, since in many cases those authorities are responsible for implementing it once adopted. Local and regional authorities also have the capacity to test solutions and they receive direct feedback about ability to comply;

48. suggests that it is necessary to speed up work on harmonising technical standards and the freedom to provide services on the European single market and this process should be completed by the end of 2023;

### **Global trade challenges**

49. criticises the imbalance in the global market concerning the level and scope of (legal and financial) aid granted by individual states to private and public economic entities which provide services and distribute products to the European Union;

50. points out the need for stronger promotion of European values around the world — including those concerning trade in goods and services. The EU and its institutions must advocate an open global trade system based on international rules;

51. encourages measures to take advantage of the possibilities offered by digitalisation and almost instant access to information to combat price dumping;

52. points out the importance of a rules-based global trade system with a strong WTO, and opposes protectionism and isolation. The EU's goal must be to revitalise and strengthen the WTO, including by modernising its working methods in key areas and filling in gaps in its rulebook so that the WTO can respond appropriately to current trade policy challenges;

53. suggests developing and implementing a policy for a European reorganisation of supply chains so that in the future European businesses do not suffer from a reduction in global trade and lack of available components and EU citizens do not have their access to some products limited;

54. points out the need to develop 'EU-rest of world' trade relations based on European strategic interests (including similarly ambitious environmental standards for all countries), with the aim of strengthening the EU's global competitiveness and its role internationally;

### **Final remarks — conclusions and recommendations**

55. stresses the need for cooperation between individual Member States and uniform action, particularly in the field of international affairs which affect the secure and stable functioning of all EU countries (e.g. in achieving European independence from raw materials from third countries);

56. rules out the long-term occurrence of imbalances concerning operating rules between EU Member States, as has been the case so far (e.g. concerning payments to the EU budget, use of the euro, etc.);

57. stresses the importance of integrating private and public institutions that work for businesses and consumers, particularly at the supranational level, because they are much quicker to notice problems resulting from diverging legislation or derogation from rules adopted at EU level;
58. stresses that digitalisation of European business and public administrations, including technological solutions concerning the single market, is a priority for the EU. Fields such as cybersecurity, personal data protection, and the collection and processing of information in the cloud, need improvement and new solutions;
59. recommends:
- a) close harmonisation of rules and coordination of regulators for sectors that have a strong impact on the functioning of the economy, e.g. telecommunications and energy;
  - b) an assessment of costs and benefits of full harmonisation of legislation in the short term (several years) in relation to other sectors and an assessment of the legal and technological capacity for implementing solutions in economies at different levels of socioeconomic development;
  - c) a greater commitment from the Commission to removing non-tariff barriers within the EU, including limitations in the form of applying unjustifiable national technical regulations and regulatory and non-regulatory requirements for products and service providers and conditions for providing services;
  - d) increasing cooperation with local business representatives so that the new regulations can be initiated from the bottom up;
  - e) including an entry on clear responsibility and scope for these actions, in terms of creating and optimising the European single market, in future documents of authorities at the regional and local level;
  - f) fostering a culture of consumption of products produced in the EU as synonymous with quality and modernity;
60. encourages the creation of common guidelines for constructing public portals (at least at the regional level — NUTS 2) so that businesses from different Member States can easily find the necessary information;
61. points out the need to strengthen European integration based on the values of democracy, the rule of law, the safeguarding of high environmental, climate protection and health standards, so that synergies between the cohesion of EU countries and economic effects become effective. The imperfections of the single market are felt at local and regional level;
62. stresses the importance of the industrial autonomy of the European single market, including the need to create a strategy to guarantee the supply of critical raw materials;
63. calls for boldness when implementing new solutions, particularly those that concern climate neutrality of the European economy or directly strengthening the uniformity of the single market.

Brussels, 14 October 2020.

*The President*  
*of the European Committee of the Regions*  
Apostolos TZITZIKOSTAS

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**Opinion of the European Committee of the Regions – Demographic change: proposals on measuring and tackling its negative effects in the EU regions**

(2020/C 440/07)

<b>Rapporteur:</b> János Ádám KARÁCSONY (HU/EPP) Member of Tahitótfalu local government
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## **POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS

### **General comments**

1. considers that demographic change is one of the biggest challenges facing European regions, cities and rural population centres, and points out that some of the driving factors behind it are: an ageing population, low fertility and birth rates and the worsening unequal distribution of the population;
2. recalls the guidance of the Strategic Agenda 2019-2024 endorsed by the European Council regarding the European model for the future which also requires addressing the demographic challenges;
3. welcomes the initiative of the European Commission to ask the Vice President of the Commission, Dubravka Šuica, to analyse the impact of demographic change on different groups in society and on areas and regions disproportionately affected in Europe and to put forward measures to address these challenges, including brain drain, better reconciling work and family life, the future child guarantee, the Green Paper on ageing and a long-term vision for rural areas, bearing in mind the need for gender mainstreaming in all these measures;
4. intends to develop the role of adult or elderly people as resources for the community, not just recipients of care, by encouraging them to become active in social, civil, economic and cultural life and fostering the establishment of paths to independence and wellbeing in their day-to-day lives;
5. strongly endorses the European Commission report on the impact of demographic change, which takes an approach combining the digital transition, the green economy and the demographic challenge — a comprehensive approach which is crucial for delivering fair, sustainable solutions for all generations, taking care to ensure that no one is left behind, as called for by the 2030 Sustainable Development Goals;
6. welcomes the initiative of the Croatian Council Presidency to put demographic change as a key priority and welcomes the referral that the CoR has received on this matter;
7. welcomes the initiative of the European Parliament to come forward with a report of the demographic challenges in the response to the Communication of the Commission;
8. recalls the Committee of the Regions' contribution to the Covenant on Demographic Change, based on the findings of the thematic network on innovation for age-friendly environments which brings together local, regional and national authorities working to support active, healthy ageing in response to the demographic challenge, with the support of the WHO;
9. points out that at international level synergies with the United Nations are needed in order to revise the 2002 Madrid International Plan of Action on Ageing and hold discussions with the Working Group on Ageing, with a view to safeguarding the human rights of elderly people more effectively. At global level, it is important to work with the World Health Organization on the Decade of Healthy Ageing;

### **Main demographic trends and challenges**

10. draws attention to the significantly different growth trends of the population across EU Member States and regions that urgently need to be tackled with different measures among the EU27;

11. underlines that, at regional level, highly negative demographic trends have been observed in recent years across large parts of Europe. In most of these areas, 'islands' of demographic growth can be observed around capital and metropolitan cities <sup>(1)</sup>;
12. refers to the finding that regions that lose population tend to be rural, already sparsely populated and remote. Declining industrial areas and various peripheral towns are also affected by depopulation trends <sup>(2)</sup>;
13. highlights that the decreasing number of working-age people and the increasing number of older people compound the impact on old-age dependency ratios. This ratio is projected to rise from 29,3 % in 2016 to 52,3 % by 2080 within the EU (an increase of 23,0 percentage points) <sup>(3)</sup>;
14. recognises that, contrary to the growing global population, the pace of population growth within the EU has slowed down significantly. The year 2015 has witnessed the first natural population decline in the EU-28, with more deaths than births;
15. highlights a steady increase of the dependency ratio, whereby according to Eurostat population figures, in 1960 there were on average three young people (aged 0-14) for every elderly person (aged 65 or over), 100 years later, in 2060, there are projected to be two elderly for every young person;
16. underlines that due to the delay in the childbearing age of women, the desired childbirth postponed to a later age, resulting in the planned <sup>(4)</sup> number of children — typically 2-3 children <sup>(5)</sup> — not being met, resulting in a difference between the actual and the desired number of children (fertility gap). As long as there is a fertility gap in the EU Member States, there is a primary role to reduce the fertility gap, migration can only occur thereafter. Every effort must be made to encourage and incentivise childbearing;
17. stresses that the loss of young people in regions characterised by outward migration and against a backdrop of declining birth rates presents an extraordinary disadvantage for smaller municipalities in terms of maintaining essential public services and boosting economic and productive activity in these areas, which are essential factors in retaining and attracting the population in the territory and curbing the phenomenon of rural depopulation that affects the EU Member States;
18. refers to recent studies <sup>(6)</sup> by the CoR that particularly highlight the territorial dimension of the demographic challenge;
19. in line with its own opinion on brain drain, emphasises that the free movement of individuals and workers forms the basis of the internal market and is one of the main freedoms recognised in the EU Treaties;

### **The need for coherent policy response at all levels of governance**

20. draws attention to its own opinion on 'The EU response to the demographic challenge' (2016), which stipulates that many European policies can contribute to addressing the demographic challenge without providing specific measures to support the areas affected by these challenges. This affects transport, the information society, employment and social policy, culture, the environment and climate, as well as businesses; reiterates its call for an overarching European strategy on demographic change and underlines that addressing these challenges will require a comprehensive approach from a wide range of policy fields to help to reverse (pro-active) or mitigate (reactive) the effects of demographic change, such as:

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<sup>(1)</sup> CoR study on 'The impact of demographic change on European regions', Brussels 2016.

<sup>(2)</sup> [https://www.europarl.europa.eu/RegData/etudes/IDAN/2019/637955/EPRS\\_IDA\(2019\)637955\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/IDAN/2019/637955/EPRS_IDA(2019)637955_EN.pdf)

<sup>(3)</sup> Source: People in the EU — population projections (Eurostat, 2017)

<sup>(4)</sup> [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Population\\_projections\\_in\\_the\\_EU#Age\\_dependency\\_ratios](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Population_projections_in_the_EU#Age_dependency_ratios)

<sup>(5)</sup> OECD, Family Database, Fertility Indicators: SF2.2 Ideal and actual number of children. [http://www.oecd.org/els/family/SF\\_2\\_2-Ideal-actual-number-children.pdf](http://www.oecd.org/els/family/SF_2_2-Ideal-actual-number-children.pdf)

<sup>(6)</sup> A total fertility rate of around 2,1 live births per woman is considered to be the replacement level in developed countries: in other words, the average number of live births per woman required to keep the population size (Source: Eurostat, Statistics Explained. [https://ec.europa.eu/eurostat/statistics-explained/index.php/Fertility\\_statistics#Total\\_fertility\\_rate\\_and\\_age\\_of\\_women\\_at\\_birth\\_of\\_first\\_child](https://ec.europa.eu/eurostat/statistics-explained/index.php/Fertility_statistics#Total_fertility_rate_and_age_of_women_at_birth_of_first_child)).

<sup>(6)</sup> CoR study on 'The impact of demographic change on European regions' and the European Regional Social Scoreboard.



*Pro-active policy options:*

- since one of the determinants of population is birth rate, creating the right conditions that would make it easier for people who want to have children to have more and earlier, while considering that, according to the ‘Demographic outlook for the European Union’ (2017) <sup>(7)</sup>, policies to alter future demographics are limited and take time to have an impact, the focus should be about adapting and smoothing the transition to an older EU, while supporting young people in the transition to adult life and families to increase the fertility rates in the affected regions;
- increasing the attractiveness of regions so that they provide young people with opportunities for study, innovation and stable and high-quality employment, through dedicated investment in, inter alia, infrastructures, culture and connectivity;
- developing dedicated incentives schemes to attract young people to settle in these regions;
- making it economically viable for young people to establish large families;
- developing the concept of the ‘economy of wellbeing’ in the EU, whereby increasing people’s, and therefore families’, wellbeing (in terms of education, health, childcare, work-life balance, housing, mobility of transport, connectivity and culture) contributes to a virtuous economic cycle, helping sustain long-term investments into wellbeing. This can improve the attractiveness of regions and towns as places to live and to start a family, based on the above factors and not only on the basis of economic growth;
- promoting and implementing a comprehensive, integrated policy designed to study and support families as they freely perform their social roles;
- flagging up the specific need, in an inclusive society, to prepare effective responses to the needs of people with disabilities as they get older;

*Reactive options:*

- improving labour market participation, especially for women, through increased investment in better work-life balance, social and family-friendly infrastructure and more gender equality;
- reducing the health and caring costs of an ageing society by encouraging active and healthy ageing, investing in new forms of independent living (new concepts of housing) and promoting the social economy;
- increasing planning of public investment through a demography check of public investment, developing methodologies and technical tools that make it easier to analyse the demographic impact of the various policies;
- lowering the drop-out rate of young people, increasing the skills base by investing in education and promoting training tailored to demand and potentialities in each region, re-skilling and flexibility of the workforce;
- giving special attention to the public service provision such as health care, education and culture onto small- and mid-size cities in the regions and use digital solutions for reaching out to all places;
- creating a functioning and consensual legal framework at European level, which will facilitate integration of non-EU citizens into the European labour market and society as a part of a comprehensive strategy to address demographic change;

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<sup>(7)</sup> Demographic outlook for the European Union (2017) (EPRS — European Parliamentary Research Service & EUI — European University). [http://www.europarl.europa.eu/RegData/etudes/IDAN/2017/614646/EPRS\\_IDA\(2017\)614646\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/IDAN/2017/614646/EPRS_IDA(2017)614646_EN.pdf)

- providing types of dwellings suitable for mixed social housing conducive to inter-generational cohabitation, synergies and reciprocity with various forms of inclusive sharing;
- promoting measures intended to raise quality of life and combat loneliness and isolation among elderly people, particularly but not only during pandemics;
- promoting situations in which various generations can form social ties, thus fostering the wellbeing of society as a whole;

### **Demography and the ongoing discussion on the Multiannual Financial Framework**

21. there is a need for allocating more European funds in the future entitled to combat the phenomenon brain drain;

22. particularly highlights, in the context of the ongoing negotiation about the Structural Funds regulations, that the reference to demographic change should be strengthened as suggested by the European Parliament, and the application of these funds should be more flexible in the areas and regions that have been disproportionately affected by this phenomenon so that they can be used jointly in the same project, so that advance payments can be made available and so that they can complement the financial instruments;

23. recalls that its own opinion on the European Regional Development Fund and Cohesion Fund (2018) states that the objectives of the European Regional Development Fund and Cohesion Fund (ERDF) include that of supporting urban and rural areas with geographical or demographic handicaps. It also includes the provision of additional EU financial support for projects that promote environmentally sustainable and socially inclusive economic development in the regions concerned;

24. recalls, in this regard, the proposal by the Committee of the Regions and the European Parliament that particular support be given to NUTS level 3 areas or clusters of local administrative units with a population density of below 12,5 inhabitants per km<sup>2</sup> for sparsely populated areas or below 8 inhabitants per km<sup>2</sup> for very sparsely populated areas, or with an average population decrease of more than 1 % between 2007 and 2017, which should be subject to specific regional and national plans to enhance attractiveness, increase business investment and boost the accessibility of digital and public services, including a fund in the Structural Fund cooperation agreement;

25. reiterates the CoR's and EP's position on support for national plans to support regional and local areas facing continuous demographic decline and needing support, including financial support from the ESIF, to increase attractiveness, increase business investment and improve accessibility of digital and public services. These national and regional plans must be reflected in the new EU strategy for demographic change;

### **Demography aspects in key EU policies**

26. stresses the demographic dimension of urbanisation, as the European Union is also confronted with growing urbanisation, and emphasises the relevance of strongly addressing the demographic challenges in implementing the Urban Agenda for the European Union and in the context of the renewal of the Leipzig Charter;

27. supports the position of the European Parliament which reflected the Committee of the Regions' proposals on helping sparsely populated regions, allocating at least 5 % of the ERDF resources available at national level under the Investment for jobs and growth goal to integrated territorial development in non-urban areas with natural, geographic or demographic handicaps or disadvantages or which have difficulty accessing basic services. Out of this amount, at least 17,5 % shall be allocated to rural areas 'and communities taking into account provisions of a Smart Villages Pact to develop projects such as smart villages' <sup>(8)</sup>, by making these areas more attractive and encouraging repopulation;

28. emphasises the role of the Youth Guarantee and Your First EURES Job, which helps young people find a job. The direct importance of the Youth Guarantee in democracy and indirectly in demography is also evident from the previous results of the 2014-2020 period: it helped to improve the lives of millions of young Europeans;

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<sup>(8)</sup> A8-0094/2019, Cozzolino.

29. looks forward to the European Commission's proposals for a future Child Guarantee to help children at risk of poverty and social exclusion, by promoting investments that ensure that children enjoy the fundamental right to grow and flourish in a child-friendly and family-friendly environment, prioritising measures to improve overall family incomes and support parents, and that they have access to free and high-quality healthcare, education, childcare, decent housing and adequate nutrition; believes that family policies should not be regarded as a cost for the public budget, but rather as an investment in a strategic asset for society;

30. considers that the Common Agricultural Policy (CAP 2014-2020), which deals with rural development, helps to tackle demographic challenges. During the 2021-2027 period, the CAP should therefore remain a strong EU policy. Vibrant rural areas, young farmers and family-based farms demonstrating good practices should play a key role in tackling climate change, protecting the environment and preserving landscapes and biodiversity and preventing depopulation in rural areas;

31. although it has a very limited scope of action, the European Commission should intervene in the land market legislation in order to: stimulate the use of the possibilities under RD to support the new actions to foster land mobility (land banks, farmland matching initiatives and other initiatives promoted at local level to encourage the access to land by new entrants); broaden the scope of the support actions to new farm business models (in particular innovative types of partnerships among farmers) and local organisations, which are able to support young farmers and new entrants in land obtaining; encourage more active national policies through EU recommendations on access to land with best practices (taking into account established best practices);

32. considers that the Member States must give firm support to policies fostering women's involvement and encourage participation in the Information and Communications Technology (ICT), in Science, Technology, Engineering, Arts and Mathematics (STEAM) and the rural economy as a precondition for balancing the population pyramid in areas suffering, or at risk of, depopulation;

33. asks the European Commission and Member States to ensure the necessary coordination between the EU Cohesion policy and the Common Agricultural Policy in order to ensure that the rural areas can also implement Smart Villages projects through an integrated approach (ITI, CLLD or LEADER);

34. reiterates the concept expressed in its Opinion on Active and healthy ageing (2019) that 'the challenges of demographic change will require research and an active European industry in order to modernise, design and produce new innovative solutions for an ageing population, be they everyday products, infrastructure, technology or software', particularly the development of telemedicine to ensure high standards of specialised treatment, especially in rural or sparsely populated areas; and 'sees this as an opportunity for the EU to position itself as a market leader in the Silver Economy, creating local jobs, generating wealth and exporting ground-breaking innovations abroad'. A family-friendly environment and intergenerational solidarity strengthens the above statement, and local and regional authorities play a key role to this end in creating conditions that promote and ensure healthy ageing. To achieve this, both specific calls on this subject and better coordination of the various financial resources available are required;

35. stresses the key role that information and communication technologies (ICTs) and the intelligent environment can play in improving the living conditions in those areas most affected by demographic challenges. As a result, the Committee calls on the EU to address the digital divide that affects many areas by using SMART solutions and to that end making use of EU tools and programmes, such as structural and investment funds and the Next Generation EU programme, with a view to ensuring high-quality digital connectivity for everyone;

36. referring to the digital divide, highlights smart solutions in the field of elderly care and demand-responsive transport (DRT), as well as the need to plan for the provision of mobile phone coverage on minor local roads. Similarly, considers it crucially important for the provision of mobile telephony to be included under the universal telecommunications service, especially in sparsely populated rural population centres and their local roads, which make life easier especially for the elderly and parents with young children. All of these have a distinct impact on population retention;

37. organise training programmes on and support for the use of digital technologies to close the digital gap for elderly people, and set up change management programmes for social service managers in municipal administrations to assist with the digital transformation of services to individuals;

38. agrees that the Commission's various actions proposed in its communication for 2014-2020 adopted in September 2017 ('Boosting Growth and Cohesion in EU Border Regions') can help reduce the complexity, length and costs of cross-border interaction and promotes the pooling of services along internal borders. The Commission emphasises that 'investments to improve living conditions will be significant: joint environmental actions and joint measures to mitigate climate change effects will lead to greater protection of border populations' <sup>(9)</sup>;

39. reaffirms the observation expressed in its own opinion on the Work-life balance for parents and carers (2017), that 'current demographic trends make it imperative to rethink gender roles and promote more flexible and equal working arrangements'. With this in mind, the EU legal framework in the area of policies with the aim to support the reconciliation of work and family life and gender equality is inextricably linked to economy, demography, employment and regional aspects. With this in mind, the Committee welcomes the European Commission's Gender Equality Strategy;

40. draws attention to its own opinions on Mobility in geographically and demographically challenged regions (2014) and on The EU response to the demographic challenge (2016). They cover areas such as ensuring mobility of transport policies and set out further specific measures; these include innovative approaches such as 'transport on demand' to improve connectivity in and between all regions the CoR also underlines that new approaches to funding transport in challenged regions are needed;

41. points out that the high unemployment rate does not meet the requirements of the labour market. Therefore, it is necessary to organise vocational trainings or extension courses for unemployed persons who are unable to fit in or reintegrate into the labour market. Public authorities, regional and local institutions and a joint cooperation employment services institutes should be involved;

42. considers it necessary to introduce a positive message about rural areas into a range of policies in order to tackle the depopulation affecting the countryside, in such a way as to project a positive image of rural areas, highlighting their wealth of positive aspects and values;

43. it is important to highlight that fathers participate more in childcare and family-life, children enjoy higher cognitive and emotional outcomes and physical health. Those who engage more with their children tend to report greater life satisfaction and better physical and mental health. In 2015 three-quarters of OECD countries provided at least a few days of paid leave that can be used only by the father, either through paid father-specific parental leave. Parental leave may also help reduce discrimination against women in the workplace;

44. recalls the Sustainable Development Goals and, in particular, a dedicated goal for urban development, SDG 11, which calls for 'making cities and human settlements inclusive, safe, resilient and sustainable'. Supports those projects directed to local authorities, cities and regions that are actively contributing to achieve the SDG 11;

45. takes into account the European Green Deal, which is an important response to the environmental, demographic, economic and social challenges. A sustainable growth strategy is essential for transforming the EU into a fair, prosperous and inclusive society and there needs to be a rethink of policies for clean energy in the economy, industry and the consumption, transport, food and agriculture and construction as well as taxation and some aspects of social and overall family support issues;

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<sup>(9)</sup> [https://ec.europa.eu/regional\\_policy/en/information/publications/communications/2017/boosting-growth-and-cohesion-in-eu-border-regions](https://ec.europa.eu/regional_policy/en/information/publications/communications/2017/boosting-growth-and-cohesion-in-eu-border-regions)

46. stresses that having children should not be an obstacle to professional ambition and should not lead to impoverishment or loss of purchasing power, especially in the case of large families and single-parent families. Family planning is for the long-term, therefore it is important to have a stable and proactive policy, which includes reconciling work-life balance and the involvement of fathers in family life. Swift and flexible return to labour market for mothers after maternity leave should be facilitated;

47. points out that part of the jobs that will be needed in the future do not currently exist: consequently, training must be provided for our citizens (of all ages and sectors) in skills that help them access employment. Training policy planning should pay special attention to people living in areas with a lower population density or widely dispersed populations to facilitate their access to training;

48. points out the importance of the unpaid work mainly done by women by supporting families and compensating the lack of public social infrastructure. Unpaid work is mostly unpaid care and domestic work, which are respectively estimated at 10 and 39 % of gross domestic product (GDP) in the world;

### **Demography and Democracy**

49. considers that emerging issues such as the transformation of society and population distribution give rise to political responses, which may lead to a polarisation in the democratic system;

50. should draw special attention to young people who are or may become parents. The average youth unemployment rate in EU Member States remains higher than that of the working population in general. Young people are rather affected by precarious working conditions. Based on researches access to predictable income and housing for young people should be placed in the foreground in which one of the consequences is to give them the security they need to start a family;

51. considers that the Trans-European Transport Networks which, according to Regulation (EU) No 1316/2013 of the European Parliament and of the Council<sup>(10)</sup>, will continue to be financed by the Cohesion Fund during the 2021-2027 programming period, should — as well as loosening existing bottlenecks in the network — prioritise investment in sustainable transport networks and boost public services in rural areas, especially those that are sparsely populated or have widely dispersed populations and with ageing populations, in order to facilitate rural-urban interconnectivity, promote rural development and narrow the digital divide;

52. alerts therefore on the development of a 'geography of discontent' that is taking place in many EU regions and countries where people feel left behind, which is often closely related to demographic decline. Consequently, the access to basic public services should be guaranteed to the rural and the sparsely populated areas;

53. sees the need to address this development to strengthen our democratic system by facilitating the intergenerational dialogue and actively engaging the elected politicians at the local and regional levels, which are closest to the citizens;

54. therefore, sees the need to discuss, at the future Conference on the Future of Europe, the link between Democracy and Demography and suggests putting forward clearly its positions on this topic for the conference, paying particular attention to young people's representation. The Conference should address the so-called 'geography of discontent', linked to the level of success of EU policies and their direct and indirect impact on different EU regions and their demography; further suggests that, in this context, the conference could also address the question, how the term 'regions with severe and permanent demographic handicaps', that is mentioned in Article 174 of the TFEU, should be defined. Such broader reflection is also relevant within the context of the attainment of the SDGs;

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<sup>(10)</sup> 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).

### **A plea for active subsidiarity and better regulation**

55. underlines that many of the necessary policy responses fall within the responsibility of local and regional authorities in the EU and therefore underlines the need for a strong focus on partnership and multi-level governance in finding adequate solutions;

56. at the same time underlines the importance for the CoR to have a significant participation throughout the Conference on the Future of Europe, reflecting the fact that there are more than one million elected local and regional representatives in the EU;

57. pleads to use the concept of 'active subsidiarity' developed by the Task Force on Subsidiarity to find workable solutions for addressing demographic change by respecting the division of powers in a direct dialogue with cities and regions;

58. is well placed to support this process by providing the platform for consultation and dialogue with the European Commission to find adequate solutions;

59. highlights the importance of using the instrument of territorial impact assessment (TIA) to further design EU policies that are affecting the demographic change and refers to its own recent TIA exercise, carried out in cooperation with the ESPON programme <sup>(1)</sup>;

60. suggests working closely together with the European Commission in view of the future policy documents such as the Green Paper on Ageing or the long term strategy for rural areas in carrying out a joint consultation to feed into these reports;

### **Monitoring progress to address the demographic challenge**

61. sees the need for a regular monitoring of the demographic challenge by making a link between the European Semester and demographic change and by closely associating this question with the implementation of the Sustainable Development Goals;

62. underlines the need for regular EU statistics, reflecting not only national but also regional developments, in order to provide policy makers with a clear picture of regional disparities. Further suggests the need for an annual report on the state of play of the demographic challenge in the EU cities and regions, to which the Committee could contribute;

63. proposes to carry out a regular political dialogue between the European Commission and the EU cities and regions prior to the Annual Sustainable Growth Strategy on the state of play of the demographic challenge; suggests a close collaboration between the Commission and the CoR in organising this process;

### **The next steps**

64. suggests to the Croatian Council Presidency to put forward Council conclusions on the findings of the stock-taking exercise of the Commission and suggests a broad debate on the demographic challenge in different council formations;

65. invites the incoming German, Portuguese and Slovenian Presidencies to continue these efforts by focussing in particular on the link between demographic change and the improvement of living conditions everywhere;

66. underlines the importance of citizens' participation and encourages leading local stakeholders to strengthen regional horizontal policies, thereby increasing awareness of demographic change within the local community to reinforce the acknowledgement of more citizen-centred measures; suggests to also widely discuss the demographic challenges in dialogues with the citizens;

67. considers that promotion of private-public cooperation must be structured in such a way that all actors in areas at risk of depopulation or already depopulated can work together in a coordinated way, pooling and strengthening projects that are based on their experience, triggering innovation and promoting a more dynamic economy;

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<sup>(1)</sup> <https://cor.europa.eu/en/our-work/Pages/Territorial-Impact-Assessment.aspx>

68. considers that it is crucial to highlight our regions' rich natural, historical, artistic and cultural heritage in order to increase people's attachment to their villages and towns, thus supporting, preserving, maintaining and protecting local, native and small communities, linguistic-cultural subregions with a view to strengthen the ability of rural areas to retain local population and revitalise rural areas;

69. offers the European Commission, the other EU institutions and other regional and international institutions, such as the Union for the Mediterranean and the United Nations, a close cooperation in developing a comprehensive strategy to address the demographic challenge;

70. recalls that, since 1994, the International Day of Families has been held in the United Nations each year on 15 May. Therefore, proposes that the second Sunday of May could be the European Day of Families.

Brussels, 14 October 2020.

*The President*  
*of the European Committee of the Regions*  
Apostolos TZITZIKOSTAS

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**Opinion of the European Committee of the Regions – A Strong Social Europe for Just Transitions**

(2020/C 440/08)

<b>Rapporteur:</b>	Anne KARJALAINEN (FI/PES), Member of Kerava Municipal Council
<b>Reference document:</b>	Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions — ‘A Strong Social Europe for Just Transitions’ COM(2020) 14 final

**POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS

**Introduction**

1. welcomes the proposal for a roadmap on the implementation of the European Pillar of Social Rights in order to achieve the United Nations Sustainable Development Goals and implement the European Green Deal in a way that is socially just;
2. welcomes the European Commission's decision to launch an open consultation on implementation of the Pillar of Social Rights, given the wide variations in social policy across Europe. The situation of cities and regions has also changed significantly with the COVID-19 pandemic;
3. underlines the importance of a strong European social agenda, in which competitiveness and social justice complement each other. There is a close link between the social agenda, the Green Deal, and the digital agenda, given that the green and digital transitions must be based on social justice, equality and environmental sustainability. The CoR considers it important for the Just Transition Fund (JTF) to be in line with the EU's social pillar, which is intended to reduce regional disparities and to tackle structural changes in EU regions. Particular attention should be paid to rural areas, areas affected by industrial transition, regions which suffer from severe and permanent natural or demographic handicaps, and the outermost regions, whose disadvantaged situation has been aggravated by the COVID-19 pandemic;
4. reiterates its call for better coordination of economic and social policies between European and national government levels in the context of the European semester, and calls for local and regional authority involvement in this coordination to be guaranteed, through shared management based on the subsidiarity principle. Under this principle, strategic planning and implementation tasks must be delegated not just to the Member States but also to local and regional authorities, which are best placed to effectively respond to local needs and challenges;
5. stresses the importance of a clear, coordinated and ambitious roadmap for implementing the European Pillar of Social Rights. The subsidiarity and proportionality principles will determine the level at which the EU and the Member States deploy the proposed policy instruments and legislative measures when it comes to implementation;
6. calls on the European Commission to take account of the relevant recommendations drawn up by the urban partnerships under the EU Urban Agenda, such as those on housing, urban poverty, and jobs and skills in the local economy, and to use participatory working methods to bring about a social Europe too;
7. stresses that the COVID-19 pandemic must not be used as a pretext for postponing or withdrawing the proposals to improve social justice referred to in the European Commission's communication. On the contrary, the crisis must accelerate and intensify our efforts to achieve structural change for a fairer and greener EU. We need to build more sustainable economic and social systems for the future;

8. notes that in the near future recovery efforts must have a strong social dimension in order to maintain strong social security networks, safeguard workers' jobs and avoid wrongful dismissals. People in temporary and atypical forms of employment, women, immigrants, young people and people with disabilities are the most vulnerable in the world of work. People who have become redundant because of the COVID-19 pandemic may not necessarily be able to return to their former jobs. EU programmes must support the upskilling of those at risk of unemployment, the unemployed and the inactive, especially those for whom it is harder to enter the labour market (people at risk of poverty and social exclusion, families with single mothers and single parents where it is difficult to reconcile work and home life, etc.). All this must be achieved with due respect for equal opportunities and the need to avoid discrimination on grounds of sex, gender, birth, ethnicity, political and religious ideas, age, disability, sexual orientation or identity, illness, language or any other personal or social condition or circumstance;

9. points out that in a context such as the current one, the digital transition has accelerated, which means that many jobs have had to adapt to digitalisation and teleworking. Recommends building on the momentum of recent months to regulate teleworking and recognise the contribution it has made to decarbonisation, thanks to the reduction in travel brought by this mode of work, which does not require being present in the workplace;

10. notes that in the medium and long term, recovery measures need to address the social dimension of the ecological and digital transitions. We need a fair labour market in the carbon-neutral economy of the future, based on decent jobs, strong social protection, and job opportunities where people live;

11. points out that public services provided by local and regional authorities have played a key role during the pandemic. Without the system of public services, the impact on people would have been more dramatic. A fair transition means recognising the key role of the local and regional level in delivering high-quality public services. The provision of such services by local and regional authorities must not be restricted by rules under public procurement or state aid law;

12. notes that the EU is at a turning point where new thinking is possible, and also necessary. It is more important than ever to invest in people's well-being and to count the benefits of the economy of well-being, which emphasises the balance between the three dimensions of sustainable development — social, economic and environmental. Those dimensions reinforce each other and lay the foundations for a socially just, sustainable and climate-friendly society. Local and regional actors are well-placed to implement the well-being economy in their own activities, but there is also a need for EU-level guidance;

13. considers public procurement to be another area for contributing towards fair transitions and seeking new innovative solutions, as procurement procedures can help prevent environmental and social dumping through the inclusion in the contract award criteria of qualitative, environmental and/or social aspects. However, as such inclusion remains optional, more needs to be done to encourage economic operators involved in public procurement to offer better overall working conditions as well as jobs that integrate people with complex labour market integration needs or people at risk of social exclusion and poverty, and promote their employability;

14. emphasises the need for companies, including those involved in public procurement, to explicitly take human rights into account, both in their own activities and in their subcontracting chains; proposes to this effect that corporate liability provisions based on the UN's principle of human rights due diligence be adopted at EU level;

### **Equal opportunities and jobs for all**

15. agrees with the Commission's objective of increasing employment and creating more quality jobs across Europe. A multidisciplinary and proactive approach is needed to remove skills and job imbalances. In the future, demand for skills will increase in the labour market, especially for jobs involving application and development of artificial intelligence (AI), as well as climate change mitigation, adaptation and exploitation. The new EU industrial strategy must support the creation of quality jobs and industrial competitiveness. The strategy must also strengthen Europe's resilience, for example by increasing the production of key healthcare appliances and protective equipment in the EU. Now that the Europe 2020 strategy is coming to a close, a new EU long-term strategy for growth and employment, in line with the Sustainable Development Goals, is needed in order to tie together the various objectives for inclusive growth, employment, reducing poverty and industrial competitiveness;

16. observes that particular employment sectors were disproportionately affected by an exposure to the risks of the COVID-19 pandemic, in the first place the health care sector and services. Stresses the importance of properly identifying coronavirus-related occupational risks across sectors of activity and underlines that all workers exposed to such risks not only deserve strong societal appreciation, but also need above all safe working conditions;

17. points out that the virulence of the pandemic has revealed the shortcomings of the health systems in a large proportion of the countries of the European Union, and that it is therefore necessary to strengthen European healthcare by encouraging and promoting science studies in all sectors, in particular those concerning assistance, care and research;

18. points out that demographic change in Europe will lead to labour shortages in many Member States and regions. It is therefore important to safeguard cross-border labour mobility and workers' rights. The problem of skills shortages, especially for small local and regional rural communities, should be rectified through education and new technologies, and by increasing teleworking. Long-term action by the EU is also needed for rural areas;

19. observes that labour market changes mean there are an increasing number of people at risk of losing their jobs due to outdated skills or robotics. Up-to-date skills and access to lifelong learning are more important than ever. A holistic view must be taken of skills updating over a career by people in different life situations and different employment relationships, and with different educational needs. Given the importance of further training and re-training of people of working age in terms of employability as well as overall workforce competitiveness, and considering the financial implications of such training, the Committee of the Regions would welcome a relevant agreement by the European social partners. Such an agreement could examine how to make it easier for people in employment to access training within the framework of the implementation of the right to quality training and lifelong learning in order to manage successfully transitions in the labour market, as enshrined in the European Pillar;

20. supports a Youth Guarantee that is remodelled to combat youth unemployment more effectively, by making it permanent and extending the age limit to 30. The guarantee should cover vulnerable groups (such as NEETs, unaccompanied migrant youth and young people raised in difficult circumstances), and there should be a particular focus on measures at the transition from education to work. Funding for the guarantee should be increased under the ESF+, and Member States with youth unemployment above the EU average should allocate at least 15 % of the ESF+ resources under shared management to support young people. Young people should be taught skills relevant to the green and digital transitions in particular. National implementation of the Youth Guarantee should be monitored in the framework of the European semester to ensure that it is accessible to all young people in all the Member States;

21. believes that high quality, inclusive and mutually recognised education, as well as citizenship education, strengthen European identity and facilitate moving, working and residing freely within the EU, which is a cornerstone of European citizenship. Raising education and skills levels can reduce inequalities. Action is therefore needed to improve equality in education so that educational pathways are not determined by family background, ethnicity, disability or gender;

22. points to the urgent need to safeguard the right to education and training of all learners by strengthening the crisis resilience of education and training systems, including through the digitalisation of education and appropriate teacher training. Equipment and connectivity for distance learning and e-learning should be considered part of a just transition, and equal access thereto should be ensured with the aim of eradicating the existing digital divide and its complexity and substantial impact on social rights, as lack of access to new technologies and the information society place people at even more of a disadvantage and create new forms of social exclusion;

23. notes that education will have to be of sufficient quality and duration to guarantee employment in the future. This will call for an increase in resources for, and intensive systematic work on, education in pre-school establishments and pre-primary, primary and basic secondary schools in order to ensure that everybody can acquire adequate basic skills and go on to upper secondary education. People without upper secondary education are very difficult to employ and at high risk of marginalisation. Those needing special support and people with disabilities should have the same opportunities to acquire adequate basic skills and at least an upper secondary education; in order to move towards an inclusive society, people with learning disabilities should be able to acquire soft skills so that they can engage successfully in society and have a higher quality of life;

24. welcomes the updating of the Skills Agenda for Europe and development of vocational education and training to meet the skills requirements of new professions, in particular those relevant to the green and digital transitions and AI. In addition to occupation-specific skills, employers increasingly need 'transversal' or 'soft' skills. An individual learning plan must be developed for each student, and they must be given access to quality work placements and support for career planning and performance management. Calls on the Skills Agenda to address concerns regarding the potential loss of jobs that will take place due to the increased robotisation of the labour market, as well as training and employment opportunities for vulnerable groups and groups which are harder to integrate into the labour market, while respecting the principles of equal opportunities and non-discrimination;

25. recommends that knowledge, skills and competences acquired in employment, as well as those acquired through non-formal education and volunteering, including knowledge and skills acquired abroad, should be identified and recognised at EU level. Skills acquired in the workplace and elsewhere can be shown in a Europass portfolio or digital badges (Open Badge), for example;

26. is in favour of speeding up the creation of a European Education Area in order to guarantee high-quality education for all and access to the labour market across the European single market. The EU should increase cooperation between education systems and different curricula and further strengthen cooperation within the Bologna Process. Since it is crucial to successful implementation of the Green Deal, a greening of Erasmus+ will also be needed in the post-pandemic period;

27. believes that the Digital Education Action Plan should focus on strengthening critical thinking and media literacy among adults as well as children and young people, so that they can fend off the deluge of fake news and understand the importance of algorithms and machine-based decision-making in everyday life. Uniform quality criteria should be established for distance learning. Educational platforms commissioned by local authorities for their own needs should be routinely produced under a software licence that allows the commissioning body to develop and distribute the product in accordance with their own needs. This will encourage European digital education ecosystems to develop properly, and the fees paid under the projects will go mainly to regional and local actors and not to operators outside the EU;

28. considers it important to improve Europe's competitiveness by promoting a diversity of business models, and therefore supports the Commission's proposed Action Plan for the Social Economy, whose purpose should be to build confidence after the crisis by involving the public, increase social investment and innovation, and create jobs for people who are more difficult to employ. The European Commission, the Member States, and local and regional authorities should mainstream the social economy dimension in key policies, programmes and practices so that social enterprises are eligible for all major Union funding programmes and have better access to public calls for tender. A sense of local ownership will make social enterprises less inclined to relocate their business operations, since they will also have other local environmental or civic objectives;

29. considers it important to mainstream the promotion of equality between women and men in all EU policies in order to achieve fair transitions, with particular focus on the inclusion of women in situations of vulnerability (victims of gender-based violence, families with single mothers, etc.). Men and women have also been affected differently by the coronavirus crisis, and this needs to be taken into account in post-crisis action.

### **Fair working conditions**

30. agrees with the Commission view that fair working conditions require robust social dialogue in which workers and employers can jointly find solutions that best meet their needs. Inclusion of workers is important in maintaining working conditions, and the social partners must therefore be involved in all major EU initiatives, including the European Green Deal. There is a need for dialogue in the workplace about how to reduce the carbon footprint through changes in everyday working and operating practices;

31. follows closely advances in the Commission's European minimum wage initiative to promote fair wages and improve minimum wages in low-wage EU countries. Underlines at the same time that any European initiative on minimum wage must not be one-size-fits-all, while wage-setting through collective agreements must be safeguarded in those countries where such a system exists, and the autonomy of the social partners must be respected. Well-functioning collective bargaining and comprehensive collective agreements are the primary method of achieving fair wages and setting other working conditions, as workers and employers know their sector and region best;

32. awaits the forthcoming Commission proposal on pay transparency measures, which will be an important means of closing the gender pay gap. Equal pay should be promoted through developing legislation and collective agreements, as well as through concrete measures in the workplace. On average, women in the EU earn 16 % less than men, which is reflected in an even greater difference in women's pensions, and the European Commission's gender equality strategy is therefore important;

33. advocates updating the health and safety at work strategy and some directives in respect of issues such as psychosocial stress and ergonomic risks. Well-being at work and meaningful work for employees are also competitive assets in the public sector in terms of securing staff and managing employers' reputation, and they are factors that allow longer working lives. Particular attention needs to be paid to the prevention of work-related fatal accidents, occupational diseases (including work-related cancer), musculoskeletal disorders, work-induced stress and any kind of harassment because of gender, race, worldview, disabilities or sexual orientation, as well as adequate resources for monitoring. Other matters for consideration are prevention of the health risks posed by cross-border pandemics, as well as new technologies and working patterns. The CoR calls for measures to promote occupational safety, also with respect to cross-border work and new types of jobs and equality between women and men. The impact of climate change on working conditions and on measures to protect workers needs to be taken into account;

34. notes that new working patterns, such as constant connectivity, teleworking, mobile work, and algorithm-based recruitment and management can increase productivity and flexibility in the workforce, but that joint solutions and agreements between workers and employers on occupational safety are needed here to improve well-being at work and prevent new types of stress triggers. Ever-growing digitalisation of work patterns requires an update of European rules governing working conditions and working time, including provisions to establish the right to disconnect. It also requires positive measures to help groups that are particularly vulnerable to the digital divide (immigrants, people in situations of poverty and social exclusion, ethnic minorities, also addressing the digital divide caused by gender, generational and geographical factors). Alongside technology-driven product development, there should be a focus on developing people-centred methods, services and products that are designed with input from the end-users of systems in the

workplace. Principles for the ethical use of AI in the workplace must be agreed and retraining organised in workplaces where activities are transformed or taken over by AI. To this effect, the Committee welcomes the shared commitment of major European cross-sectoral social partners — BusinessEurope, SMEUnited, CEEP and the ETUC — to optimise the benefits and deal with the challenges of digitalisation in the world of work, through an Autonomous Framework Agreement on Digitalisation <sup>(1)</sup>;

35. reiterates that ‘a comprehensive framework is needed to ensure the social protection and social rights of all workers (from health and safety to life-long learning), in order to create a level playing-field for the platform economy and the “traditional” off-line economy’ <sup>(2)</sup>. The CoR calls for measures to promote social dialogue, including on cross-border aspects of platform work;

36. believes that responsibility for reconciling work and family life should remain with the social partners. Work-life balance measures, such as family leave and childcare schemes for families with single mothers or single parents, can help to increase the employment rate of women as well as the birth rate, and to raise the level of safety, health and well-being, also giving women equal opportunities with regard to labour market access;

### **Social protection and inclusion**

37. notes the importance of the new SURE instrument, which provides temporary support to Member States to reduce unemployment risks in emergencies. Experience with SURE from the national to the local level must be drawn on when the European Commission develops its proposal for a European Unemployment Benefits Reinsurance Scheme to help reduce the impact of unemployment on Member States’ public finances. Local and regional authorities should play a key role in implementing that initiative;

38. very much welcomes the focus on promoting children’s welfare and supporting children into adulthood. The Child Guarantee should ensure children’s access to basic services, healthcare, early years education and school until they reach adulthood, and provide them with decent housing and nutrition. It is particularly important that the Child Guarantee protect the rights of the most vulnerable children. The proposal to use at least 5 % of total ESF+ expenditure to help children out of poverty is especially commendable. Safeguarding the rights of the child and investing in children is not only a moral obligation, but also the most critical investment in a sustainable future;

39. is convinced the European Union has the capacity to positively affect working and environmental conditions in third countries, first and foremost by means of concluding ambitious trade agreements on these aspects. In that context, supports the idea of tasking the new Chief Trade Enforcement Officer (CTEO) to enforce labour and environmental standards in trade agreements. The CTEO should therefore consult regularly with trade unions and employers on violations of labour rights;

40. shares the Commission’s view about the importance of continuing to actively combat poverty. Key aspects of this are support for job-seeking, quality and affordable health care, access to education and training, housing, and addressing basic needs. Indebtedness may also lead to persistent poverty and exclusion. Rules should therefore be tightened around marketing and unfair terms associated with short-term high-risk consumer credit. Good practices in the Member States, e.g. on social lending, should also be implemented. Prevention of in-work poverty is a particular issue which can be addressed through adequate wages and other labour standards, and also by controlling cost of living increases, above all of the cost of housing, in cities and growth centres. National income schemes and related support services for inactive people provide the

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<sup>(1)</sup> [https://www.buinessurope.eu/sites/buseur/files/media/reports\\_and\\_studies/2020-06-22\\_agreement\\_on\\_digitalisation\\_-\\_with\\_-\\_signatures.pdf](https://www.buinessurope.eu/sites/buseur/files/media/reports_and_studies/2020-06-22_agreement_on_digitalisation_-_with_-_signatures.pdf).

<sup>(2)</sup> CoR Opinion on ‘Platform work — local and regional regulatory challenges’ (COR-2019-02655).



final resource for ensuring decent living conditions. The Commission also importantly highlights the new challenges relating to distribution of income posed by the transition to a carbon-neutral economy. The CoR agrees with looking at the causes of poverty and policies to address it, and encourages effective measures and a strategy to significantly reduce poverty;

41. recognises that ageing challenges the sustainability of systems, but points out that it also opens up opportunities for new economic activities. Older people can make a significant contribution to economic growth as independent and active consumers of services and as members of society. In the context of extending people's working lives, it is important to make use of older workers' knowledge and also to enhance their professional skills. Healthy ageing must be supported by actions to promote health, prevent disease and fight loneliness; well-being at work, general health, and resilience at work must also be improved to ensure that longer lifespans also lead to longer working lives. Ensuring access to affordable and quality long-term care is essential to sustain a decent life in old age. To delay the need for long-term care and shorten its duration, older people's functional capacity must be improved and preventive services, as well as active ageing measures, made available. Pensioner poverty must be prevented, and the best way of doing this is to ensure adequate pensions, guaranteeing everyone's right to have in old age the resources that ensure living in dignity, while also taking into account the significant gender pension gap. The Commission's report on the impact of demographic change, as well as the Green Paper on ageing, will be welcome here;

42. stresses the importance of access to affordable healthcare. Investing in preventive measures and timely healthcare can contain healthcare spending. The development of digital services, as well as new and integrated health and social service models, will also allow cost-effective and patient/customer-centred processes. One area where social and health services come together is mental health, where providing a service as early as possible generally prevents problems from worsening and costs from increasing. The Commission's proposal for a European cancer plan is welcome. It should also be noted that antimicrobial drug resistance (AMR) is a major cross-border health threat, and that the EU must therefore continue taking action to reduce antibiotic resistance in the Member States;

43. emphasises that biodiversity and the environment should be supported and protected, as they have a particular impact on local development in areas whose economies are more dependent on agricultural activities and the value and resources of the biocultural environment and biodiversity. This is very important from a social point of view, as it has a direct impact on living standards, employment, migration and the level of education, vocational training and opportunities for young people in these areas;

44. points out that promoting well-being goes hand-in-hand with strengthening the local and regional identity of municipalities, the empowerment of both individuals and communities, and the promotion of active inclusion. For transitions to be truly fair, people should have equal opportunities to participate and influence the decisions that affect them.

Brussels, 14 October 2020.

*The President*  
*of the European Committee of the Regions*  
Apostolos TZITZIKOSTAS

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**Opinion of the European Committee of the Regions – Local and regional authorities in the permanent dialogue with citizens**

(2020/C 440/09)

<b>Rapporteur:</b>	Declan MCDONNELL (IE/EA), Member of Galway City Council
<b>Reference document:</b>	Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions — Europe in May 2019: Preparing for a more united, stronger and more democratic Union in an increasingly uncertain world. The European Commission's contribution to the informal EU27 leaders' meeting in Sibiu (Romania) on 9 May 2019  COM(2019) 218 final

**POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS

**Preamble**

1. Reiterates the importance of understanding and reporting citizens' and local and regional representatives' perceptions and expectations of the EU, of anchoring EU policies locally to make a difference to people's lives and of building our union from the bottom up, as outlined in its opinion on *Reflecting on Europe: the voice of local and regional authorities to rebuild trust in the European Union* <sup>(1)</sup>; believes that the way forward for an EU democratic revival must build on grassroots engagement over and beyond current measures;
2. Believes that bottom-up communication channels and participation instruments complement and strengthen representative democracy, as well as promote active subsidiarity, by giving citizens a greater say beyond and between elections; is convinced that transparent, serious and relevant citizen engagement means a shared role and thus practical participation for citizens in decision-making, and regards formal communication alone as insufficient in this case. Genuine participation increases the legitimacy and effectiveness of representative democracy by (1) increasing communication to prevent conflict, (2) enabling consensus creation and, above all (3) strengthening the power of the decisions made and explaining the rationale for decisions;
3. Shares the views expressed in the European Commission's contribution to the informal EU27 leaders' meeting in Sibiu <sup>(2)</sup>, notably a whole reflection on communication challenges, including fragmentation and disinformation; is aware that communication is a precondition for citizens to make informed choices and participate fully in EU democracy;
4. Stresses that European institutions must commit to working more closely and cooperating with citizens, in order to increase understanding of European policy-making, improve the efficiency and efficacy of such policy-making and avoid the shortcuts that populism proposes, and that inevitably undermine the proper functioning of democracy;
5. States its determination to open two-way channels of communication between European institutions and European citizens, focusing on people's everyday problems and that fosters citizen engagement in European policy-making. The COVID-19 pandemic has further shown that there is a need for a channel of communication that can remain operational in spite of and particularly during times of crises;

<sup>(1)</sup> CoR 2018/C 461/02 (OJ C 461, 21.12.2018, p. 5).

<sup>(2)</sup> COM(2019) 218 final.

6. Recognises that the COVID-19 pandemic has encouraged the use of digital media and online conference systems and sees the opportunities that digitalisation offers for civic engagement in times of crisis; in recent months, civic engagement has shifted to digital forums and conferences; these have helped citizens to participate more quickly, widely and inclusively in decision-making;

7. Welcomes the upcoming Conference on the Future of Europe (CoFoE) and supports the European Parliament's call, outlined in its resolution of 18 June 2020, to include in the CoFoE's mandate a commitment to meaningful follow-up and the meaningful direct involvement of citizens and its position that 'the direct engagement of citizens, civil society organisations, social partners and elected representatives must remain a priority of the Conference';

8. Stresses that the CoFoE should not be just a one-off fixed-duration process but an opportunity to rethink and reform the way the EU functions and is perceived by its citizens; therefore wishes to propose a mechanism for a permanent dialogue with citizens which could be tested during the Conference but would aim to introduce a long-term structural mechanism for citizen participation in EU policy-making, led by local and regional authorities, as the level of government closest to citizens and including a clear feedback mechanism;

9. Reiterates its call to the Commission, expressed in its *Resolution in view of the European Commission Work Programme for 2021* <sup>(3)</sup> to 'cooperate with the CoR in developing a pilot model for a permanent and structured dialogue with citizens through local and regional authorities, allowing a two-way process of communication between citizens and EU institutions which could serve later on to improve EU decision-making in the long-run';

10. Insists that in all public consultations related to the citizens' dialogues should ensure maximum pluralism; stresses that this means that all programmes, speakers lists, panels, literature and documents, etc. must be balanced and ensure that a great variety of differing viewpoints is presented, reflecting the diversity of opinions in Europe, in order to stimulate a profound debate. Emphasises that the selection of participants in all such meetings must be made completely independently and without any political interference;

#### **Local and Regional Authorities as bridge builders between citizens and EU institutions**

11. Shares the concern that European institutions might appear as physically and — even more so — culturally far from the daily lives of European citizens; calls on representative institutions like regional and local government, especially those that are not currently involved in citizens' engagement mechanisms, to play an active role in establishing efficient and meaningful communication channels with citizens for the design and implementation of demand-driven EU policies, but stresses that this must be done in a way that respects citizens' time and produces results;

12. Invites local and regional authorities from across the EU to play a central role in educating citizens about the EU, to encourage citizens to play a role in participatory democracy. It is recognised that citizens can only engage if innovative methods are used and if citizens are fully informed about the implications of policy developments and/or funding decisions for their local area. The use of digital technologies and social media as well as working with voluntary organisations are encouraged; points to successful recruitment approaches, such as those involving citizens selected randomly by telephone, from the population register or by means of a door-to-door conversation, with a view to reaching a much wider cross-section of the population;

#### **The CitizEN Network — Citizen ENGagement in the EU Network — an ecosystem of citizen participation**

13. Proposes the setting-up of a pan-EU network based on voluntary participation — *CitizEN*, to act as a central resource for strategies, methodologies and instruments and to communicate both directly and indirectly, via existing initiatives with citizens across the EU on European issues and their impact on people;

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<sup>(3)</sup> RESOL-VII/007 (OJ C 324, 1.10.2020, p. 16).

14. Recognises, notwithstanding, that there are many deliberative and participatory mechanisms active across most Member States and regions and therefore suggests that the CitizEN Network take cognisance and build on the good practice that already exists. The Network would therefore facilitate inter-regional dialogue and consistency between institutions to ensure a coherent approach, whilst respecting the diversity of approaches in different political and social realities;

15. Invites the Network to include member organisations at the regional (mainly NUTS2, but also NUTS1 or NUTS3 depending on national organisations) and city level which already operate citizen engagement, as well as voluntary organisations active at the local and regional level, which involve a wide spectrum of interests;

16. Expects the Network to have three objectives: (1) to strengthen interaction between European institutions and citizens, through direct methods for engagement at local and regional level, (2) provide examples of participation methods that can be used both formally and informally, and (3) act as a repository for information and sharing of best practice of national, regional and local participation initiatives from across the European Union;

17. Is willing to design a set of common principles for the Network that are non-binding but serve to act as guidelines for good practice, for building a common approach (whilst recognising different methods) and for establishing a set of minimum standards for participating organisations;

18. Suggests that the Network be organised with thematic working groups, which will consist of the member organisations based around a number of overarching themes (such as: participatory budgeting, digital citizenship, inclusivity in citizen engagement) as well as thematic issues such as: climate change, social cohesion, environment, sport, culture, youth, education, urban and rural organisations and the arts;

19. Suggests that the Network identify, coordinate and deploy a common training strategy on citizen participation. Local and regional authorities, as well as public and private bodies, would be encouraged to take part in training initiatives, to enable public officers and local leaders to fully engage with citizens and contribute to leveraging the enormous potential of citizen participation. It will also be important to engage with schools and educational institutions to ensure that active European citizenship becomes part of the curriculum across the EU;

20. Is willing to lead, in collaboration with all other European institutions, on the design, implementation and governance of the Network, working to promote a common working methodology and the deployment of a toolbox of participation instruments (deliberation processes, citizen initiatives, participatory budgeting, government crowdsourcing processes, mini-publics, etc.) including a shared digital platform that can be used to manage best practice examples which will be gathered from different Member States;

21. Requests resources to be made available to operate the network for a limited period of time, whilst the network seeks permanent funding or technical assistance from EU funding programmes;

22. Expects the Network to promote and increase the visibility of the citizens' engagement practices of the participating regions which in turn should ensure higher levels of active participation;

23. Suggests that the Network could assist organisations to ensure trust is built with citizens so that they receive feedback on the impact of their work in shaping EU policy; would therefore propose that the CoR act as an intermediary between the Network, its members and EU institutions, serving as a two-way channel;

24. Suggests that the Network be launched during the CoFoE, with a view to becoming a stable and permanent infrastructure able to carry on with the follow-up on the work of the CoFoE and ensuring that citizens are kept well informed and can be involved in the monitoring, evaluation and assessment phases of the CoFoE;

### **An ecosystem for citizens' participation**

25. Believes that efforts should be made by all member organisations in the Network, as well as local and regional authorities, to interact with citizens in non-formal and informal ways, using non-conventional participation spaces (such as sporting clubs) and practices; to design participation devices that make it possible to 'go where the citizens gather' instead of 'asking them to come' and enable ways to adapt informal participation to formal policy-making; to create strategies so that institutions participate in informal settings without undermining or de-naturalising them. Such devices and strategies can contribute to a new participation toolbox that ranges from active listening on social media to social innovation methodologies and living labs for democratic experimentation. This is especially important for citizens that are underrepresented in democratic institutions (ethnic minorities, people with disabilities, young people, older people);

26. Expects, thus, that this ecosystem of participation methods would continually work to complement the institutional, official channels of communication and representation of European democratic institutions. It would not aim to substitute representative democracy but rather to enrich it with the instruments and means of deliberative democracy and, sometimes, direct democracy;

27. Highlights that citizens are moving towards new formats of political engagement — technopolitics — which has been brought about by digital technologies and open data. This allows for participation to take place in informal spaces and outside of the normal formalised settings. This new means of engagement should be embraced by political institutions to encourage an ecosystem of engagement;

28. Believes that the use of online platforms is crucial to the management of the types of participation methods; to enable participants from all over the EU regardless of social origin to take part in debates; and to ensure traceability and accountability of the proposals in an easy and accessible way. Digital technologies should complement face-to-face participation methods and should be used to encourage participation among citizens who do not feel represented by civil society organisations or citizens who do not normally participate through traditional participatory instruments;

29. Assumes that this participation ecosystem should have clear support from public administrations at all levels and also be flexible enough to promote new and innovative ways of citizen engagement, enabling the use of digital technology tools that facilitate multilingual dialogue with citizens;

30. Expects transnational solidarity between more advanced regions in the field of citizen participation helping less advanced ones to help to become involved in a Europe-wide ecosystem, by contributing knowledge and initiative; and that an EU ecosystem would respect the autonomy of Member States, regions and cities, while being flexible enough to be adapted to cultural, social and political needs and priorities;

### **Citizen dialogues during the Conference on the Future of Europe**

31. Calls for information, communication and engagement strategies between the European institutions and citizens during the CoFoE to run via the appropriate local and regional representative bodies, in conjunction with civil society organisations;

32. Encourages regional and local organisations to run participatory processes during the CoFoE at their respective levels, using a mix of open deliberative processes. The proposals and results of the deliberative processes can then be summarised and fed into the CoR's contribution to the CoFoE as well as help build the Network's repository of knowledge and experience in communicating with citizens;

33. Promotes transnational civic engagement in the CoFoE, as the debate must have a cross-border and pan-European dimension; it requires a forum of citizens from across Europe to engage transnationally, to address common problems;

**Towards a new approach to policy- and decision-making**

34. Is, indeed, convinced that, by increasing citizen participation and leveraging the potential of citizens in active policy-making, open government is one of the answers to a crisis of democratic institutions;

35. Considers that transparency and open data are a must for trust. Administrations should strengthen the link between participation policies and transparency strategies and open data, and work towards the openness of all resources and policy- and decision-making public goods: data, information, methodologies, training resources and technological platforms;

36. Expects the creation of criteria for open government at EU level that are appropriate for all other government levels;

37. Local and regional authorities are the only authorities that know best the citizens' needs and challenges on local level and are responsible for the implementation of EU policies on local and regional level. Therefore, there is a need for EU regulations to include requirements toward Member States to not only consult and involve LRAs into EU and national legislation related decision-making process, but to delegate funds' and financial instruments' management, based on the principle of subsidiarity. This can ensure that decisions taken closer to citizens shall allow citizens to better understand the EU. In conclusion, this would allow for a new approach to policy- and decision-making, which is more open, more participative, led by local and regional authorities in a more permanent dialogue with citizens: in short, a new common European political and democratic culture.

Brussels, 14 October 2020.

*The President  
of the European Committee of the Regions*  
Apostolos TZITZIKOSTAS

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**Opinion of the European Committee of the Regions – The role of the EU’s cohesion policy with respect to intelligent and innovative economic change in the regions against the backdrop of the coronavirus crisis**

(2020/C 440/10)

**Rapporteur:** Michiel RIJSBERMAN (NL/RE), Regional Minister of the Province of Flevoland

**POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS

**Introduction**

1. Appreciates the German presidency invitation for the CoR to express an opinion on the role of cohesion policy with respect to intelligent and innovative economic change in the regions against the backdrop of the coronavirus crisis;
2. Takes note of the German presidency priority for a stronger and more innovative Europe and its assertion that the EU Structural Funds are important elements for cushioning the economic and social repercussions of the COVID-19 pandemic and for stimulating economic recovery in the regions;

**The fundamental role of regions in fighting the post-pandemic economic crisis**

3. Notes that following the outbreak of coronavirus, all European regions have adopted broad preventive and economic response measures. These actions were primarily addressed to health, social services, public transport, educational systems and working capital for SMEs. But moving towards longer-term policies, the importance of broad innovation and application of innovations increases. Innovative concepts are needed for a transition to a more sustainable, digital and resilient Europe and these are all elements where cohesion policy can play its part;
4. Stresses that the regions have important competences in the area of economic policy and business support, including support for innovation and applied research. Regions can contribute to economic change, with their role in promoting R & D, key technologies, harnessing of networks and clusters, support for changes in business model or even upscaling of new technologies. Also, as a ‘launching customer’, cities and regions can accelerate a sustainable transition, exchanging experiences among each other;
5. Recommends that, as far as possible, ordinary structures and organisations should be used to address the impact of COVID-19 on business and employment. The regions have a key role to play in conveying information about regional and sub-regional disparities and how needs are affected by those disparities. This information may be crucial for both national support packages and EU initiatives aimed at the business community in different regions;
6. Reiterates that local and regional authorities are best placed to assess the investment needs at a territorial level and should be fully associated with decisions on [re]programming investment under REACT-EU, the implementation of the Recovery and Resilience Facility and the implementation of the European SME and Industrial strategies;
7. Calls for the central role of the regions in this work to be strengthened. Given the effects of the crisis, this may include boosting regions’ capacity to coordinate, initiate and implement extraordinary measures in the short and medium term to make a sustainable fresh start in the Member States, based on needs and circumstances in each region. Using analysis, monitoring and evaluation, regions can make informed decisions on development activities that can contribute to a sustainable fresh start. One key task for regions should be to gather important regional information and pass it on to the national level;

8. Foresees that cooperation within regional partnerships under the smart specialisation platform will play an important role in the economic recovery. Interregional cooperation in research and innovation is going to be a key element for recovery as well as for a green and digital transition which leaves no places and people behind;

9. Is concerned about the loss of capacity for intelligent and innovative economic change at a regional level post-COVID-19 not only due to loss of resources in the aftermath of the COVID-19 crisis but also as a consequence of a ten-year period of austerity. To reverse this, more resources need to be transferred to the local and regional level. At the same time, regional efficiency will need to be enhanced, requiring regions to innovate at all levels and be open to learning and sharing knowledge;

10. Welcomes the European financial support (from REACT-EU) for cities and regions to help the sectors which have suffered the most under COVID-19 to move towards sustainable business models in both the short term and the medium term;

11. Acknowledges that the decline in some sectors and changing working behaviour may necessitate revision and adaptation of urban spatial plans, to reflect the reduced need for city centre office space and shops, in conjunction with a re-organisation of public transport (mode, frequency and funding). In cities this will mean an increased emphasis on walking and cycling. Welcomes in this respect, the increasing ambition in many cities to considerably reduce car traffic by adjusting traffic rules and road design in favour of pedestrians and cyclists;

12. Highlights the need to give greater prominence to the European Social Fund as a key tool for social investment. People are at the heart of any investment policy and are a crucial aspect of economic recovery;

### **Cohesion policy as a pivotal tool for intelligent and innovative economic change in regions**

13. Underlines that cohesion policy is the EU's largest funding mechanism for investment in all regions with an increased emphasis on innovation as a driver of growth. Its implementation encourages more efficient spending of public funds through improved administrative and institutional capacity;

14. Appreciates that the European institutions promptly reacted to the emergency and presented an unprecedented amount of resources to tackle the COVID-19 pandemic, combining cohesion-funded measures in the classical Multiannual Financial Framework (MFF) to offer a long-term perspective, and a specific recovery effort under Next Generation EU (NGEU) to address short term effects of the crisis;

15. Strongly recommends that the temporary nature of some of the proposed reinforcements of cohesion policy, particularly on the missing thematic concentration, should not undermine goals of cohesion policy and its system of shared management based on agreed principles. Flexibility is needed in times of crisis, but too much flexibility can threaten the existence of cohesion policy in the longer term;

16. Appreciates that overall cuts to cohesion policy were avoided, because it is Europe's main financial instrument to recover from the economic crisis. However, finds it unacceptable that the long-term EU budget is cut to record low ceilings with an overall amount proposed for commitments of EUR 1 074,3 billion;

17. Underlines that the Structural Funds will become even more important for future investments for a socially-just, greener, more competitive, digital and inclusive Union, given the cuts to other EU programmes, such as Horizon, InvestEU, LIFE and Erasmus+;

18. Is pleased to see that REACT-EU combines two targets in a new thematic objective; crisis recovery on the one hand and the preparation for a green, digital and resilient economy on the other hand. In this way, REACT-EU has added value to act as a transitional arrangement between programming periods. It can also speed up much needed public investments for the green and digital transition;



19. Recommends, therefore, a minimum thematic concentration for REACT-EU objectives for a green, digital and resilient economy, to ensure that not all funds are spent on crisis repair only and spendings are still in line with the overall EU's goal to achieve climate neutrality by 2050. This will also help speed up transition from emergency response to new programming period investments. It is important to make sure that investments are well founded in this European strategy to avoid 'throwing money at the economy' without a clear purpose;

20. Underlines the role of the ESIF for the economic transformation of regions that want to lower emissions and go digital, or the so-called fourth industrial revolution. The European Regional Development Fund is a catalyst for stimulating intelligent and innovative economic change, because of its thematic concentration on the policy objectives of 'a smarter and greener Europe' and the types of investment it supports;

21. Notes that cohesion policy plays a crucial role in addressing the growing digital divide. The accelerated use of digitalisation as seen during lockdowns is likely to stay and will further contribute to social innovation. More emphasis will be needed on developing digital skills which should be an integral part of a resilience strategy and on adapting education systems and equipping schools with digital technology;

22. Reiterates the fundamental aim of cohesion policy, which is to strengthen economic, social and territorial cohesion between regions within the European Union and pay particular attention to regions that require special attention because of severe, structural, natural and demographic handicaps. These regions face greater difficulties in providing their inhabitants with access to services that have proved vital during the pandemic, such as health services and digital infrastructure, and which will be key to achieving Europe's priorities for the climate, digital development and growth;

23. Acknowledges that cohesion policy will play an increasingly important role in supporting the ongoing economic reform process by Member States by strengthening the link to the European semester. Stresses in this respect the urgency for a deep reform of the European Semester and the EU's economic governance towards a transparent, inclusive and democratic process. If the European Semester remains unreformed, cohesion policy is at risk of becoming more and more centralised, a top-down approach of the recovery plans and the return to policies which take no account of economic, social and territorial cohesion among and within Member States and hamper the urgently needed public investment for the EU's sustainable recovery. The Commission should therefore ensure that regions are involved by Member States during the entire national semester process and make sure that the financing of country-specific recommendations with cohesion policy funding has a clear place-based dimension;

24. Calls on all European leaders for a timely start to 2021-2027 cohesion policy programmes to avoid a funding gap between the two programming periods;

### **The crucial role of SMEs and industries for Europe's innovative economic recovery**

25. Agrees with the presidency that a competitive European industrial sector and vibrant small and medium-sized enterprises are essential for mastering the digital and environmental transformation. The European industrial and SME strategies should therefore be rooted in a place-based approach and promote cooperation in innovative key technologies across European regions to enhance Europe's competitive advantage;

26. Supports, to this end, the development of recommendations for suitable framework conditions and the broad implementation of forward-looking innovations, as well as measures relating to financing, a substantial reduction in red tape, and SME-friendly regulations and innovative cross-border approaches to strengthening entrepreneurship, the digital transformation and innovation;

27. Points out that access to finance and liquidity support for SMEs via EU grants and schemes and national measures is necessary to allow companies to bridge liquidity gaps caused by the crisis. Emergency measures should be complemented with instruments that allow the financing of investments and innovation, notably in digital technologies;

28. Maintains that counselling aids must be expanded (especially for the self-employed and the unemployed) and the reaction time to SMEs' changing demands quickened. Public authorities should take a bottom-up, needs-based approach. Upskilling programmes in digital technologies and digital literacy should be prioritised;

### **Just Transition Fund**

29. Rejects the obligatory use of the ERDF as JTF co-funding because it can threaten cohesion policy objectives, including the thematic concentration spending for innovations (under PO 1). As the JTF is geographically targeted, co-financing with the ERDF should be optional;

30. Reiterates that any transfer of regional funds, JTF co-financing included, by a Member State should be decided with the consent of the local and regional partners involved, in line with the principles of partnership and multilevel government;

### **Short term strategies must have a stronger regional dimension, true simplification and accessible synergies with long-term policies**

31. Welcomes the Commission's swift action to put in place essential investments under the CRII packages. The reduced administrative burden and flexibility offered by these packages, contribute to the absorption of regional funds for the period 2014-2020 where it is needed;

32. Calls on the Commission to ensure that recent measures to increase flexibility and to further simplify cohesion policy at EU level do not lead to centralisation and gold-plating and an added administrative burden at national level, brought about by risk avoidance and a risk-regulation reflex by Member States;

33. Calls for further clarity about the interplay between the different new mechanisms, such as REACT-EU, the Just Transition Fund, and the Recovery and Resilience Facility, to avoid additional complexity and stricter national regulations being added by the Member States;

34. Asks the Commission to make sure that a shift of power away from regions is avoided. The proposed Recovery and Resilience Facility should be channelled through a bottom-up approach, by adding regional allocation criteria to REACT-EU and the Recovery and Resilience Facility, and by a stronger involvement of local and regional authorities in the governance of instruments, in particular in the preparation of national recovery investment plans. The delivery of the Recovery and Resilience Facility through centralised programmes bears the risk of lacking legitimacy and efficiency because they are adopted without any partnership requirements and therefore might not take into account the real recovery needs from a territorial perspective;

### **Speeding up recovery and smooth transition**

35. Welcomes the Council invitation to the Commission to provide proposals, before the October European Council, on how to accelerate and facilitate procedures in Member States for swift deployment of recovery support. It is important to create the right conditions for rapid implementation of investment projects, particularly in infrastructure;

36. Agrees with provisions that allow for rapid reimbursement and simplified access to the additional resources, notably the final date of eligibility and the proposed timeframe of two years, 2021 and 2022 to spend 70 % of the grants, however stresses the importance of retaining the possibility to allow the Member States to also use the additional resources in 2023 and 2024, beyond the European Commission 2022 deadline;

37. Urges Member States to follow the Commission proposal to make use of existing management structures in order to speed up implementation and guarantee the involvement of local and regional authorities according to the partnership principle;

38. Urges the Council to take a decision on the final allocation of REACT-EU as soon as possible to encourage rapid implementation of crucial investment for cities and regions. Even a decision on 19 October would already be late for regions to prepare programmes;

#### **General recommendations for cohesion policy in the 2021-2027 programming period**

39. Recommends that local and regional authorities clearly define medium- and long-term development strategies based both on predicted trends and challenges and on the specific features of their territories;

40. Underlines that regional development and smart specialisation strategies are an important tool to ensure that individual sectoral tools have synergies and complement each other and that stakeholders are adequately involved, in line with the place-based approach to economic, social and territorial development;

41. Points out that it is important for all levels of governance (EU, national, regional and local levels) to work together, and for the subnational levels to be given enough opportunities and funds to take responsibility for their own development potential;

42. Asks the Commission to ensure that the key legal framework and principles of cohesion policy is respected, with elements such as thematic concentration, *ex-ante* conditionalities, multilevel governance, partnership, solidarity, the rule of law and a place-based dimension when going back to 'normal'. These principles have proven to be suited to rapidly and flexibly addressing challenges so no city or region is left behind;

43. Stands firmly by the European Parliament's insistence on an EU mechanism to protect democracy, the rule of law and fundamental rights; calls for this mechanism to uphold all fundamental EU values, including the respect for human dignity and human rights, freedom and equality, in every Member State, region and municipality, and to guarantee that any sanction applies to the relevant level of governance;

44. Recommends that smart specialisation strategies be broadened beyond R&I with a wider focus on economic, social, and environmental objectives and with increased attention on future resilience. PO1 (a smarter Europe) provides a basis for innovation investments that goes beyond economic transformation and serves broader economic, social, and environmental goals (e.g. the Green Deal);

45. Considers, therefore, the lowering of the minimum spending for innovative and smart industrial transformation under ERDF Policy Objective 1 regrettable. The absence of a PO1 thematic concentration for the most developed regions is worrying in this light, because innovation in these regions can drive the European economy;

46. Supports the continuation of valorisation in the ERDF Operational Programmes 2021-2027 under PO1. It is still necessary to invest in the phases between applied research and bringing innovations to the market, both with financing in the form of capital as well as grants. The focus should be on the creation of new value chains;

47. Regrets the Council's decision to scrap both a mid-term technical review of cohesion policy allocations in 2024 and the possible addition of another EUR 10 billion to the cohesion policy envelope, without any Member State losing parts of their allocations. This is deplorable because the review is envisaged to take account of the impact of the crisis; a significant number of regions will likely experience a sharp fall in GDP per capita and could thus be entitled to higher allocations under a mid-term review;

48. Asks the EU to refrain from further measures, as proposed by the Council, to ensure the collection and comparability of information on the final beneficiaries of EU funding for the purposes of control and audit. Final beneficiaries should not be burdened with additional audits;

**The added value of territorial cooperation, regional ecosystems, smart specialisation and innovative interregional investments in promoting economic recovery**

49. Highlights the importance of European territorial cooperation to help overcome the damaging effects of the crisis and to accelerate economic recovery and calls for funding to be allocated for cross-border cooperation projects;

50. Regrets therefore, that the funding allocated to the ETC objective is reduced compared to the Commission's proposal from May 2018, not to mention 2014-2020 levels. Thus the budget proposed for ETC is ostensibly inadequate vis-à-vis the growing and multiple challenges facing cross-border areas in the light of the COVID-19 crisis. Likewise, it is regrettable that the Council's agreement envisages halving the budget for interregional innovative investments (also known as 'component 5');

51. Asks the Commission to further promote regional ecosystems and clusters in the framework of Interregional Innovation Investments. The combination of technological, industrial and social infrastructure in different regions according to their strengths and skills helps to generate critical mass and economies of scale and thus has the potential to increase the efficiency of research and innovation systems;

52. Asks the Commission to consider the integration of regional smart specialisation strategies that contribute to a green, digital and resilient Europe as an enabling condition for effective (national) recovery investment plans;

53. Proposes initiating an ongoing political dialogue between all levels of government on the synergies of the different COVID-19 measures with cohesion policy instruments as part of the Trio Programme of Germany, Portugal and Slovenia.

Brussels, 14 October 2020.

*The President*  
*of the European Committee of the Regions*  
Apostolos TZITZIKOSTAS

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**Opinion of the European Committee of the Regions – SME Strategy**

(2020/C 440/11)

<b>Rapporteur:</b>	Eddy VAN HIJUM (NL/EPP), Member of the Council of Overijssel province
<b>Reference documents:</b>	Annual report on European SMEs. Research & Development and Innovation by SMEs  Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. An SME Strategy for a sustainable and digital Europe  COM(2020) 103 final

**POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS

1. recognises the importance of small and medium-sized enterprises in the EU economy, as they account for 99,8 % of all companies in the non-financial business sector, two thirds of total employment, and 56,4 % of the total value added generated by the non-financial business sector <sup>(1)</sup>;
2. understands that the transition to a sustainable and digital economy cannot take place without the commitment of the entrepreneurs and business families who own and manage the 25 million SMEs in Europe and underlines the need to help SMEs grasp new opportunities, respond robustly to a changing business environment and, in so doing, create sustainable growth and jobs and strengthen Europe's long-term competitiveness in these transitions;
3. supports the EU in promoting a level playing field for SMEs by reducing the regulatory burden, improving access to the Single Market and increasing the availability of financial services;
4. emphasises that the region or municipality is the natural habitat of SMEs, which functions as an ecosystem where SMEs engage in networks tying them to their supportive infrastructure, including labour markets, educational and research institutes, buyers and suppliers, financial and business services, chambers of commerce and industry and local and regional authorities;
5. warmly welcomes, therefore, the Commission's 10 March 2020 communication *An SME Strategy for a sustainable and digital Europe*, and shares its stated objectives of reducing the administrative and regulatory burden for SMEs, improving the access to finance, as well as its commitment to encouraging SMEs to engage in the transition to sustainability and digitalisation;
6. realises that since the presentation of the SME Strategy, the world has changed significantly. The economic fallout of the COVID-19 pandemic is expected to strongly impact all regions and SMEs in Europe. But the crisis should also be seen as an historic opportunity to align the economic recovery with the standards of the Green Deal, sustainability and digitalisation, which must be integral to any SME strategy. A recovery plan for SMEs must be delivered with local and regional authorities in the lead, to be responsive to the diverse needs of SMEs and the varying economic and institutional conditions across Europe. EU recovery measures will be most efficient if synchronised with regional and national initiatives and compatible with local ecosystems. Coordination and an exchange of best practice is therefore crucial;

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<sup>(1)</sup> See Annual report on European SMEs (2019).

### Addressing all SMEs

7. believes, therefore, that the SME Strategy, despite including relevant priorities and measures, lacks a vision to fully address the diverse needs of SMEs. Such a vision should place strong emphasis on ensuring a level playing field for SMEs in a completed and deepened Single Market and should encourage integration and complementarity between measures on all levels of government, including a strong regional dimension to ensure a place-based approach tailored to the needs of local SMEs;

8. shares the Commission's view on diversity amongst SMEs, but believes, however, that this diversity is insufficiently operationalised in the proposed measures. The strategy of the Commission primarily focuses on start-ups, scale-ups and high-tech SMEs. Although these groups are crucial for growth and innovation, this does not mean that traditional and family firms are passive followers;

9. deplors the Commission's characterisation of 'traditional firms', when referring to the established and embedded SMEs, the 'grown-ups' of the SME community. These embedded firms will be a stabilising force for local economies and communities in the current crisis and create long-term sustainable growth;

10. recognises the strong links between SMEs and their host regions; especially the grown-ups which are locally embedded and strive for long-term survival. Often, but not always, these firms are family-owned and are more inclined to take social responsibility, because their social capital is tied to their local reputation. Their owners, managers and employees can become ambassadors for the sustainability transition and participate in structural collaborations with regional and local authorities;

11. urges the Commission to develop policies addressing the needs of family businesses in Europe, including succession and transgenerational entrepreneurship. Even though family businesses play an important role in our economy, policymakers pay them scant attention. This blind spot remains despite the recent remarks of President of the European Commission, Ursula von der Leyen, and earlier initiatives.

12. stresses that family-owned firms are the most common enterprise, accounting for around 70 % of all firms in Europe <sup>(2)</sup>. The ownership structure defines, to a large extent, how and by whom an SME is managed, as well as the business and investment strategy of the firm. This ownership perspective, however, is largely missing within existing SME policies;

13. calls upon the Commission to continue and expand the support of statistical surveys in the Competitiveness of SMEs programme (COSME). To enable researchers and statistical agencies to fully capture the diverse ownership structures of Europe's SMEs and analyse important international and interregional differences. In this regards, considers it necessary to ensure that data is collected in a way that takes into account gender issues;

14. highlights that family firms are disproportionately concentrated in regions close to the European average in terms of gross domestic product and that these regions are facing a 'middle-income trap' <sup>(3)</sup>. According to the seventh Report on Cohesion, growth has been slower in these middle-income regions, compared to leading regions and regions coming from a disadvantaged position;

15. stresses that SME policies should place more priority on involving established SMEs and addressing their needs including adaptation to new technologies, business transfers, internationalisation, access to finance and professionalisation of management and reporting. Existing one-stop-shops strongly embedded in regional ecosystems should be used as access points for providing locally accessible services for SMEs, including advice on a wide range of programmes, measures and funding instruments originating from the EU, national and regional level;

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<sup>(2)</sup> Statistical research supported by the COSME programme has determined the share of family businesses in non-financial business in Denmark (60 %), Finland (70 %), the Netherlands (71 %) and Poland (92 %).

<sup>(3)</sup> Based on statistics from the Netherlands, regions with higher concentrations of family businesses are close to the European average regarding GDP (Eurostat, 2017; CBS, 2017).

16. invests in strong regional ecosystems to be firmly connected on a European level by international knowledge exchange between SMEs and between regional governments, in particular by means of interregional investment in innovation. Welcomes the smart specialisation strategies and initiatives such as the S3 Platform, the Vanguard Initiative and various collaboration projects among the European Entrepreneurial Regions (EER), which have proven their value and deserve continued support, including the establishment of a specific financing framework to drive them;

### **Capacity building for digitalisation and sustainability**

17. notes the Commission's plan to strengthen the European Resource Efficiency Knowledge Centre and the plan to appoint dedicated sustainability advisers within the Enterprise Europe Network (EEN);

18. is concerned that these European initiatives are not anchored within the regional infrastructure for SMEs. A positive exception is the Commission's support of a dense network of up to 240 Digital Innovation Hubs (DIH);

19. highlights that SMEs active in the ICT sector can function as digital enablers in a regional setting by facilitating the growing group of digitally dependent SMEs. The digitalHUB Aachen is an example of such an initiative<sup>(\*)</sup>; calls for promoting the creation of more SME Alliances for Artificial Intelligence in strategic value chains;

20. urges SMEs to operate in a more energy-efficient way, reduce their energy consumption, boost the production and use of renewable energy and embrace a circular production process in order to reduce costs and build a competitive and sustainable economy. However, SMEs, and micro-enterprises, should not incur a disproportionate share of the costs associated with the sustainability transition, nor should SMEs be exposed to unfair competition from third countries with lower environmental standards. In this regard, considers that a carbon border adjustment mechanism should be foreseen to make sure that there will be no unfair competition from third countries;

21. emphasises that the human capital agenda for SMEs, including programmes for green and digital skills, should not only be catered to workers but also to entrepreneurs, owners and managers, calls for the Commission's revised Skills Agenda for Europe to adequately take account of these concerns. These entrepreneurs, owners and managers do not only decide on strategic priorities, but also shape the learning environment within their firms;

22. proposes that training take place in a peer-to-peer setting with a mediating role for the regional triple helix infrastructure. It is of crucial importance that entrepreneurs, owners, managers and employees of SMEs have access to lifelong learning programmes at universities, vocational schools, other vocational training institutions and field labs. A comprehensive human capital agenda for SMEs that also factors in gender issues can strengthen both highly innovative regions and regions facing a brain drain;

### **Reducing the regulatory and administrative burden and improving market access**

23. calls upon the Commission to improve its SME test during the impact assessment of proposed regulations, in line with the 'think small first' principle. A good SME test includes a differentiated cost-benefit analysis for SMEs and large companies as well as between different sizes and classes of SMEs, ample opportunities for stakeholder consultation, quantification of impact and strong oversight by the Regulatory Scrutiny Board;

24. welcomes the Commission's initiative to develop an EU Start-up Nations Standard which has ambition to make Europe the most attractive start-up and scale-up continent. At the same time, it underlines the need to involve all levels of government in the initiative;

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<sup>(\*)</sup> <https://aachen.digital/>



25. urges the Commission to adopt a more SME-friendly approach to ensure regulatory measures function as stimuli for innovation and do not hamper the activities of SMEs, as often happens with cross-border operations. This will lead to greater resilience and competitiveness instead of additional burden and compliance costs associated with international trade. In order to encourage SMEs to start reaping the benefits of fair free trade agreements, whilst also remaining sensitive to the risk of unfair competition from exports from third countries with less stringent environmental requirements, barriers need to be reduced in innovative and cost-efficient ways, for example through web-based, interactive tools such as a Rules of Origin Calculator for SMEs, or mechanisms for identifying product emissions (such as carbon border adjustment or 'passports');

26. is pleased with the continuation of regulatory fitness screening in the Fit for the Future platform. However, the role of the Committee of the Regions & SMEs needs to be enhanced compared to its predecessor, the REFIT platform. Many regulations affecting SMEs are implemented at the sub-national level and regulatory density, gold plating and issues with proportionality and subsidiarity are more visible at the bottom of the pyramid; in this regard, stresses that the Commission will also focus on removing red tape where it comes to cross-border cooperation, to make sure exchange of personnel between border regions is easily possible, also for short periods of time;

27. calls upon the Commission to actively consult SMEs and interest groups representing a wide variety of business models, including social economy enterprises, during impact assessments and regulatory screening of EU legislation. A positive regulatory environment for social entrepreneurship will improve the survival rate of social impact start-ups, encourage social innovation and promote corporate social responsibility, bringing us closer to the realisation of the European Green Deal and the Sustainable Development Goals (SDGs);

28. believes reducing barriers for SMEs related to the certification framework of the EU Cyber Security Act, including standards and technical specifications, is a necessary condition for SMEs to participate in the digital single market and for an innovative, sustainable and inclusive digital Europe that invests in data sharing and digital trust;

29. urges the Commission to ensure the implementation of SME friendly public procurement measures proposed in the 2014 public procurement directives, including the divide or explain principle, the reduced turnover requirements and the implementation of electronic solutions such as the European Single Procurement Document and E-Certis. Calls upon the Commission to develop a roadmap for the realisation of its 'once only' principle in the public procurement process, thereby reducing administrative burdens and increasing transparency;

30. underlines that local and regional authorities are actively working to improve SME access to public procurement whilst also promoting innovation and meeting societal challenges as launching customers. The city of Valladolid, the winner of a 2019 European Enterprise Promotion award, has developed a guide for SME-friendly public procurement, which can serve as an example <sup>(5)</sup>;

31. wishes to invest in cross-border collaboration for the benefit of SMEs, including the integration of labour markets, cross-border business-to-business relations and cooperation between governments, knowledge institutions and SME support centres on both sides of the border. LRAs should play a particular role in such cross-border cooperation, because they are best placed to judge which measures are appropriate to boost their local economy and can quickly identify obstacles to cross-border cooperation. The SME strategy should provide the political support for LRAs to take prompt and decisive action here;

32. also intends to invest in interregional collaboration for SMEs and in cooperation between governments, knowledge institutions and support centres for SMEs in island and outermost regions;

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<sup>(5)</sup> [https://blogs.ec.europa.eu/promotingenterprise/files/2020/02/2020\\_PublicPROCUREMENTfosSME-GUIDANCEforCAuthorities.pdf](https://blogs.ec.europa.eu/promotingenterprise/files/2020/02/2020_PublicPROCUREMENTfosSME-GUIDANCEforCAuthorities.pdf)

33. expects that business transfers will be an urgent challenge in the coming years due to Europe's ageing population. In Central and Eastern Europe, specifically, a large cohort of founders started their firm after 1989 and are now ready to hand over control to the second generation;

34. is aware of the risks during a business succession and therefore welcomes the Commission's proposed measures on facilitating business transfer by developing a framework to support and promote business transfers across the EU;

#### **Access to finance**

35. draws the attention to the fact that more than 60 % of SMEs are not paid on time which is one of the main causes of SME bankruptcies. Therefore calls for the proper implementation of the Late Payment Directive and welcomes the proposed monitoring and enforcement tool. It stresses that SMEs should not bear the burden of late payments by large corporations and governments;

36. wants to stress that regional development agencies can contribute to the regional financial system, not only through participation in high-risk projects but also by securing the continuity of embedded firms, including their contribution to the human capital of a region. The European Investment Bank Group should recognise the beneficial societal impact of these embedded firms and prioritise their continuity with special equity financing instruments;

37. welcomes the integration of funds and the simplification of procedures in the InvestEU programme. However, urges that SME accessibility to financing should not be limited to the special window for SMEs but should also be a major priority in the other three windows;

38. worries about the debt levels of SMEs in Europe, especially of local SMEs situated in isolated and small-scale markets, such as those in the island and outermost regions. Policies aimed at improving SME access to equity financing should be strengthened at all levels of government, thereby reducing the unsustainable levels of debt financing. This concern is even greater when taking into account micro-enterprises that are unable to access financing through the financial system;

#### **Governance**

39. underlines that regional SME strategies are the responsibility of local and regional governments in accordance with the principle of subsidiarity;

40. takes note of a stronger mandate for the SME Envoy network to govern the EU SME policies; calls upon national envoys to increase their interaction with regional authorities and other territorial actors; suggests that annual exchanges be organised between the EU SME Envoy and CoR members to take stock of the implementation of the SME Strategy at regional and local level;

41. stresses that pan-European, cross-border and interregional collaboration, knowledge exchange and learning are important elements of a coordinated European approach to EU policy implementation, which should be encouraged, facilitated and supported by EU programmes;

42. calls on to the Commission to improve the horizontal coordination of the SME strategy, thereby enhancing the impact of the strategy on the allocation of the European Structural and Investment Funds in the 2021-2027 period;

43. asks the Commission to ensure an increasing number of SMEs will benefit from EU funding, as funding for specific SME programmes such as COSME (EUR 2,3 billion in the 2014-2020 period) are modest in comparison to the European Structural and Investment Funds (EUR 460 billion). In direct and shared management programmes, such as the ERDF, regions successfully ensure the budget is programmed for the purpose of SMEs. Urges the Commission to develop specific programme lines and initiatives for SMEs in the Framework Programmes, such as Horizon Europe, and to make it easier for SMEs to access existing programmes of this kind;

44. highlights the vital importance of the ESIF in financing the sustainability transition and points out that the Committee of the Regions has called for 30 %, rather than 25 % as currently provided for, of all funding of the Structural Funds to be earmarked for Green Deal priorities;

#### **The road to SME recovery from COVID-19**

45. highlights that as a consequence of social distancing measures in response to the COVID-19 pandemic, the transition of SMEs to digitalisation with a level playing field is even more urgent and crucial for their survival and for Europe's overall strategic competitiveness;

46. draws attention to the European Commission's capacity to react during the pandemic by designing programmes to support SMEs and to preserve employment, such as the SURE scheme. SMEs in the agrifood, services and tourism sector, which are among those which have suffered most during the pandemic, need flexible mechanisms to enable them to survive after the crisis, as the employment rate in Europe is closely linked to the survival of these businesses;

47. recognises the opportunities for significant progress on the sustainability transition arising from the restructuring, taking account of the size of firms and sectors affected by the crisis. This progress has to be supported with investment incentives for SMEs seizing the opportunities of green technologies and circular business models;

48. urges the Commission to monitor whether the impact of emergency support measures does not undermine its ambition to create a level playing field for SMEs. Moreover, calls upon the Commission to review the impact of the COVID-19 crisis on the already increased levels of geopolitical instability; the disruption of trade flows and supply chains will potentially lead to the reshoring of economic activity, especially in the case of systemically important infrastructure including the medical products sector, and may offer opportunities and challenges for SMEs and regions. SMEs facing liquidity problems may be inclined to accept offers from strategic buyers, risking unwanted foreign interference in the economy;

49. expects the Commission to act prudently when the interests of SMEs and the European economy are harmed in these areas, for example as they did by temporarily modifying the state aid rules. Local and regional authorities will remain vigilant and will continue to share information amongst each other and with higher level authorities, to enable shared learning on a proportional response to this unprecedented situation;

50. emphasises that the Commission must be sensitive to the interests of SMEs who currently do not have strong ties with the financial system because they are largely self-financed. Some of these firms are experiencing abrupt liquidity issues and urgently need repayable and/or non-repayable loans for the first time in their existence. This primarily affects micro-enterprises, but may also impact larger family-owned enterprises;

51. calls upon the Commission to give regional authorities access to European funding under the Recovery Package, in order to kick-start the economic recovery. Local and regional authorities are in the best position to assess the needs of SMEs adjusting to a post-pandemic economy;

52. stresses that the goal of making businesses more financially stable and resilient should remain a top priority of policy makers at all levels; warns against the excessive reliance of proposed SME support measures on debt instruments.

Brussels, 14 October 2020.

*The President*  
*of the European Committee of the Regions*  
Apostolos TZITZIKOSTAS

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## Opinion of the European Committee of the Regions – Local democracy challenges in the Western Balkans

(2020/C 440/12)

<b>Rapporteur:</b>	Nikola DOBROSLAVIĆ (HR/EPP), Prefect of Dubrovnik-Neretva County
<b>References:</b>	Letter from the Croatian Presidency of the Council of the EU (Croatian Minister for Foreign and European Affairs, Dr Grlić Radman, to the president of the CoR, Mr Lambertz), A/00028

### POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

#### General comments

1. commends the Croatian Presidency of the Council of the EU for setting this opinion in motion, as this is the first time the CoR has formulated an opinion devoted exclusively to the challenges facing democracy in the Western Balkans, and in particular the issue of local state capture, a phenomenon that is also to be seen far beyond the Western Balkans;
2. recalls that the Commission's enlargement package formed the subject of CoR opinions in 2018, 2019 and 2020. In these opinions, particular attention was paid to the challenges facing local democracy in the Western Balkans and the way that it operates;
3. carefully examines the progress reports on the candidate countries and welcomes the continued engagement of the European Commission, the European Parliament and the Council of the EU with regard to its enlargement policy vis-à-vis the Western Balkan countries; reaffirms its position that enlargement is in the political, economic and security interests of not only the Western Balkans but also the EU and is a geostrategic investment in peace, stability, security and economic growth in the whole of Europe; underlines that all candidate countries need to satisfy all of the membership criteria;
4. notes with regret that the European Commission has not generally tended to pay sufficient attention to local democracy, the rule of law and good governance at local level in its relations with the Western Balkan partner countries, particularly with regard to the process of their integration into the EU;
5. welcomes the progress made in reforms in a number of Western Balkan countries, but is concerned by the poor progress in some countries and, in certain cases, the backward steps in terms of fighting corruption and protecting human rights, media freedom and the judiciary, and notes an overall weakening of the rule of law;
6. recalls that local democracy in the Western Balkans is facing several challenges, many of which are similar or even identical to those in EU Member States, but in the Western Balkans are significantly more pronounced. These problems are exacerbated by a number of factors that do not exist or are less of an issue in the EU, such as: the legacy of previous armed conflicts; unresolved disputes over sovereignty and territory; lack of media freedom; lack of acknowledgement of genocide and war crimes; expansionist aspirations; hate speech; unresolved constitutional issues; unequal status between different peoples and unconstitutional electoral laws; insufficient good governance and as well as authoritarian inclinations on the part of incumbents and governing parties at all levels of government; relatively low levels of socioeconomic development; largely negative demographic trends; and an underdeveloped civil society with a weak political and democratic culture;

7. stresses its belief that the state of democracy at local level is inextricably linked to its condition at national level, and that negative phenomena found at the local level often reflect similar phenomena at national level;

8. notes that the European Committee of the Regions has been continuously involved in the Western Balkans process through its Working Group on the Western Balkans (focusing on Albania, Bosnia and Herzegovina, and Kosovo (\*)), and its three Joint Consultative Committees (JCC), which were established and operate on a parity basis with local and regional authorities from the respective Balkan countries (Montenegro, North Macedonia and Serbia); at the same time, points out that these bodies have proven their worth when it comes to exchanging best practice and views between the members of local and regional authorities from the EU and their counterparts in the Balkans. Many issues of mutual interest have been discussed, including those in the area of the rule of law and good governance, which is something of particular importance in the context of the EU accession negotiations; regrets however, that political plurality in these JCCs in the respective Balkan countries is not always ensured;

9. welcomes the efforts of the Council of Europe's Congress of Local and Regional Authorities to promote local democracy in the Western Balkans. The work of the Congress complements that of the CoR, and therefore the CoR would like to step up cooperation with the Congress in this area;

10. points out that the EU Strategy for the Danube Region (EUSDR), one of the European Union's four macro-regional strategies, includes three Western Balkans countries. The strategy's primary goal is to further expand cooperation between countries and regions to local and regional stakeholders. This includes supporting and assisting stakeholders in the relevant — democratic — processes and civil society. It is therefore recommended that cooperation be strengthened in the ambit of the EU Strategy for the Danube Region;

11. among the various challenges to local democracy, stresses in particular the emergence of 'local state capture', which was also highlighted by the European Commission in its 2018 Enlargement Strategy, and which is understood as a local governance system that is fully or partially usurped by powerful individuals or groups to the benefit of their own particular interests;

12. perceives the main aspects of local state capture as follows: manipulated and sometimes illegal public procurement; undeserved appointments, recruitment and promotion of civil servants, as well as of managers and employees of public-sector companies; pressure on the judiciary; non-transparent support from local authorities to civil society organisations; non-transparent activities by local authorities and public administration, which often go hand in hand with control of local media through ownership and advertising; and misuse of political parties for personal enrichment and keeping local communities and authorities in a state of 'capture' by building and maintaining patronage networks; underlines that these aspects often contribute to disillusionment among citizens and lead to low voter turnout in local elections and therefore a further democratic deficit for local democracies;

13. also warns of shortcomings in the rule of law; slow, inefficient, often biased and sometimes corrupt judiciary; widespread and deeply rooted corruption, which is considered by many to be normal and even unavoidable, particularly in the area of local employment, as well as in relation to medical personnel and traffic police; the continuing problem regarding ethnically and religiously motivated violent extremism; and inadequate legislative and institutional solutions with regard to local and regional authorities, including a lack of functional and fiscal decentralisation;

14. notes that missing political plurality or suppression and intimidation of elected officials belonging to opposition parties at the local level in some of the countries of the Western Balkans are major challenges to local democracies in those countries;

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(\*) 'This designation is without prejudice to positions on status, and is in line with UNSC 1244 (1999) and the ICJ Opinion on the Kosovo Declaration of Independence'.

15. argues in this context that public procurement in places subject to local state capture serves primarily to strengthen those in power or patronage networks. This often plays out in the following way: calls for tender are circumvented and contracts are awarded directly; calls for tender are announced in publications that few people read, at unusual times and with exceptionally short deadlines; or conditions for tenders are targeted at specific bidders. The preferred tenderer in a call for tender, after being awarded the contract, demonstrates their gratitude to those in power locally, or their representatives, by paying a basic commission in the form of a percentage of the contract value, which is usually already earmarked for this purpose when submitting the tender so that it does not reduce the profit of the successful tenderer;

16. notes that human resources policy is a powerful tool for those that have 'captured' local authorities, especially where good jobs are rare, which is often the case in 'captured' areas. Newly employed members of local government and employees of local public-sector companies are often members of the same family or relatives of political or business 'friends'; sometimes they are even members of the opposition in representative bodies, or their spouses or close relatives. Illegal reorganisation of an administration is even used as a way of rewarding loyal people for 'a job well done';

17. notes with great concern that those in power locally and members of patronage networks, in order to maintain control of and access to local resources, often build up and cultivate close contacts with judges and other judicial officials at national and local level, providing economic benefits for influential people in the judicial system, using local government resources. In return, officials in the justice system obstruct investigations and proceedings in cases involving those holding power locally;

18. notes that the situation in local authorities is further exacerbated by the loss of human resources, in that large numbers of people — especially young and educated people — are leaving, which constitutes a serious problem for the development of these communities;

19. stresses that in light of gender equality as a basic principle of the EU the actions to strengthen women's rights and to increase their political participation have to be seriously taken into account and fulfilled.

20. is profoundly aware that irregular migration is also a significant burden on local authorities that are located on the 'Balkan route', as it exacerbates feelings of helplessness among the general public and also the authorities, as well as a sense that the institutions in place are not functioning properly;

21. stresses that organised crime threatens the safety and well-being of local communities;

22. against this background, is also concerned about the control of the media and local branches of national institutions by powerful local agents;

23. notes that although civil society organisations, as well as the media in the Western Balkans, are in principle critical of the authorities at all levels, they often depend on these same authorities — on their grants, on tax advantages and on the provision of premises. By arbitrarily rewarding or denying financial support or premises, local authorities can wield a powerful 'hijacking' tool to silence criticism and develop clientelism on the part of certain civil society organisations;

24. stresses that liberating the Western Balkans from state capture, at both national and local levels, would greatly benefit the people living there, help strengthen the economy, democratise society and diminish negative demographic trends, especially the population drain and bring those countries closer to membership in the European Union;



25. welcomes the fact that, on 6 February 2020, the European Commission adopted a new methodology for the EU accession process for the Western Balkan countries and expects relations between EU delegations and government representatives in the Western Balkans to be further strengthened in the areas of the rule of law, public administration reform, transparency, environmental protection, market competitiveness and sectoral policies;

26. considers, in this regard, that this will lead to a new opportunity to bring potential candidate countries closer to the European Union, and that these countries should in turn show more willingness to fight corruption, strengthen the rule of law and ensure transparent management of public resources;

27. in the light of the new methodology for EU accession negotiations, emphasises in particular that strengthening the rule of law is a way of effectively combating the causes and consequences of local state capture;

28. notes that the continuation of local state capture, in which the same small groups of people have held political and economic power for years or decades, also has an impact on the conduct of elections by discouraging the political participation of citizens. Moreover, the turnout in local elections is often lower than in national elections. Examples include elections that have been boycotted by the opposition party, as well as local elections that have not been held for 11 years (Mostar), which is unacceptable in a democracy, and which resulted in a ruling by the European Court of Human Rights (case 30100/18, Baralija v Bosnia and Herzegovina). The Committee therefore calls on the EU to pay particular attention to monitoring electoral processes in such contexts;

29. notes with regret that while exclusion and political apathy are prevalent among one section of the public, especially those that are more educated and financially independent, another section maintains close ties to the authorities through clientelism (obtaining employment, supplementary pensions, nursery places for their children, new tarmac for access roads to their homes, etc.). This situation amounts to 'hijacking' and ensures the parties concerned remain in power and further worsen the situation of local democracy;

### **General context**

30. recalls that the EU launched the 1999 Stabilisation and Association Process (SAP) as a framework for relations between the EU and the countries in the region. At the same time the Stability Pact was launched as a broader initiative. The Regional Cooperation Council (RCC) was established in 2008 to replace the Stability Pact. In Thessaloniki in 2003, the European Council confirmed that all SAP countries are potential candidates for EU membership;

31. stresses that, in this context, the European perspective was reaffirmed in the European Commission's strategy for the Western Balkans of February 2018, as well as in the Sofia Declaration following the EU-Western Balkans summit on 17 May 2018, and will be the theme of the next EU-Western Balkans summit, to be held in Zagreb, Croatia, on 7 May 2020;

32. notes that the network of EU delegations that forms part of the European External Action Service is essential for monitoring and reporting on the phenomenon of local state capture, notably corruption and obstacles to free and fair elections, at both local and national level;

33. stresses that, as a key partner in cooperation with partner countries in the Western Balkans and elsewhere, the European Committee of the Regions has furthered efforts to enhance local democracy, the rule of law and good governance, notably by advocating reforms to local public administration and local economic development;



**Recommendations for action**

34. is convinced that the three European Committee of the Regions' Joint Consultative Committees, with Montenegro, North Macedonia and Serbia, and its Working Group on the Western Balkans are key tools for engagement, and that their use should be maintained to support positive developments in local democracy in the Western Balkans;
35. recommends that the European Commission, in close cooperation with the European Committee of the Regions and the European Parliament, actively encourages efforts to tackle the problem of local state capture in the Western Balkans;
36. suggests that the EU institutions provide additional support to stakeholders that are working to promote local democracy and the rule of law, such as independent, non-profit organisations that monitor respect for human rights, transparency and/or corruption in public authorities (watch-dog organisations). Local government associations in the countries of the Western Balkans are also important actors in tackling corruption and strengthening democracy at local level, and can be strategic partners;
37. suggests cooperation with other international organisations active at local level (IOM, UNDP, Unicef) in moves to strengthen the rule of law, protect human rights and empower the public;
38. strongly urges all the EU institutions to step up their communication and contacts with the public in Western Balkan countries in order to develop partnerships and synergy with a view to achieving the mutual goal of effectively implementing the necessary reforms, strengthening the rule of law and building a democratic society. One area where people are aware of the benefits of local democracy and of rapprochement with the EU is the provision of municipal services. It is also an area which is not infrequently subject to corruption and local state capture. Greater openness and transparency is called for in this area, together with more consultations with the public on providing municipal services where the focus is on people's needs and demands;
39. calls on the European Commission, in this context, to pay even more attention to the above-mentioned shortcomings at national, regional and local level when negotiating EU accession and relations with the Western Balkans. This includes thoroughly examining cases of local state capture, monitoring implementation of legislative and institutional solutions for limiting politicians' discretionary powers over financial and human resources, and promoting media freedom through financial and educational incentives;
40. points out that when setting the criteria to be applied to relations with the Western Balkans, the EU should take into account the reality at national and local level, and not only monitor formal fulfilment of the criteria, which mainly aims to align national legislation with the EU *acquis*. This approach is more ambitious, but the results could be much more useful;
41. considers that EU delegations in the Western Balkans, the European Committee of the Regions and potentially the European Economic and Social Committee should play a greater role in verifying the real state of local democracy, the rule of law and good governance in the Western Balkans, including via direct contacts with local and regional authorities and members of the political opposition, the business world, academia and civil society, as well as by structuring and supporting dialogue with members of the public.

Brussels, 14 October 2020.

*The President*  
*of the European Committee of the Regions*  
Apostolos TZITZIKOSTAS

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**Opinion of the European Committee of the Regions – A strategy for Europe’s digital future and a strategy for data**

(2020/C 440/13)

<b>Rapporteur:</b>	Mark WEINMEISTER (DE/EPP), Secretary of State for European affairs, Land of Hesse
<b>Reference documents:</b>	Shaping Europe’s digital future (COM(2020) 67 final) A European strategy for data (COM(2020) 66 final) Secure 5G deployment in the EU — Implementing the EU toolbox (COM(2020) 50 final)

**POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS

**Summary**

1. stresses that digitalisation must bring with it tangible benefits and real advantages for people and that, in the development of digital technologies, legal, social policy, social, environmental, cultural and, in particular, ethical aspects must therefore also be taken into account;
2. points out that digitalisation is a cross-sectoral, cross-cutting issue that will penetrate and significantly transform all areas of the economy and life, such that only cross-sectoral digitalisation opens up fundamentally new potential for disruptive business models and innovative digital services and products; highlights that start-ups in particular play an important role in digital innovation for Europe;
3. underlines the major contribution local and regional authorities make to the practical implementation of the EU Digital Agenda, in particular within Smart Cities and Smart Regions, as well as the important role played by local government in ensuring access to data and its availability;
4. draws particular attention to the need to support capacity-building in citizens and businesses, in particular SMEs, as well as in the public sector. There are many possible ways of using digitalisation of the world of work to reduce workload and promote decent work, and at the same time make economic and social systems more resilient;
5. stresses that the opportunities offered by digitalisation in addressing societal, climate and environmental challenges and in certain crisis situations, as demonstrated with current COVID-19 crisis, are particularly important for education, working life, the economy and smoothly functioning government;
6. deems it important that European values and ethical rules, as well as social and environmental standards, also apply in the digital sphere; and the EU will actively promote these European values and ethical rules globally;

7. stresses the importance of individual and pan-European data sovereignty. It is all the more important in view of the EU Court of Justice's judgment of 16 July 2020 (case C-311/18), which invalidated the privacy shield put in place between the European Union and the United States. The CoR therefore calls on the Commission to clarify the effects of this judgment as soon as possible, given the need for businesses to have legally secured data flows beyond the European Union;

8. regards digital cohesion as an important additional dimension of the traditional concept of economic, social and territorial cohesion enshrined in the EU Treaty;

### **Digitalisation and the associated opportunities**

9. shares the Commission's view, underlying the three communications on the EU Digital Package, that digital technologies lead to far-reaching changes in peoples' lives, thus also affecting Member States, regional and local authorities and businesses;

10. sees the growing importance of data and the opportunities it creates, and underlines the need to protect citizens and businesses from any risks emerging from data sharing, processing and storage; also shares the view that there is an absence of technical tools and standards to make the exercise of individuals' rights simple and not overly burdensome;

11. welcomes measures to help Europe take the lead in the transition towards a healthy planet and on the path towards a digital world, in so doing generating sustainable growth and prosperity while upholding common European values and a strong legal framework based thereon, in terms of data protection, fundamental rights, safety and cyber-security;

12. notes that AI-driven services, as well as other innovative technologies in data-processing, digitalisation and process automation, have enormous potential to deliver benefits to consumers and service providers, while also presenting challenges in terms of ensuring, in a responsible way, non-discrimination, transparency and explainability of algorithms, liability and the protection of privacy, and therefore stresses that the use of AI and of other emerging digital technologies needs to be structured in a responsible way; also notes that existing liability privileges for market-dominant platforms should be assessed with reference to European values, in particular those platforms whose business strategies are run from non-EU countries, and that for algorithmic systems that are sensitive from the point of view of fundamental rights the EU market location principle should apply;

13. draws attention, in the context of the coronavirus crisis, to the opportunities offered by digitalisation, such as teleworking and online education, and stresses that, in the context of the coronavirus crisis and the associated contact restrictions, digital applications and infrastructure have been instrumental in maintaining public administration in times of unexpected crisis;

14. sees this as a good starting point for promoting implementation of the Green Deal with the help of digital techniques;

15. stresses that, according to forecasts, CO<sub>2</sub> emissions from digital applications could already exceed those of global vehicle traffic by 2025. The information and communications sector alone is responsible for an estimated 5 to 9 % of electricity consumption and more than 2 % of all emissions worldwide. On the other hand, digital solutions can support the ecological transition. Environmental data, for example, make it possible to develop solutions that benefit the expansion of renewable energies, reforestation or waste avoidance. In relation to the circular economy, the possibility could be considered of online retailers making a voluntary commitment to incorporating environmental protection criteria in their search algorithms, or of establishing a 'digital product passport' that could contain information about the material and climate footprints of a product's supply chain to enable customers to make sustainable consumption choices;

16. stresses that, also in view of the economic challenges posed by the crisis, progress with the digital transformation and the investment this entails must not be neglected; on the contrary, significant public and private investments into digitalisation is the most efficient way how to regain economic growth in the EU;

### **Vision for a digital society**

17. is concerned that the proposed Multiannual Financial Framework includes cuts to the funding of the Digital Europe programme. Reducing funding may have an impact on the way the programme works;

18. welcomes the Commission's ambition to use digital technologies to enable people to develop, to choose freely and safely, to engage in society and to create a framework for businesses to innovate and compete or cooperate on fair terms;

19. highlights the potential of quantum computing and draws attention to the existing European initiatives in this field, such as the Quantum Technologies Flagship. Furthermore, it calls for continuous support of quantum research projects in the EU in order to achieve global leadership in unlocking the potential of quantum technologies;

20. notes that the data economy has an increasingly important economic role to play in the ongoing digitalisation process and is therefore an essential tool for future added value;

21. advocates the targeted development and expansion of a European data economy and steps to achieve technological independence, including through an appropriate industrial policy commitment to promoting European champions;

22. underlines the distinction drawn between personal and non-personal data, the different applications and uses thereof and the associated different legal frameworks, management and practices;

23. highlights the important role played by open-source options in diversifying choice and strengthening the technological independence of administrations, businesses and the general public, and in supporting open-source communities in Europe, in which businesses and administrations work together;

### **Reliable infrastructure and digital foundations**

24. stresses the social and economic importance of the fifth generation of mobile communications (5G) and calls for awareness-raising based on transparent assessment of the technologies, in order to ensure that citizens fully understand the benefits and disadvantages of the infrastructure – including studies of the ecological and health effects – rather than becoming victims of fake news;

25. underlines the need for a comprehensive approach to boosting the security and resilience of 5G networks and points out that a joint approach in the EU is effective and that a common European minimum safety standard generates overall positive results;

26. acknowledges the approach adopted to implementing the toolbox with a view to ensuring a diverse, forward-looking 5G supply chain and avoiding a lock-in effect;

27. calls on Member States to follow the EU toolbox for secure 5G networks to ensure Europe's cybersecurity and protect Europe's geo-political interests against the threat of surveillance and espionage related to the deployment of 5G networks using technology from third countries;

28. expresses its support for fibre optic technology as an indispensable digital infrastructure and basic service that should be available to all people in the European Union, especially in rural areas that other technologies struggle to reach;

29. feels it cannot fully support the view that Europe's data strategy can rely on a thriving ecosystem; in this respect, and not only on the basis of the current situation, support for start-ups in particular appears to be particularly important for implementation of the strategy;

30. welcomes the announcement that the Commission will invest in a High Impact Project on European data spaces and federated cloud infrastructures;

31. refers, in this context, to the importance of Smart Cities and start-ups as drivers of innovation, and of support provided to them;

32. welcomes the plans for agreements with the Member States on cloud federation and the creation of an EU cloud rulebook;

33. sees the risk that inconsistent approaches to data access and use would lead to fragmentation of the internal market, so it is essential that this be avoided;

34. underlines the importance of cross-sectoral measures on data access and use and welcomes the absence of detailed ex ante regulation in the spirit of an agile approach and calls on the Member States to continue, in keeping with the relevant provisions of the e-commerce directive, to ensure the protection of the public interest and of services of general interest, the prevention of distortions of competition and the efficiency of public administration;

35. points out, however, that the concomitant requirements for local and regional authorities in particular should be appropriate and tailored to the implementation effort;

### **People in the digital world**

36. notes that significant public resources are needed to support digitalisation, universities and research institutions, start-ups and SMEs, but also regions, especially in the sense of Smart Regions, and, in particular, to build up cutting-edge joint digital capacities and thus Europe's technological independence;

37. stresses that European regulations must always take into account the guarantee of local and regional self-government enshrined in primary law by Article 4(2) TEU. An obligation under secondary law for local and/or regional authorities to share data would undermine this guarantee and should therefore be ruled out;

38. believes that such capacities must be provided for in the EU's Multiannual Financial Framework and calls for them to be made available despite possible challenges in coping with the consequences of the coronavirus crisis, in particular in the Digital Europe programme;

39. believes that further steps should also be taken to digitalise the public provision of broadcasting services without delay, in the interests of maximum pluralism;

40. underlines that the security of digital products and services is a key factor for building trust and thus, their successful deployment, points to the involvement of the European Union Agency for Cybersecurity (ENISA) in this and supports enhanced cooperation with and between cybersecurity research institutions in the Member States and, where appropriate, the regions;

41. stresses that digital skills are essential both in terms of labour market applicability, especially in the areas of competence of big data and analytics, to realise the potential of AI-driven services, and to strengthen the resilience of the European economic, social and education systems and ensure that people can participate properly in society, in that, notwithstanding their age or place of residence, they are able to handle digitalisation successfully;

42. stresses the importance of education in the digital world, particularly digital or media literacy — not only in educational institutions — as a way of ensuring that all people can participate in digitalisation in an autonomous way;

43. is open to the idea of creating ‘personal data spaces’, with more possibilities for individuals to control who can access and use data, and of enhancing the portability right for individuals under GDPR Article 20;

44. calls on the Commission to continue its efforts to ensure adequate privacy protection and to work in particular towards the swift adoption of the planned ePrivacy Regulation in order to avoid inconsistencies in the relevant regulatory framework and to boost legal certainty;

45. in this connection, also calls on the Council of the European Union to ensure transparency and thus legal certainty;

46. underlines the urgent need for the future European SME Strategy to include capacity-building measures for SMEs and start-ups in order to enable them to take full advantage of the many opportunities offered by data-driven business models;

47. supports the planned and coordinated establishment and promotion of European Digital Innovation Hubs, advocates intensive exchanges at an early stage between the Commission, the Member States and, in particular, the regions on this matter, and points out that a transparent, accountable selection process and equal opportunities between European regions are essential;

#### **A European community of digital values**

48. notes that data is the basis for digital products, services and business models, and thus for economic development in Europe, and that it can improve the basis individuals, businesses, organisations, administrations and policy makers use for decision-making;

49. warns that decisions based solely on data, in particular in connection with automated processing, may not always be appropriate or proportionate and must therefore always be weighed up in the overall context;

50. stresses that the digital society should be inclusive, fair and accessible to all, with a people-centred focus;

51. calls for robust measures to defend civil liberties and democracy in an increasingly digitalised era, including steps to reduce the risks of a ‘digital big brother’ and to fight fake news, disinformation campaigns, hate speech and discrimination, particularly racism, in the digital realm, regardless of whether these negative phenomena originate within or outside the EU;

52. notes that digital technologies and data-driven solutions are important means of overcoming societal, development, climate and environmental challenges and are therefore also relevant in the context of achieving the objectives of the Green Deal and the UN Millennium Development Goals;

53. welcomes the initiative on circular economy devices and also initiatives for achieving climate-neutral, highly energy-efficient and sustainable data centres by 2030 at the latest;

54. points out that these challenges are closely intertwined and provide opportunities for Europe to take the lead;

**Data as digital fuel for the economy and a basis for decision-making**

55. shares the view that ‘the human being is and should remain at the centre’ of the European data strategy; the role of digital policy is therefore to continuously monitor the effects, while weighing up the advantages and disadvantages of developments, and if necessary play a guiding role;

56. likewise shares the view that the use of data is of the utmost importance for the public good to tackle emergencies (epidemics, natural disasters), to better understand environmental degradation and climate change and introduce targeted measures to counter them, and to devise better measures to combat crime and protect against terrorism;

57. supports the development of common European data spaces in strategic economic sectors and domains of public interest, and stresses that further data spaces should be possible for the sake of agile action;

58. supports the idea of a Single European Data Space, based on European rules and values, in order to reduce the over-reliance on digital solutions created elsewhere;

59. calls on the Commission to further strengthen Europe’s technological independence in key enabling technologies and infrastructures;

60. underlines the importance of using data to enable evidence-based policy-making and to improve public services, all within the framework of data protection, security and ethical standards;

61. agrees that interoperability of data (e.g. through standards) and the quality of data are crucial and therefore welcomes the development of suitable organisational approaches and structures;

62. highlights the progress report published by the independent expert group of the Observatory on the Online Platform Economy <sup>(1)</sup> on economic indicators and measurement of the platform economy, according to which the lack of data on many aspects of platform companies’ economic role and behaviour presents a challenge to policy makers and researchers. The experts quite rightly also insist on monitoring of the platform economy, particularly with regard to the platforms’ economic significance, the power they have over their users, and transparency;

63. points out that, when establishing standards, compatibility with existing IT landscapes of local and regional authorities should be borne in mind;

64. agrees that the number of European cloud providers is small and that there is a considerable technological dependence on external providers;

65. also agrees that the level of cloud use, especially in the European public sector, is low and that IT cost reduction potential, among other things, is thus not being exploited;

66. underlines the importance of investing in future technologies such as artificial intelligence, distributed and decentralised ledger technology (blockchain) and quantum computing, among others. This requires, in particular, research and development activities;

67. points out, in this connection, that there are shortcomings in the interoperability of different cloud services and in the development of technical procedures for public authorities in the cloud;

68. welcomes the intention to shape the systemic role of certain online platforms and the market power they acquire in such a way that the fairness and openness of our markets is not endangered;

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<sup>(1)</sup> <https://ec.europa.eu/digital-single-market/en/news/commission-expert-group-publishes-progress-reports-online-platform-economy>



69. believes that there is a need for regulation that appropriately governs the working conditions of people employed by online platforms in order to ensure social protection and an adequate subsistence level for this type of work; therefore welcomes the Commission's plans to publish an initiative to improve the working conditions of employees on online platforms, but advocates bringing it forward from 2021 to 2020. Particularly during the COVID-19 pandemic, it has become evident that a number of online platforms profit economically from a shutdown, while platform workers are still precariously employed;

70. welcomes the agreement reached between Europe's social partners on managing the digital transformation <sup>(2)</sup> in order to shape together how digitalisation evolves and the impact it has on work, workers and how companies operate;

71. emphasises that activities which are banned in the physical world cannot be allowed on the internet either, and believes that the role and obligations of online platform providers should therefore be spelled out;

72. notes with regret that in a digital world without borders, a few companies with the largest market share generate the bulk of the gains from value added created in the data-driven economy, that due to outdated corporate tax rules these profits are often not taxed where they are generated, and that this distorts competition;

73. given the current network effects of the digital platform economy, is in favour of considering whether and how European competition law should be further developed;

74. points out that digitalisation creates challenges in all regions of Europe to the same extent, requiring most heterogeneous resolution strategies, and therefore calls for this to be taken into account when framing overarching strategies;

75. calls for procedures to access European funding to be simplified in order to reach as many businesses, universities and research institutions as possible and encourage them to play an active role in shaping digitalisation;

76. points out that this applies equally to Smart Cities and Regions;

77. shares the view that there is an absence of technical tools and standards to make the exercise of individuals' rights simple and not overly burdensome;

78. stresses the importance of countering 'lock-in' effects, e.g. on IoT (Internet of Things) devices, and of strengthening the consumer's position; in this context, it is important to provide users with the tools and means to make their own decisions about what happens to their data;

### **Europe in the world**

79. welcomes the Commission's commitment to Europeans' interests and equal opportunities for European businesses on international markets and to European values in international business and data flows;

80. welcomes the idea of attracting the storage and processing of data to Europe from other countries and regions, and is aware of the varying strengths of European regions, which should be used as diverse arguments in favour of this;

81. welcomes the initiatives taken by the European Commission and the Member States in order to clarify and harmonise the taxation of the digital business activities of all actors, including those whose business policies are established outside the EU;

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<sup>(2)</sup> <https://bit.ly/2YptFYV>

**Assessment of these Commission communications**

82. emphasises that measures must focus on the European Union's strengths, such as manufacturing, which generates a variety of applications for digital technologies, including Industry 4.0, Artificial Intelligence (AI), robotics, additive manufacturing, optics, sensing and the Internet of Things;
83. calls for a detailed assessment of the impact of the key measures proposed for a fair and competitive economy with regard to the European Data Strategy and the ongoing assessment and review of the suitability of EU competition rules, regulatory measures and the industrial strategy; this applies in particular to the creation of a framework to establish appropriate, competitive and secure digital finance and corporate taxation in the 21st century;
84. reiterates that digitalisation of the regions requires a coordinated and aligned strategic approach that goes beyond the provision of digital infrastructure and connectivity;
85. calls for a comprehensive framework training programme to address the lack of data experts and data literacy in the EU;
86. calls — not only on the basis of the current situation — for support programmes for start-ups and businesses, as otherwise the data strategy cannot be implemented;
87. calls for an initiative to strengthen technological sovereignty (e.g. development of dedicated processors, network components) in order to be able to safely build and operate the infrastructure required and calls for ensuring adequate funding for European research and development projects;
88. recognises, on the basis of the challenges described and the proposed measures, the need to further increase resilience and sovereignty in the digital sphere in order to exploit the potential of the most recent communication standards in a sustainable manner; in this regard, special attention should be paid to the protection of critical infrastructure so that the state's capacity to act and public provision can be maintained even over the long term in a crisis situation;
89. suggests that further measures be considered that can lead to rapid improvements in energy efficiency, a reduction in greenhouse gases, the best possible use of digitalisation for environmental and climate protection and climate-friendly targeting of efforts to promote innovation and gigabit networks.

Brussels, 14 October 2020.

*The President  
of the European Committee of the Regions*  
Apostolos TZITZIKOSTAS

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**Opinion of the European Committee of the Regions – White Paper on Artificial Intelligence — A European approach to excellence and trust**

(2020/C 440/14)

<b>Rapporteur:</b>	Guido RINK (NL/PES), Member of the Executive Council of Emmen
<b>Reference document:</b>	White Paper on Artificial Intelligence — A European approach to excellence and trust COM(2020) 65 final

## POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

### General comments

1. notes that on 19 February 2020, the European Commission (the Commission) published its digital strategy for 2020-2025. With its White Paper on 'Artificial Intelligence' (AI), the Commission sets out its vision on key policies and investment in the field of AI. The Commission believes that Europe can become a global leader in AI;
2. reminds that the AI White Paper is linked to the Communications on Europe's Digital Future of Europe<sup>(1)</sup> and the European Data Strategy<sup>(2)</sup>;
3. points out that the Commission has declared that its objective is to define an approach for developing and using AI in a way that is human-centred, ethical, inclusive and secure, and respects the values with which the EU wishes to associate itself;
4. recalls that the AI White Paper has two main components: promoting the development and uptake of AI and regulating ethical aspects and trustworthiness;
5. welcomes the *White Paper on Artificial Intelligence — A European approach to excellence and trust*. It recognises the importance of the discussions on AI ahead of Commission policy-making in this area. The CoR does point out that it would have liked the role of regional and local authorities as a key partner, producer, user and promoter of innovation in the development of AI also to have been stressed in the White Paper;
6. recalls, in this context, the CoR opinion on Artificial Intelligence of 6-7 February 2019<sup>(3)</sup>;
7. points out that AI is already part of our lives and will play an increasingly important role in transforming our societies. It offers great potential for European society, businesses and the public. Innovation in the field of AI does not just make a contribution to the economy; it also helps to solve societal and environmental challenges;
8. considers that the application of AI is important not only at national level but also, and above all, at a local and regional level. Local and regional authorities have a role to play in, among other things, stimulating AI ecosystems in their own regions and in promoting investment — and themselves investing — in AI;
9. underlines that AI is a complex policy area that does not stand alone. It touches upon a number of other policies pursued by the Commission;

<sup>(1)</sup> COM(2020)67.

<sup>(2)</sup> COM(2020)66.

<sup>(3)</sup> SEDEC VI/046 (OJ C 168, 16.5.2019, p. 11).

10. points out that the AI White Paper and its policies should be linked to the Communication on *Shaping Europe's digital future* presented in parallel with the White Paper on AI and the Communication on a *European Data Strategy*. In addition, the White Paper should be linked to a number of other Commission policy areas, such as the *Skills Agenda for Europe* <sup>(4)</sup> and the *Recommendation on a common Union toolbox for the use of technology and data to combat and exit from the COVID-19 crisis, in particular concerning mobile applications and the use of anonymised mobility data* <sup>(5)</sup>;

11. stresses that the CoR's recommendations should, where relevant, be considered in conjunction with these European policy-making documents;

12. welcomes the Commission's approach, which has at its heart the development of human-centric AI and the corresponding goal to take the lead in setting ethical standards. In this connection, the Commission rightly points out that the benefits of AI depend on public confidence in AI;

13. insists, however, that the debate on future policy measures to build up trust in AI should also address questions about the ownership of data, algorithms and platforms, about steps to ensure public values on platforms and about who ultimately gains most from AI applications and who pays for them (and whether it is socially acceptable);

14. points out that, bearing in mind that AI affects a large number of other policy areas, there is a risk that consistency between these policy areas may be diluted and that those policy areas develop in a vacuum;

15. suggests that the Commission define a roadmap and approach to promote consistency between different policy fields;

### **Making use of opportunities**

16. emphasises that European policies should strongly promote and invest in (steps to organise and stimulate) multidisciplinary local and regional networks of people, administrations, knowledge institutions and businesses. The CoR believes that the innovation hubs proposed by the Commission would play a central role here;

17. points out that AI has the potential to help solve societal challenges in areas such as health (with the fight against the global COVID-19 crisis as the main recent example), security, climate, mobility and transport, social support, high-tech industries, retail, agriculture, tourism and public services;

18. draws attention to the fact that AI has the potential to create new jobs and generate new entrepreneurship. The Commission rightly acknowledges that an important precondition is that the public should be able to trust technology. A strategic EU framework based on fundamental values should boost confidence and encourage firms to develop AI solutions;

19. agrees that a level playing field in the European market is important. Particular attention should be paid to the AI access for small and medium-sized enterprises (SMEs) and start-ups. They are key engines for local and regional economies. European Digital Innovation Hubs and future regulatory frameworks and policies have a decisive role to play in promoting equal opportunities of AI access, especially through supporting micro, small and medium-sized enterprises (MSMEs) in accessing AI;

20. understands that the Commission is committed to making use of Europe's strong position in (existing) industrial and professional markets <sup>(6)</sup>. It wishes to emphasise that this strategy should not however come at the expense of productivity, innovation and the DNA of local and regional ecosystems;

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<sup>(4)</sup> COM(2016) 381.

<sup>(5)</sup> Recommendation (EU) 2020/518.

<sup>(6)</sup> Chapter 2 of the AI White Paper.

21. stresses that local and regional authorities work on a wide range of social tasks in these ecosystems. They can play an important role in accelerating the impact of innovation in these tasks;
22. underlines that local and regional authorities are best placed to help create an environment propitious to boosting investment in AI at the various points in the value chain in the coming years and fostering trust in AI. This is because they are closest to AI use in practice and can drive local multidisciplinary networks;
23. considers that significant EU support will be needed to stimulate private and public investment and provision will have to be made for resources from the Digital Europe Programme, Horizon Europe and the European Structural and Investment Funds to meet the needs of local ecosystems;
24. is of the view that subsidies should be channelled to specific AI applications that are suitable for scale-up. In order to maximise the opportunities offered by AI, small-scale projects should be promoted and the financial burden of these projects limited, making it more attractive for local and regional authorities to participate in EU-funded projects;
25. supports the approach adopted for the development of AI within digital innovation hubs. Here, subsidies for digital innovation hubs should focus on fostering local and regional ecosystems;
26. is pleased that the Commission is committed to the development of products based on AI in the public sector<sup>(7)</sup>;
27. considers, however, that this commitment to the development of AI in the public sector should not be limited to AI technology that has already been proven in pre-defined sectors. Indeed, local and regional authorities can play an important role in speeding up (new) AI technology as 'launch customers';
28. requests the Commission to call on all public authorities, including the local and regional ones, to undertake strict fundamental rights impact assessments for AI systems deployed in the public sector. Authorities should avoid having recourse to any AI surveillance technologies, especially in times of urgencies, before the results of the impact assessment are known and necessary solutions adopted;
29. calls for the development of a procurement framework and legal tools, such as standard procurement conditions, that offer local and regional authorities possibilities for action and allow them to make optimal use of opportunities;
30. underlines that the value of data is in the re-use thereof, including in AI applications. Cross-sectoral, secure data sharing fosters AI innovation. The CoR urges the Commission to use the General Data Protection Regulation (EU) 2016/679 and to assess the pertinence of a further, AI-specific regulatory framework, for the easy and reliable sharing and re-use of data between businesses and public authorities (B2G), especially when it can serve the public interest, such as in the case of the COVID-19 pandemic. This has also shown how important it is for public authorities to use business data. The potential should be exploited as it can reduce the administrative burden on businesses and in many cases, in the context of the platform economy for example, it is the only way in which public authorities can meet their legal obligations;
31. considers it necessary to invest at European level in shared, safe, basic infrastructure, data architecture and quality standards as regards safety, data sets and statistics. This lowers the entry threshold for the use of AI applications and increases digital trust, boosting the development and use of AI;

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<sup>(7)</sup> Chapter 4F.

32. firmly believes that AI applications developed with public funds should also be given back to society as much as is possible. Such AI applications should in principle be developed for instance under open source conditions, while also recognising the need for funding for development;

### **Legislation and policy: an approach involving a learning process**

33. notes with interest the progress made in the definition of AI, as this is reflected in the updated definition <sup>(8)</sup> provided by the Independent High-Level Expert Group (AI HLEG), set up by the European Commission. It believes that this definition better reflects the technical capabilities of AI. However, the definition of AI should be an ongoing process. It should take into account the context in which AI operates and it should keep pace with societal developments in this field and not lose sight of the link between the Commission's ecosystem of excellence and the ecosystem of trust;

34. considers that an AI system consists of a combination of technical elements that link data, algorithms and processing power to social practices, society, identity and culture. The definition of such a dynamic socio-technical aggregate should therefore be regularly updated to accurately reflect AI's ever-growing societal impact, while identifying fast changing AI-related challenges and opportunities;

35. notes that, according to the Commission, the key elements of the ecosystem of trust are the protection of fundamental rights and consumers' rights, transparency in using the aforementioned technical elements and rules on liability and product safety. These core elements form the basis for a future EU regulatory framework for AI;

36. points out how machine learning in the AI industry is based on human programming, which might lead to bias at a large scale. Therefore, calls for the EU to implement mechanisms to ensure gender, race and worldview equality and inclusivity in the development and applications of AI technology;

37. draws attention to the fact that criminal law offers an important way of setting standards to protect against serious violations of people's fundamental rights and unlawful and clandestine surveillance of the public through AI applications;

38. agrees with the Commission that AI applications are already regulated by a broad, high-quality framework of EU legislation and ethical principles. Key examples are legislation on product safety and liability, consumer rights and fundamental rights, anti-discrimination legislation and the right to personal data protection;

39. emphasises the need to recognise that the existing legislative framework is not specifically tailored to AI applications, which means that there is currently a 'gap' in the law. There should be careful examination of which areas need additional regulation to boost peoples' trust in AI. A pivotal element of any future regulatory framework applying to AI is the introduction of safeguards to ensure that AI is free from bias and does not reproduce discrimination on grounds of gender, ethnicity age, disability or sexual orientation;

40. also points to the need that none of the official EU languages is discriminated and made vulnerable by the use of AI, and that there are data and language sets available in all EU languages;

41. further insists on the importance of gender-sensitive coding and calls for the equal participation of all genders in the design, implementation, evaluation and debate on ethics and norms of AI-related technologies. Boosting girls' and women's participation in the field of science, technology, engineering, arts and mathematics (STEAM) is essential for their full inclusion in AI-related processes in particular and the digital economy in general;

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<sup>(8)</sup> [https://ec.europa.eu/newsroom/dae/document.cfm?doc\\_id=56341](https://ec.europa.eu/newsroom/dae/document.cfm?doc_id=56341)

42. underlines that this regulatory framework should ensure enough of the above-mentioned key elements, while allowing room and flexibility for innovation. In so doing, we should be aware of the challenges posed by the interpretation and operation of AI systems and the outcomes and social impact caused by such systems;

43. notes that AI is a technology that does not stand alone but is linked to other technologies and sciences, such as behavioural science, quantum computing, the internet of Things, deployment of 5G and 6G networks, business cases and digital platforms;

44. considers it necessary to take into account the fact that AI is a developing technology that has not yet been developed to the full and is not fully embedded in society;

45. points out that politicians, policy-makers and society face a fundamental challenge here: How do we ensure that the relationship between desired and unwanted outcomes and impact goes the right direction? And how do we ensure that there is sufficient room to exploit the opportunities of AI and increase people's trust in it? With the advancement of AI applications, especially predictive algorithms, in many public and government institutions (judicial bodies, law enforcement, military etc.), there is an urgent need for a regulatory framework foreseeing the strict test of necessity and proportionality, providing appropriate safeguards and remedies and clearly defining the responsibilities and accountability as well as proper public oversight;

46. stresses that regional and local authorities have an important role to play in shaping AI legislation and policies. They are closer to the public and therefore have more useful data than national governments. Regional and local authorities should therefore be more involved in the development of policies and legislation flowing from the White Paper;

47. supports the Commission's view that, in view of how fast AI is developing, the regulatory framework should leave room to cater for further developments. This calls for adaptive legislation and an adaptive legislative process. It also calls for a critical approach on the part of the Commission to the operation of its own system and to social innovation in this system;

48. insists in this context that regional and local authorities should have sufficient scope to experiment (including policy prototyping) and to learn how policies for these fundamental challenges can be shaped most efficiently and effectively;

49. urges the Commission to develop a procedural policy framework aimed at using to the fullest extent already existing rules, but also at further developing future AI policy and the EU regulatory framework over time. Such a policy framework should also coordinate efforts at European, national and regional level and ensure cooperation between the private and public sectors. To this effect, the creation of an EU Agency on Artificial Intelligence would contribute to the effective oversight and coordination of AI-related issues amongst all levels of governance, from European to local;

50. supports the Commission's approach of devising additional regulation for high-risk AI applications;

51. considers, however, that the main criteria for determining whether AI is 'high-risk' are: the extent to which humans can influence decision-making and the impact of those decisions on people's rights and actual behaviour;

52. calls for future legislation and policy to focus in particular on the transparency and 'explainability' of algorithms and the accountability,<sup>(9)</sup> fairness and responsibility of those deploying AI, in particular where people's rights and actual behaviour are affected or influenced;

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<sup>(9)</sup> Maranke Wieringa, *What to account for when accounting for algorithms*, Utrecht University, 20 January 2020.



53. points out that people have the right to know, in plain language, on the basis of which data and algorithms their rights and actual behaviour are affected, so that they can defend themselves fairly and, if necessary, obtain effective legal protection. In addition, the decision-making system should include the option of having an issue dealt with by a person. Authorities' role should be emphasised where appropriate;

54. considers the use of AI technologies highly relevant also when it comes to working conditions and workers' well-being. It joins to this effect the call of European Social Partners for 'data minimisation and transparency along with clear rules on the processing of personal data to limit the risk of intrusive monitoring and misuse of personal data'<sup>(10)</sup>, in order to ensure the respect of human dignity. In this context, the Committee agrees with the importance of enabling workers' representatives to address issues related to data, consent, privacy protection and surveillance, linking the collection of data to a concrete and transparent purpose and ensuring transparency when AI systems are used in human-resource procedures;

55. agrees with the training data requirements that the Commission is envisaging. Keeping records is one way of verifying compliance with rules. However, the CoR considers that the administrative burden entailed should be as limited as possible;

56. supports the Commission's view that 'the objective of trustworthy, ethical and human-centric AI can only be achieved by ensuring an appropriate involvement by human beings in relation to high-risk AI applications';

57. insists that future legislation and compliance monitoring should apply to the entire life cycle of the AI application;

58. supports the Commission's view that human oversight helps to ensure that 'human autonomy' is preserved, however calls on the European Commission to assess ethical risks, in particular related to biases while using AI and propose clear solutions;

59. calls for AI regulation to consider the short-term and long-term environmental impact of the usage of these technologies throughout their lifecycle and across the entire supply chain;

60. has taken note of the draft report by the European Parliament's Committee on Legal Affairs<sup>(11)</sup>. In particular, the CoR notes the idea that each Member State should establish a national supervisory authority responsible for ensuring, assessing and monitoring compliance, and for enabling discussion and exchange of points of view in close cooperation with the concerned stakeholders and the civil society;

61. supports the Commission's view that an objective, prior conformity assessment would be necessary to verify and ensure that mandatory requirements applicable to high-risk applications are complied with;

62. agrees with the Commission that the consequences of using remote biometric identification AI systems can vary considerably depending on the purpose, context and scope of the use;

63. requests that a binding, unambiguous quality framework be developed to guide such major AI applications. Such a framework should focus on standards and practices that prevent unlawful discrimination and stigmatisation of individuals and populations. The CoR supports the Commission's approach of carrying out a wide-ranging debate on this issue;

64. believes that ethics, alongside legislation, have an important role to play in the design of AI (ethics-by-design). We must be aware that ethics are not linked to a specific technical tool (such as AI), but are the social context and regulatory framework within which the technical tool is applied;

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<sup>(10)</sup> European Social Partners Autonomous Framework Agreement on Digitalisation ([https://www.etuc.org/system/files/document/file2020-06/Final%2022%2006%2020\\_Agreement%20on%20Digitalisation%202020.pdf](https://www.etuc.org/system/files/document/file2020-06/Final%2022%2006%2020_Agreement%20on%20Digitalisation%202020.pdf)).

<sup>(11)</sup> Draft report by rapporteur Ibán García del Blanco on 21 April 2020 with recommendations to the Commission on a Framework of ethical aspects of artificial intelligence, robotics and related technologies (2020/2012 (INL)).

65. considers that the future policy for the ecosystem of trust will benefit from a broader approach than simply drafting legislation for high-risk AI. Future policy will require a continuous, systematic socio-technical approach, looking at technology from all perspectives and through different lenses. This calls for a multidisciplinary approach to policy-making and regulation, where policy-makers, academics from different fields, social partners, businesses and local and regional authorities permanently cooperate and monitor developments and share their findings with the same level of transparency;

### **Knowledge development**

66. points out that, to promote the transition to a society in which AI plays an important role, it is necessary for the forthcoming proposals for an Updated Skills Agenda and for a Digital Education Action Plan to extend to the entire line of learning, from primary education, secondary education and secondary vocational education to academic education and life-long learning. Digital education curricula should promote active citizenship, sharpen critical thinking and empower people from an early stage to handle growing interaction with AI;

67. calls for educational and training measures to also focus on boosting the digital skills of the public and professionals, both in the education system and in ongoing vocational training. With the digital revolution, the number of people employed in digitally relevant professions is expected to increase significantly. At the same time, life-long technological learning in AI is essential not only for the technical professions based on STE(A)M studies, but for all workers (including public administration employees) who will need AI knowledge in many other areas of activity. Thus, training should focus not only on current labour market needs linked to AI, but also on technological literacy for all workers, which allows for the adaptation to a long-term approach to training needs in the field of AI;

68. underlines that training politicians and policy-makers, not only in the use of AI, but also in ethical provisions and standards is crucial and will improve democratic decision-making. The CoR recommends trainings that entail updates at a relatively high level and has two objectives: (1) to be able to communicate with the market on a relatively equal footing; and (2) to manage the impact of AI on society and the democratic process;

69. stresses that, in order to ensure that AI reflects our fundamental values and rights and that gender-biased programming is avoided, it is crucial to diversify the technology sector and encourage students, in particular girls, to enrol in STE(A)M courses;

### **Multilevel governance and public-private cooperation**

70. agrees there is a need for a common European approach to AI in order to achieve sufficient scale and avoid fragmentation of the single market;

71. stresses, however, that a European approach to governance must be based on an open, inclusive and decentralised society, in which everyone has the possibility to be involved, creative and entrepreneurial;

72. argues that the main question here is how politics, the public and SMEs can be effectively involved in developing AI applications, ethics and regulation, and in what way understanding the expected return from the ecosystems can play a role in the (re)calibration of policies and regulations;

73. highlights the important role of decentralised networks of people and local economies in involving politics, the public and businesses in the development of AI applications, ethics and regulation. Indeed, the strength of local communities and networks lies in open, interconnected and adapted local and regional cooperation fostering innovation and the development of new economies;

74. believes that the future European policy framework should coordinate efforts at European, national and regional level, promote knowledge sharing and ensure cooperation between the private and public sectors. This calls for multi-level governance, linking up local, regional, national and European networks.

Brussels, 14 October 2020.

*The President*  
*of the European Committee of the Regions*  
Apostolos TZITZIKOSTAS

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**Opinion of the European Committee of the Regions – Regional Innovation Scoreboard and its impact in regional place-based policies**

(2020/C 440/15)

**Rapporteur:** Mikel IRUJO AMEZAGA (ES/EA), Director-General for External Action of the Government of Navarre

**POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS

**The importance of having reliable innovation policy indicators**

1. believes that regions need to adapt their specific policies to each place since there is no 'one-size-fits-all' regional innovation policy framework. Every region has different institutional capacities and diverse political, economic and social circumstances, which enables, or limits, the design and implementation of these policies;
2. points out that, in accordance with Article 181 TFEU, the Commission may 'promote the coordination' of 'initiatives aiming at the establishment of guidelines and indicators, the organisation of exchange of best practice, and the preparation of the necessary elements for periodic monitoring and evaluation';
3. stresses that the Regional Innovation Scoreboard (RIS) provides a more detailed breakdown of performance groups with contextual data that can be used to analyse and compare structural economic, business and socio-demographic differences between regions;
4. points out that the RIS provides an assessment of the areas where regions are working well and those that need to focus their efforts on increasing innovation performance. The data should help regions assess the relative strengths and weaknesses of regional research and innovation systems;
5. stresses that the 2019 RIS shows that regional results have strongly converged, as differences between regions are gradually decreasing, and emphasises how important the scoreboard is for devising strategies, as the development of place-specific measures is based on datasets, among other things;
6. underlines that one of the political objectives of the next multiannual financial framework (2021-2027) and, in particular, the proposal for a draft regulation on the European Regional Development Fund (ERDF) proposed by the European Commission, is to promote an innovative and smart economic transformation by developing skills for smart specialisation, industrial transition and entrepreneurship <sup>(1)</sup>;
7. points out that the EU's strategic approach has shifted to specific policies developed in each place and smart specialisation strategies (S3) to support regional innovation;
8. stresses that the smart specialisation strategies (S3) have triggered the development of real regional innovation ecosystems. Regional innovation ecosystems generate significant impacts for the economy and regional competitiveness as well as excellent innovation that is close to ordinary people and their local needs <sup>(2)</sup>;

<sup>(1)</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52018PC0372&from=EN> (Art. 2).

<sup>(2)</sup> Opinion of the European Committee of the Regions: *Strengthening Innovation in Europe's Regions: Strategies for resilient, inclusive and sustainable growth* (OJ C 361, 5.10.2018, p. 15).

9. points out that regional policy establishes the obligation to carry out assessments of the effectiveness, efficiency and impact of aid from Common Strategic Framework funds, with a view to improving the quality of the implementation and design of the programmes, and determining the effects of these programmes in relation to the targets of the EU's strategy for smart, sustainable and inclusive growth;

10. emphasises that the European Research Area and Innovation Committee (ERAC) Working Group has pointed out that there must be monitoring mechanisms in place from the start to assess progress and identify gaps, impacts and successes, in order to steer the European Research Area (ERA) and enable it to adapt to evolving demands and needs, which must include appropriate monitoring mechanisms and quantifiable key performance indicators (KPIs) <sup>(3)</sup>. It is proposed that the monitoring mechanism be extended at local and regional level as well, in order to gather realistic information on the innovative level of certain regions, as well as the possibilities and challenges in this area;

11. stresses that both the recommendations of the independent High Level Group of Innovators (2018 FAST report <sup>(4)</sup>) and the *LAB — FAB — APP — Investing in the European future we want* <sup>(5)</sup> report warn that, in the design stage of the EU's post-2020 research and innovation programme, a comprehensive and centralised system for programme monitoring and assessment will be required, and close cooperation and information sharing with national and regional innovation agencies will need to be encouraged;

12. emphasises that the *Mission-oriented research & innovation in the European Union* report <sup>(6)</sup> points out that, with regard to measurement and impact by goals and milestones, appropriate indicators and monitoring frameworks will need to be established to measure progress. They must be dynamic, recognising that static cost-benefit analysis and net present value calculations would most likely stop any bold mission from the outset;

13. suggests that preparatory work from experts is needed for a new policy initiative on a broader concept of smart specialisation that would target an agreement at EU level on guiding principles, e.g. in the form of a smart specialisation charter 2.0 that complements the existing tools used to plan and implement local and regional economic development;

14. refers to the European Committee of the Regions opinion *Horizon Europe: the Framework Programme 9 for Research and Innovation* <sup>(7)</sup>, in which the Committee 'calls strongly for the full participation of local and regional authorities in the strategic planning exercise that will guide the implementation of Horizon Europe, and for smart specialisation strategies to be taken into account in this context';

### Methodological aspects of the RIS

15. points out that the 2018 Science, Research and Innovation Performance of the EU (SRIP) report highlights the importance of combining several types of innovation-prone assets to spur the creation and adoption of innovations, from R & D to ICT investment, to skills development or changes to managerial and organisational skills. In this regard, greater account should also be taken of non-R & D and non-technology-based innovation frameworks, investments, activities and impacts. A 'silo approach', focusing solely on, for example, R & D or ICT performance in isolation may not provide a good basis for understanding the complexity of the innovation process <sup>(8)</sup>;

16. suggests that a thorough analysis be carried out to assess whether the current RIS indicators are suitable for measuring innovation or, where appropriate, if new indicators need to be incorporated and others discarded. As well as being a necessary question, the inclusion of new indicators adapted to smart specialisation that can analyse the progress of RIS3 could be a valuable resource for driving interregional cooperation. If possible, the selection of indicators should be well founded in theory;

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<sup>(3)</sup> See the ERAC's *Opinion on the future of the ERA*, Brussels, 23 January 2020, ERAC 1201/20.

<sup>(4)</sup> <https://op.europa.eu/en/publication-detail/-/publication/0deba00f-15f0-11e8-9253-01aa75ed71a1/language-en/format-PDF/source-91324356>

<sup>(5)</sup> <https://op.europa.eu/en/publication-detail/-/publication/ffbe0115-6cfc-11e7-b2f2-01aa75ed71a1/language-en/format-PDF/source-search>

<sup>(6)</sup> <https://op.europa.eu/en/publication-detail/-/publication/5b2811d1-16be-11e8-9253-01aa75ed71a1/language-en>

<sup>(7)</sup> OJ C 461, 21.12.2018, p. 79.

<sup>(8)</sup> Science, research and innovation performance of the EU, 2018, <https://op.europa.eu/en/publication-detail/-/publication/16907d0f-1d05-11e8-ac73-01aa75ed71a1/language-en>

17. highlights the need to establish effective indicators for measuring and assessing the impact of gender on regional innovation, in line with the Committee of the Regions' own call for indicators broken down by gender to be used in all Community public policies. To this end, the proposed indicators need to become part of all general standard statistical operations, at both national and European level, in a coordinated manner, so that appropriate policies can be put in place, making it possible to compare regional values, in order to promote convergence within the EU;

18. stresses the crucial importance of digitalisation in innovation and especially in speeding up for COVID-19 economic recovery towards sustainable growth. This needs to have a high role in developing further the RIS indicators;

19. points out that where data are not available in some regions, an information-gathering tool should be developed, as far as possible, either by means of surveys or by using administrative records, or by collecting information directly from regional statistical or administrative agencies, where these exist. This need could be an opportunity to include new indicators relating to smart specialisation and European priorities (the Green Deal, digitalisation, industrial transition, etc.) that require specific definition and recording;

20. recommends avoiding choosing highly correlated indicators that implicitly measure the same thing. Furthermore, maximum convergence between indicators is strongly recommended, both by Member State and by region;

21. recommends providing measures of variability for the indicators and final index, where possible. For example, the coefficient of variation for all indicators would be a good way of assessing the accuracy of indicators from the various regions. A confidence interval for the final index would also make it possible to assess whether or not the changes produced are real;

22. recommends analysing whether or not the various indicators should be weighted the same when calculating the final index. Various statistical and non-statistical processes for selecting the weighting could be considered. As the choice of weighting has a very significant impact on the index and final ranking, it needs to be properly justified and very transparent. It would be a good idea to analyse sensitivity and uncertainty in order to assess the various weighting proposals;

23. recommends analysing why regional data are missing, to avoid bias. Unless data losses are completely random, there will be bias in the estimates. The Committee recommends devising data-collection procedures to avoid such situations and therefore balance out the proportion of data available in the regions analysed as far as possible;

24. bearing in mind the heterogeneity of regions in the various Member States, recommends conducting an exhaustive analysis for the 2021 RIS of the 'regionalisation technique of the Community Innovation Survey (CIS)', which assumes that industry intensities at national level are maintained at regional level as well; more specifically, recommends not using a correction factor in calculating the final composite RIS indicator, as this assumes uniform performance between different regions of a single country, and consequently penalises more innovative regions in countries that are moderate innovators;

25. recommends making the sources used more accessible and transparent. The data files and the code or tool used to calculate all the indicators (and therefore the final index) should be available so that researchers can reproduce the results obtained and in turn help to improve the RIS with their input. To increase transparency, it would be helpful to know which specific surveys provide the regional CIS data or whether they are provided by surveys specifically designed to draw up the RIS. Likewise, when 'regional statistics' are used, the sources should be indicated;

26. recommends that, in addition to the well-established RIS data sources, new, non-traditional data sources for measuring regional innovations should also be tried out and tested for use. For example, the OECD has already used — for the purpose of studies — datasets created using artificial intelligence and drawing on company websites;

27. advises that the RIS publish all unprocessed raw data, i.e. without normalising the data to EU = 100, changing the units or eliminating bias, together with composite indices;

### **Impact on the development of regional innovation policies**

28. proposes collaborative efforts with DG JRC, DG RTD and DG EAC to increase the use of RIS in benchmarking and benchlearning regional innovation policies, especially highlighting human and creative aspects of innovation, together with its social dimension;

29. points out that the RIS is an essential tool for comparing changes in the performance of regional innovation policies, although it does not specify the reasons for these changes;

30. emphasises the role of the Joint Research Centre in using innovation camps and other advanced methods in the integrated use of RIS and smart specialisation strategies for increasing European partnerships to achieve more local and regional impact in implementing the activities of the Green Deal and the UN SDGs;

31. emphasises in particular the political impact of the RIS, as well as its influence on decision-making at regional level and its potential to optimise regional innovation ecosystems and smart specialisation;

32. recommends developing clear and understandable synergies between the RIS and other tools the EU uses, such as Innovation Radar, Regional Innovation Monitor Plus, the European Regional Competitiveness Index, the Research and Innovation Observatory — Horizon 2020 Policy Support Facility, Innobarometer, the EU Industrial R & D Investment Scoreboard, the Digital Transformation Scoreboard, the Business Innovation Observatory, the Digital Economy and Society Index (DESI) and the European Public Sector Innovation Observatory, as well as establishing complementarity with the CIS and the Innovation Output Indicator (IOI);

33. recommends increasing the synergy between the RIS and the impact assessments carried out by the Joint Research Centre;

34. is aware that the RIS is not aimed at the implementation of smart specialisation strategies but provides a general assessment of progress over time and an indicator of the strengths and weaknesses of regional innovation systems. Nevertheless, the European Committee of the Regions believes that, with its support, the European Commission should complement the RIS with some recommendations on the EU tools that can help to improve the indicators. The RIS may help with establishing policy priorities or targeting the structural funds for research and innovation allocated to these regions due to their broader geographical and sectoral coverage, should the regions voluntarily decide that this is appropriate;

35. recommends establishing links between RIS indicators, on the one hand, and related EU policies and strategies and the benefits of their implementation, on the other, so that the RIS becomes a tool for helping to improve innovation ecosystems, rather than a monitoring tool exclusively, in synergy with other initiatives such as the Horizon Policy Support Facility. It would be advisable for the indicators used in the different structural funds, especially the ERDF, to be similar to and/or complement those of the RIS. The current breakdown of indicators sometimes makes it difficult to assess the impact of public action in favour of innovation;



36. recommends better aligning the 2021 RIS with the new priorities of the post-2020 programming period. Specifically, the European Committee of the Regions recommends drawing up, in cooperation with the Committee itself, a framework for synergies between the RIS and the priorities of the European Research Area <sup>(9)</sup>, the priorities of the European Commission, such as the European Green Deal and digitalisation, the Commission's research and open science strategy and the upcoming strategic plan for Horizon Europe, as well as developing regional policy objectives and linking them with the smart specialisation strategies;

37. considers it important to step up efforts to investigate the link between funding under the Structural Funds and the innovation potential in European regions so as to tackle the innovation divide;

38. has a series of more specific recommendations:

- believes that efficiency and effectiveness should be considered. For example, a region that invests vast amounts of resources to improve its innovation system can be identified as inefficient (in terms of the use of resources). The Committee points out that it might be the case that regions with fewer resources dedicated to innovation can reach very high levels of efficiency;
- notes that the RIS shows that densely populated areas are more likely to be more innovative but does not indicate which measures or tools the EU provides to make less densely populated areas more innovative;
- points out that there are other factors that the RIS does not measure that may be important for regions, such as the brain drain and responsible innovation;
- recommends including a section in the 2021 RIS on the impact of Brexit on EU innovation indicators;
- suggests addressing the issue of building regional resilience through innovation in the 2021 RIS, in the light of the COVID-19 pandemic. Likewise, it would be useful to assess the vulnerability of regional smart specialisation strategies in times of crisis;
- recommends that the RIS take into account the heterogeneity of European regions and the room for manoeuvre of data, and that it encourage the regional (and national) statistics offices to adopt a uniform set of criteria (and indicators) at European level;

39. recommends that systems for monitoring and assessing smart specialisation strategies be used to objectively analyse the value and impact of regional innovation policy steps, and to guide short-term decision-making;

40. points out that the European Commission already applies the 'innovation principle' when preparing major legislative initiatives and that it advises Member States to step up similar efforts, which need to enable more testing, learning and adaptation. Moreover, public policies need to make better use of all existing data and analytics <sup>(10)</sup>;

41. recommends that the European Committee of the Regions be more involved in preparing the 2021 RIS, as well as in disseminating it to local and regional authorities through ongoing initiatives such as the Knowledge Exchange Platform (KEP) and Science meets Regions.

Brussels, 14 October 2020.

*The President*  
*of the European Committee of the Regions*  
Apostolos TZITZIKOSTAS

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<sup>(9)</sup> [https://publications.jrc.ec.europa.eu/repository/bitstream/JRC114345/jrc114345\\_adjusted\\_research\\_excellence\\_2018.pdf](https://publications.jrc.ec.europa.eu/repository/bitstream/JRC114345/jrc114345_adjusted_research_excellence_2018.pdf)  
<sup>(10)</sup> *A renewed European Agenda for Research and Innovation — Europe's chance to shape its future*, COM(2018) 306 final.

**Opinion of the European Committee of the Regions – A Union of Equality: Gender Equality Strategy  
2020-2025**

(2020/C 440/16)

<b>Rapporteur:</b>	Concepción ANDREU RODRIGUEZ (ES/PES), President of the Regional Government of La Rioja
<b>Reference document:</b>	Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions  A Union of Equality: Gender Equality Strategy 2020-2025  COM(2020) 152 final

#### **POLICY RECOMMENDATIONS**

##### THE EUROPEAN COMMITTEE OF THE REGIONS

1. emphasises that the right to equal treatment and opportunities between genders, as enshrined in Article 8 TFEU and in the European Pillar of Social Rights, must be ensured and promoted in all areas;
2. welcomes the Communication *A Union of Equality: Gender Equality Strategy 2020-2025* and the views, political objectives and measures it sets out, believing it to be a very valuable basis for making tangible progress on equality in the European Union;
3. applauds the timing of its publication, since it coincides with the 25th anniversary of the adoption of the Beijing Declaration and Platform for Action — the first global action plan for advancing equality between women and men, the recommendations of which are still valid today — and contributes to the achievement of the Sustainable Development Goals, as gender equality is a key part of all aspects of inclusive and sustainable development;
4. stresses the importance of joint governance, in which the European Union and the Member States are key players, but also emphasises the importance of including and drawing attention to local and regional authorities and the third sector as the main players managing policies that directly affect the public. In turn, the strategy underlines the value of the joint work of the European Union's public and private players with regard to this governance framework;
5. requests that local and regional governments be recognised as strategic partners in the design, implementation and monitoring of the strategy because of their responsibilities and the work they do in carrying out those responsibilities. The necessary resources must be secured in order to implement the strategy;
6. stresses the importance of working with civil society organisations, women's organisations, and younger generations, as they play a key role in managing equality policies;
7. therefore, and with a view to taking a gender-sensitive approach to policies, programmes and projects, asks the Commission to set up an interinstitutional working group to ensure this multilevel governance so as to effectively take into account the work required to achieve genuine gender equality;
8. calls for formal meetings of ministers for equality at the EU Council, and for the title of the EPSCO Council to include the word 'equality', as reflected in the seventh proposal of the Trio Presidency Declaration on Gender Equality, signed by Germany, Portugal and Slovenia;

9. emphasises the importance of implementing an intersectional perspective, which is necessary for involving in the implementation of the strategy vulnerable individuals who may face multiple forms of discrimination on the basis of disability, age, ethnic origin, sexual orientation, religion, belief or gender identity, with special reference to vulnerable groups such as, inter alia, migrant women or LGBTI people. Therefore, the CoR asks the European Commission to develop this intersectional approach to a greater extent and draw up guidelines to facilitate the implementation of this approach in the planning, management and evaluation of public policies;

10. stresses the need to combine intersectional measures with positive measures in sectoral areas because this is the only way to take a more comprehensive and effective gender-sensitive approach to managing public policies. To that end, the CoR emphasises the key importance of having staff who have qualifications and/or are experts in gender issues and of promoting specific and lifelong training on gender in all areas in which decisions are made or public policies are managed;

11. agrees that inclusive and diverse strategies are important in both the public and private sectors in order to better address the complex challenges and life situations encountered by women in all their diversity. Moreover, there must be more female leadership and involvement in all decision-making processes;

12. points out that the strategy was drawn up and published before the COVID-19 public health crisis emerged, the recovery from which will shape the future of the EU's policies. The CoR therefore calls for equality to remain a priority and for a gender perspective to be integrated into decision-making, into the measures taken in response to the pandemic, and into the initiatives that will be undertaken as part of the economic and social recovery. The Committee points out the reassessment — triggered by the crisis — of the social and health sector as a strategic and systemically relevant sector for our societies, as well as the need to highlight the significant gender and age imbalances that exist in this sector. The CoR also notes that the COVID-19 crisis has only served to deepen the existing inequalities between genders even more and asks for an equal and inclusive recovery;

### **Being free from violence and stereotypes**

13. welcomes the European Commission's recognition that ending gender-based violence is one of the main challenges facing our societies and urges all EU Member States to ratify the Istanbul Convention as a key commitment to combating, preventing and prosecuting violence against women;

14. along with the Commission, urges the Member States to ratify International Labour Organisation Convention 190 on eliminating violence and harassment in the world of work;

15. urges the European Commission to include all forms of violence against women and girls in the 'Eurocrimes' set out in Article 83 of the Treaty on the Functioning of the European Union, and address the issue of gender-based violence in more detail in the Victims' Rights Strategy that it will present in 2020, taking into account women in vulnerable situations. To that end, the CoR proposes approving protocols for police and judicial cooperation within the EU;

16. asks the Commission to adopt legislative measures aimed at preventing and combating violence against women, young people and girls that are consistent with and complement EU and international legislation and address all forms of violence, including online violence, which could become normalised among younger people, and honour-related violence;

17. supports the European Commission with regard to the need to issue a recommendation on the prevention of harmful practices, such as female genital mutilation and forced marriage, that highlights the need for effective pre-emptive and educational measures for all ages and sectors in society, and addresses the strengthening of public services, capacity-building of professionals and victim-centred access to justice;

18. requests that local and regional authorities be involved in a structured way in the European Union network on the prevention of gender-based violence and domestic violence that will be launched as part of the strategy so as to exchange best practices, and provide funding for training, capacity-building and support services. Violence prevention work focusing on men, boys and masculinities will be of key importance;

19. points out that the lockdowns resulting from the COVID-19 crisis have increased the number of known cases of gender-based violence. In this regard, the CoR stresses the urgent need to improve relevant measures for effectively assisting with and responding to cases of gender-based violence, giving local and regional authorities resources as they are in the front line in the fight against the pandemic;

20. welcomes the recognition of gender stereotypes as one of the root causes of gender inequality. The CoR also emphasises the need to include more information on measures and best practices aimed at eliminating these stereotypes in areas such as formal and informal education, the world of work, and communication and publicity. Likewise, it stresses the need to examine in more detail the different impacts that the various reasons for discrimination have within these gender stereotypes. In particular, it highlights the role of the education system and consequently of gender training for teachers as key agents for change in overhauling the values that underpin patriarchy and moving towards a society with real gender equality;

21. highlights the key role that all individuals of all ages, especially young people, play as agents of responsible and active change in terms of respect for gender equality in their professional, family and private lives. In this regard, local and regional authorities have a vital role to play in raising awareness, and promoting training and education;

22. requests that local and regional authorities be involved in designing and implementing the EU-level awareness-raising and communication campaign needed to combat gender stereotypes, and stresses the need to pay particular attention to youth, as this is one of the groups that is key to change;

23. points out that, in the field of health and sexual and reproductive rights, not only do gender-sensitive studies need to be conducted, but it is important to exchange best practices, ensure universal access to family-planning, and sexual and reproductive-health services, and develop information and educational measures on the matter without value judgements and with a positive and inclusive approach;

### **Thriving in a gender-equal economy**

24. stresses the need to combat the vertical and horizontal segregation between women and men, given that the most precarious and lowest paid jobs are very female-dominated, which particularly affects the clear pay and pension gap. In addition, steps must be taken to ensure that the working lives of gender minorities also develop in a positive way;

25. looks forward to the forthcoming Commission proposal on wage transparency, which should help to detect and subsequently eliminate the gender pay gap and, ultimately, the pension gap. Although wage-setting is a national competence, the principle of equal pay for equal work must be fully applied by means of measures addressing pay secrecy clauses, annual pay audits and workers' right to ask their employers for gender-specific information on pay;

26. supports the Commission's request to the Member States to transpose the Work-Life Balance Directive as soon as possible to enable men and women to equally thrive both personally and professionally and for the Directive to ensure an equal balance of shared responsibility;

27. agrees with the need expressed in the strategy to promote an equal sharing of caring responsibilities, both paid and unpaid, to ensure women's economic independence. The CoR urges the European Union to revise and develop the Barcelona targets, making them compulsory, and to introduce care objectives that go beyond these (Barcelona+) to take account of care needs in ageing societies and recognise that the care sector is largely dominated by women but is not paid in accordance with its social value;

28. asks the European Commission to consider a care agreement for Europe, similar to the Youth Guarantee, to satisfy care needs as part of a rights-based approach that puts care at the heart of economic activity, increasing investment in health and care, in line with the wellbeing economy strategy. The CoR also asks the Commission and urges the Member States to include the demands made by domestic workers regarding working conditions in ILO Convention No 189;

29. considers it important that the strategy makes a special reference to the regional aspect and, in particular, to rural and depopulated areas because of their specific features. The CoR also emphasises the key role that women play in rural areas, being crucial to their territorial, economic and social structure. It deems it essential to increase women's involvement and leadership in local action groups and rural development networks. It also points out that care and support services for children and dependent relatives should be expanded, especially in rural areas;

30. welcomes the fact that the strategy emphasises the need to close gender gaps in relation to the digital transition and innovation, promoting greater female participation in science, technology, engineering, arts and maths (STEAM) and ICT study programmes and jobs, and calls for new forms of sexism online and at work to be addressed, such as those appearing in some biased artificial intelligence systems. To this effect, it highlights the importance of gender-sensitive coding and calls for the equal participation of all genders in the design, implementation, evaluation and debate on ethics and norms of AI-related technologies. The CoR agrees with the importance of increasing the number of women in the digital and innovative sectors, as these are key to change in our societies. In this regard, the Committee stresses the need to ensure equality in training and lifelong learning on how to use new technologies and social media appropriately and safely;

31. requests that, within the scope of the Work-Life Balance Directive, a gender-focused analysis be carried out on the difficulties experienced by many families across the EU in balancing teleworking with the burden of care during the COVID-19 crisis. Vigilance needs to be maintained with regard to potential regulations governing teleworking and working remotely to ensure that these do not become a way of returning women to family and private settings. The CoR points out the particular need to pay attention to family situations that entail greater difficulties in terms of balancing, such as single-parent families, which mainly comprise women;

32. draws attention to the fact that, throughout the European Union, it has been women who have worked on the front line during the COVID-19 pandemic (health, care, childcare, domestic and retail workers, etc.), in turn making them more vulnerable to infection. Moreover, some of these professions are among the least valued and lowest paid in the EU. The CoR therefore requests that the imbalance in the representation of women and men in these jobs that have proven to be key during the pandemic, especially in relation to care, be taken into account in the measures to combat unemployment and precariousness. It should also not be forgotten that many professions involving care and domestic work are carried out by migrant women, who are affected by a double bias; the gender dimension needs to be included in recovery plans and support given to women business-owners and their business projects, as well as to women managers, highlighting the additional efforts involved in teleworking;

33. calls on the European Commission to analyse and address the short- and long-term impact that COVID-19 will have on equality between genders. Women and men have different experiences of the pandemic, and it is very important to have sex-disaggregated data in order to fully understand how women and men are affected by the virus — not only its impact on those directly affected by the disease or on the front line of the health crisis, but also its effects on the economy, education, the distribution of care work and the scale of domestic violence;

### **Equality in decision-making**

34. stresses that fewer women hold decision-making positions and points out that women only account for 15 % of mayors, 21 % of regional presidents, 35 % of members of regional parliaments and 23 %<sup>(1)</sup> of members of the Committee of the Regions. The CoR regrets that the strategy does not mention these data because they show the gap at regional and local level;

35. requests that the European Commission ask the Member States to organise and support initiatives to empower women with regard to local and regional elections, so as to overcome discrimination and the obstacles that women face in these processes, including stereotypes and social norms that lead to female leadership being valued less than male leadership. It is also vital to support women to stand as candidates in municipal and regional elections;

36. emphasises the need to specifically address the problem of violence against elected female politicians and women in public life, including online intimidation on social media, which impacts and influences women's ability to take part in politics and public life on an equal footing;

37. asks the EU institutions, including the Committee of the Regions, to adopt codes of conduct favouring the participation of women and men on equal terms with regard to composition and leadership positions, with the ultimate aim being gender parity between CoR members;

38. acknowledges the need to include the adoption and implementation of the Code of Conduct in its priorities in the coming years and insists on the necessity of conducting annual reviews of the application of the principle of gender parity by means of annual reports that analyse the measures taken (ensuring an equal share in various acts and reports). The results should be revealed at the plenary session closest to International Women's Day;

39. requests that local and regional authorities take part in the Mutual Learning Programme in Gender Equality to promote exchanges of best practices, and calls for specific gender training to be promoted at all levels and for the professional figure of equality officer to be introduced;

40. points out that the EU Platform on Diversity Charters is strongly focused on the private sector and could therefore be opened up to involve local and regional authorities in order to have representative examples and best practices from the EU's various levels and regions. The CoR proposes including the European Charter for Equality of Women and Men in Local Life in the Diversity Charters;

### **A gender perspective in politics and the budget**

41. agrees that the core challenges affecting the EU today have a gender dimension. However, the CoR does not believe that the gender perspective is clearly and sufficiently considered in either the EU's politics or its budget;

42. calls for a clearer link between the strategy and the EU's main political priorities and strategies, in particular, the transitions towards a climate-neutral economy, the digital transformation and the demographic challenge. The CoR points out that these strategic priorities of the EU's include significant gender biases, the elimination of which is crucial to our societies' success in terms of decarbonisation, digitalisation and the incorporation of the territorial dimension;

43. supports the implementation of methodologies for drawing up budgets with a gender perspective for the next multiannual financial framework (2021-2027). Financing arrangements at EU level should be revised so as to achieve the strategy's targets and objectives and incorporate a specific gender equality objective into all financial programmes, as well as a conditionality mechanism ensuring equality through the establishment of gender objectives and strategies for access to finance. In this regard, the CoR emphasises that the European Semester and the Rule of Law Report have the potential to monitor gender equality challenges through the country-specific recommendations and by integrating specific measures into the National Reform Programmes and national rebuilding and resilience programmes;

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<sup>(1)</sup> As of 5 June 2020.



44. stresses the need to strengthen the framework for monitoring the strategy's implementation by means of effective indicators for measuring and assessing the gender impact, and to establish timetables and accountability measures. The CoR underlines the importance of producing annual reports that include the progress made by the Member States in terms of equality, as well as best practices from local and regional authorities. The Committee also emphasises the need to incorporate indicators broken down by gender and gender indicators into all community public policies and to include internationality so as to address issues such as age, sexual identity, type of disability, migration status and the urban-rural dimension;

45. asks to be involved in the Task Force for Equality recently set up by the European Commission to ensure effective gender mainstreaming in all policies and programmes;

46. calls for the Committee of the Regions to have an official role supporting the increase in capacity of the European Institute for Gender Equality (EIGE) with a view to improving and standardising the collection and analysis of data broken down by gender and gender indicators, particularly regarding aspects such as the representation of women and men in decision-making at local and regional level;

47. calls for the Member States and their local and regional authorities to give greater prominence to the gender dimension in national and regional statistical systems, in order to provide reliable and regular data in agreement not only with the European Institute for Gender Equality (EIGE) but also with Eurostat;

48. points out that the COVID-19 crisis has a clear gender dimension. It will therefore be vital to incorporate a gender perspective into the Recovery Fund by conducting impact assessments and applying gender responsive budgeting principles to all funds;

#### **Addressing gender equality and women's empowerment across the world**

49. points out that gender inequality needs to end before poverty can be eradicated. Economic and gender inequality are linked and we cannot leave anyone behind. Gender equality is not only one of the Sustainable Development Goals, it is also a running theme throughout the Sustainable Development Agenda;

50. stresses that the EU's external action should comply with its legal commitments to promote gender equality and the empowerment of women in its international partnerships and its trade, neighbourhood and enlargement policies, in particular in relation to accession negotiations, the association process, and asylum and migration policies. This is laid down in Article 208 TFEU, which enshrines the principle of coherence of development policy, which requires the SDGs and the EU Plan of Action on Gender Equality and Women's Empowerment in Development to be taken into account;

51. calls the European Commission to assess how to utilise the EU's trade policy to advance women's rights and women's participation in the economy beyond its borders;

52. calls on the EU institutions to step up cooperation with non-EU countries in order to encourage them to adopt national laws banning female genital mutilation<sup>(?)</sup>;

53. highlights the potential of decentralised cooperation in promoting democratic and fair development worldwide, as well as the need to close the gender equality funding gap in terms of official development aid;

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(?) European Parliament resolution of 12 February 2020 on an EU strategy to put an end to female genital mutilation around the world (2019/2988(RSP)).



54. brings to light how COVID-19 has increased in a very direct way all the existing inequalities affecting girls, young people and women in developing countries, who have been immediately and directly affected through the loss of their jobs, which reduces their involvement in public and political spheres, sees them assuming the responsibility of caring for family members and leaves them trapped in situations of gender-based violence. The strategy seems to be a key tool for reversing these processes.

Brussels, 14 October 2020.

*The President*  
*of the European Committee of the Regions*  
Apostolos TZITZIKOSTAS

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**Opinion of the European Committee of the Regions – The European Climate Pact**

(2020/C 440/17)

<b>Rapporteur:</b>	Rafał Kazimierz TRZASKOWSKI (PL/EPP), president of the capital city of Warsaw
<b>Reference document:</b>	Letter from Maroš Šefčovič of 11 March 2020, Vice-President, European Commission

**POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS

**On achieving the European Green Deal's objectives in the post-COVID-19 era**

1. welcomes the proposal of the Commission to establish the European Climate Pact aimed at engaging citizens and their communities in designing climate and environmental actions through concrete actions on the ground, encouraging open dialogue with all actors, building synergies, fostering capacities and triggering climate actions; believes that the Pact should be developed as an innovative governance instrument to allow for two-way communication, cooperation and information exchange across levels, sectors and territories to improve the effectiveness and the legitimacy of the EU's climate policy;
2. recalls that a 'pact' commonly refers to an undertaking between equal partners for joint or mutual benefit and the achievement of common aims; therefore reiterates that local and regional authorities stand ready to work in partnership with the EU institutions, Member States and all relevant stakeholders under the Climate Pact to jointly pursue the aims of climate neutrality and the implementation of the UN Sustainable Development Goals. The common approach of the Pact should however not discard the existing variety of challenges caused by climate change to different areas of the EU; the common aims should therefore reflect the specific geographical needs also based on a systematic assessment of these needs and characteristics;
3. underlines the fact that the COVID-19 pandemic, and the economic crisis it is causing, will probably force us to complete the original vision of the Climate Pact. Insists, however, that the European Commission and the Member States have to ensure that the current crisis does not slow down, but should rather be used as an opportunity to accelerate the necessary transformation of the European Union towards climate neutrality this includes setting the goal of CO<sub>2</sub> reduction until 2030 to at least 55 %;
4. reiterates its commitment to the 17 United Nations Sustainable Development Goals (SDGs) being treated as an integral part of the Green Deal, and endorses the UN's position of understanding the social dimension as an integral aspect of sustainability in addition to climate protection and nature conservation measures. The prospect of social inclusion must be guaranteed for the entire European population. As well as social security, this concerns in particular gender equality, access to high-quality education and the guarantee of a healthy existence for people of every age; meanwhile it is to be underlined that a commitment to the 17 SDGs includes cooperating with our partners outside the EU on the basis of these same values;
5. stresses that the Climate Pact should be first of all an enabler for cooperation between the LRAs and the European institutions. It should serve as an innovative governance tool, to develop ideas, channel field information into the EU decision-making process, improve implementation of EU policies and coordinate action to combat climate change, while simultaneously tackling the economic crisis caused by the COVID-19 pandemic. Measures to stimulate the economy should foster both the resilience of societies and the decarbonisation of the economy with the aim of reaching climate neutrality by 2050 at the latest. All policies to be developed should be analysed for their impact on the climate and the environment;

6. highlights that the Climate Pact should boost the commitments already signed at local level by local actors (SMEs, schools, local authorities, universities, etc.) and generate new commitments to make Europe the first climate-neutral continent by 2050;

7. underlines therefore that the Climate Pact should also act as an 'umbrella' initiative with its own branding for the existing and future local climate pacts<sup>(1)</sup> or locally driven partnerships, working towards clear climate goals with civil society, businesses and other relevant stakeholders. It should help to create citizens' support for climate policies, facilitate exchanges of best practices, replication and scale up of the most successful European initiatives, and stimulate the creation of local climate pacts across the EU;

8. welcomes the Commission's express commitment to pay particular attention to the outermost regions under the European Green Deal, taking into account their vulnerability to climate change and natural disasters, as well as their unique assets, such as biodiversity and renewable energy sources, and strongly hopes that specific measures to this effect will be adopted;

9. reiterates its commitment to supporting the Commission and LRAs in the successful implementation of the Green Deal and particularly in making the Climate Pact a strong tool to assist LRAs in this ambitious project and grant them a proactive role; points out that this innovative transversal approach of the Green Deal and the economic recovery requires a brand new approach to capacity-building in LRAs, targeting all sectors and pushing for more integrated management. The Climate Pact should be the opportunity to create a Green Deal culture all across LRAs and build citizens' awareness of, and involvement in, all the concerned policy areas;

10. highlights how the ongoing health emergency related to the COVID-19 pandemic is showing all over Europe, once again, the role of LRAs as crucial decision-makers and providers of public services in ensuring a first-line response to local needs and challenges, not least in periods of global emergency. Points out that local communities and their citizens should resume their role, disrupted by growing globalisation and industrialisation, too often built on an unsustainable use of limited resources by becoming key partners in designing climate actions and protecting and restoring their environment;

11. suggests using examples of best practice in local and regional climate change approaches – such as the worldwide Under2 Coalition group of subnational authorities, which brings together more than 220 provincial governments, regions and municipalities – to take advantage of the knowledge already gained in devising long-term climate strategies, and to see the comparing of experiences with successful methods, innovative approaches and valuable insights from such initiatives as an integral part of the Climate Pact;

12. welcomes the EC Communications on The EU budget powering the recovery plan for Europe and Europe's moment: Repair and Prepare for the Next Generation and reiterates its support for the European climate neutrality policy, considered an indispensable and frontrunner policy aimed at ensuring a sustainable future for Europe. In the context of the ongoing pandemic, climate neutrality policy and territorial resilience, must become the backbone of a climate-neutral recovery strategy, ensuring that all funds invested in the recovery of Europe's economies also strongly contribute to accelerating the transition to climate neutrality biodiversity protection and increasing territorial resilience within the foreseen framework;

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<sup>(1)</sup> Please see for example local climate pacts in cities such as Stockholm, Rotterdam, Amsterdam and Nantes.

13. reiterates that well-designed policies aimed at tackling climate change can open up economic opportunities: according to the Commission, achieving climate neutrality could lead to a 2 % increase in the EU's GDP by 2050, to savings of around EUR 200 billion/year in avoided health costs, and to the creation of one million jobs in the green economy; these opportunities are likely to be even more relevant in the light of the emerging links between the current pandemic and the risk of future ones, and environmental degradation, loss of biodiversity and the effects of climate change. Therefore welcomes the fact that the Climate Pact will have tree-planting, nature regeneration and greening of urban areas as one of its priority actions and calls to include also green infrastructure as well as actions aimed at saving water and ensuring circularity in the water economy;

14. emphasises that in the extraordinary circumstances in which we find ourselves as the result of a pandemic, there is a need not to leave any citizen behind. Now, more than ever, both climate actions and recovery instruments need to reach both cities and rural areas, as well as all sectors of the economy, focusing in particular on the traditional production sectors that have suffered most as a result of the measures to combat the COVID-19 pandemic. Welcomes in this context the announced Renovation Wave initiative aiming at improving energy efficiency of public and private buildings while providing jobs and boosting the construction sector;

15. stresses that LRAs should have direct access to European funds (from the European budget as well as from other European financial institutions such as the EIB) for both recovery from the economic crisis caused by the COVID-19 pandemic and for combating the climate crisis. More specifically, additional instruments granting a direct access to the EU funds such as the European City Facility under the Horizon 2020 Programme, Urban Innovative Actions under the ERDF (art. 8) or the future European Urban Initiative-post 2020 under the ERDF/CF Regulation (art. 10), should be set up, especially for the Green Deal projects;

16. considers, in this context, that the Climate Pact should promote direct access to the EU funds for LRAs for their sustainable actions under the new Multi-Annual Financial Framework in line with the principle of subsidiarity. Specifically, asks for direct access to the resources allocated in the CEF framework. In this regard, calls also for 10 % of the new ERDF to be designated to Sustainable Urban Development. Proposes a development of the Climate Neutrality Policy with its own budget within the future MFF, similar to the Agricultural or Regional policies, and with direct access to funds for cities and regions choosing the green path of recovery;

17. agrees with the conclusions of the mission board of the 'Climate-neutral and smart cities' under Horizon Europe, to further support and promote 100 European cities in their systemic transformation towards climate-neutrality by 2030, making use of funds of both Horizon Europe, the European Structural and Investment funds, the Just Transition Fund, the Important Projects of Common European Interest, Invest EU and other EU instruments;

18. The CoR and the EIB should be close partners of Climate Pact members and support the Commission in making it fit for purpose and accessible to all LRAs, regardless of their size, geographical situation or socioeconomic background;

19. invites the Commission to reconsider the focus areas with a view to aligning the Climate Pact and the climate-neutral recovery strategy: the Climate Pact should focus on a broader range of actions, depending on the projects being ready for implementation and the specific needs of the different local communities;

20. points out that the signatories to the Covenant of Mayors have in their Sustainable Energy and Climate Action Plans an impressive set of actions that could be funded and implemented straight away and that many other forms of climate and environment-related cooperation of local and regional authorities and individual local and regional authorities have similar plans that could be considered for the same purpose; the CoR stands ready to further support the development of this initiative working together with the European Commission and the Covenant of Mayors Office towards a reinforced political backing and a stronger embedment of the Covenant in the national energy and climate frameworks;

21. stresses that LRAs support an ambitious transition to clean, affordable and secure energy and proposes the promotion of a permanent Multi-level Green Deal Dialogue with LRAs and other stakeholders in the context of, and with the tools of the Climate Pact;

22. considers that accessibility of clean energy meets two central challenges: it needs to be competitive in price and easily available; while the technical evolution shortens the cost gap with other energy sources, LRAs are key in facilitating proper access to the right infrastructure. This is why a fast-track access to financial support for local and regional authorities committed to climate mitigation and adaptation actions is needed; the Climate Pact should help in understanding the key needs of local and regional authorities in different circumstances and develop the appropriate tools, based on their experience, for support from the EU level. In this context, the CoR stands ready to cooperate on concrete actions and initiatives with the EC and the LRAs in order to improve the access to clean energy across the EU;

23. suggests that the Climate Pact should have the Renovation Wave initiative as one of the crucial focuses, which has the potential to be one of the key elements for a sustainable recovery as announced in the EC Communication on the Europe's moment: Repair and Prepare for the Next Generation; in this area, it is particularly important to create joint initiatives of the public and the private sector, and LRAs are in a key position to inform citizens of the benefits and existing support tools for the renovation of their houses, leading by example, connecting and supporting local businesses with the necessary expertise at different levels, and developing tools to access national or EU financial assistance; moreover, LRAs should lead by example in the renovation of public buildings and promoting in particular the energetic renovation of social housing and other publicly owned housing;

24. draws attention to the fact that since local and regional levels are at the beginning (bio-based economy regions) and at the end of a sustainable and circular economy (waste management, recycling) they should be included in the development of related policies and their implementation; emphasises that for this reason, and because of the particular salience of these issues for citizens and businesses, the Climate Pact can be used to highlight the concrete areas in need of support;

25. calls furthermore for a permanent dialogue mechanism between the European Commission and the European Committee of the Regions on the Renovation Wave initiative;

26. suggests that in the objective of achieving the climate neutrality goal and also as a tool for combating the economic crisis, European institutions should assist LRAs in sustainably converting public transport to electric power and other sustainable fuels by 2030;

27. considering the scope of LRAs' competences, suggests that apart from sustainable mobility, the key policy fields to be addressed in the context of the EU Climate Pact actions are energy efficiency in buildings, renewables, the circular economy (including water and waste), promotion of responsible and sustainable consumption, nature and biodiversity regeneration and the development of green and blue infrastructure, particularly in urban areas and the promotion of a form of tourism that is sustainable, welcoming and inclusive. Together with their potential for reducing GHG emissions, they will bring about opportunities for new, high quality job creation, R&D+i development and improved health and wellbeing of citizens, and what that implies, with reductions in health costs in the EU. It would also be desirable for these areas to include challenges relating to improving water retention, reducing water consumption and creating biodiversity protection zones;

28. recognises that implementation of green criteria in public procurement and conditionality of available funding related to GHG reduction effects will constitute an important incentive contributing to the necessary shift of the economic model conducive to the Green Deal goals. In this sense, the Climate Pact should foresee specific activities for developing the relevant criteria and measurements and supporting local and regional authorities (also smaller ones, where often the complexity of procurement legislation is a serious barrier to investment) in deploying them, while urging EU and national administrations to simplify rules to provide technical support wherever necessary; to develop relevant criteria and eco-design requirements, encourages the EU, the Member States and LRAs to introduce and further develop their own GHG-reduction commitments for their administrations – with the Climate Pact potentially serving as a supportive framework;

29. highlights that an increasing number of studies show the links between health and environmental protection<sup>(2)</sup>, including reduction of air pollution, and urges the Commission to include the health dimension in the Green Deal framework, starting from the creation of a European strategy for Health, the Environment and Climate Change similar to the WHO strategy<sup>(3)</sup>; the climate pact in its outreach to citizens and civil society should be an important tool to raise awareness about these links and build the momentum to include these dimensions in the relevant policy making at all levels;

30. proposes, in the context of the EU hydrogen strategy for a climate-neutral Europe (COM(2020) 301 final), that the Climate Pact should also support the development of a hydrogen economy using green hydrogen based on renewable energy in regions and cities (see CoR 2020/549);

31. urges all EU institutions and Member States to continue working towards an ambitious set of new Nationally Determined Contributions; it also reiterates the importance of involving EU LRAs in this process through the establishment of a system of locally determined contributions to complement the NDCs, and establishing a stronger link between local/regional, national and European ambition, starting from the work being done in the framework of the Global Covenant of Mayors. The Climate Pact could be a powerful tool in this sense;

32. highlights the crucial role of digital technologies in building a more resilient society and their potential for an overall positive impact on emissions reduction and economic recovery; considers therefore that stronger integration between the climate-neutrality transition and a sustainable digital transition should be foreseen and that the Climate Pact could be a tool to discuss and further explore the potential synergies between the two, also based on the recent experiences of LRAs in response to the health emergency;

### **On awareness raising and capacity building**

33. reiterates the crucial role of adaptation to climate change with a view to building resilient territories and reducing annual losses from adverse climate impacts: in this context points out the need for a set of powerful actions aimed at improving the capacity of LRAs to implement adaptation policies, starting from sustainable funding strategies and enhanced capacity-building activities. Another key issue is the possibility of monitoring progress on climate change investments at the level of cities and regions. The current scope of data in this area is limited. It urges the Commission to take these aspects into account when drafting the new EU Adaptation Strategy and to link it to the Climate Pact;

34. stresses the key role of local and regional authorities when addressing food production and land management; better nutritional trends can be encouraged through education, catering and public procurement; more sustainable food production should also take into account the employment generated, the transport of goods and the packaging; the inclusion of the agricultural sector in the Emissions Trading System should better reflect its contribution as carbon sinks;

35. points out that sustainability as a concept should embrace the importance of the occupation and management of the land, generally assured by farmers and fishermen in isolated, sparsely populated and remote areas. LRAs should facilitate the installation of new citizens in rural communities as a tool for avoiding demographic pressure on cities, rationalise public services and their cost, promote the sustainable use of land and reduce transport-related emissions; this requires assistance and targeted funding to creating the necessary infrastructure needed for remote working as well as mobility, digitalisation (access for local consumers and the marketing of their products), social and health services;

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<sup>(2)</sup> <https://www.eea.europa.eu/themes/human>

<sup>(3)</sup> <https://www.who.int/phe/publications/global-strategy/en/>

36. considers that climate change disaster risk reduction policies will play an increasingly relevant role: LRAs should be supported in getting a better understanding of these policies and linking them to strengthen the overall resilience of their areas and their capacity to face emergencies;

37. points out that LRAs struggle with access to finance, which undermines the EU funds absorption rate: the Climate Pact should bridge this gap by gathering all existing supports for LRAs to find their way through EU funds and complementing them with missing information; all this information should be provided in all EU languages and should be user-friendly;

38. highlights that education should be granted a central role in creating a new culture of environment and climate protection, which entails moving towards significant societal changes: in this context, the Climate Pact could promote initiatives in cooperation with LRAs, targeting public, municipal and private educational establishments and information providers, in particular schools and Europe Direct Information Centres (EDICs) to empower them in creating this new culture. These initiatives should be interlinked with a strong push towards digitalisation, which is proving to be a crucial tool for education in these times;

39. recognises the excellence of European universities and research centres and calls on the Commission to involve them in the Climate Pact as a relevant source of knowledge and as potential strong allies in creating an effective capacity-building platform and to promote their coordination with local and regional authorities to develop collaborative pilot projects to facilitate decision-making and the sharing of successful experiences;

#### **On triggering action and enhancing multilateral cooperation**

40. considers that the Covenant of Mayors initiative and other forms of climate and energy-related cooperation of local and regional authorities should be fine-tuned and further strengthened in order to become key tools of the Climate Pact to trigger local action: in this sense, a stronger involvement of citizens, relevant NGOs, business, research institutions and universities should be supported, moving towards a quadruple helix approach;

41. notes the strategic importance of linking national and regional dual vocational training schemes to the achievement of the European Green Deal's goals, working closely with the actors in basic education systems, higher education and research, as the best means of updating workers' skills and of finding a place for them in areas of employment geared towards combating climate change;

42. highlights the relevance of many EU initiatives targeting cities and regions under the remit of the Green Deal: nevertheless, it considers them to be under-exploited by LRAs due to the lack of a clear overview of all existing opportunities, of their characteristics and main targets. The Climate Pact platform should create such an overview, supporting LRAs in choosing the initiatives that suit them best and suggesting a gradual pathway towards climate neutrality, with communication and information for LRAs that is as accessible as possible to allow rapid implementation of measures locally: the Covenant of Mayors and other cooperation on climate and energy involving LRAs could be pivot elements of this system;

43. points out the previously expressed CoR positions, notably the inclusion of the 'digital cohesion' concept as a driver of better integration of all EU citizens, combined with specific and dedicated programmes to increase digital skills and to monitor and adapt policies. Smart city projects should be a good basis to produce capacity-building projects at a larger scale and flexible enough to adapt to diverse realities;



44. recognises the central role of peer-to-peer learning for an effective and pragmatic approach to the implementation of the Green Deal: pairings and best practice repositories, for example through initiatives like the Covenant of Mayors, can be a powerful tool to help LRAs kick-start their climate-neutral policies without having to start from scratch;

45. recognises that locally, there is a wealth of experience on co-creating policy solutions, enabling citizens' assemblies, boosting civic dialogues and fostering participatory budgeting. These experiences form a solid basis for inspiration on how to engage people directly in formulating and achieving ambitious climate goals. The Climate Pact should build on local insights by placing LRAs as facilitators for a wide range of local stakeholders and citizens;

46. points out that most local projects for energy transitions and climate protection are of a small size compared with the optimal scale of big finance: the Climate Pact could create a tool for LRAs to find partners among peers and aggregate these projects to grant them access to all funding opportunities;

47. recognises the significant potential of public-private partnership in funding the climate-neutral transition and highlights that this approach is still challenging for many LRAs: stronger guidance and support should be provided in this sense in order to ensure that all constituencies can make the most out of this opportunity;

48. points out that tackling the climate crisis implies dramatically changing our habits as citizens and consumers: in this context, the role of all the citizens as active stakeholders must be fully recognised and they need to be empowered through participatory approaches such as, for example, the living lab or through micro-grants for small-scale projects, close to where people live, through local communities and NGOs. Turning consumers into prosumers should be encouraged and adequately financially supported at all levels. Furthermore, citizens' engagement should be supported by the use of innovative technology, such as smart meters or specialised smartphone applications. The role of local and regional authorities will be key here;

### **On the role of the CoR**

49. commits, via its Green Deal Going Local Working Group, to promote, exchange and coordinate the efforts of local and regional authorities in the implementation of the Green Deal and to ensure swift coordination of the activities in the field of the Green Deal and Green Recovery with the European Commission and other partners;

50. invites the national associations of local and regional authorities to take an active role and be partners of the CoR and the Commission in the activities on the Green Deal: to this end, information points under the, the Climate Pact could be created at the appropriate level to convey the information and the initiatives of the Green Deal and ensure they reach all interested constituencies;

51. plans to launch the CoR4Climate Pact project to further support this important initiative. The project would include the identification of Green Deal Ambassadors, conceived to be focal points for information and dissemination of best practices related to the Green Deal including the role of the Green Deal as an accelerator for the social and economic recovery after the COVID-19 crisis. The project is planned to also include a boost on the communication on the Green Deal, both on publicly, through the CoR website, and internally towards CoR members: this communication should include the most relevant information for the LRAs to launch their local Green Deal, including funding possibilities. Finally, the CoR4Climate Pact project will be an opportunity to take stock of the Green Deal commitments of CoR members and promote peer-to-peer learning opportunities;

52. proposes the establishment of a Green Recovery Forum where the European Commission, LRAs and other stakeholders can work together on climate action: this forum could be integrated in a digital Climate Pact platform to be managed by the Commission and the CoR jointly;

53. supports the implementation and mainstreaming of a Green Oath 'do no harm' principle within the Commission's better regulation agenda and guidelines. Policy consistency and better regulation are essential to deliver efficient and timely legislation that brings added value to citizens. It is therefore important that citizens, stakeholders and all levels of governance can contribute to the development of the right legislation for the right purpose. The better regulation toolbox and guidelines have to be employed to reach the climate-neutrality objective;

54. stresses the Climate Pact is a great opportunity to implement the principle of active subsidiarity, as the very objectives of the pact coincide greatly with the main aim of the active subsidiarity approach — developing an inclusive and constructive way of working that fully uses the potential of the Union's multi-layered democratic and governance framework;

55. underlines that the EU must act as a global leader in the battle against climate change, promoting ambitious standards and goals to neighbouring countries and other major emitters; in this regard points out the initiatives of the CoR, such as the Conference of Regional and Local Authorities for the Eastern Partnership (CORLEAP), the Euro-Mediterranean Regional and Local Assembly (ARLEM) and decentralised cooperation including the Nicosia initiative of cooperation with Libyan mayors, that could use the tools and methodologies to be developed under the Climate Pact to support the LRAs of neighbouring countries in exchanging, adopting and implementing best practices for a more sustainable and green economy;

56. taking into account the crucial role of ESI Funds towards the implementation of the Green Deal, it considers that the Climate Pact should open a dialogue with Managing Authorities to ensure they are fully aware of the existing opportunities in this sense. It stands ready to cooperate with the Commission in boosting the awareness and capacities of Managing Authorities for planning and spending these funds with a view to moving towards climate neutrality through the green and just transition.

Brussels, 14 October 2020.

*The President*  
*of the European Committee of the Regions*  
Apostolos TZITZIKOSTAS

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**Opinion of the European Committee of the Regions – New Circular Economy Action Plan**

(2020/C 440/18)

<b>Rapporteur:</b>	Tjisse STELPSTRA (NL/ECR), Regional minister of the Province of Drenthe
<b>Reference document:</b>	Communication from the European Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on a New Circular Economy Action Plan for a cleaner and more competitive Europe  COM(2020) 98 final

**POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS

**A. General comments***On our responsibility*

1. expresses concern regarding the current pace of exploitation of the Earth, underlines that human behaviour is the cause of this disaster for which everyone is responsible and agrees with the NCEAP that the transition to the *carbon neutral*, circular economy will require cooperation between all stakeholders at all levels of governance and society;
2. stresses the urgent need to accelerate the transition towards a regenerative growth model, keeping resource consumption within planetary boundaries and reducing our footprint;
3. welcomes the European Commission's New Circular Economy Action Plan (NCEAP) as a strategic elaboration of the concept of the European Green Deal and as a constructive sequel to the 2015 Action Plan;
4. regrets the very short chapter in the NCEAP on the role of Local and Regional Authorities (LRAs) given that LRAs have an important role in the transition to the circular economy as a crucial player in initiating and scaling up much-required innovation — regions ensure that people, communities and regions adapt their daily actions in line with circular economy principles; stresses the importance of the potential of circularity for job creation as well as the need for support for the investments in new infrastructure for the actual collection, recycling and use of secondary material flows;
5. is impressed by the number of insightful stakeholder contributions and calls on the European Commission to use existing platforms such as the Urban Agenda Partnerships, the European Circular Economy Stakeholder Platform and local and regional government networks to enhance peer-to-peer learning and capacity building;
6. welcomes the Circular Cities and Regions Initiative, which will assist stakeholders with the development and implementation of territorial circular economy solutions. At the same time, however, the CoR stresses that circular activity must not be separate from other activities to protect the planet. The circular economy approach must be integrated into the climate, environmental and sustainable development activities of networks of towns and cities;
7. stresses that the ongoing debate about the principles of the circular economy can be an opportunity to decisively address the recurring issue of going beyond traditional GDP indicators <sup>(1)</sup>, i.e. including new elements other than those relating to economic performance, such as: creating solidarity-based systems for an inclusive society; living within the limits of our planet; and a fair distribution of resources;

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<sup>(1)</sup> The European System of National and Regional Accounts (ESA 2010): <https://ec.europa.eu/eurostat/documents/3859598/5925693/KS-02-13-269-EN.PDF/44cd9d01-bc64-40e5-bd40-d17df0c69334>

*On the COVID-19 context*

8. points out that the NCEAP was launched during the COVID-19 pandemic which has shown us how dependent we are on virgin resources and sees this crisis as a wake-up call in multiple ways;
9. calls on the European Commission and the Member States to reduce dependency on third parties and virgin resources and strengthen security of supply by firmer orchestrating of — especially scarce and critical — resource management and recommends a development towards an EU Resource Policy Platform;
10. welcomes the European Commission's focus on developing the secondary raw materials market, notably through investments in recycling;
11. has been impressed by the positive environmental side effects of the lockdowns (i.e. cleaner air, less water pollution, less harmful emissions). The resilience, creativity and innovativeness shown since the beginning of the crisis by citizens, public actors, businesses and economic actors should be used to support a profound ecological transformation of production processes and avoid a 'catching-up' effect in terms of environmental degradation after the crisis;
12. calls on the European Commission, the Member States and LRAs to steer the investments from the EU recovery plan in such a way as to guarantee long-term economic, social and environmental progress while reducing resource use, avoiding and removing hazardous substances and improving circularity of materials and systems. The Next Generation EU Instrument must contribute to this goal through the provision of the necessary funding and should be accompanied by own resources that do not put any EU Member State in a disadvantaged position vis-à-vis other countries;

*On climate ambition, the Green Deal and SDGs*

13. calls on the European Commission, the Member States and the LRAs to ensure a timely implementation of the European Green Deal, ensuring that it serves as solid basis to relaunch the EU economy in a way compatible with meeting EU's energy, climate and environmental objectives;
14. insists on the key role of circular economy principles in reaching Sustainable Developments Goals, particularly SDG 12 on 'Responsible production and consumption'; believes that applying circular economy principles will help transform broad objectives into action and the tangible transformation of society;
15. emphasises that the transition to the circular economy will strongly support the EU's climate change mitigation efforts and calls on the European Commission to establish further links between all Green Deal plans to provide the much-needed overall perspective and synergise cross-overs through research and indicators and within the policy-making process, for instance in the Climate Law; stresses that it is equally important to couple circular economy policies with those targeting other environmental issues, such as the protection of biodiversity, or air and water quality; Applying the principles of the circular economy will have to become a common starting point in all sectors, such as the agricultural and food sector ranging from agricultural and food sector to construction to high end technical solutions etc.;
16. refers to cross section dependencies between circularity and climate protection. The integrated circular economy approach including design principles and take back systems can bring a significant contribution to directly mitigate GHG emissions;

*On targets and monitoring*

17. emphasises that to comply with planetary boundaries, it is imperative to decouple growth and resource use and regrets that the NCEAP does not include a total resource use reduction target. Previous measures at EU level have proven to be insufficient to reduce Europe's overall consumption of natural resources and raw materials. There is a case for devising alternative indicators to GDP as the basis for measuring development, indicators that are more consonant with the principles of a circular economy;

18. takes the view that the reduction of CO<sub>2</sub> along product life cycles should be part of the targets as this provides insight into investment and estimated results and therefore supports prioritising actions;

19. points out that tangible measures lead to tangible results and calls on the European Commission to accompany every key action with an estimated result and an ambitious timescale;

20. highlights that target setting needs to be ambitious and progressive to foster innovation; therefore, a system is needed in which every five years the best available solution or best practice of that moment sets the target for the following five years;

21. emphasises the need to develop and implement indicators at local and regional level in order to evaluate progress and challenges to overcome and help LRAs implement circular economy strategies;

#### *On the economic system*

22. concludes that it is fair that the costs for pollution, waste and emissions will be included in the pricing of non-circular products, which makes sustainable production comparable and competitive with non-circular ways of production;

23. points out that legal and economic mechanisms designed to facilitate activities that promote circularity and stop those that hamper circularity are helpful instruments, and urges the Commission to develop best practices for how Member States can move towards circularity and find joint cross-border solutions. Takes the view that decreasing taxes on activities that promote circularity and increasing taxes on those that hamper circularity is a helpful instrument and welcomes the acknowledgement that Value Added Tax (VAT) is an effective instrument to address this. Future work in this area should take account of the consensus regarding the distribution of responsibilities linked to tax policy;

24. against this background regrets that the unanimity prevailing in the field of taxation restricts a greater flexibility for Member States in the use of VAT/tax rates, in order to support a real transformation of production and consumption patterns (beyond mere repair activities);

## **B. Local and regional authorities**

#### *On competences*

25. emphasises that many competences of LRAs are related to resource management and the circular economy; therefore, LRAs have multiple opportunities to empower the shift to the circular economy; at the same time this shift requires a lot of know-how and financial investments. Hence, the Next Generation EU Instrument and other funds must contribute to this goal through the provision of the necessary funding;

26. points out that use of water, which is one of the most important resources, in households and industry leads to large amounts of waste water, and more water should therefore be reused in places where this is appropriate. Waste water also contains many valuable nutrients which can be recovered; therefore, states that in addition to research, innovation and funding, clear targets for nutrient recovery are needed;

27. highlights that the knowledge and interests of LRAs must be taken into account when setting targets for waste, especially if waste collection and waste sorting become more specialised;

28. calls on the European Commission to develop an innovative strategy to come up with a range of waste collection practices; regions and cities should cooperate here, rather than prioritising the top-down harmonisation of separate waste collection systems;

29. considers that public-private partnerships are essential in scaling up the circular economy to include mainstream economic players and that LRAs are the rightful gateway to PPPs; calls on the European Commission to stimulate such cooperation in its programmes;

30. emphasises that local and regional guidance and promotion of best practices help to accelerate the shift towards the circular economy, for instance on spatial planning and on construction and building;

31. calls on the European Commission to start a programme which brings together accurate information on material flows at local, regional, national and European level. This enables stakeholders to learn about the situation and activities elsewhere. The programme must be a transparent digital system and should analyse the situation at regional, national and European level. In addition, the programme should offer resources to develop such activities at all levels;

32. underlines that information on regional activities in innovation, existing capacities (infrastructure, expertise) and circular economy potential is crucial and regrets that these data are often scattered and fragmented, limiting their usefulness for regions; therefore encourages the European Commission to undertake a true evidence collection exercise taking into consideration the local and regional perspective on the EU strategy for industry;

#### *On public procurement*

33. stresses that public procurement is a powerful instrument through which LRAs can set standards and drive the market towards more sustainable products and services but emphasises that the complexity of the rules often encourages risk aversion by regional and local authorities; this makes it possible to guide purchases on the basis of Total Cost of Ownership (all life-cycle costs are covered, including social and environmental costs), with a potentially positive impact for the region;

34. calls for further development of green public procurement criteria and targets based on a review of the minimum environmental criteria (MECs) contained in the current EU public procurement directives<sup>(2)</sup>; recommends developing a set of positive innovation targets and calls on the European Commission to stretch these to become truly circular public procurement; reliable and transparent EU certificates and labels play an important role, particularly for environmental sustainability, with a view to providing legal certainty and reducing the burden of public procurement in municipalities and regions. In the case of public procurement, producers should be able to report on what has been done to prioritise the use of secondary raw materials in the manufacture of products and, where secondary raw materials could not be used to manufacture new products, to explain why not. In this regard, appropriate guidelines are helpful for verifying the recycled and/or recovered and/or by-product content in products subject to minimum environmental criteria. Transparent assessment systems and knowledge development among contractors will be necessary for this;

### **C. Resources and waste**

#### *On waste and the principle 'there is no waste'*

35. states that many crucial resources labelled 'waste' are available in Europe and emphasises that on the way to a true circular economy, a shift towards a zero-waste mindset is needed; underlines the importance to register raw materials to keep these available for reuse and give them an identity

36. sees it as an important principle that in the circular economy all materials will be designed in such a way that they become either nutrients for the biosphere or new materials for the next cycle of use;

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<sup>(2)</sup> Directives 2014/23/EU, 2014/24/EU, 2014/25/EU.

37. underlines the European Commission's proposal to modernise EU laws on waste and the supporting funds. A key point where this modernisation has to be speeded up is to create a new, quicker and easier legal framework for end-of-waste and by-product criteria;

38. calls on the European Commission to propose a target on absolute waste generation per capita and for waste prevention targets for businesses and industries; emphasises in this regard the importance (and impact) of the announced policy framework for packaging as well as the announced framework for compostable plastics;

39. emphasises that in the transition phase 'from waste to materials', cross-border agreements can be crucial to avoid short-term solutions with negative environmental effects;

40. takes the view that where regions or cities have to catch up, abandoning the use of landfills, they should as starting point build upon each other's infrastructure at European level to handle waste in the transition phase (for instance, use existing waste incinerators instead of building new ones) and stresses that funding and coordination for this transition are needed. Efficient energy recovery, with the retrieval of metals and salts, should be encouraged for waste that cannot be recycled due to contamination, material fatigue or the difficulty of separating complex materials;

41. draws attention to the fact that waste management in the outermost regions is particularly problematic due to the limitations of the existing waste treatment infrastructure and the lack of economies of scale for the collection, processing and recycling of waste. Accelerating the transition to a circular economy (in Europe) should therefore show a directly measurable effect here. The current state of the management and treatment of waste in these regions can be used as a practical test with respect to acceleration. Furthermore, it can assist in the evaluation of existing instruments as well as in the deployment of new ones;

42. insists that to validate the principle 'there is no waste' and prevent the use of virgin resources, an obligation to use recycled materials is essential; urges the European Commission to set criteria whereby a substantial proportion of new products should be made of recycled material and recommends making this a part of the approach to key product value chains;

*On preventing costs, safe materials and Extended Producer Responsibility*

43. regrets that LRAs often have to handle the negative effects of products which have reached end of use without a producer being responsible for taking them back, as (parts of) these products often pollute soil or air and LRAs end up bearing the costs of removing them;

44. underlines that preventing or addressing these costs directly at producer level is paramount and therefore welcomes the NCEAP's sustainable product policy framework;

45. stresses that producers have an important role to play in moving towards a circular economy. They must develop products with as small a planetary footprint as possible, and as far as possible avoid using virgin fossil materials as raw materials in their production processes. At the same time, authorities also have responsibilities in terms of promotion, conditionality and regulation;

46. highlights that soil pollution is a growing concern in the EU; welcomes, therefore, the Commission's proposal to promote initiatives to reduce soil sealing, to rehabilitate abandoned or contaminated brownfield sites and to increase the safe, sustainable and circular use of excavated earth. Calls on the Commission to include compulsory diagnosis and tracking of excavated earth in this initiative;



47. welcomes the European Commission initiative to shift to 'safe-by-design chemicals', because preventing or controlling the use of toxic materials is the easiest way to avoid such chemicals getting loose and avoids considerable costs for LRAs incurred by cleaning or regulating the transfer of polluted soil (for instance with PFAS); and notes that the control on toxic materials is not enough; rather complete transparency of components is needed in order to recycle or upcycle materials in an appropriate way;

48. calls for measures to promote the importance and implementation of Extended Producer Responsibility, while taking account of the various components of the circular economy. For example, the fragmentation of waste responsibilities undermines the development of waste management as a whole. The objective is to ensure business cases, in which producers also look into 'safe-and-circular-by-design' consequences;

49. requests that not all producers set up their own 'return logistics' as this might create an enormous logistics footprint; therefore, smart material/component specifications need to be defined, as well as clever reversed logistics strategies;

50. calls for the NCEAP to take the particular problem of marine litter into account. Given the cross-border nature of such waste, cooperation should be fostered between the governments of all marine regions in order to guarantee the sustainability of common resources, and to encourage regional and international cooperation in finding common solutions;

#### **D. Making the circular economy work**

##### *On awareness and action*

51. emphasises that the circular economy requires a new way of consuming and that awareness building is essential; LRAs are close to the people and so play an important role in bringing about the mindshift to another normal; therefore, calls on the European Commission to support projects at local and regional level which lead to tangible results;

##### *On skills and education*

52. stresses that in order to raise awareness, education is important both from 'kindergarten to university' and of course on the job; therefore, cohesion policy funds should provide support for including the circular way of living in the curriculum of every kind of education, including the means of digital education, as well;

53. stresses that for well-educated purchasing decisions, consumers need transparent information about the percentage of recycled material in products;

54. underlines what the NCEAP has to say about support for skills and job creation but flags the risk that in the short term, jobs in the circular economy are relatively unskilled and in the mid to long term will be automated and lost to robotisation. On the other hand, there are opportunities for highly skilled jobs and therefore the updating of the Skills agenda should give proper consideration to both of these aspects;

55. recommends that regions which make a quick transfer to relatively unskilled employment (partly due to low labour costs) should be the first to benefit from support for education and capacity building so as to speed up the transfer to higher skilled jobs; this will foster technical and social innovation and support LRAs towards a versatile and resilient economy; Furthermore, updating of the Skills agenda should put also emphasis on regional differences — in particular on less developed regions — when it comes to the development of educational and skills strategies and programmes for upskilling and reskilling of labour force;

56. as CE requires integral, cross-sectoral and long-term thinking and acting, local and regional authorities are encouraged to manage their administrative and adapt organisational structures to support the promotion of the circular economy for instance to create new function profiles for government, such as the managers of smart cities and of the circular economy;

57. calls for the European Commission to launch support direct funding programmes for LRAs and SMEs in their efforts to tackle the transition to a circular economy in the means of education, reskilling and upskilling of labour force, as well as in investments and building resilience;

58. notes that further research and regulation on sustainable and recyclable material is needed. Especially if recycling does not mean downcycling to lower value products, the requirements for material separation and reuse become more ambitious in order to allow materials to be used in as many cycles as possible. Therefore the 'cradle to cradle' approach gives a hint on how this principle of recycling before downcycling can be realised and depends on thorough product design;

*On a circular society*

59. insists that circular economy objectives be mainstreamed as a mandatory area in post-2020 cohesion policy and its corresponding fund, as this is necessary to provide the required impetus for promoting the transition to the circular economy starting at local and regional levels;

60. agrees with and underlines the conclusion of the NCEAP that the transition to the circular economy will be systemic, deep and transformative; the re-industrialisation of Europe must be based on the circular economy, pushing and promoting it through a real application of its principles and tools;

61. emphasises that the transition has to be fair because it is not just about the economy but predominantly about society, to which local and regional representatives are close; therefore, concludes that regions and cities are the most relevant 'level of scale' in the path towards achieving a circular society;

62. makes the final point that as well as setting up a platform and legal framework for the circular economy within the Union, the Commission should also lay down strict import and export requirements so that the principles of the circular economy also have an effect beyond the EU's borders.

Brussels, 14 October 2020.

*The President*  
*of the European Committee of the Regions*  
Apostolos TZITZIKOSTAS

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**Opinion of the European Committee of the Regions – Towards sustainable use of Natural Resources within the Mediterranean insular context**

(2020/C 440/19)

<b>Rapporteur:</b>	Francina ARMENGOL I SOCÍAS (ES/PES), President of the Government of the Balearic Islands
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## **POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS

### **Introduction: the Mediterranean islands and their specific challenges**

1. stresses that the European Mediterranean islands account for 95 % of the EU's island inhabitants and that, along with the other islands in the Mediterranean Basin, they share common challenges, problems and limitations that hamper their economic development;
2. points out that the European Union (EU) Treaties do not contain specific measures on insularity except for those relating to the outermost regions, although their special status is based almost entirely on the principle of insularity;
3. acknowledges that the island regions in the Mediterranean are heterogeneous economic, administrative, cultural and social entities. Nevertheless, they share common challenges and problems which, in an area as fragmented as the Mediterranean Basin, need to be tackled specifically and together;
4. recognises that the current health crisis caused by COVID-19 (coronavirus) has brought to the fore the particular vulnerability of island territories, whose resources are scarce;
5. welcomes the fact that the European Commission is moving towards a Green Deal and a fair transition framework that will make socioeconomic development of the Mediterranean islands possible and is aligned with the Sustainable Development Goals;
6. recognises the exceptional richness of the ecosystems of Mediterranean islands and their particular vulnerability in terms of current socioeconomic development and climate change, with the sustainable management of their scarce natural resources being their main challenge;
7. believes that, in light of the Mediterranean island regions' high environmental and climate vulnerability, the European Commission should take into account their specific geographical and socioeconomic circumstances when determining the path for achieving the goal of climate neutrality;
8. stresses that, despite the specific difficulties faced, if targeted legislative measures and an appropriate financial framework are put in place, these Mediterranean island regions will serve as excellent laboratories for the various ecological transition processes undertaken by the EU;
9. calls on the EU Member States and the Union for the Mediterranean to work together to draw up a ministerial declaration on the situation of Mediterranean islands, recognising them as a special area within the EU, with specific needs and a unique culture, heritage and environment that must be managed and protected jointly and specifically;
10. given the Mediterranean's position as the border between Europe and Africa, calls on the Member States, the European Commission and the Union for the Mediterranean take the area's islands into account when developing and implementing the European Neighbourhood Policy;

11. emphasises that strong territorial cohesion between the European Mediterranean islands will also help to strengthen the EU's border position and make them a strong counterpart for improving cooperation with the EU's Mediterranean partners;

12. stresses that, despite the clear similarities they have with the EU's outermost regions in terms of their general social, economic and geographical circumstances, the Mediterranean islands do not benefit from special treatment to enable them to deal with permanent geographical handicaps to their economic and social development as recognised in Article 174 of the Treaty on the Functioning of the EU (TFEU);

13. points out that Article 174 TFEU should apply from the first stages of the decision-making process, including specific compensatory measures to overcome the challenges and constraints resulting from the specific circumstances of Mediterranean islands;

### **Scarcity of natural resources on Mediterranean islands**

14. stresses that all Mediterranean islands have increasingly precarious environmental assets: limited land used for an increasingly large number of purposes, limited water resources, a high dependence on fossil fuels for energy, and very fragile and weakening ecosystems;

15. emphasises that the islands' scarcest resource is land, with the situation being more severe in regions with limited space, where physical expansion makes congestion processes faster and more obvious;

16. points out that most Mediterranean islands depend on the mainland and an external supply of fossil fuels for energy, and welcomes the action taken by the EU to decarbonise the area;

17. stresses that the Mediterranean islands' water resources are usually limited and often overused, so they tend to become depleted, polluted and salinised;

18. believes that, while it is true that many Mediterranean islands have opted for desalination to provide water supply, water policy should mainly be driven by demand-side policies (such as saving and reusing water, and using and allocating it more efficiently) and policies for the conservation, protection and comprehensive management of water resources;

19. points out that, due to the specific features of their infrastructure and the actual opportunities for accessing the European energy market, the Mediterranean islands incur significant additional energy-generation costs and costs associated with redeveloping and restructuring their economic sectors;

20. emphasises that the Mediterranean Basin is a global biodiversity hotspot with a particularly high number of endemic species in its island regions;

21. notes that the Mediterranean islands have many habitats of Community interest — some of which are considered a priority — that are threatened by considerable anthropic pressure, habitat degradation and the arrival of exotic and invasive species that destabilise ecosystems;

22. considers that the EU should develop specific environmental protection measures for the Mediterranean islands as they have unique terrestrial and marine biodiversity and therefore require sustainable development policies and tailored environmental protection measures;

**Socioeconomic activities and their impact on natural resources**

23. stresses that the Mediterranean islands have an economic structure that is highly specialised, in either the primary (agriculture and fishing) or the tertiary (tourism) sector, making their production structure very fragile in a highly competitive European and global socioeconomic environment;

24. emphasises that the agri-food sector is strategically important for the Mediterranean islands in terms of using natural resources more sustainably, considering its great regional importance in terms of the large percentage of land it takes up and as a source of food for inhabitants;

25. urges the European Commission and the Member States to make the Mediterranean islands' agri-food systems more resilient so that they have sufficient food sovereignty to cope with situations such as natural disasters, political and social conflicts and health crises such as COVID-19, where supplies cannot be delivered from outside;

26. highlights the overfishing of some fish stocks in the Mediterranean and calls for specific fishery management plans to be developed for the Mediterranean Basin, to enhance and modernise local fishing fleets and sea-farming systems by combining traditional methods with the most innovative methods;

27. notes the importance of small-scale fisheries for the economic ecosystems of Mediterranean coastal communities, and encourages the Mediterranean islands to consider fishery co-management models that involve the relevant socioeconomic sectors. It is of utmost importance that these include promoting fishing tourism and eco-tourism at sea, which require specific skills;

28. believes that the creation of new marine protected areas (MPAs) on the islands should be accompanied by parallel innovative economic strategies for the sustainable use of fishery resources by MPA managers and representatives of the fishing and tourism industries;

29. emphasises that most Mediterranean islands do not develop industrial sectors due to their low productivity, which is linked to the lack of raw materials, high production costs and transport logistics problems;

30. stresses that, in general, the highly distinctive demand for services and the specialised nature of their tourism makes their economies more fragile than those of the mainland, with economic development highly dependent on the global situation. For example, the health crisis caused by the global spread of COVID-19 and its particularly significant impact on the Mediterranean island economies, most of which are highly dependent on the services sector;

31. urges the European Commission and the Member States to bear in mind that the Mediterranean islands have a high floating population which increases the infrastructure needs of the resident population and heightens demand for all types of public service;

32. considers that the roll-out of the EU's Circular Economy Action Plan should include specific measures that take into account the high floating population linked to tourist flows and high servitisation of many of the Mediterranean island economies;

33. calls on the European Commission and the Member States to support exchanges of best practices regarding sustainable tourism on the Mediterranean islands, as is currently the case with programmes implemented as part of Interreg MED <sup>(1)</sup>;

34. highlights the low training level in Mediterranean island regions compared to the EU average, particularly with regard to post-secondary and vocational training, which encourages students to leave school prematurely and enter the labour market early in economies strongly geared towards the services sector;

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<sup>(1)</sup> For example, projects such as BLUEISLANDS, MITOMED+, WINTERMED and SMARTMED have been developed.

35. stresses that islands in general are highly dependent on air and maritime transport, and calls upon the European Commission to properly consider these specific features <sup>(2)</sup>;

36. points out that transporting goods is between two and four times more expensive than on the mainland <sup>(3)</sup>, which is a key factor and directly impacts the competitiveness of the islands' output;

37. proposes revising the state aid rules applicable to the Mediterranean island region with a view to recognising its specific features and taking into account its handicaps;

38. stresses the need to develop *synthetic sustainability indicators* that incorporate, in a holistic way, economic parameters that are correlated with economic-environmental and economic-social indicators and that focus on biophysical conditions;

39. points out that, while Directive (EU) 2016/802 of the European Parliament and of the Council of 11 May 2016 relating to a reduction in the sulphur content of certain liquid fuels <sup>(4)</sup> aims to achieve important environmental protection goals, its application has led to a significant increase in the cost of maritime transport services, generating additional costs downstream, both for individuals and businesses on the islands. Therefore calls on the Commission to adopt temporary state aid derogations for regional and local island authorities that intend to play a role in the maritime transport sector;

#### **A new governance model for Mediterranean islands**

40. emphasises the importance of establishing multi-level governance to enable local, regional, state and supranational levels of governance in the Mediterranean Basin to move towards efficient and flexible management of natural resources in island regions;

41. calls on the European Commission to adopt a multiannual strategic plan for the sustainable economic, social and environmental development of the European Mediterranean islands, and take a consistent approach with regard to the European Neighbourhood Policy and the Euro-Mediterranean partnership;

42. encourages the Mediterranean islands to develop closer relations with each other that will promote exchanges of best practices and policies between the different areas, and to expand alliances such as 'Med Insulae', which was set up by Sardinia, Corsica, Gozo and the Balearic Islands;

43. emphasises how important it is for the island communities' economic and social models to implement integrated management of coastal waters that can boost and promote innovative 'coast-sea' interactions, and business models allowing the sustainable use of both island areas and the marine environment;

44. urges the European Commission and the Mediterranean states to devise and promote sea basin strategies <sup>(5)</sup> to improve cooperation and integration across the region and develop integrated management of coastal waters to take a more holistic approach to the Mediterranean Basin;

45. encourages the regions and states to define and develop international models to protect and manage particularly sensitive marine areas, such as those that exist under the International Maritime Organisation;

#### **Proper funding for the sustainable use of natural resources**

46. points out that isolation, limited size and vulnerability are three characteristics inherent to the Mediterranean islands that hinder their harmonious development within the EU and hamper their economic, social and territorial cohesion, directly and permanently affecting their ability to grow and progress;

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<sup>(2)</sup> This point is taken from the opinion *European Strategy for Coastal and Maritime Tourism*, rapporteur: Vasco Ilídio Alves Cordeiro (PT/PES) (<https://webapi2016.cor.europa.eu/v1/documents/cor-2014-02645-00-00-ac-tra-en.doc/content>).

<sup>(3)</sup> PLANISTAT EUROPE-BRADLEY DUNBAR ASS., *Rapport Final. 2000. CE. 16. O. AT. 118. Analysis of the island regions and outermost regions of the European Union*, European Union, March 2003.

<sup>(4)</sup> OJ L 132, 21.5.2016, p. 58.

<sup>(5)</sup> Such as the Initiative for the sustainable development of the blue economy in the western Mediterranean or the EU Strategy for the Adriatic and Ionian Region (EUSAIR).

47. calls for existing EU funding mechanisms to be tailored more to the actual circumstances of the Mediterranean islands;
48. asks the Member States and the European Commission to streamline and coordinate their multiannual plans to find solutions that will also improve cross-border cooperation between Mediterranean areas;
49. urges the European Commission to boost investment in research, development and innovation by increasing its public funds and promoting more private investment through public-private partnerships with a view to diversifying the economic activity and progress of the Mediterranean island regions;
50. calls on the European Commission to exempt the Mediterranean island regions from the 150-km limit in all cross-border cooperation programmes;
51. deems it necessary to include geoeconomic criteria in the system for allocating future cohesion policy funds, such as remoteness and insularity, which are permanent physical obstacles and hinder the sustainable development of the Mediterranean islands;
52. calls for more flexible thematic concentration requirements, taking into account not only state development levels but, above all, the economic, social and territorial reality of the Mediterranean island regions;
53. requests that the current ERDF and ESF co-financing rates be maintained and adjusted for areas with severe and permanent natural disadvantages so that these mechanisms are more geared towards the actual circumstances of Mediterranean islands;
54. requests that investment in infrastructure to improve airport, port and land transport and accessibility on the Mediterranean islands be eligible for support;
55. calls for a Mediterranean island subprogramme to be created as part of the future 2021-2027 Interreg MED programme, as a more efficient way of working with the EU funds allocated to the area's island regions;

### **Conclusions**

56. stresses that one of the principles of the EU is economic, social and territorial cohesion, with particular attention to be paid to island regions as set out in Article 174 TFEU;
57. welcomes the fact that, because a specific EU strategy has been developed for the outermost regions, these regions have special aid programmes that have enabled them to improve sustainable development;
58. emphasises the need to properly and effectively apply Article 174 TFEU with regard to the Mediterranean islands, in the same way that Article 349 TFEU was developed for the outermost regions;
59. urges the European Commission to devise a strategy for the Mediterranean islands that caters for their specific features and vulnerabilities, and to develop a stronger partnership between these regions, the Member States and the EU with specific, coordinated measures.

Brussels, 14 October 2020.

*The President*  
*of the European Committee of the Regions*  
Apostolos TZITZIKOSTAS

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**Opinion of the European Committee of the Regions – The renewal of the Leipzig Charter on Sustainable European Cities**

(2020/C 440/20)

<b>Rapporteur:</b> Juan ESPADAS CEJAS (ES/PES)
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## **POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS

### **From the Pact of Amsterdam towards a renewed Leipzig Charter**

1. notes the intrinsically different nature of European cooperation when it comes to urban issues: on the one hand, there is the renewed Leipzig Charter, which is directly related to national urban policies and will require greater political coordination at national, regional and local levels; on the other, the supranational dimension of the Urban Agenda for the EU, which has proven to be an innovative multilevel governance tool and helps involve cities in European policies;
2. welcomes the idea of renewing the Leipzig Charter during the German EU presidency in the second half of 2020, and supports the inclusive working method launched by the German government in order to involve as many actors as possible;
3. recalls that the Bucharest Declaration adopted by the ministers in charge of urban matters on 14 June 2019, recognised the need 'to develop a functional relationship between the New Leipzig Charter and the Urban Agenda for the EU, and the Territorial Agenda 2020+';
4. calls on the European Commission, in this regard, to show greater political commitment to the Urban Agenda for the EU and to incorporate it into its flagship initiatives, such as the Green Deal and digital initiatives. In order to implement the Green Deal, concrete actions will need to be strengthened in partnership with the local level, combining top-down approaches with key bottom-up approaches with a view to achieving targets year-by-year until 2050;
5. calls on the European Commission to establish a much closer link between its future Better Regulation Agenda and the Urban Agenda for the EU, so that the recommendations issued by urban partnerships are taken into account. To this end, territorial and urban impact assessments should be directly integrated into pre-legislative consultation mechanisms as well as forming part of the evaluation of European policies and administrative simplification (REFIT);
6. recalls the necessity to adapt the European Semester to better reflect the challenges for cities. The country-specific recommendations, together with Cohesion Policy, will be the main implementation tools for the Green Deal; the specific issues of urban areas such as affordable housing, growing inequalities and long term investments must therefore be reflected at the level of coordination of economic policies across the European Union and the strategies for smart specialisation, integrated urban development and for just transition should be harmonised at regional or local level by means of territorial tools like integrated territorial investment strategies;
7. calls on the European Commission to develop the concept of 'active subsidiarity' as an additional step in the process of strengthening dialogue with cities, as well as with metropolitan areas and regions, and linking the Urban Agenda for the EU with the Better Regulation Agenda. In this regard, synergies with the European Committee of the Regions' Network of Regional Hubs (RegHubs) should be strengthened;
8. supports the European Parliament's declaration of a climate emergency and recognises that achieving carbon neutrality demands a collective effort and specific measures at local level, where cities play a key role. 75 % of Europe's population lives in cities and some 70 % of CO<sub>2</sub> emissions in Europe come from cities. Cities are part of the problem, but a renewed Leipzig Charter should acknowledge cities' capacity as motors for change and as active players in implementing solutions to the global challenges of the 21st century;

9. considers that the renewed Leipzig Charter should be seen as a political opportunity, enabling cities to act as a benchmark for the practical implementation of various urban policies in all Member States, and thus helping to strengthen the credibility of the European project from the point of view of the people that are closest to it. The renewed Charter must also lead to monitoring of the Urban Agenda for the EU, as established by the Pact of Amsterdam (2016) and both must be part of the process of implementing the 2030 Agenda in local government in order to achieve the Sustainable Development Goals (SDGs). In this respect, local and regional authorities in the European Union are faced with a range of new, global challenges that can only be tackled through an integrated and multi-level approach, and EU support provides indispensable added value. To this end, the principles of the Leipzig Charter must be included in the Council conclusions of the German Presidency of the EU (second half of 2020), which will be adopted by the General Affairs Council and the European Council. The Leipzig Charter itself must be endorsed by the Member States, the cities and the European Committee of the Regions;

### **The transformative power of European cities to fast-track the 2050 targets**

10. points out that a proper balance must be ensured between the three proposed dimensions for European cities: increasing productivity and wealth and employment creation in cities and their regions, distributing this wealth more fairly among citizens, while at the same time improving the quality of our environment and taking advantage of the opportunities provided by urban living;

11. considers it important to promote the work carried out by the various urban partnerships and to build bridges between the current Urban Agenda for the EU and the future renewed Leipzig Charter; Examples of this are the work carried out by partnerships such as the Urban Academy on Integration, or the Committee of the Regions' 'Cities and Regions for Integration' initiative, which provides a platform for EU mayors and regional presidents who want to highlight best practices;

12. recalls that regions and cities are at the forefront when it comes to welcoming and integrating migrants and refugees in Europe. Therefore, the CoR asks that the new European Urban Initiative proposed by the European Commission provide sufficient funding to support the partnership 'Inclusion of Migrants and Refugees' and the CoR initiative 'Cities and regions for integration' and make a difference for Europeans in their cities;

13. considers that, in order to achieve the goals set by the Paris Agreements and the Covenant of Mayors on climate change, one of the main objectives of the renewed Leipzig Charter should be to promote innovative mobility, by combining the use of private electric vehicles in cities with encouraging an alternative, multi-modal, low-emission form of mobility based on sustainable public transport like biking and walking, together with both sustainable land-use policies that seek to contain urban growth, and sustainable energy efficiency improvement of the European housing stock;

14. considers still of the utmost importance that the European Commission, through the Urban Agenda, and the Member States, through the Leipzig Charter, support, with financial incentives, the development of sustainable urban mobility plans as the CoR already requested in 2010 in its opinion on an Action plan on urban mobility;

15. similarly, it is necessary to consider the important topic of the energetic rehabilitation of the housing stock, together with the network of business and industrial workplaces and buildings;

16. reiterates its request for an action plan at European level in favour of affordable housing in Europe;

17. considers that efforts to achieve the UN Sustainable Development Goals in urban areas provide a strategic framework for improving the quality of people's lives, which must be taken into account by cities and regions when developing their policies. Cities, as the administrative layer closest to the public, implement policies that affect the social conditions of urban areas and are key to improving compliance with the Sustainable Development Goals, in particular Goal 11, which is focused on cities, and Goal 17, which advocates alliances between governments, the private sector and civil society;

18. notes that waste management and integral management of the water cycle, management of emissions and industrial waste, reduction of consumption and better energy exploitation, together with the production of clean, zero-carbon energy, management of the impact of extreme weather events, development of green corridors and promotion of biodiversity are key to improving the sustainable development of urban areas. The promotion of the circular economy must be driven by local administration in order to transform our production model and generate new green jobs that support the paradigm shift that will lead us to the city of the future. This paradigm shift cannot happen without training programmes at local and regional level to adapt jobs to the green transition;

19. considers that boosting biodiversity and reintroducing nature to urban spaces by means of green infrastructure and nature-based solutions, thereby fostering ecological connectivity and landscape quality both within cities themselves and between cities and their immediate surroundings, is crucial to coping with some of the alterations and impacts generated by global change;

20. stresses the importance of promoting inclusive cities that take into account the fight against social inequalities, the digital divide, the current ageing of the European population and demographic changes such as depopulation in some areas. This inclusive dimension must also incorporate actions aimed at improving access to affordable housing, ensuring universal accessibility, fighting energy poverty, effectively integrating migrants into the host population, and reconciling the mobility of people, especially young people, between Member States with the creation of career development opportunities in countries with lower *per capita* income. It must also ensure access to a health protection and care system and to a system of guaranteed nutrition, including water supply and sanitation, which are basic needs of the entire population. These systems must take account of the circumstances of each individual or group with regard to the ability to meet the costs entailed;

#### **Principles underpinning the renewed Leipzig Charter**

21. agrees with the following operating principles for the renewed Leipzig Charter: integrated approach; place-based approach; and multi-level governance and participation and co-creation. They all relate to the principles guiding the EU's cohesion policy;

22. points out that it is crucial for the future Leipzig Charter to be familiar to cities and municipalities across the European Union and for its principles to define the general framework for national, regional and local urban policies and strategies, as well as the corresponding European initiatives, in particular those with funding that could be set up *ex novo* within the framework of the Green Deal;

23. while acknowledging the flexibility needed to tailor the objectives of the Urban Agenda for the EU to the realities of each territory, supports the proposal to take action at neighbourhood scale, as this could be an appropriate way of addressing global challenges from the local level. However, each level of governance should take on its share of responsibility and competence in relation to urban challenges (air quality, housing, digitalisation, financing instruments), in full respect of the principles of subsidiarity and proportionality;

24. agrees that functional urban areas or metropolitan areas are recognised in the renewed Leipzig Charter as spaces that contribute to implementing an integrated territorial approach and achieving a balanced territorial development that is consistent with EU strategies. Recommends acknowledging functional urban areas and metropolitan areas that have their own institutional framework as well as those that have used cohesion policy to boost working dynamics at metropolitan level as the CoR mentioned in 2019 in its opinion on The challenges of metropolitan regions and their position in the future cohesion policy post-2020;

25. likewise agrees with the principle of participation and co-creation and calls for the renewed Leipzig Charter to take account of the different types of urban settlement, respecting the cultural and administrative context and particular powers of each Member State. Moreover, it is crucial that the renewed Leipzig Charter ensures that citizens can take part in framing and evaluating urban policies that affect them, including citizens living in the hinterland of urban or metropolitan areas;

### **Empowering cities to address global challenges**

26. indicates that 2020 has been devastated by the COVID-19 pandemic. Cities and regions have had to serve as bulwarks against the health crisis, which has now become a social and economic crisis. In consequence, cities and regions must be at the heart of managing the recovery fund, and they need greater European financial support so they can continue to show that they are finding solutions to the problems caused by the pandemic;

27. calls for an ambitious and practical roadmap to be put forward enabling cities to implement the renewed Leipzig Charter, as well as for local urban agendas to be used within the framework of the SDGs, particularly in relation to the 6 % ERDF reserve earmarked for integrated sustainable urban development (ISUDS). In addition, the European Structural and Investment Funds should finance the implementation of the SDGs by cities and regional governments at the local level, in particular with regard to sustainable mobility and public transport policies, as well as renovating buildings to combat energy poverty, ensuring universal accessibility, countering social vulnerability and promoting social inclusion in disadvantaged parts of any urban areas. Local authorities must be able to manage the funds allocated to states and regions more quickly and directly. Boosting training efforts in conjunction with the academic world and the business sector is a precondition for achieving this goal;

28. calls on the European Commission to develop a new common frame of reference with shared terminology, indicators and methodology that can facilitate coordination between administrations, mutual learning and benchmarking between territories, with a view to following up on investments and achievements by the numerous national, regional and local urban agendas. Likewise, cities should be involved in preparing the budgets for their development;

29. calls on the European Commission to take into account the fact that the ambitious social and ecological transformation policies that are advocated by the Green Deal should be prioritised and implemented by means of concrete actions in urban and regional areas, so that the associated investments do not count towards the public deficit of the Member States and are not subject to constraints regarding the ceiling for expenditure imposed by the Member States on local government within the budgetary stability and deficit control programmes currently in force;

30. welcomes the recognition in the renewed charter of the essential role played by urban spatial planning in order to achieve sustainable urban development and especially the focus on the reduction of land-take, mixity of functions for new forms of production, diversification of production and new forms of living, affordable housing, and the use of public land-use policies;

31. believes that digital transformation should lead to better 'digital cohesion' in Europe, both for its citizens and for its territories. We need to shift the perspective from a technology-dominated approach towards a more citizen-centred approach, as set out in the Declaration 'JOIN, BOOST, SUSTAIN: join forces to boost sustainable digital transformation in cities and communities in the EU'. We need to move towards a more holistic conception of the digital city where digital innovation is a means and not an aim driven by the entrepreneurial capacity of the public sector and by private companies that provide solutions which are adapted to existing and new technology. While digitalisation provides good opportunities for cities and their citizens, there is also a need to help cities to better anticipate and tackle the negative side-effects of digitalisation processes;

32. proposes that the renewed Leipzig Charter encompass the need to implement, within the framework of the smart specialisation strategies prepared at regional level under cohesion policy, local smart specialisation processes and integrated agendas for economic and territorial change, enabling the development of smart cities and smart villages;

33. considers that cities, including small and medium sized towns are key actors in tackling Europe's great social and environmental challenges (health, nutrition, energy, transport, climate change, biodiversity, inclusion and security). It is however crucial to modernise the role of the local public sector in economic development, based on an approach to fostering entrepreneurship that seeks to provide a role for this sector in the face of the new challenge of global governance;

34. welcomes in this regard the fact that the new Structural Reform Support Programme (SRSP) falls within the remit of the Commissioner for Regional Policy, as this should enable the SRSP and its proposed budget for 2021-2027 to become the main tool for improving the institutional capacities and structural reforms of cities in all those aspects that are not eligible for Structural Funds;

35. points out that a major part of the added value of the Urban Agenda for the EU lies in its support for the exchange of know-how on urban issues between European, national, regional and local institutions, which is seen as a mechanism for exchanging best practices;

36. also considers that it is necessary for the renewed Leipzig Charter to include sustainable urban development mechanisms and methods that already exist around the EU but are usually unconnected to each other, as in the case with the EU initiative on Smart Cities and Communities, the Covenant of Mayors for Climate and Energy and the Reference Framework for Sustainable Cities, among others;

### **An enhanced Urban Agenda for the EU that supports the new Leipzig Charter**

37. notes that the three pillars of the Urban Agenda for the EU are better regulation, better funding and better knowledge, as identified by the Pact of Amsterdam, and that the principal aim is to implement the process of applying these pillars. It is also necessary to develop the role of the various stakeholders;

38. underlines the need to strengthen the urban-rural linkages and address all urban areas along with their surroundings, including their often rural functioning areas, in order to achieve a more holistic and integrated approach and offering development opportunities for all living in the urban or metropolitan area;

39. considers that the efforts made by all cities and local authorities involved in the 14 urban thematic partnerships should be recognised in the renewed Leipzig Charter. Moreover, the willingness of some partnerships — such as those on migration and refugees, and on urban mobility — to continue working beyond the three-year period should be welcomed as a clear sign of the success of the Urban Agenda for the EU. However, the necessary resources must be ensured, as must the impact and consistency of future initiatives;

40. proposes a list of practical recommendations for overcoming these challenges and improving the implementation of the Urban Agenda:

- the membership of future partnerships must be established in a fully transparent way, with the involvement of cities and based on the size of the city as set out in the renewed Leipzig Charter. Likewise, actions should be grouped around the three pillars: better regulation, better funding and better knowledge;
- the current list of cross-cutting themes is still valid and could be implemented by means of pilot actions in which a member of each partnership would be involved, striking a balance between European institutions and national, regional and local governments. It is essential here that Commission departments and Member-State ministries be more closely involved in thematic partnerships, particularly at the start of a new partnership. This would enhance the much-needed sense of ownership on the part of the Commission and Member States;
- synergies need to be strengthened between the different actions of the future partnerships, with the aim of avoiding a silo approach and coordinating the implementation of the actions;
- one way of strengthening political support at local level could be to organise a summit of local governments involved in the Urban Agenda, which would act as ambassadors and would be able to contribute to political discussions with the European Commission and the Member States;
- under the better regulation pillar, the European Commission should undertake to consider recommendations arising from urban partnerships. In this regard, partnerships could organise workshops in which professionals address specific changes to EU directives, regulations and policies; the outcome of the partnerships should be regularly presented and discussed in the European Parliament and the Council so that it is given greater consideration in European lawmaking;

- the Multiannual Financial Framework 2021-2027 and the European Urban Initiative proposed by the European Commission under the future ERDF Regulation should guarantee stable funding to cover the operational costs of cities participating in the Urban Agenda for the EU;
- Eurostat should be more involved in the work of partnerships which could encourage a debate on qualitative data available at regional, functional urban area and local level, as well as on the production of such data;
- the Urban Agenda and partnerships should also be better integrated with the work of the Joint Research Centre (JRC) and its Knowledge Centre for Territorial Policies in Seville, on projects such as the 'Future of Cities' report, or Urban Data Platform Plus;
- in addition to the Structural Funds and with a view to the post-2020 programming period, the European Commission could also consider developing a financial programme with pilot actions for the development of proposals arising within the framework of the urban partnerships;
- the European Commission should launch a communication campaign to disseminate the results of the Urban Agenda for the EU, including better communication of the benefits of these partnerships on the Futurium online platform. It should also invest in knowledge production, disseminating best practices, guides, tools and roadmaps developed under the Urban Agenda for the EU;

### **Follow-up to the implementation of the renewed Leipzig Charter**

41. calls on the German Presidency of the EU to officially recognise the role of the Committee of the Regions in the renewed Leipzig Charter, in line with the Pact of Amsterdam, which invites the Committee of the Regions, 'as the Union's advisory body formally representing regions and municipalities at EU level, to contribute to the further development of the Urban Agenda for the EU';

42. proposes that the Member States — or the governance level responsible for urban policy when it is not a national level competence — produce reports every three years on how they have integrated the Leipzig Charter into their national or regional urban policies in cooperation with the European Commission, highlighting how European policies and funding, in particular cohesion policy, have facilitated the achievement of the principles and objectives of the Charter;

43. highlights the importance of the European Commission continuing to play a significant role in coordinating and applying the Urban Agenda for the EU and the Leipzig Charter. In this regard, it is worth recalling the suggestion to appoint the vice-president for interinstitutional relations and foresight as coordinator of the Urban Agenda, which would also ensure a close link with the Better Regulation Agenda. Coordination in this area would also counter the fragmented vision of cities and the urban dimension of policies arising from the specialist outlook of the individual directorates-general;

44. in order to ensure that the Leipzig Charter is, as far as possible, binding on the EU, the Member States and local and regional authorities, calls for the mandatory conclusions of the General Affairs Council to be adopted following the adoption of the renewed Leipzig Charter by the Informal Council of Ministers of Urban Development on 30 November 2020. This should be combined with a call for future Council presidencies to continue the debates on the Urban Agenda in their respective work programmes.

Brussels, 14 October 2020.

*The President*  
*of the European Committee of the Regions*  
Apostolos TZITZIKOSTAS

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**Opinion of the European Committee of the Regions – A New Industrial Strategy for Europe**

(2020/C 440/21)

<b>Rapporteur:</b>	Jeannette BALJEU (NL/Renew E.), Member of the Council of the Province of South Holland
<b>Reference document:</b>	Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions: A New Industrial Strategy for Europe  COM(2020) 102 final

**POLICY RECOMMENDATIONS**

## THE EUROPEAN COMMITTEE OF THE REGIONS

1. underlines that industry is vitally important for European regions and cities and for the tens of millions of jobs it creates and by its nature operates in a global context where trade is an important driver of growth which brings both benefits and challenges;
2. welcomes the European Commission's Communication on the new Industrial Strategy for Europe <sup>(1)</sup> and its focus on industrial ecosystems; stresses that these ecosystems are often regional and that these are often linked to other regional ecosystems through supply chains or knowledge exchange networks; underlines that a new Industrial Strategy for Europe should therefore be based on multi-level governance where each level is given clear responsibilities and resources for implementation, and stresses that the support of all stakeholders is necessary to reach the goals of the dual transition to a green and digital industry;
3. believes that it is only with a strong, effective contribution from industry that the Green Deal can really develop its full strength as a European growth strategy;
4. underlines that the new EU Industrial Strategy therefore needs to reinforce the place-based dimension in order for regions and cities, as the governments closest to citizens and ecosystems, to take ownership of the twin green and digital transitions of their industry, with due regard for the ongoing training and upskilling that workers will need, given the possible risk of exclusion as a result of the transition;
5. welcomes the review of the Industrial policy, announced for the first half of 2021 by the European Commission President Ursula von der Leyen in her SOTEU speech on September 16; given the unprecedented disturbance of production and supply chains such a review should build on the experience and lessons learned, urges that the review must include a stronger territorial component in order to make the European industry truly resilient and future-proof;
6. underlines that regional and local authorities have important competences in policy areas that impact on industrial development and can mobilise a wide range of instruments to enable the implementation of a holistic and ambitious EU industrial policy strategy aimed at ensuring economic resilience at a time of structural change; requests that the Commission include the local and regional level in the future designing of the new EU Industrial Strategy;
7. stresses that regions are able and willing to lead by example in testing new approaches and tools to achieve the green, digital transition, and help to strengthen regional clusters that are the building blocks of strong European Innovation Ecosystems, where interregional collaboration between actors helps to build European value chains; the framework conditions on the part of the EU create a level playing field for the internal market;

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<sup>(1)</sup> COM(2020) 102 final.



8. is convinced that it will not only be necessary to stabilise supply and production chains for medical devices, medical material and drugs, but also to realign them into a fully operational ecosystem;
9. stresses that Europe is facing an unprecedented pandemic with serious consequences that could trigger a global economic crisis; urges that the recovery must be in harmony with green, digital and social conditions;
10. welcomes the European Parliament Resolution <sup>(2)</sup> on EU coordinated action to combat the COVID-19 pandemic and its consequences; supports the Commission in its objective of designing a new EU Industrial Strategy in an effort to achieve a more competitive and resilient industry when contending with global shocks, calls on the Commission to make 'reinforcing the single market' a priority;
11. proposes using a two-stage industrial strategy, the first stage concentrated on the survival of industry, the second on the reconstruction and renewal phase for a green, decarbonised and more digitised economy; underlines that these stages need to build in the concept of 'regional resilience': 'to enhance the ability of regions to withstand, absorb or overcome internal or external economic shock' <sup>(3)</sup>;
12. confirms the goal for Europe to embark on a prompt and consistent transition towards climate neutrality and digital leadership; underlines that the Green Deal has to be included at the core of the new EU Industrial Strategy to reach these goals; stresses the importance of the regional and local dimension; believes that creating and development of the new markets for climate-neutral and circular products should remain the main objective of the Industrial Strategy for Europe;
13. stresses that the goal to meet climate neutrality objectives must be achieved on a local and regional scale and that the transition will have the greatest effect on energy-intensive regions;
14. notes that energy-intensive primary industries, which are dependent on trade and create value and employment locally, need a level playing field for all domestic and third-country market operators on competition policy grounds. This concerns not just trade policy but also EU climate protection and energy policy provisions. The many EU plans and legislative measures must above all provide adequate protection against carbon leakage for primary industries; and considers an effective CO<sub>2</sub> emission price as necessary for the competitiveness of renewable energies;
15. welcomes the Commission proposal for a Just Transition Mechanism <sup>(4)</sup> which will mobilise up to EUR 100 billion to ensure a fair transition for carbon-intensive regions as they continue to transform their industries and economies;
16. welcomes the new Circular Economy Action Plan <sup>(5)</sup> which puts forward a series of measures to allow the EU's industries to seize the opportunities of a more circular and bio-based approach that will ensure a cleaner and more competitive industry by reducing environmental impacts, alleviating competition for scarce resources and reducing production costs; it can further reduce the dependency on energy and resource imports; underlines the importance of the transition to a bio-based and circular economy also for employment, and of a sustainable built environment as a key element of that transition;
17. underlines that the new EU Industrial Strategy should be an inclusive strategy; advocates including the group of innovation followers that struggle to keep up with the changes and bringing them along <sup>(6)</sup>;

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<sup>(2)</sup> [https://www.europarl.europa.eu/doceo/document/TA-9-2020-0054\\_EN.pdf](https://www.europarl.europa.eu/doceo/document/TA-9-2020-0054_EN.pdf)

<sup>(3)</sup> ECR2: Economic Crisis: resilience of regions: [www.espon.eu/programme/projects/espon-2013/applied-research/ecr2-economic-crisis-resilience-regions](http://www.espon.eu/programme/projects/espon-2013/applied-research/ecr2-economic-crisis-resilience-regions)

<sup>(4)</sup> COM(2020) 22 final.

<sup>(5)</sup> COM(2020) 98 final.

<sup>(6)</sup> A geographically fair EU Industrial Strategy: [https://wms.flexious.be/editor/plugins/imagemanager/content/2140/PDF/2019/Geographically\\_fair\\_EU.pdf](https://wms.flexious.be/editor/plugins/imagemanager/content/2140/PDF/2019/Geographically_fair_EU.pdf)

18. stresses the need for a real single market for services to help facilitate the servitisation of industry; emphasises the role of regional authorities in facilitating the localisation of industry that results from this shift and from disruptive technologies; stresses that supply chains in circular manufacturing will be more concentrated on a regional scale;

19. agrees therefore that businesses should adapt their business models and develop new forms of work fit for the digital and sustainable age; emphasises that accelerated growth comes from start-ups as well as from established firms; asks the Commission to provide assistance for innovation uptakes and to provide a framework in which clusters of firms can learn from each other, with or without assistance from entrepreneurship consultants, intermediaries or regional development agencies;

20. underlines the relevance of investing in R&D and innovation and ensuring that this investment is converted into marketable products and services and productivity-enhancing industrial processes that take account of the EU's objective of achieving climate neutrality by 2050;

21. acknowledges the importance of standardisation and certification, especially for new products, processes and services speeding up the transition to a green, digital and resilient economy; asks the Commission to ensure that SMEs are involved and taken on board in the standardisation process;

22. welcomes the ambition to create lead markets in clean technologies in the entrepreneurial spirit of the strategy, and agrees that 'those who move first and fastest will hold the greater advantage'; stresses that regional ecosystems offer the best environment to innovate because of the high level of trust offered to opportunity-driven entrepreneurs;

23. agrees that Europe must pool its strengths to do collectively what no one can do alone; stresses that interregional cooperation aimed at stimulating and facilitating interregional value chains based on 'smart complementarities' between regional cross-sectoral ecosystems linked to the transition to a green, digital and resilient economy, as is done in the regional Smart Specialisation Strategies, are essential for that; stresses that Regional Smart Specialisation Strategies are the best tool available to enable cooperation within regional ecosystems and with other regional ecosystems with complementary skills, thus enabling Europe-wide value chains and innovation pathways to be created;

24. underlines the need for a clear monitoring and evaluation system as recommended in the Smart Specialisation Strategies; stresses that this should be carried out at all three levels: EU, Member States and regions should evaluate every two years; suggests that the Commission include this in the European Semester and link it to the National Reform Plans for Member State level; suggests that regions include this evaluation as a learning tool supporting a more diagnostic monitoring, checking on progress and facilitating problem-solving; suggests that the Regional Innovation Scoreboard could be accompanied by recommendations on EU tools that can contribute to the improvement of indicators;

25. supports the Commission in the development of an ambitious EU cluster policy; stresses the importance of linking regional clusters and networks from different regions; asks the Commission to support these interregional networks as complementary to the matchmaking on an individual level in the Enterprise Europe Network and the European Cluster Collaboration Platform; suggests making the EU cluster policy an integral part of the new EU Industrial Strategy;

26. underlines that cohesion policy should be an important instrument for implementing a place-based approach to industrial development to account for the regionally divergent impacts of the transition to a carbon neutral economy, and calls for the development of suitable objectives and support instruments in the context of planning for the next phase of cohesion policy;

27. acknowledges that regions need strategic guidance for this industrial transition in order to efficiently and effectively recognise current gaps in their industrial transition readiness; therefore asks the Commission to help develop tools which can provide a clear roadmap for regions with a tailor-made approach to secure industrial leadership; such a tool should be complementary to the new EU Industrial Strategy and should help regions to target related cohesion policy investments in the post-2020 programming period;

28. stresses the potential role of public administrations in innovation-oriented green public procurement, for instance with respect to sustainable and smart mobility or in the construction industry, and the need to minimise the risks involved for regional governments;

29. regrets that the implementation of the Sustainable Development Goal (SDG) 9 on building resilient infrastructure, promoting inclusive and sustainable industrialisation and fostering innovation has only produced moderate progress. In particular, the EU gross domestic expenditure on R&D in relation to GDP has stabilised at slightly above 2,0 % <sup>(7)</sup>; stresses the slow rate of adoption and dissemination of innovations in Europe; points out that many innovations in industry revolve around new business models combining digital technology and service concepts; emphasises that regions have an important role to play when it comes to speeding up adoption and dissemination of innovations, for instance through the European network of Digital Innovation Hubs, pilot plants and field labs; stresses the need for the new tool as proposed in the Interreg Regulation for Interregional Innovation Investments;

30. asks the Commission to support European industry, in particular in energy-intensive regions, in the transition towards climate neutrality by 2050 and to set ambitious yet realistic medium and long-term sectoral targets that are in line with the European Green Deal and the Paris agreement to provide roadmaps to reach them in cooperation with regional and local stakeholders, and stresses the importance of a transition that is fair for businesses and citizens, as stated in the Just Transition Mechanism;

31. calls for the European Innovation Council to help the scale-up of all fast growing businesses, not just start-ups; underlines that the very fast growing SMEs are not new companies but established companies that have found a new way to grow through digitalisation and/or by making their product, process or service more sustainable;

32. agrees that Europe should make the most of economies of scale, speed and scope, but would like to stress that the role of regions is not just to offer an arena for place-based innovations but also for 'cooperating regions' to help galvanise the rich variety of competences in Europe into interregional value chains that can compete against larger companies outside Europe; asks the Commission to further enable interregional value chain cooperation by ensuring funding for interregional industrial demonstration cases;

33. underlines the need for higher and vocational education to become more suited to the digital age; stresses the role that Digital Innovation Hubs can play not only in speeding up and disseminating innovations, but also in training the workforce for the industry of the future; stresses the need to make these hubs accessible to SMEs; encourages the Commission to give more support for capacity building and exchanges of experience as is being done for example in the call for 'Centres of Vocational Excellence' (COVE);

34. supports the need for a Pact for Skills; asks the Commission to include the regions as an important partner in such a pact; underlines that the regional scale is the best organised level to coordinate upskilling and reskilling and ensure the mobility of employees from sectors in decline to sectors in ascent, and the importance of equal access to retraining for employees as well as managers and entrepreneurs as a result of the effects of the COVID-19 epidemic;

35. acknowledges the potential of the IPCEIs and alliances; requests that the Commission make them more inclusive by allowing regions and SMEs to participate; in this respect, underlines the potential of cooperation between the public and private sector and forming industrial alliances, such as in the area of battery technology, plastics and microelectronics, to help technological development and secure financing;

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<sup>(7)</sup> Eurostat SDG implementation report of 22 June 2020.

36. acknowledges the geopolitical risks of foreign investment and an overdependence on 'global' supply and value chains; asks the Commission to enrich the strategy with measures to help cope with the current COVID-19-induced crisis and to prepare for new pandemics in the future to ensure the resilience of Europe's society and economy, for instance by preparing for alternative European supply chains for medical supplies based on low costs and frugal innovations in case of new pandemics or serious epidemics;

37. pleads for a European legal framework on artificial intelligence (AI), robotics and related technologies<sup>(8)</sup> that addresses ethical principles and fundamental rights in their development, deployment and use, as well as safety and liability questions. The innovation and competitiveness of Europe's industry will require a horizontal framework that reflects the values and principles of the European Union. It will provide concrete guidance and legal certainty to citizens and businesses alike — including those located outside of Europe. Currently, the lack of clear safety and liability provisions contribute to legal uncertainty for consumers and businesses that produce and market products involving AI as well as for the citizens that use AI applications;

38. underlines the importance of the Circular Economy Action Plan as this is providing the impetus for geographically shorter supply chains; stresses that the circular economy impacts almost every type of cluster and industry; despite ongoing efforts to transform traditional economic and business models, many SMEs are not ready for this shift, many are willing to act but do not know how; underlines that smaller companies face disadvantages when embracing circularity, given their limited capacities, resources, time and available knowledge to invest and deal with the related administration and compliance with regulations and standards; asks the Commission for more favourable policies to boost the circular shift; asks the Commission to adapt legislation to enable this shift rather than hinder it; in this respect the circular economy would benefit from a single market for waste;

39. calls for re-negotiating the Energy Charter Treaty (ECT) to promote sustainable energy investments and align it with the Paris agreement. The re-negotiation should also confirm the 'right to regulate' of the signing States and their public authorities;

40. supports the introduction of a WTO-compatible carbon border adjustment mechanism that enhances climate action on a global scale and protects industries from unfair competition; calls for the proposals for new EU's own resources to ensure simplicity and transparency, while safeguarding national competencies;

41. believes that in order to maintain technological leadership and gain digital and technological sovereignty, the EU and its Member States should retain the right to block hostile takeovers of strategic EU companies by non-EU state or state-backed actors, and asks the Commission to reform the competition policy in order to maintain a vital European single market while strengthening the position of EU-based companies in world markets;

42. agrees that we must step up investment in innovation; asks the Commission to promote a culture in which failure is accepted; underlines that failure in innovation can be very valuable as a way to learn how to succeed, but only if companies get the opportunity for a second chance to apply the lessons learned about the pathways that are not viable; therefore asks the Commission to facilitate the dissemination of lessons learned between regional clusters and networks;

43. asks the Commission to provide assistance to regions helping businesses to find suitable European partners if they wish to diminish their dependence on global supply and especially value chains, as regions can help locate partners and facilitate matchmaking;

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<sup>(8)</sup> See CoR opinion on the White Paper on Artificial intelligence by Guido Rink (PES/NL): <https://cor.europa.eu/EN/our-work/Pages/OpinionTimeline.aspx?opId=CDR-2014-2020>

44. asks the Commission to also take applications of key digital technologies like quantum computing in strategic sectors into account as part of the strategic digital infrastructure; underlines that these applications are essential for Europe's digital transformation, to ensure maximum economic and social impact; without applications, digital technologies are solutions looking for a problem, while companies are looking for ways to seize business opportunities;
45. underlines the importance of the involvement of regional governments and regional clusters or networks in alliances, and requests that regional governments, or at least a representative of the Committee of the Regions, be part of the Industrial Forum, especially in analysing the risks and needs of industry when it comes to industrial ecosystems, which, in the opinion of the Committee of the Regions, are made up of 'regional' ecosystems for entrepreneurship and innovation;
46. reiterates its calls for strengthened EU support for regional ecosystems and clusters in the framework of Interregional Innovation Investments, the compatibility with the Green Deal should be considered and building on the Smart Specialisation approach and enlarging and broadening existing initiatives such as the Smart Specialisation Platform on industrial modernisation and the pilot initiative on regions in industrial transition; also considers it important to develop instruments for implementing collaborative interregional industrial investment projects in close collaboration with regions and Smart Specialisation partnerships;
47. underlines that the twin transitions will only be successful if all stakeholders are equally involved in the revised EU Industrial Strategy, argues that clear communication and open dialogue with all stakeholders is crucial as the scale of the transformation facing both industry and society requires urgent action, a shared vision and integrated solutions among all stakeholders and at all policy levels, as only a multi-level governance approach can ensure that the stakeholders get on board with economic policy decisions of such magnitude;
48. calls on the Commission to introduce measures aimed at companies adapting their production, as a need arising from the COVID-19 pandemic and thus from the changing needs of society;
49. calls on the Commission to include regions and cities in the process of designing a new Industrial Strategy for Europe, reiterates that regions and cities are willing and able to lead by example in shaping the place-based dimension of the twin transitions European industry is facing.

Brussels, 14 October 2020.

*The President*  
*of the European Committee of the Regions*  
Apostolos TZITIKOSTAS

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## III

(Preparatory acts)

## COMMITTEE OF THE REGIONS

INTERACTIO - HYBRID - COR 140TH PLENARY SESSION, 12.10.2020-14.10.2020

## Opinion of the European Committee of the Regions – EU4Health Programme

(2020/C 440/22)

**Reference document:**

Proposal for a Regulation of the European Parliament and of the Council on the establishment of a Programme for the Union's action in the field of health — for the period 2021-2027 and repealing Regulation (EU) No 282/2014 ('EU4Health Programme')

## I. RECOMMENDATIONS FOR AMENDMENTS

## Amendment 1

Recital 6

Text proposed by the European Commission	CoR amendment
<p>While Member States are responsible for their health policies, they are expected to protect public health in a spirit of European solidarity. Experience from the ongoing COVID-19 crisis has demonstrated that there is a need for a further firm action at Union level to support cooperation and coordination among the Member States in order to improve the prevention and control of the spread of severe human diseases across borders, to combat other serious cross-border threats to health and to safeguard the health and well-being of people in the Union.</p>	<p>While Member States are responsible for their health policies, they are expected to protect public health in a spirit of European solidarity, <b>as also provided for in Article 222 TFEU, which stipulates that the Union and its Member States shall act in a spirit of solidarity.</b> Experience from the ongoing COVID-19 crisis has demonstrated that there is a need for a further firm action at Union level to support cooperation and coordination among the Member States <b>and local and regional authorities and, where necessary, public institutions,</b> in order to improve the prevention and control of the spread of severe human diseases across borders, <b>to support the development of and make available the products needed to prevent and treat disease,</b> to combat other serious cross-border threats to health and to safeguard the health and well-being of people in the Union.</p>

**Reason**

It is important to highlight the spirit of solidarity among Member States in the field of health.

**Amendment 2**

## Recital 10

Text proposed by the European Commission	CoR amendment
<p>Due to the serious nature of cross-border health threats, the Programme should support coordinated public health measures at Union level to address different aspects of such threats. With a view to strengthen the capability in the Union to prepare for, respond to and manage health crisis the Programme should provide support to the actions taken in the framework of the mechanisms and structures established under Decision No 1082/2013/EU of the European Parliament and of the Council and other relevant mechanisms and structures established at Union level. This could include strategic stockpiling of essential medical supplies <b>or</b> capacity building in crisis response, preventive measures related to vaccination and immunisation, strengthened surveillance programmes. In this context the Programme should foster Union-wide and cross-sectoral crisis prevention, preparedness, surveillance, management and response capacity of actors at the Union, national, regional and local level, including contingency planning and preparedness exercises, in keeping with the 'One Health' approach. It should facilitate the setting up of an integrated cross-cutting risk communication framework working in all phases of a health crisis — prevention, preparedness and response.</p>	<p>Due to the serious nature of cross-border health threats, the Programme should support coordinated public health measures at Union level to address different aspects of such threats. With a view to strengthen the capability in the Union to prepare for, respond to and manage health crisis the Programme should provide support to the actions taken in the framework of the mechanisms and structures established under Decision No 1082/2013/EU of the European Parliament and of the Council and other relevant mechanisms and structures established at Union level. This could include strategic stockpiling of essential medical supplies, <b><i>promoting investment in the production of devices and pharmaceutical products to combat pandemics and other public health scourges in order to ensure European sovereignty</i></b>, capacity building in crisis response, <b><i>or support for the development by Member States of a statistical protocol making it possible to compare data on the impact of pandemics at NUTS 2 level</i></b>, preventive measures related to vaccination and immunisation, or strengthened surveillance programmes. In this context the Programme should foster Union-wide and cross-sectoral crisis prevention, preparedness, surveillance, management and response capacity of actors at the Union, national, regional and local level, including contingency planning and preparedness exercises, in keeping with the 'One Health' approach. It should facilitate the setting up of an integrated cross-cutting risk communication framework working in all phases of a health crisis — prevention, preparedness and response.</p>

**Reason**

There must be major investment in the production of devices and pharmaceutical products to combat pandemics.

Furthermore, there is a need for greater sharing of statistical data among Member States.



**Amendment 3**

## Recital 12

Text proposed by the European Commission	CoR amendment
With a view to protect people in vulnerable situations, including those suffering from mental illnesses and chronic diseases, the Programme should also promote actions which address the collateral impacts of the health crisis on people belonging to such vulnerable groups.	With a view to protect people in vulnerable situations, including those suffering from mental illnesses and chronic diseases ( <b>including obesity</b> ), the Programme should also promote actions which address the collateral impacts of the health crisis on people belonging to such vulnerable groups. <b><i>In order to ensure high standards for essential health services, the Programme should encourage, particularly in times of crisis and pandemic, the use of telemedicine.</i></b>

**Reason**

Telemedicine must be further developed, so that it becomes an effective tool in times of crisis and pandemic.

## Amendment 4

## Recital 15

Text proposed by the European Commission	CoR amendment
<p>Experience from the COVID-19 crisis has indicated that there is a general need for the support to structural transformation of and systemic reforms of health systems across the Union to improve their effectiveness, accessibility and resilience. In the context of such transformation and reforms, the Programme should promote, in synergy with the Digital Europe Programme, actions which advance digital transformation of health services and increase their interoperability, contribute to the increased capacity of health systems to foster disease prevention and health promotion, to provide new care models and to deliver integrated services, from the community and primary health care to the highly specialised services, based on people's needs and ensure an efficient public health workforce equipped with the right skills, including digital skills. The development of a European health data space would provide health care systems, researchers and public authorities with means to improve the availability and quality of healthcare. Given the fundamental right to access to preventive healthcare and medical treatment enshrined in Article 35 of the Charter of Fundamental Rights of the European Union and in view to the common values and principles in European Union Health Systems as set out in the Council Conclusions of 2 June 2006 <sup>(12)</sup> the Programme should support actions ensuring the universality and inclusivity of health care, meaning that no-one is barred access to health care, and those ensuring that patients' rights, including on the privacy of their data, are duly respected.</p> <p><sup>(12)</sup> Council Conclusions on Common values and principles in European Union Health Systems (OJ C 146, 22.6.2006, p. 1).</p>	<p>Experience from the COVID-19 crisis has indicated that there is a general need for the support to structural transformation of and systemic reforms of health systems across the Union to improve their effectiveness, accessibility and resilience. <b>These reforms, in the context of a revamped European Semester, need to strengthen the specific features of European health systems based on strong public services and substantial public investment. Health services are services of general interest intended to strengthen the European Pillar of Social Rights, which cannot be made subject to private-sector thinking.</b> In the context of such transformation and reforms, the Programme should, taking into consideration how the Member States organise their health systems, <b>organise the coordination and funding of stress tests in the Member States in order to identify weaknesses and to assess their ability to respond to pandemics.</b> The programme should <b>furthermore</b> promote, in synergy with the Digital Europe Programme, actions which advance digital transformation of health services and increase their interoperability, contribute to the increased capacity of health systems to foster disease prevention and health promotion, to provide new care models and to deliver integrated services, from the community and primary health care to the highly specialised services, based on people's needs and ensure an efficient public health workforce equipped with the right skills, including digital skills. The development of a European health data space would provide health care systems, researchers and public authorities with means to improve the availability and quality of healthcare. Given the fundamental right to access to preventive healthcare and medical treatment enshrined in Article 35 of the Charter of Fundamental Rights of the European Union and in view to the common values and principles in European Union Health Systems as set out in the Council Conclusions of 2 June 2006 <sup>(12)</sup> the Programme should support actions ensuring the universality and inclusivity of health care, meaning that no-one is barred access to health care, and those ensuring that patients' rights, including on the privacy of their data, are duly respected.</p> <p><sup>(12)</sup> Council Conclusions on Common values and principles in European Union Health Systems (OJ C 146, 22.6.2006, p. 1).</p>

**Reason**

As detailed in the amendment.

**Amendment 5**

## Recital 18

Text proposed by the European Commission	CoR amendment
<p>The Programme therefore should contribute to disease prevention throughout the lifetime of an individual and to health promotion by addressing health risk factors, such as the use of tobacco and related products and exposure to their emissions, the harmful use of alcohol, and the consumption of illicit drugs. The Programme should also contribute to the reduction of drugs-related health damage, unhealthy dietary habits and physical inactivity, and exposure to environmental pollution, and foster supportive environments for healthy lifestyles in order to complement Member States action in these areas. The Programme should also therefore contribute to the objectives of the European Green Deal, the Farm to Fork Strategy and the Biodiversity Strategy.</p>	<p>The Programme therefore should contribute to disease prevention throughout the lifetime of an individual and to health promotion by addressing health risk factors, such as the use of tobacco and related products and exposure to their emissions, the harmful use of alcohol, and the consumption of illicit drugs. The Programme should also contribute to the reduction of drugs-related health damage, unhealthy dietary habits and physical inactivity, and exposure to environmental pollution, and foster supportive environments for healthy lifestyles in order to complement the action of Member States <b>and local and regional authorities</b> in these areas. The Programme should also therefore contribute to the objectives of the European Green Deal, the Farm to Fork Strategy and the Biodiversity Strategy.</p>

**Reason**

Highlights the role of local and regional authorities.

**Amendment 6**

## Recital 20

Text proposed by the European Commission	CoR amendment
<p>The Programme will work in synergy and complementarity with other EU policies, programmes and funds such as actions implemented under the Digital Europe Programme, Horizon Europe, rescEU reserve under the Union Civil Protection Mechanism, Emergency Support Instrument, European Social Fund+ (ESF+, including as regards synergies on better protecting the health and safety of millions of workers in the EU), including the Employment and Social Innovation Strand (EaSI), the InvestEU fund, Single Market Programme, European Regional Development Fund (ERDF), Recovery and Resilience Facility including the Reform Delivery Tool, Erasmus, European Solidarity Corps, Support to mitigate Unemployment Risks in an Emergency (SURE), and EU external action instruments, such as the Neighbourhood, Development and International Cooperation Instrument and the Instrument for Pre-accession Assistance III. Where appropriate, common rules will be established in view of ensuring consistency and complementarity between funds, while making sure that specificities of these policies are respected, and in view of aligning with the strategic requirements of these policies, programmes and funds, such as the enabling conditions under ERDF and ESF+.</p>	<p>The Programme will work in synergy and complementarity with other EU policies, programmes and funds such as actions implemented under the Digital Europe Programme, Horizon Europe, rescEU reserve under the Union Civil Protection Mechanism, Emergency Support Instrument, European Social Fund+ (ESF+, including as regards synergies on better protecting the health and safety of millions of workers in the EU), including the Employment and Social Innovation Strand (EaSI), the InvestEU fund, Single Market Programme, European Regional Development Fund (ERDF), Recovery and Resilience Facility including the Reform Delivery Tool, Erasmus, European Solidarity Corps, Support to mitigate Unemployment Risks in an Emergency (SURE), and EU external action instruments, such as the Neighbourhood, Development and International Cooperation Instrument and the Instrument for Pre-accession Assistance III. Where appropriate, <b>and if necessary, in coordination with the managing authorities of the European Structural and Investment Funds</b>, common rules will be established in view of ensuring consistency and complementarity between funds, while making sure that specificities of these policies are respected, and in view of aligning with the strategic requirements of these policies, programmes and funds, such as the enabling conditions under ERDF and ESF+.</p>

**Reason**

Highlights the link with the managing authorities of the European Structural and Investment Funds.

**Amendment 7**

## Recital 25

Text proposed by the European Commission	CoR amendment
<p>The Union health legislation has an immediate impact on public health, the lives of citizens, the efficiency and resilience of the health systems and the good functioning of the internal market. The regulatory framework for medical products and technologies (medicinal products, medical devices and substances of human origin), as well as for tobacco legislation, patients' rights in cross-border health-care and serious cross-border threats to health is essential to health protection in the Union. The Programme therefore should support the development, implementation and enforcement of Union health legislation and provide high quality, comparable and reliable data to underpin policymaking and monitoring.</p>	<p>The Union health legislation has an immediate impact on public health, the lives of citizens, the efficiency and resilience of the health systems and the good functioning of the internal market. The regulatory framework for medical products and technologies (medicinal products, medical devices and substances of human origin), as well as for tobacco legislation, patients' rights in cross-border health-care and serious cross-border threats to health is essential to health protection in the Union. The Programme therefore should support the development, implementation and enforcement of Union health legislation and provide high quality, comparable and reliable <b>NUTS 2 regional-level</b> data to underpin policymaking and monitoring.</p>

**Reason**

Specifies the NUTS 2 regional level.

**Amendment 8**

## Recital 26

Text proposed by the European Commission	CoR amendment
<p>Cross-border cooperation in the provision of healthcare to patients moving between Member States, collaboration on health technology assessments (HTA), and European Reference Networks (ERNs) are examples of areas where integrated work among Member States has shown to have strong added value and great potential to increase the efficiency of health systems and thus health in general. The Programme should therefore support activities to enable such integrated and coordinated work, which also serves to foster the implementation of high-impact practices that are aimed at distributing in the most effective way the available resources to the concerned population and areas so as to maximise their impact.</p>	<p>Cross-border cooperation in the provision of healthcare to patients moving between Member States <b>or European Groupings of Territorial Cooperation (EGTCs)</b>, collaboration on health technology assessments (HTA), and European Reference Networks (ERNs) are examples of areas where integrated work among Member States <b>and local and regional authorities</b> has shown to have strong added value and great potential to increase the efficiency of health systems and thus health in general. The Programme should therefore support activities to enable such integrated and coordinated work, which also serves to foster the implementation of high-impact practices that are aimed at distributing in the most effective way the available resources to the concerned population and areas so as to maximise their impact. <b>For example, as recommended by the European Committee of the Regions in its opinion on cross-border healthcare, the programme should set up 'health corridors' between the border regions, making it possible for patients and health professionals to continue moving across the border during the lockdown to guarantee access to and provision of care.</b></p>

**Reason**

EGTCs could be mentioned in this context, as they contribute towards better access to services, including healthcare, in border regions and are an example of cross-border cooperation carried out by local and regional authorities.

**Amendment 9**

## Recital 30

Text proposed by the Commission	CoR amendment
	<p>In order to ensure that all of these objectives are implemented at Union level, the European Commission should strengthen the budget and mandate of the various European agencies responsible for health, such as the European Centre for Disease Prevention and Control, the European Medicines Agency, the European Food Safety Authority, the European Chemicals Agency and the European Agency for Safety and Health at Work. Furthermore, the work of these agencies should be better coordinated so that they can more effectively contribute to achieving the objectives of the EU4Health programme, and their role in the governance of this programme should be strengthened.</p>

**Reason**

The European Union already has many instruments in place. They need to be strengthened and better coordinated in order to increase the EU's capacity to respond to health crises, and to improve the health of Europeans.

**Amendment 10**

## Recital 31

Text proposed by the Commission	CoR amendment
<p>Given the specific nature of the objectives and actions covered by the Programme, the respective competent authorities of the Member States are best placed in some cases to implement the related activities. Those authorities, designated by the Member States themselves, should therefore be considered to be identified beneficiaries for the purpose of Article 195 of the Financial Regulation and the grants be awarded to such authorities without prior publication of calls for proposals.</p>	<p>Given the specific nature of the objectives and actions covered by the Programme, the respective competent authorities of the Member States <b>and local and regional authorities with competences in the field of public health</b> are best placed in some cases to implement the related activities. Those authorities, designated by the Member States themselves, should therefore be considered to be identified beneficiaries for the purpose of Article 195 of the Financial Regulation and the grants be awarded to such authorities without prior publication of calls for proposals.</p>

**Reason**

Highlights the role of local and regional authorities with competences in the field of health.

**Amendment 11**

## Recital 40

Text proposed by the European Commission	CoR amendment
<p>Reflecting the importance of tackling climate change in line with the Union's commitments to implement the Paris Agreement and the United Nations Sustainable Development Goals, this Programme will contribute to mainstream climate action in the Union's policies and to the achievement of an overall target of <b>25 %</b> of the EU budget expenditures supporting climate objectives. Relevant actions will be identified during the Programme's preparation and implementation, and reassessed in the context of its mid-term evaluation.</p>	<p>Reflecting the importance of tackling climate change in line with the Union's commitments to implement the Paris Agreement and the United Nations Sustainable Development Goals, this Programme will contribute to mainstream climate action in the Union's policies and to the achievement of an overall target of <b>30 %</b> of the EU budget expenditures supporting climate objectives. Relevant actions will be identified during the Programme's preparation and implementation, and reassessed in the context of its mid-term evaluation.</p>

**Reason**

Change to the percentage rate in order to provide more resources for climate-related goals.



**Amendment 12**

## Recital 42

Text proposed by the European Commission	CoR amendment
The implementation of the Programme should be such that the responsibilities of the Member States, for the definition of their health policy and for the organisation and delivery of health services and medical care, are respected.	The implementation of the Programme should be such that the responsibilities of the Member States <b>and, if necessary, the regions or other tiers of government involved in drafting health policy</b> , for the definition of their health policy and for the organisation and delivery of health services and medical care, are respected.

**Reason**

The aim is to target the different stakeholders involved in drafting health policies.

**Amendment 13**

## Article 3(3)

Text proposed by the Commission	CoR amendment
Strengthen health systems and the healthcare workforce, including by digital transformation and by increased integrated and coordinated work among the Member States, sustained implementation of best practice and data sharing, to increase the general level of public health.	Strengthen health systems and the healthcare workforce, including by digital transformation and by increased integrated and coordinated work among the Member States <b>and the local and regional authorities with competences in the field of public health, through the coordination of health and social care actors in areas that match population centres, through the</b> sustained implementation of best practice and data sharing, to increase the general level of public health.

**Reason**

Highlights the importance of the responsible local health actors.

**Amendment 14**

## Article 4

Text proposed by the European Commission	CoR amendment
<p>The general objectives referred to in Article 3 shall be pursued through the following specific objectives, in keeping with the 'One Health' approach where relevant:</p> <p>(1) strengthen the capability of the Union for prevention, preparedness and response to serious cross-border threats to health, and the management of health crises, including through coordination, provision and deployment of emergency health care capacity, data gathering and surveillance;</p>	<p>The general objectives referred to in Article 3 shall be pursued through the following specific objectives, in keeping with the 'One Health' approach where relevant:</p> <p>(1) strengthen the capability of the Union for prevention, preparedness and response to serious cross-border threats to health, and the management of health crises, including through coordination, provision and deployment of emergency health care capacity, data gathering, <b>the establishment of health corridors</b> and surveillance;</p>

Text proposed by the European Commission	CoR amendment
(2) ensure the availability in the Union of reserves or stockpiles of crisis relevant products, and a reserve of medical, healthcare and support staff to be mobilised in case of a crisis;	(2) ensure the availability in the Union of reserves or stockpiles of crisis relevant products, and a reserve of medical, healthcare and support staff to be mobilised in case of a crisis;
(3) support actions to ensure appropriate availability, accessibility and affordability of crisis relevant products and other necessary health supplies;	(3) support actions to ensure appropriate availability, accessibility and affordability of crisis relevant products and other necessary health supplies;
(4) strengthen the effectiveness, accessibility, sustainability and resilience of health systems, including by supporting digital transformation, the uptake of digital tools and services, systemic reforms, implementation of new care models and universal health coverage, and address inequalities in health;	(4) strengthen the effectiveness, accessibility, sustainability and resilience of health systems, including by <b>organising the coordination and funding of stress tests for pandemics, taking into consideration how the Member States organise their health systems</b> , supporting digital transformation, the uptake of digital tools and services, systemic reforms, implementation of new care models and universal health coverage, and address inequalities in health;
(5) support actions aimed at strengthening health system's ability to foster disease prevention and health promotion, patient rights and cross-border healthcare, and promote the excellence of medical and healthcare professionals;	(5) support actions aimed at strengthening health system's ability to foster disease prevention and health promotion, patient rights and cross-border healthcare, and promote the excellence of medical and healthcare professionals;
(6) support action for the surveillance, prevention, diagnosis and treatment and care of non-communicable diseases, and notably of cancer;	(6) support action for the surveillance, prevention, diagnosis and treatment and care of non-communicable diseases, and notably of cancer;
(7) foster and support the prudent and efficient use of medicines, and in particular of antimicrobials, and more environmentally friendly production and disposal of medicines and medical devices;	(7) foster and support the prudent and efficient use of medicines, and in particular of antimicrobials, and more environmentally friendly production and disposal of medicines and medical devices;
(8) support the development, implementation and enforcement of Union health legislation and provide high-quality, comparable and reliable data to underpin policy making and monitoring, and promote the use of health impact assessments of relevant policies;	(8) support the development, implementation and enforcement of Union health legislation and provide high-quality, comparable and reliable data to underpin policy making and monitoring, and promote the use of health impact assessments of relevant policies;
(9) support integrated work among Member States, and in particular their health systems, including the implementation <b>of high-impact prevention practices</b> , and scaling up networking through the European Reference Networks and other transnational networks;	(9) support integrated work among Member States <b>and local and regional authorities</b> , and in particular their health systems, including the implementation <b>of a European health emergency response mechanism to respond to all types of health crisis</b> and scaling up networking through the European Reference Networks and other transnational networks;
(10) support the Union's contribution to international and global health initiatives.	(10) support the Union's contribution to international and global health initiatives.

### Reason

As detailed in the amendment.

**Amendment 15**

## Article 5

Text proposed by the European Commission	CoR amendment
1. The financial envelope for the implementation of the Programme for the period 2021-2027 shall be EUR <b>1 946 614</b> 000 in current prices.	1. The financial envelope for the implementation of the Programme for the period 2021-27 shall be EUR <b>10 398 000</b> 000 in current prices ( <b>EUR 9 370 000 000 in constant prices</b> ).

**Reason**

Self-explanatory.

**Amendment 16**

## Article 16

Text proposed by the European Commission	CoR amendment
The Commission shall consult the health authorities of the Member States in the Steering Group on Health Promotion, Disease Prevention and Management of Non-Communicable Diseases on the work plans established for the Programme and its priorities and strategic orientations and its implementation.	The Commission shall consult, <b>at the national or — where competences are shared — at the regional and local level</b> , the health authorities of the Member States in the Steering Group on Health Promotion, Disease Prevention and Management of Non-Communicable Diseases on the work plans established for the Programme and its priorities and strategic orientations and its implementation. <b>This will ensure that local and regional authorities that are responsible for health policies are involved in this exercise.</b>

**Reason**

Highlights the role of local and regional authorities in the field of health.

**Amendment 17**

## Annex I — point (g)(i)

Text proposed by the Commission	CoR amendment
Support knowledge transfer actions and Union level cooperation to assist national reform processes towards improved effectiveness, accessibility, sustainability and resilience, in particular to address the challenges identified by the European Semester and to strengthen primary care, reinforce the integration of care and aim at universal health coverage and equal access to healthcare;	Support knowledge transfer actions and Union level cooperation to assist national reform processes, <b>in consultation with regional and local authorities competent in the field of public health</b> , towards improved effectiveness, accessibility, sustainability and resilience, in particular to address the challenges identified by the European Semester and to strengthen primary care, reinforce the integration, <b>coordination and gradation</b> of care and aim at universal health coverage and equal access to healthcare;

**Reason**

It is important to strengthen the involvement of LRAs in national reform processes and in the actions carried out as part of the European Semester.

**Amendment 18**

Annex I — point (g)(v)

Text proposed by the Commission	CoR amendment
Audit of Member States preparedness and response arrangements (such as crisis management, antimicrobial resistance, vaccination);	Audit of Member States', <b>and where appropriate, regional and local authorities</b> preparedness and response arrangements (such as crisis management, antimicrobial resistance, vaccination);

**Reason**

Highlights the role of local and regional authorities.

**Amendment 19**

Annex I — point (g)(vi)

Text proposed by the Commission	CoR amendment
Support upwards convergence of national systems' performance through indicator development, analysis and knowledge brokering and the organisation of stress tests of national healthcare systems;	Support upwards convergence of national systems' performance through indicator development, analysis and knowledge brokering and the organisation of stress tests of national healthcare systems, <b>involving local and regional authorities with competences in the field of public health;</b>

**Reason**

Highlights the role of local and regional authorities in the field of health.

**Amendment 20**

Annex I — point (g)(ix)

Text proposed by the Commission	CoR amendment
Support the establishment and implementation of programmes assisting Member States and their action to improve health promotion and disease prevention (for communicable and non-communicable diseases);	Support the establishment and implementation of programmes assisting Member States, <b>local and regional authorities</b> and their action to improve health promotion and disease prevention (for communicable and non-communicable diseases), <b>enabling their actions to be promoted when drafting and implementing actions tailored to their specific public health features;</b>

**Reason**

LRAs are responsible for these actions in many Member States and should receive support from the programme.

**Amendment 21**

Annex I — point (g)(x)

Text proposed by the Commission	CoR amendment
Support Member States' actions to put in place healthy and safe urban, work and school environments, to enable healthy life choices and promote healthy diets taking into account the needs of vulnerable groups;	Support Member States' <b>and local and regional authorities'</b> actions to put in place healthy and safe urban, work and school environments, to enable healthy life choices and promote healthy diets taking into account the needs of vulnerable groups;

**Reason**

LRAs are responsible for these actions in many Member States.

**Amendment 22**

Annex I — point (g)(xii)

Text proposed by the Commission	CoR amendment
Support for Member States to strengthen the administrative capacity of their healthcare systems through benchmarking, cooperation and exchange of best practices;	Support for Member States, <b>and where appropriate, for local and regional authorities,</b> to strengthen the administrative capacity of their healthcare systems through benchmarking, cooperation and exchange of best practices;

**Reason**

Highlights the role of local and regional authorities.

**Amendment 23**

Annex I — point (k)(iii)

Text proposed by the Commission	CoR amendment
Communication to promote disease prevention and healthy lifestyles, in cooperation with all concerned actors <b>at</b> international, Union and national level.	Communication to promote disease prevention and healthy lifestyles, in cooperation with all concerned actors, <b>and tailored to the local, regional,</b> national, international and Union level.

**Reason**

Highlights the involvement of the different local levels.

**Amendment 24**

Annex I — point I (new)

Text proposed by the Commission	CoR amendment
	<p><b>(1) Common health challenges</b></p> <p>(i) <i>Support for actions to address common health challenges, such as health inequalities, access to care, migration, ageing populations, patient safety and high-quality healthcare at local, regional, national and EU levels;</i></p> <p>(ii) <i>support for investment measures for the European production of materials and products needed to combat pandemics;</i></p> <p>(iii) <i>support for investment measures to promote the adaptation and modernisation of hospitals in order to ensure consistency and gradation of care in the regions.</i></p>

**Reason**

These actions should be included in the list of actions established by the programme.

**Amendment 25**

Annex II — part A — point I

Text proposed by the Commission	CoR amendment
Quality and completeness of EU <b>and</b> MS preparedness and response planning for serious cross border threats to health	Quality and completeness of EU, MS <b>and where appropriate, regional and local</b> preparedness and response planning for serious cross border threats to health

**Reason**

Highlights the role of local and regional authorities.

**Amendment 26**

Annex II — part A — point III

Text proposed by the Commission	CoR amendment
Number of actions and best practices directly contributing to the SDG 3.4/Member State	Number of actions and best practices directly contributing to the SDG 3.4/Member State, <b>including best practices from the regional and local level, where appropriate.</b>

**Reason**

As detailed in the amendment.

**Amendment 27**

Annex II — part A — point IV

Text proposed by the Commission	CoR amendment
Implementation of best practices by EU Member States	Implementation of best practices by EU Member States, <b>and local and regional authorities competent in the field of health.</b>

**Reason**

Highlights the role of local and regional authorities in the field of health.

**Amendment 28**

Annex II — part B — point I

Text proposed by the Commission	CoR amendment
Number of Member States with improved preparedness and response planning	Number of Member States, <b>and where appropriate, local and regional authorities</b> with improved preparedness and response planning

**Reason**

Highlights the role of local and regional authorities.

**II. POLICY RECOMMENDATIONS**

## THE EUROPEAN COMMITTEE OF THE REGIONS

1. highlights its commitment to prioritising health at European level and supporting regional and local authorities in the fight against cancer and epidemics of diseases in cross-border health cooperation and in the modernisation of health systems;
2. acknowledges that the European Commission's proposal complies with the principles of subsidiarity and proportionality;
3. deplores the severe consequences of the COVID-19 pandemic that could not have been foreseen but that can be overcome through strong cooperation and consolidated mechanisms;
4. stresses that municipalities, towns and cities, local and regional authorities and public institutions are on the front line when confronted with the COVID-19 pandemic, adopting health measures (purchase of medical equipment, hiring of medical staff, etc.) and emergency measures to respond to the different aspects of the pandemic, whether social, economic or logistical;
5. invites the European institutions to take strong measures, within the framework of their competences, in adopting initiatives for a targeted response to the COVID-19 crisis and to collect feedback in order to be prepared for any future health crisis; notes that the preparation and implementation of these measures should be done in coordination with the relevant national, regional and local authorities competent in the field of public health;
6. refers to the findings of the 2017 Eurobarometer, which showed that over 70 % of Europeans wanted to see more EU involvement in health;



7. stresses that this major health funding programme for the period 2021-2027 must support actions to address common and long-term public health policy challenges in the EU and the Member States, including in particular anticipating further crises of the same type, health inequalities, access to care, migration, the ageing population, patient safety and high-quality healthcare at local, regional, national and EU level;

8. emphasises that the EU4Health programme must not only focus on crisis management, but should contribute through the post-COVID-19 recovery steps to significantly improving the health of the EU's population, by strengthening the resilience of health systems, promoting innovation in the health sector, and including health prevention and promotion as sustainable development tools;

### **The health of EU citizens, a fundamental right**

9. takes into consideration the crisis the EU faces because of the COVID-19 outbreak on 10 March 2020, which has a very significant human dimension and a major negative impact on people's health;

10. calls for the health sector to contribute to the European social model, and in particular to the European Pillar of Social Rights;

11. notes that health is a fundamental right and a service of general interest, and cannot be treated as a market service;

12. notes that the fight against health inequalities, which result from avoidable social inequalities, is a major goal and an effective means of promoting health security and health systems;

### **Objectives and role of the EU4Health Programme**

13. highlights the fact that the EU4Health programme aims to strengthen health security and prevention, improve the coordination of health care capacity and prepare the EU for future health crises and that the budget of EUR 1,7 billion, set by the European Council of 20 July 2020, will not be sufficient to accomplish this goal;

14. underscores the importance of the principle of 'Health in All Policies' and hence the need to coordinate and structure this programme in line with other EU programmes, including the European Regional Development Fund and Cohesion Fund for medical infrastructure, Horizon Europe for health research and innovation, and ESF+ for training and support for vulnerable groups in accessing healthcare; also calls for synergies to be promoted in the use of these funds;

15. welcomes the Commission's proposal to establish a dedicated health programme for the upcoming budget period 2021-2027 as well, but regrets that the EUR 7,7 billion of additional funding for EU4Health, as proposed by the Commission as part of the Recovery Plan for Europe entitled *Learning the lessons of the crisis and addressing Europe's strategic challenges*, was cut by the European Council, which runs counter to the programme's ambitions;

16. suggests that the EU4Health programme could allow the EU to have more and stronger tools to take quick, decisive and coordinated action with Member States, with the involvement of local and regional authorities competent in the field of public health, both in preparing for and managing crises, and in improving the functioning and performance of EU health systems overall;

17. considers that it is essential for the Union to provide itself with the means to achieve the stated ambition by supporting investment programmes in research and the production of pharmaceutical products and protective devices for the public;

18. points out that the programme also aims to build reserves of medicines and medical supplies, healthcare staff and experts and to provide technical assistance;

19. considers it important, in view of experiences with the COVID-19 pandemic, for the EU to devote significant resources to improving the Union's capacity to prevent, prepare for and respond to health threats/crises, and to strengthen cooperation between the Member States in this respect. At the same time, it is important not to deprioritise the EU's health promotion and disease prevention efforts;

20. believes that, as is currently the case and taking into account the right of the Member States to decide for themselves how to design, organise and finance their healthcare systems, funding should be allocated to various forms of health-related cross-border cooperation, such as the European Reference Networks (ERNs) for rare diseases and highly specialised care, health technology assessment (HTA) and the development of digital approaches to healthcare. It is also important to put a significant amount of effort into combating antibiotic resistance, a health threat that will require cooperation at both European and global level;

21. highlights that one of the goals of EU4Health is to reduce premature mortality by one third by 2030 and this will be achieved by tackling non-communicable diseases using better diagnosis, prevention and care, particularly for cancer, cardiovascular diseases, diabetes and mental health conditions;

### **A call for cooperation**

22. points out that the EU4Health programme should be designed such that it strengthens regional systems by funding initiatives such as tailored support and advice to each country to improve healthcare; training healthcare professionals for deployment across the EU; auditing Member States' preparedness and response arrangements; conducting clinical trials to speed up the development of medicines and vaccines; cooperating with cross-border partners; and conducting studies, data collection and benchmarking;

23. welcomes the steps already taken by the European Commission to enable the EU to ramp up much-needed support to alleviate the burden on Member States in their efforts to respond to the current COVID-19 crisis;

24. considers it necessary to take account of gender equality in the design and analysis of actions undertaken within the new EU4Health programme;

25. takes the view that actions taken under the new EU4Health programme must be designed such that they contribute to the development of an environmentally and socially sustainable society;

26. asks for the EU regions, as well as other EU actors, to cooperate to ensure better implementation of the various elements of the EU4Health programme and of the actions listed in the European Commission's Communication on *Short-term EU health preparedness for COVID-19 outbreaks*;

27. sees an overwhelming need to strengthen the healthcare response and crisis management capacities of the EU institutions, including the direct involvement of local and regional healthcare response structures;

28. believes that national health systems should become more efficient and resilient by: boosting investment in disease prevention programmes; supporting the exchange of best practices; promoting global cooperation; and improving access to healthcare;

29. takes into consideration that the programme aims to fill the gaps revealed by the pandemic and that therefore the Member States are primarily responsible for health policy, while the EU can complement and support national measures and adopt legislation in specific sectors;

30. draws attention to the need for EU cooperation in the field of developing, producing and distributing vaccines within the EU Horizon programme;

31. insists on the need to strengthen the involvement of local and regional authorities in the governance of health systems, as well as in the definition of priorities and the implementation of the programme, due to their essential role in health, prevention and support; considers that the efficiency of a performance scheme for population health, from prevention to the gradation of care coverage, depends on how well adapted it is to the public health data specific to each region.

Brussels, 14 October 2020.

*The President*  
*of the European Committee of the Regions*  
Apostolos TZITZIKOSTAS

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**Opinion of the European Committee of the Regions – A reinforced Union civil protection mechanism**

(2020/C 440/23)

<b>Rapporteur:</b>	Alberto CIRIO (IT/EPP), President of the Piedmont Region
<b>Reference document:</b>	Proposal for a Decision of the European Parliament and of the Council amending Decision No 1313/2013/EU on a Union Civil Protection Mechanism COM(2020) 220 final

**I. RECOMMENDATIONS FOR AMENDMENTS**

*Proposal for a Decision of the European Parliament and of the Council amending Decision No 1313/2013/EU on a Union Civil Protection Mechanism*

COM(2020) 220 final

**Amendment 1**

Recital 2

Text proposed by the European Commission	CoR amendment
(2) Whilst recognising the primary responsibility of <b>Member States</b> for preventing, preparing for and responding to natural and man-made disasters, the Union Mechanism promotes solidarity between Member States in accordance with Article 3(3) of the Treaty on European Union.	(2) Whilst recognising the primary responsibility for preventing, preparing for and responding to natural and man-made disasters <b>remains with the Member States and their regional authorities</b> , the Union Mechanism, <b>and in particular rescEU</b> , promotes solidarity between Member States in accordance with Article 3(3) of the Treaty on European Union <b>by complementing existing capacities of Members States and regions, enabling more effective preparedness and response, where capacities at national, regional and local levels are not sufficient</b> .

**Reason**

It is essential to acknowledge that the capacities are different not only between the Member States but also between their regions. The complementary action of the EU should therefore develop a differentiated approach according to the different needs at regional level.

**Amendment 2**

## Recital 6

Text proposed by the European Commission	CoR amendment
<p>(6) To improve planning in prevention and preparedness, the Union should continue advocating for investment in prevention of disasters across sectors, and for comprehensive risk management approaches that underpin prevention and preparedness, taking into account a multi-hazard approach, an ecosystem-based approach and the likely impacts of climate change, in close cooperation with the relevant scientific communities and key economic operators. To that effect, cross-sectoral and all-hazard approaches should be put at the forefront and be based on <b>Union wide resilience goals feeding into a baseline definition</b> of capacities and preparedness. The Commission is to work together with Member States when defining Union wide resilience goals.</p>	<p>(6) To improve planning in prevention and preparedness, the Union should continue advocating for investment in prevention of disasters across sectors, and for comprehensive risk management approaches that underpin prevention and preparedness, taking into account a multi-hazard approach, an ecosystem-based approach and the likely impacts of climate change, in close cooperation with the relevant scientific communities and key economic operators. To that effect, cross-sectoral and all-hazard approaches should be put at the forefront and be based on <b>the differentiated needs of the EU Member States and regions in order to strengthen their capacities and to improve the overall EU resilience</b> and preparedness. The Commission is to work together with Member States <b>and local and regional authorities</b> when defining Union wide resilience goals.</p>

**Reason**

The efforts of the EU must be differentiated to take into account the different capacities in the Member States and in the EU regions.

**Amendment 3**

## Recital 8

Text proposed by the European Commission	CoR amendment
<p>(8) As a 24/7 operational centre at Union level with capacity to follow and support operations in various types of emergencies, within and outside the Union, in real-time, the Emergency Response Coordination Centre ('ERCC') should be further strengthened. This should include enhanced coordination of the ERCC with Member States' national crisis systems and civil protection authorities, as well as with other relevant Union bodies. The work of the ERCC is supported by scientific expertise, including that provided by the European Commission's Joint Research Centre.</p>	<p>(8) As a 24/7 operational centre at Union level with capacity to follow and support operations in various types of emergencies, within and outside the Union, in real-time, the Emergency Response Coordination Centre ('ERCC') should be further strengthened. This should include enhanced coordination of the ERCC with Member States' national <b>and regional</b> crisis systems and civil protection authorities, as well as with other relevant Union bodies. The work of the ERCC is supported by scientific expertise, including that provided by the European Commission's Joint Research Centre.</p>

**Reason**

Member States' governance structure and the nature of certain emergencies may also require coordination with regional crisis response systems, particularly as regards skills and training.

**Amendment 4**

## Recital 9

Text proposed by the European Commission	CoR amendment
	<p><i>(9bis) The Union Mechanism and rescEU should be developed in a way that enables the Union to effectively respond to a wide range of emergencies, besides health. For instance, climate change is leading to an increase of natural disasters such as fire or flooding. It is therefore essential that the Union Mechanism also includes sufficient capacities to act when natural disasters occur.</i></p>

**Reason**

Self-explanatory.

**Amendment 5**

## Recital 11

Text proposed by the European Commission	CoR amendment
<p>(11) rescEU capacities acquired, rented, leased or otherwise contracted by Member States could be used for national purposes, but only when not used or needed for response operations under the Union Mechanism.</p>	<p>(11) rescEU capacities acquired, rented, leased or otherwise contracted by <b>the Commission or</b> Member States could be used for national purposes, but only when not used or needed for response operations under the Union Mechanism.</p>

**Reason**

Availability of rescEU capacities for national use should not depend on whether they are acquired, rented, leased or otherwise contracted by the Commission or the Member States.

**Amendment 6**

## Article 1(2)

Text proposed by the European Commission	CoR amendment
<p>(2) Article 6 is amended as follows:</p>	<p>(2) Article 6 is amended as follows:</p>

Text proposed by the European Commission	CoR amendment
<p>(c) The following paragraph 5 is added:</p> <p>‘5. The Commission shall define Union disaster resilience goals to support prevention and preparedness actions. Disaster resilience goals shall ensure a common baseline for maintaining critical societal functions in the face of cascading effects of a high impact disaster and for ensuring the functioning of the internal market. The goals shall be based on forward looking scenarios, including the impacts of climate change on disaster risk, data on past events and cross-sectoral impact analysis with a particular attention to vulnerable people.</p> <p><b><i>The Commission shall be empowered to adopt, where necessary, delegated acts in accordance with Article 30 to define Union disaster resilience goals.’;</i></b></p>	<p>(c) The following paragraph 5 is added:</p> <p>‘5. The Commission shall define Union disaster resilience goals to support prevention and preparedness actions <b><i>in consultation with the Member States and local and regional authorities</i></b>. Disaster resilience goals shall ensure a common baseline for maintaining critical societal functions in the face of cascading effects of a high impact disaster and for ensuring the functioning of the internal market. The goals shall be based on forward looking scenarios, including the impacts of climate change on disaster risk, data on past events and cross-sectoral impact analysis with a particular attention to vulnerable people.</p> <p><b><i>The Commission shall propose a decision of the European Parliament and of the Council adopting Union disaster resilience goals.’;</i></b></p>

### Reason

It is essential to ensure that overarching goals and objectives at Union level are being developed and defined in consultation with the representatives of national and subnational levels.

In order to reflect ownership of goals, the legislation adopting them should have to be approved by the European Parliament and the Council.

### Amendment 7

Article 1(3)

Text proposed by the European Commission	CoR amendment
<p>(3) Article 7 is replaced by the following:</p> <p>‘Article 7</p> <p><b>Emergency Response Coordination Centre</b></p> <p>1. An Emergency Response Coordination Centre (“ERCC”) is established. The ERCC shall ensure 24/7 operational capacity, and serve the Member States and the Commission in pursuit of the objectives of the Union Mechanism.</p>	<p>(3) Article 7 is replaced by the following:</p> <p>‘Article 7</p> <p><b>Emergency Response Coordination Centre</b></p> <p>1. An Emergency Response Coordination Centre (“ERCC”) is established. The ERCC shall ensure 24/7 operational capacity, and serve the Member States and the Commission in pursuit of the objectives of the Union Mechanism.</p>



Text proposed by the European Commission	CoR amendment
<p>The ERCC shall in particular <b>coordinate</b>, monitor and support in real-time the response to emergencies at Union level. The ERCC <b>shall work in close contact with</b> national crisis systems, civil protection authorities and relevant Union bodies.</p> <p>2. The ERCC shall have access to <b>operational</b>, analytical, monitoring, information management and communication capacities <b>to address a broad range of emergencies</b> within and outside the Union.;</p>	<p>The ERCC shall in particular monitor and support in real-time the response to emergencies at Union level. The ERCC <b>shall support</b> national <b>and, where relevant, regional</b> crisis systems, civil protection authorities and relevant Union bodies.</p> <p>2. The ERCC shall have access to <b>logistical</b>, analytical, monitoring, information management and communication capacities <b>to support national systems for managing crises</b> within and outside the Union.;</p>

### Reason

The ERCC must facilitate and support national — and regional, where appropriate — crisis response systems, avoiding overlaps which might create confusion in terms of which body is responsible for responding to the emergency.

### Amendment 8

#### Article 1(6)

Text proposed by the European Commission	CoR amendment
<p>(6) Article 10 is replaced by the following:</p> <p>‘Article 10</p> <p><b>Disaster resilience planning</b></p> <p>1. The Commission and the Member States shall work together to improve cross-sectoral resilience planning, both for natural and man-made disasters likely to have a trans-boundary effect, including the adverse effects of climate change. The resilience planning shall include scenario-building at Union level for disaster prevention and response based on the risk assessments referred to in point (a) of Article 6(1) and the overview of risks referred to in point (c) of Article 5 (1), disaster risk management planning referred to in point (c) of Article 6(1), disaster loss data referred to in point (f) of Article 6(1), asset mapping and the development of plans for the deployment of response capacities, taking into account the Union disaster resilience goals referred to Article 6(5).</p> <p>2. [...];</p>	<p>(6) Article 10 is replaced by the following:</p> <p>‘Article 10</p> <p><b>Disaster resilience planning</b></p> <p>1. The Commission and the Member States, <b>in consultation with local and regional authorities</b>, shall work together to improve cross-sectoral resilience planning, both for natural and man-made disasters likely to have a trans-boundary effect, including the adverse effects of climate change. The resilience planning shall include scenario-building at Union level for disaster prevention and response based on the risk assessments referred to in point (a) of Article 6(1) and the overview of risks referred to in point (c) of Article 5 (1), disaster risk management planning referred to in point (c) of Article 6(1), disaster loss data referred to in point (f) of Article 6(1), asset mapping and the development of plans for the deployment of response capacities, taking into account the Union disaster resilience goals referred to Article 6(5).</p> <p>2. [...];</p>

### Reason

It is essential to ensure that the work on disaster resilience planning and scenario-building also involves regional and local levels as the levels most directly affected.

**Amendment 9**

## Article 1(8)

Text proposed by the European Commission	CoR amendment
<p>(8) Article 12 is amended as follows:</p> <p>(a) Paragraphs 2 and 3 are replaced by the following:</p> <p>‘2. [...]</p> <p>3. rescEU capacities shall be acquired, rented, leased, and/or otherwise contracted by the Commission or Member States. The Commission may acquire, rent, lease or otherwise contract rescEU capacities to stock and distribute supplies or to provide services to Member States, through procurement procedures in accordance with the Union’s financial rules. Where rescEU capacities are acquired, rented, leased or otherwise contracted by Member States, direct grants may be awarded by the Commission to Member States without a call for proposals.</p> <p>The Commission and any Member States which so desire may engage in a joint procurement procedure conducted pursuant to Article 165 of the Financial Regulation with a view of acquiring rescEU capacities.</p> <p>rescEU capacities shall be hosted by the Member States that acquire, rent, lease or otherwise contract those capacities. As a way to enhance Union resilience, rescEU capacities acquired, rented, leased or otherwise contracted by the Commission are to be strategically pre-positioned inside the Union. In consultation with Member States, rescEU capacities acquired, rented, leased or otherwise contracted by the Commission could also be located in third countries via trusted networks managed by relevant international organisations.’;</p>	<p>(8) Article 12 is amended as follows:</p> <p>(a) Paragraphs 2 and 3 are replaced by the following:</p> <p>‘2. [...]</p> <p>3. rescEU capacities shall be acquired, rented, leased, and/or otherwise contracted by the Commission or Member States. The Commission may acquire, rent, lease or otherwise contract rescEU capacities to stock and distribute supplies or to provide services to Member States, through procurement procedures in accordance with the Union’s financial rules. <b>Where the Commission acquires rescEU capacities, it shall retain ownership of such capacities even when they are distributed to member States, except in case of non-reusable capacities.</b> Where rescEU capacities are acquired, rented, leased or otherwise contracted by Member States, direct grants may be awarded by the Commission to Member States without a call for proposals.</p> <p>The Commission and any Member States which so desire may engage in a joint procurement procedure conducted pursuant to Article 165 of the Financial Regulation with a view of acquiring rescEU capacities.</p> <p>rescEU capacities shall be hosted by the Member States that acquire, rent, lease or otherwise contract those capacities. As a way to enhance Union resilience, rescEU capacities acquired, rented, leased or otherwise contracted by the Commission are to be strategically pre-positioned inside the Union. In consultation with Member States, rescEU capacities acquired, rented, leased or otherwise contracted by the Commission could also be located in third countries via trusted networks managed by relevant international organisations.’;</p>

**Reason**

This will ensure that the capacities are given to the most needed regions in Europe, according to the EC assessment.

**Amendment 10**

## Article 1(14)

Text proposed by the European Commission	CoR amendment
<p>Article 20a is replaced by the following:</p> <p><i>'Article 20a</i></p> <p style="text-align: center;"><b>Visibility and awards</b></p> <p>1. The recipients of Union funding, as well as the beneficiaries of the delivered assistance, shall acknowledge the origin and ensure the visibility of the Union funding (in particular when promoting the actions and their results) by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public.</p> <p>Any assistance or funding provided under this Decision shall be given appropriate visibility. In particular, Member States shall ensure that public communication for operations funded under the Union Mechanism:</p> <ul style="list-style-type: none"> <li>— include appropriate references to the Union Mechanism;</li> <li>— provide visual branding on the capacities funded or co-funded by the Union Mechanism;</li> <li>— deliver actions with the Union emblem;</li> <li>— proactively communicate the Union support to national media and stakeholders as well as on their own communication channels;</li> <li>— support the Commission's communication actions on the operations.</li> </ul> <p>2. The Commission shall implement information and communication actions relating to this Decision, and its actions and results. Financial resources allocated to this Decision shall also contribute to the corporate communication of the political priorities of the Union, as far as they are related to the objectives referred to in Article 3(1).</p> <p>3. The Commission shall award medals in order to recognise and honour longstanding commitments and extraordinary contributions to Union Mechanism.'</p>	<p>Article 20a is replaced by the following:</p> <p><i>'Article 20a</i></p> <p style="text-align: center;"><b>Visibility and awards</b></p> <p>1. The recipients of Union funding, as well as the beneficiaries of the delivered assistance, shall acknowledge the origin and ensure the visibility of the Union funding (in particular when promoting the actions and their results) by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public.</p> <p>Any assistance or funding provided under this Decision shall be given appropriate visibility. In particular, Member States shall ensure that public communication for operations funded under the Union Mechanism:</p> <ul style="list-style-type: none"> <li>— include appropriate references to the Union Mechanism;</li> <li>— provide visual branding on the capacities funded or co-funded by the Union Mechanism;</li> <li>— deliver actions with the Union emblem;</li> <li>— proactively communicate the Union support to national media and stakeholders as well as on their own communication channels;</li> <li>— support the Commission's communication actions on the operations.</li> </ul> <p>2. The Commission shall implement information and communication actions relating to this Decision, and its actions and results. Financial resources allocated to this Decision shall also contribute to the corporate communication of the political priorities of the Union, as far as they are related to the objectives referred to in Article 3(1).</p> <p>3. The Commission shall award medals in order to recognise and honour longstanding commitments and extraordinary contributions to Union Mechanism.</p> <p><b>4. When rescEU capacities are used for national purposes as referred to in Article 12(5), Member States, regions and cities shall acknowledge the origin of those capacities and ensure the visibility of the Union funding used to acquire those capacities.'</b></p>

**Reason**

It is important to promote the action of the EU in time of crisis. The COVID-19 crisis has shown that the crisis periods allow the broad diffusion of fake news.

**Amendment 11**

## Article 1(15)

Text proposed by the European Commission	CoR amendment
<p>Article 21 is amended as follows:</p> <p>(a) In paragraph 1, point (g) is replaced by the following: ‘(g) developing resilience planning under the Union Mechanism, as referred to in Article 10.’;</p> <p>(b) Paragraph 3 is replaced by the following:</p> <p>‘3. The financial assistance for the action referred to in point (j) of paragraph 1 shall cover all costs necessary to ensure the availability and deployability of rescEU capacities under the Union Mechanism in accordance with the second subparagraph of this paragraph. The categories of eligible costs necessary to ensure the availability and deployability of rescEU capacities shall be as set out in Annex Ia.</p> <p>The Commission is empowered to adopt delegated acts in accordance with Article 30 to amend Annex Ia regarding the categories of eligible costs.</p> <p>The financial assistance referred to in this paragraph may be implemented by multi-annual work programmes. For actions extending beyond one year, budgetary commitments may be broken down into annual instalments.’;</p> <p><b>(c) paragraph 4 is deleted.</b></p>	<p>Article 21 is amended as follows:</p> <p>(a) In paragraph 1, point (g) is replaced by the following: ‘(g) developing resilience planning under the Union Mechanism, as referred to in Article 10.’;</p> <p>(b) Paragraph 3 is replaced by the following:</p> <p>‘3. The financial assistance for the action referred to in point (j) of paragraph 1 shall cover all costs necessary to ensure the availability and deployability of rescEU capacities under the Union Mechanism in accordance with the second subparagraph of this paragraph. The categories of eligible costs necessary to ensure the availability and deployability of rescEU capacities shall be as set out in Annex Ia.</p> <p>The Commission is empowered to adopt delegated acts in accordance with Article 30 to amend Annex Ia regarding the categories of eligible costs.</p> <p>The financial assistance referred to in this paragraph may be implemented by multi-annual work programmes. For actions extending beyond one year, budgetary commitments may be broken down into annual instalments.’.</p>

**Reason**

The costs incurred in facing this type of risk should continue to be covered by EU financial assistance.

**II. POLICY RECOMMENDATIONS**

## THE EUROPEAN COMMITTEE OF THE REGIONS

1. reiterates its call for significant strengthening of the emergency and disaster response capacities of the EU, with the involvement of national, local and regional emergency response structures and respecting the subsidiarity principle under TFEU Article 196;
2. calls for the full involvement of local and regional authorities in the EU decision-making process, as they are the first ones to be hit when a disaster strikes and the first level of governance to respond in case of an emergency;
3. welcomes the proposal to develop Union disaster resilience goals in support of prevention and preparedness actions; emphasises, however, that this needs to be done in cooperation with not only Member States but also local and regional authorities;

4. supports the strengthening of the immediate and long-term capacity of the EU to react to emergencies while preserving local authorities' ultimate operational control, but emphasises that more flexibility is also needed for deployment of rescEU resources to effectively respond to not only to health crises but to other large-scale emergencies;
5. welcomes the EUR 1,9 billion reinforcement of rescEU under the new recovery instrument Next Generation EU, bringing the total allocation to EUR 3 billion for the next multiannual financial framework (MFF) 2021-2027. Therefore, swift agreement on and adoption of the EU budget is of the essence if we want the EU to be better equipped to prepare for and respond to any future large-scale emergencies;
6. stresses that while the Next Generation EU is a welcome temporary one-off reinforcement, a long-term commitment and reinforcement is needed to further reinforce the EU Civil Protection Mechanism and its instruments, such as rescEU and the European Medical Corps;
7. agrees that the Commission should be able to directly procure rescEU capacities to support Member States in a large-scale emergency situation as this would both alleviate the financial and administrative burden on Member States and enable the EU to intervene more rapidly to ensure the sufficient availability of strategic assets when the capacities of Member States are overwhelmed;
8. agrees that in addition to the availability of strategic assets, sufficient transport and logistical capacity, including multi-purpose aircraft services, in case of emergency is needed to be able to react quickly and deliver emergency assistance;

#### **Key messages**

9. refers to its commitment, as expressed in the Resolution on the 2020-2025 priorities of the European Committee of the Regions, to *'advocate for coordinated EU action and support for national, regional and local disaster preparedness structures to respond to health threats and crisis situations in compliance with the subsidiarity principle'*;
10. highlights Article 196 of the Treaty on the Functioning of the European Union which states that *'the Union shall encourage cooperation between Member States in order to improve the effectiveness of systems for preventing and protecting against natural or man-made disasters'*;
11. finds it regrettable that the COVID-19 outbreak has had large-scale consequences that could not have been foreseen, but believes that it can be overcome through strong cooperation and consolidated mechanisms;
12. notes that every crisis is a test of solidarity for the EU and its Member States, as most recently demonstrated by the current COVID-19 pandemic, and as the representative of local and regional authorities, strongly believes in the need for a coordinated European response in the spirit of true solidarity;
13. welcomes in this context that the European institutions have, within the scope of their competences, taken strong action in adopting initiatives for a targeted response to the COVID-19 crisis; reiterates, however, that beyond the first short-term crisis response, it is urgent to lay the ground for greater resilience from the European Union at all levels;
14. stresses that as demonstrated by the current crisis, it is of the utmost importance to strengthen coordination between Member States, between all levels of government and across borders;
15. notes that while the COVID-19 outbreak will necessarily also put the current Union Civil Protection Mechanism to the test, the targeted changes must now aim, on the basis of the experience gained here, to enhance and reinforce the Union Mechanism and enable both the EU and Member States to be better prepared and react quickly and effectively to future large-scale high-impact crises, and in so doing respect the division of powers, laid down in the TFEU, between the EU and Member States, in particular the local level;

16. reiterates the need to set up shared alert systems in cross border areas to achieve standardised communication on prevention and shared operational procedures in emergencies; and the need to create shared databases, shared between neighbouring countries in order to identify materials, resources, equipment, specialised volunteers and resource deployment and logistics <sup>(1)</sup>;

17. understands that the main parties participating in the Union Civil Protection Mechanism are the Member States but finds that the Mechanism as a whole would benefit from a stronger focus on regional and local needs and circumstances;

18. calls for more EU action to focus on providing technical training assistance so that the capacity of communities for self-help can be enhanced, leaving them better prepared to provide an initial response and to contain a disaster <sup>(2)</sup>;

19. reiterates the need to boost e-learning platforms along the lines of the Union Civil Protection Mechanism training programme, and to increase the availability of open online courses in the field of civil protection <sup>(3)</sup>.

### **Subsidiarity and proportionality analysis**

Civil protection is an area of shared competence between the EU and Member States, where the Union acts to support, coordinate or supplement the actions of its Member States (Article 196 TFEU). The principle of subsidiarity is clearly applicable in the field.

The current proposal is intended to introduce some targeted changes to the decision based on which the European Union supports, coordinates and supplements the action of Member States in the field of civil protection to prevent, prepare for and respond to natural and man-made disasters within and outside the Union.

As shown by the COVID-19 outbreak, in case of serious emergencies where the European Union as a whole is concerned by the scale and the scope of the emergency, a collective, coordinated and urgent response is needed to avoid a fragmented approach which would limit the effectiveness of the Union response. The pressing demands to mobilise resources at sufficient scale and deploy them across the Member States require coordinated action at Union level in cooperation with Member States.

Brussels, 14 October 2020.

*The President*  
*of the European Committee of the Regions*  
Apostolos TZITZIKOSTAS

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<sup>(1)</sup> CDR 2018/6135.

<sup>(2)</sup> CDR 2018/617.

<sup>(3)</sup> CDR 2018/6135.

**Opinion of the European Committee of the Regions – Recovery plan for Europe in response to the COVID-19 pandemic: Recovery and Resilience Facility and Technical Support Instrument**

(2020/C 440/24)

<b>Rapporteur-general:</b>	Christophe ROUILLON (FR/PES), Mayor of Coullaines
<b>Reference documents:</b>	<p>Proposal for a Regulation of the European Parliament and of the Council establishing a Recovery and Resilience Facility</p> <p>COM(2020) 408 final</p> <p>Proposal for a Regulation of the European Parliament and of the Council establishing a Technical Support Instrument</p> <p>COM(2020) 409 final</p>

**I. RECOMMENDATIONS FOR AMENDMENTS**

*Proposal for a Regulation of the European Parliament and of the Council establishing a Recovery and Resilience Facility*

**Amendment 1**

COM(2020) 408 final — Recital 3

Text proposed by the European Commission	CoR amendment
<p>At Union level, the European Semester of economic policy coordination ('European Semester'), <b>including</b> the principles of the European Pillar of Social Rights, is the framework to identify national reform priorities and monitor their implementation. Member States develop their own national multiannual investment strategies in support of those reforms. Those strategies should be presented alongside the yearly National Reform Programmes as a way to outline and coordinate priority investment projects to be supported by national and/or Union funding.</p>	<p>At Union level, the European Semester of economic policy coordination ('European Semester'), <b>incorporating the Sustainable Development Goals (SDGs) and</b> the principles of the European Pillar of Social Rights, is the framework to identify national <b>and regional</b> reform priorities and monitor their implementation, <b>by means of clear national and regional indicators</b>. Member States, <b>in cooperation with local and regional authorities within their spheres of competence and taking account of the specific features of the different regions they represent</b>, develop their own national multiannual investment strategies in support of those reforms. Those strategies, <b>developed in partnership with regional and local authorities on the basis of a code of conduct setting out guidelines on good governance for the programming of recovery plans and projects</b>, should be presented alongside the yearly National Reform Programmes as a way to outline and coordinate priority investment projects to be supported by national and/or Union funding. <b>There is also a need for these strategies to use EU funding in a more consistent manner and to maximise the added value of the financial support provided, notably from the European Structural and Investment Funds, the Recovery Fund and the InvestEU Programme.</b></p>



**Reason**

The content of this paragraph should be brought into line with that of the proposed regulation and the Interinstitutional Agreement on the InvestEU Programme, in particular as regards recognition of the role of local and regional authorities in the European Semester and consistency in the use of EU funds and instruments. It should also be pointed out that the Semester must incorporate the SDGs.

**Amendment 2**

COM(2020) 408 final — Recital 4

Text proposed by the European Commission	CoR amendment
<p>The outbreak of the COVID-19 pandemic in early 2020 changed the economic outlook for the years to come in the Union and in the world, calling for an urgent and coordinated response from the Union in order to cope with the enormous economic and social consequences for all Member. [...] Reforms and investments to address structural weaknesses of the economies and strengthen their resilience will therefore be essential to set the economies back on a sustainable recovery path and avoid further widening of the divergences in the Union.</p>	<p>The outbreak of the COVID-19 pandemic in early 2020 changed the economic <b>and social</b> outlook for the years to come in the Union and in the world, calling for an urgent and coordinated response from the Union in order to cope with the enormous economic and social consequences for all Member [States], <b>where the impact varies considerably from one region to another</b>. [...] <b>The European Union's support for implementation of reforms and investments in the Member States that implement the objectives of the European Union, address</b> structural weaknesses of the economies, strengthen their resilience <b>and contribute to an economic model that reflects the Sustainable Development Goals and the European Green Deal</b> will therefore be essential to set the economies back on a sustainable <b>and inclusive</b> recovery path, <b>strengthen economic, social and territorial cohesion</b> and avoid further widening of the divergences in the Union.</p>

**Reason**

Since the legal basis for the proposal for a regulation is Article 175(third paragraph) TFEU, it is imperative that cohesion be clearly recognised in its objectives.

**Amendment 3**

COM(2020) 408 final — Recital 5

Text proposed by the European Commission	CoR amendment
<p><b>The implementation of reforms helping national economies to achieve a high degree of resilience, building adjustment capacity and unlocking growth potential are among the EU's policy priorities. They are therefore crucial to set the recovery on a sustainable path and support the process of upward economic and social convergence. This is even more necessary in the aftermath of the pandemic crisis to pave the way for a swift recovery.</b></p>	

**Reason**

Recital redundant in the light of the previous one.

**Amendment 4**

COM(2020) 408 final — Recital 6

Text proposed by the European Commission	CoR amendment
<p>Past experiences have shown that investment is often drastically cut during crises. However, it is essential to <b>support investment in this particular situation to speed up the recovery and strengthen long-term growth potential. Investing in green and digital technologies, capacities and processes aimed at assisting clean energy transition, boosting energy efficiency in housing and other key sectors of the economic are important to achieve sustainable growth and help create jobs.</b> It will also help make the Union more resilient and less dependent by diversifying key supply chains.</p>	<p>Past experiences have shown that investment, <b>including the majority share of public investments made by local and regional authorities</b>, is often drastically cut during crises, <b>which exacerbates the detrimental effect on economic development and on economic, social and territorial cohesion. In order to achieve the objectives of the European Green Deal, sustainable and inclusive growth, strengthen the infrastructure of essential services for the population and help create jobs</b>, however, it is essential to <b>revive investment in sustainable development projects, improving the quality of life and education, the knowledge economy and supporting the digital and</b> clean energy transition, <b>including by</b> boosting energy efficiency in housing. <b>These investments</b> will also help make the Union more resilient and less dependent by diversifying key supply chains.</p>

**Reason**

Local and regional authorities are responsible for more than half of public investment in the EU and are particularly affected by investment cuts in times of crisis. It also seems important to highlight the detrimental consequences of this under-investment.

**Amendment 5**

COM(2020) 408 final — Recital 7

Text proposed by the European Commission	CoR amendment
<p><b>Currently, no instrument foresees direct financial support linked to the achievement of results and to implementation of reforms and public investments of the Member States in response to challenges identified in the European Semester, and with a view to having a lasting impact on the productivity and resilience of the economy of the Member States.</b></p>	

**Reason**

This statement may be open to debate, particularly in view of the role played by European Structural and Investment Funds in addressing the problems identified by the European Semester.

**Amendment 6**

COM(2020) 408 final — Recital 8

Text proposed by the European Commission	CoR amendment
<p>Against this background, it is necessary to strengthen the current framework for the provision of support to Member States and provide direct financial support to Member States through an innovative tool. To that end, a Recovery and Resilience <b>Facility (the ‘Facility’)</b> should be established under this Regulation to provide effective financial <b>and significant</b> support to step up the implementation of reforms and related public investments in the Member States. <b>The Facility should be comprehensive and should also benefit from the experience gained by the Commission and the Member States from the use of the other instruments and programmes.</b></p>	<p>Against this background, it is necessary to strengthen the current framework for the provision of support to Member States and provide direct financial support to Member States <b>and to local and regional authorities</b> through an innovative tool. To that end, a Recovery and Resilience <b>Fund (the ‘Fund’)</b> should be established under this Regulation to provide effective <b>and sufficient</b> financial support to step up the implementation of reforms and related public investments in the Member States <b>and in local and regional authorities, particularly in view of reaching the objectives of the new sustainable growth strategy presented in the European Green Deal, as well as to ensure that Member States and Local and Regional Authorities have the necessary capacity for a coordinated response by funding the establishment for regional or local monitoring.</b></p>

**Reason**

The term ‘Facility’ sounds too technocratic and is insufficiently grounded in local and regional reality. Moreover, local and regional authorities account for more than half of public investment in the EU. They are also key actors for cohesion, for achieving the SDGs, and for the green and digital transitions. They must be able to benefit fully from this mechanism. The potentially ‘global’ nature of the ‘Facility’ still needs to be clarified.

**Amendment 7**

COM(2020) 408 final — Recital 11

Text proposed by the European Commission	CoR amendment
<p>Reflecting the European Green Deal as Europe’s sustainable growth strategy and the translation of the Union’s commitments to implement the Paris Agreement and the United Nations’ Sustainable Development Goals, the <b>Facility</b> established by this Regulation will contribute to mainstreaming climate actions and environmental sustainability and to the achievement of an overall target of <b>25 %</b> of the EU budget expenditures supporting climate objectives.</p>	<p>Reflecting the European Green Deal as Europe’s sustainable growth strategy and the translation of the Union’s commitments to implement the Paris Agreement and the United Nations’ Sustainable Development Goals, the <b>Fund</b> established by this Regulation will contribute to mainstreaming climate actions and environmental sustainability and to the achievement of an overall target of <b>at least 30 %</b> of the EU budget expenditures supporting climate objectives. <b>Given that the potential contribution of some EU policies to this target has been overestimated<sup>(1)</sup>, the Fund should offset the deficit by earmarking at least 40 % of its spending for climate action.</b></p> <p><sup>(1)</sup> See the European Court of Auditors’ report on this matter (2 July 2020).  <a href="https://www.eca.europa.eu/Lists/ECADocuments/RW20_01/RW_Tracking_climate_spending_EN.pdf">https://www.eca.europa.eu/Lists/ECADocuments/RW20_01/RW_Tracking_climate_spending_EN.pdf</a></p>

**Reason**

The CoR reiterates here the position it adopted in October 2019 in its resolution on the 2021-2027 Multiannual Financial Framework, and in the opinion on the MFF presented in October 2018 by Mr Dobroslavić (HR/EPP).

**Amendment 8**

COM(2020) 408 final — Recital 13

Text proposed by the European Commission	CoR amendment
<p><i>In order to enable measures to be taken that link the Facility to sound economic governance, with a view to ensuring uniform implementing conditions, the power should be conferred on the Council to suspend, on a proposal from the Commission and by means of implementing acts, the period of time for the adoption of decisions on proposals for recovery and resilience plans and to suspend payments under this Facility, in the event of significant non-compliance in relation to the relevant cases related to the economic governance process laid down in the Regulation (EU) No XXX/XX of the European Parliament and of the Council [CPR] (...). The power to lift those suspensions by means of implementing acts, on a proposal from the Commission, should also be conferred on the Council in relation to the same relevant cases.</i></p>	

**Amendment 9**

COM(2020) 408 final — Recital 14

Text proposed by the European Commission	CoR amendment
<p>The <b>Facility's</b> general objective should be the promotion of economic, social and territorial cohesion. For that purpose, it should contribute to improving the resilience <b>and adjustment</b> capacity of the Member States, mitigating the social and economic impact of the crisis, and supporting the green and digital transitions aimed at achieving a climate neutral Europe by 2050, thereby restoring the growth potential of the economies of the Union in the aftermath of the crisis, fostering employment creation and to promoting sustainable growth.</p>	<p>The <b>Fund's</b> general objective should be the promotion of economic, social and territorial cohesion. For that purpose, it should contribute to improving the resilience capacity of the Member States <b>and of all regions throughout the European Union</b>, mitigating the social and economic impact of the crisis, <b>which is distributed unevenly across the Member States but also within each of them</b>, and supporting the green and digital transitions aimed at <b>accomplishing the SDGs by 2030 and</b> achieving a climate neutral Europe by 2050, thereby restoring the growth potential of the economies of the Union in the aftermath of the crisis, fostering employment creation and to promoting sustainable growth.</p>

## Amendment 10

COM(2020) 408 final — Recital 16

Text proposed by the European Commission	CoR amendment
<p>To ensure its contribution to the objectives of the Facility, the recovery and resilience plan should comprise measures for the implementation of reforms and public investment projects through a coherent recovery and resilience plan. The recovery and resilience plan should be consistent with the relevant country-specific challenges and priorities identified in the context of the European Semester, with the national reform programmes, the national energy and climate plans, the just transition plans, and the partnership agreements and operational programmes adopted under the Union funds. To boost actions that fall within the priorities of the European Green Deal <b>and</b> the Digital Agenda, the plan should also set out measures that are relevant for the green and digital transitions. <b>The measures should enable a swift deliver of targets, objectives and contributions set out in national energy and climate plans and updates thereof.</b> All supported activities should be pursued in full respect of the climate and environmental priorities of the Union.</p>	<p>To ensure its contribution to the objectives of the Facility, the recovery and resilience plan should comprise measures for the implementation of reforms and public investment projects through a coherent, <b>relevant, effective and efficient</b> recovery and resilience plan. The recovery and resilience plan should be consistent with the relevant country-specific challenges and priorities identified in the context of the European Semester, with the national reform programmes, the national energy and climate plans, the just transition plans, and the partnership agreements and operational programmes adopted under the Union funds. <b>In addition, the recovery and resilience plans should be consistent with the principle of European added-value.</b> To boost actions that fall within the priorities of the European Green Deal, the Digital Agenda, <b>the Industrial and SME strategies, the European Skills Agenda, the Child Guarantee and the Youth Guarantee</b>, the plan should also set out measures that are relevant for the green and digital transitions. All supported activities should be pursued in full respect of the climate and environmental priorities of the Union. <b>At least 40 % of the recovery and resilience plans should be dedicated to mainstreaming climate and biodiversity actions and environmental sustainability objectives.</b></p>

## Amendment 11

COM(2020) 408 final — Recital 18

Text proposed by the European Commission	CoR amendment
<p>To inform the preparation and the implementation of the recovery <b>and resilience</b> plans by Member States, the Council should be able to <b>discuss</b>, within the European Semester, the state of recovery, resilience <b>and adjustment</b> capacity in the Union. <b>To ensure appropriate evidence</b>, this discussion should be based on the <b>Commission's</b> strategic and analytical information <b>available</b> in the context of the European Semester and, <b>if available</b>, on the basis of the information on the implementation of the plans in the preceding years.</p>	<p>To inform the preparation and the implementation of the recovery plans by Member States, the Council <b>and the European Parliament</b> should be able to <b>decide on an equal footing</b>, within the European Semester, the state of recovery <b>and</b> resilience capacity in the Union. This <b>decision</b> should be based on the strategic and analytical information <b>presented by the Commission</b> in the context of the European Semester and on the basis of the information on the implementation of the plans in the preceding years, <b>and in particular on the basis of a set of quantitative and qualitative indicators for implementing the Sustainable Development Goals.</b> This <b>decision</b> should also be reached <b>by involving the European Committee of the Regions in establishing the European framework for the recovery plans and in the bodies monitoring compliance with the European Semester, and by instructing the Committee to carry out a biannual assessment of the regional implementation of the recovery plans.</b></p>

**Amendment 12**

COM(2020) 408 final — Recital 21

Text proposed by the European Commission	CoR amendment
<p>In order to ensure the national ownership and a focus on relevant reforms and investments, Member States wishing to receive support should submit to the Commission a recovery <b>and resilience</b> plan that is duly reasoned and substantiated. The recovery <b>and resilience</b> plan should set out the detailed set of measures for its implementation, including targets and milestones, and the expected impact of the recovery <b>and resilience</b> plan on growth potential, job creation and economic and social resilience; it should also include measures that are relevant for the green and the digital transitions; it should also include an explanation of the consistency of the proposed recovery <b>and resilience</b> plan with the relevant country-specific challenges and priorities identified in the context of the European Semester. Close cooperation between the Commission <b>and</b> the Member States should be sought and achieved throughout the process.</p>	<p>In order to ensure the national ownership and a focus on relevant reforms and investments, Member States wishing to receive support should submit to the Commission a recovery plan that is duly reasoned and substantiated. <b>In accordance with the principles of subsidiarity and partnership, the recovery plan should be established in close and structured cooperation with local and regional authorities, insofar as the reforms and investments to be supported fall within their sphere of competence as established in national law.</b> The recovery plan should set out the detailed set of measures for its implementation, including targets and milestones, and the expected impact of the recovery plan on <b>economic, social and territorial cohesion</b>, growth potential, job creation and economic and social resilience; it should also include measures that are relevant for the green and the digital transitions; it should also include an explanation of the consistency of the proposed recovery plan with the relevant country-specific challenges and priorities identified in the context of the European Semester. Close cooperation between the Commission, the Member States, <b>the European Committee of the Regions and local and regional authorities</b> should be sought and achieved throughout the process.</p>

**Reason**

Local and regional authorities hold key political competences and financial responsibilities for achieving the objectives of the Fund (cohesion, sustainable development, etc.) and it is therefore crucial that recovery plans be drawn up in close and structured cooperation with these authorities. This concerns not only the legitimacy and fairness of the instrument but also its effectiveness. The instrument's legal basis also requires the plans to contain a report on the impact on cohesion of the measures to be financed.

**Amendment 13**

COM(2020) 408 final — Recital 33

Text proposed by the European Commission	CoR amendment
<p>For effective monitoring of implementation, the Member States should report on a <b>quarterly</b> basis <b>within the European Semester process</b> on the progress made in the achievement of the recovery <b>and resilience</b> plan. Such reports prepared by the Member States concerned should be <b>appropriately</b> reflected in the National Reform Programmes, which should be used as a tool for reporting on progress towards completion of recovery <b>and resilience</b> plans.</p>	<p>For effective monitoring of implementation, the Member States should report on a <b>biannual</b> basis on the progress made in the achievement of the recovery plan. Such reports prepared by the Member States concerned should be reflected in the National Reform Programmes, which should be used as a tool for reporting on progress towards completion of recovery plans.</p>

**Reason**

Quarterly reports may appear to be an excessive bureaucratic burden.



**Amendment 14**

COM(2020) 408 final — Recital 37

Text proposed by the European Commission	CoR amendment
<p>It is opportune that the Commission provides an annual report to the European Parliament <b>and</b> the Council on the implementation of the <b>Facility</b> set out in this Regulation. This report should include information on the progress made by Member States under the recovery <b>and resilience</b> plans <b>approved</b>; it should also include information on the volume of the proceeds assigned to the Facility under the European Union Recovery Instrument in the previous year, broken down by budget line, and the contribution of the amounts raised through the European Union Recovery Instrument to the achievements of the objectives of the Facility.</p>	<p>It is opportune that the Commission provides an annual report to the European Parliament, the Council, <b>the European Committee of the Regions and the European Economic and Social Committee</b> on the implementation of the Facility set out in this Regulation. This report should include information on the progress made by Member States under the recovery plans <b>and an assessment of the implementation of these plans in the regions</b>; it should also include information on the volume of the proceeds assigned to the Facility under the European Union Recovery Instrument in the previous year, broken down by budget line, and the contribution of the amounts raised through the European Union Recovery Instrument to the achievements of the objectives of the Facility.</p>

**Amendment 15**

COM(2020) 408 final, Article 1

Text proposed by the European Commission	CoR amendment
<p>This Regulation establishes a Recovery <b>and Resilience Facility (the 'Facility')</b>. [...]</p>	<p>This Regulation establishes a Recovery <b>Fund (the 'Fund')</b>. [...]</p>

**Reason**

In line with the amendment to Recital 8, the term 'Facility' sounds too technocratic and may be misleading, given the fact that the fund is based on grants and loans.

**Amendment 16**

COM(2020) 408 final — Article 2

Text proposed by the European Commission	CoR amendment
<p style="text-align: center;"><i>Definitions</i></p> <p>For the purposes of this Regulation, the following definitions apply:</p> <ol style="list-style-type: none"> <li>1. 'Union Funds' means the funds covered by Regulation (EU) YYY/XX of the European Parliament and of the Council [CPR successor];</li> <li>2. 'Financial contribution' means non-repayable financial support available for allocation or allocated to the Member States under the Facility; <b>and</b></li> </ol>	<p style="text-align: center;"><i>Definitions</i></p> <p>For the purposes of this Regulation, the following definitions apply:</p> <ol style="list-style-type: none"> <li>1. 'Union Funds' means the funds covered by Regulation (EU) YYY/XX of the European Parliament and of the Council [CPR successor];</li> <li>2. 'Financial contribution' means non-repayable financial support available for allocation or allocated to the Member States under the Facility;</li> </ol>



Text proposed by the European Commission	CoR amendment
<p>3. 'European Semester of economic policy coordination' (hereinafter 'European Semester') means the process set out by Article 2-a of Council Regulation (EC) No 1466/97 of 7 July 1997.</p>	<p>3. 'European Semester of economic policy coordination' (hereinafter 'European Semester') means the process set out by Article 2-a of Council Regulation (EC) No 1466/97 of 7 July 1997;</p> <p>4. <b>'Reforms' eligible for support from the Fund are those which:</b></p> <ul style="list-style-type: none"> <li>(i) <b>implement the objectives of the EU Treaty</b></li> <li>(ii) <b>contribute to convergence and the reduction of regional disparities, including the mitigation of structural territorial constraints, in the spirit of the legal basis of the Regulation, Article 175 of the Treaty on the Functioning of the European Union (TFEU)</b></li> <li>(iii) <b>are able to trigger public investment and stimulate long-term sustainable and inclusive growth consistent with the Sustainable Development Goals.</b></li> </ul> <p>5. <b>Compliance with the 'do no significant harm' principle means refraining from supporting or carrying out economic activities that significantly harm environmental objectives pursuant to the provisions of Article 17 of the Regulation (EU) 2020/852 (Taxonomy Regulation).</b></p> <p>6. <b>The 'minimum safeguards' means procedures defined in Article 18 of the Regulation (EU) 2020/852 (Taxonomy Regulation).</b></p>

### Reason

The CoR reiterates here a definition already proposed in its opinion on *The Reform Support Programme and the European Investment Stabilisation Function* (ECON-VI/037), adopted on 5 December 2018.

### Amendment 17

COM(2020) 408 final — Article 4(2)

Text proposed by the European Commission	CoR amendment
<p>To achieve that general objective, the specific objective of the Recovery <b>and Resilience Facility</b> shall be to provide Member States with financial support with a view to achieving the milestones and targets of reforms and investments as set out in their recovery <b>and resilience</b> plans. That specific objective shall be pursued in close cooperation with the Member States concerned.</p>	<p>To achieve that general objective, the specific objective of the Recovery <b>Fund</b> shall be to provide Member States <b>and local and regional authorities</b> with financial support with a view to achieving the milestones and targets of reforms and investments as set out in their recovery plans. That specific objective shall be pursued in close cooperation with the Member States concerned.</p>

**Amendment 18**

COM(2020) 408 final — Article 5(1)

Text proposed by the European Commission	CoR amendment
<p>Measures referred to in Article 2 of Regulation [EURI] shall be implemented under this <b>Facility</b>:</p> <p>(a) through amount of EUR <b>334 950 000 000</b> referred to in point (ii) of Article 3(2)(a) of Regulation [EURI] in <b>current</b> prices, available for non-repayable support, subject to Article 4(4) and (8) of Regulation [EURI]. These amounts shall constitute external assigned revenues in accordance with Article 21(5) of the Financial Regulation.</p> <p>(b) through amount of EUR <b>267 955 000 000</b> referred to in Article 3(2)(b) of Regulation [EURI] in <b>current</b> prices, available for loan support to Members States pursuant to Article 12 and 13, subject to Article 4(5) of Regulation [EURI].</p>	<p>Measures referred to in Article 2 of Regulation [EURI] shall be implemented under this <b>Fund</b>:</p> <p>(a) through the amount of EUR <b>360 000 000 000</b> referred to in point (ii) of Article 3(2)(a) of Regulation [EURI] in <b>2018</b> prices, available for non-repayable support, subject to Article 4(4) and (8) of Regulation [EURI]. These amounts shall constitute external assigned revenues in accordance with Article 21(5) of the Financial Regulation.</p> <p>(b) through the amount of EUR <b>312 500 000 000</b> referred to in Article 3(2)(b) of Regulation [EURI] in <b>2018</b> prices, available for loan support to Members States pursuant to Article 12 and 13, subject to Article 4(5) of Regulation [EURI].</p>

**Reason**

Update based on the conclusions of the European Council of 17-21 July 2020

**Amendment 19**

COM(2020) 408 final — Article 6

Text proposed by the European Commission	CoR amendment
<p><b><i>Resources from shared management programmes</i></b></p> <p><b><i>Resources allocated to Member States under shared management may, at their request, be transferred to the Facility. The Commission shall implement those resources directly in accordance with point (a) of Article 62(1) of the Financial Regulation. Those resources shall be used for the benefit of the Member State concerned.</i></b></p>	

**Reason**

The option of transferring resources to the Recovery and Resilience Fund from the Structural and Investment Funds entails the risk of recentralising and undermining the management of the Structural and Investment Funds, which operate on the partnership principle.

**Amendment 20**

COM(2020) 408 final — Article 9

Text proposed by the European Commission	CoR amendment
	<p data-bbox="834 394 1390 477"><b>Measures linking the Facility to the protection of the Union's budget in case of generalised deficiencies as regards the rule of law</b></p> <p data-bbox="810 577 1418 884"><b>1. In the event of generalised deficiency as regards the rule of law in a Member State affecting the principles of sound financial management or the protection of the financial interests of the Union, as defined in Article 3 of Regulation [...] on the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, the Commission shall, adopt a decision by means of an implemented act to suspend the time period for the adoption of the decisions referred to in Articles 17(1) and 17(2) or to suspend payments under the Recovery and Resilience Facility.</b></p> <p data-bbox="810 987 1418 1070"><b>The decision to suspend payments referred to in paragraph 1 shall apply to payment applications submitted after the date of the decision to suspend.</b></p> <p data-bbox="810 1173 1418 1368"><b>The suspension of the time period referred to in Article 17 shall apply from the day after the adoption of the decision referred to in paragraph 1. In case of suspension of payments, Article 4(3) of Regulation [...] on the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States shall apply.</b></p> <p data-bbox="810 1471 1418 1693"><b>2. In the event of a positive assessment by the Commission in accordance with Article 6 of Regulation [...] on the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, the Commission shall, adopt a decision by means of an implementing act to lift the suspension of the time period or of payments referred to in the previous paragraph.</b></p> <p data-bbox="810 1796 1418 1850"><b>The relevant procedures or payments shall resume the day after the lifting of the suspension.</b></p> <p data-bbox="810 1953 1418 2085"><b>3. Where the Member State in question makes inadequate use of the allocated funding or in case of deficiency with regards to rule of law, regional and local level actions that contribute to addressing those challenges shall continue to benefit from the Facility.</b></p>

**Amendment 21**

COM(2020) 408 final — Article 10

Text proposed by the European Commission	CoR amendment
<p style="text-align: center;"><b>Maximum financial contribution</b></p> <p>A maximum financial contribution shall be calculated for each Member State for the allocation of the amount referred to in Article 5(1)(a), using the methodology set out in Annex I, based on the population, the <b>inverse of</b> the per capita Gross Domestic Product (GDP) and the <b>relative</b> unemployment rate of each Member State.</p>	<p style="text-align: center;"><b>Maximum financial contribution</b></p> <p>A maximum financial contribution shall be calculated for each Member State for the allocation <b>during the period up until 31 December 2022</b> of the amount referred to in Article 5(1)(a), using the methodology set out in Annex I, based on the population <b>and the detrimental impact that the health crisis has had on</b> the per capita Gross Domestic Product (GDP) and the unemployment rate of each Member State.</p>

**Amendment 22**

COM(2020) 408 final — Article 11

Text proposed by the Commission	CoR amendment
<p style="text-align: center;"><b>Allocation of financial contribution</b></p> <p>1. For a period until 31 December 2022, the Commission shall make available for allocation EUR <b>334 950 000 000</b>, referred to in point (a) of Article 5(1). Each Member State may submit requests up to their maximum financial contribution, referred to in Article 10, to implement their recovery <b>and resilience</b> plans.</p> <p>2. For a period starting after 31 December 2022 until 31 December 2024, <b>where financial resources are available, the Commission may organise calls in line with the calendar of the European Semester. To that effect, it shall publish an indicative calendar of the calls to be organised in that period, and shall indicate, at each call, the amount available for allocation. Each Member State may propose to receive up to a maximum amount corresponding to its allocation share of the available amount for allocation, as referred to in Annex I, to implement the recovery and resilience plan.</b></p>	<p style="text-align: center;"><b>Allocation of financial contribution</b></p> <p>1. For a period until 31 December 2022, the Commission shall make available for allocation EUR <b>252 000 000 000</b>, referred to in point (a) of Article 5(1). Each Member State may submit requests up to their maximum financial contribution, referred to in Article 10, to implement their recovery plans.</p> <p>2. For a period starting after 31 December 2022 until 31 December 2024, <b>a revision of the methodology set out in Annex I shall be proposed by the Commission by 15 June 2022, in order to agree on the distribution of the EUR 108 000 000 000 still available and to take account of the territorial, economic and social impact of the pandemic during the period 2020-2021 on the basis of consolidated statistical data.</b></p>

**Reason**

The allocation of any resources still available should be based not on a 'call for tender' but on factual statistical data during the period 2020-2021.

**Amendment 23**

COM(2020) 408 final — Article 14(1)

Text proposed by the European Commission	CoR amendment
<p>In pursuance of the objectives set out in Article 4, Member States shall prepare national recovery and resilience plans. These plans shall set out the reform and investment agenda of the Member State concerned for the subsequent four years. Recovery and resilience plans eligible for financing under this instrument shall comprise measures for the implementation of reforms and public investment projects through a coherent package.</p>	<p>In pursuance of the objectives set out in Article 4, Member States shall prepare national recovery and resilience plans. These plans shall set out the reform and investment agenda of the Member State concerned for the subsequent four years. Recovery and resilience plans eligible for financing under this instrument shall comprise measures for the implementation of reforms and public investment projects through a coherent package. <b>For the preparation of the recovery and resilience plans, Member States can make use of the Technical Support Instrument in accordance with Regulation XX/YYYY [establishing Technical Support Instrument]. Measures starting from 1 February 2020 related to the economic and social consequences caused by the COVID-19 pandemic onwards shall be eligible. Reflecting the European Green Deal as Europe’s sustainable growth strategy and the translation of the Union’s commitments to implement the Paris Agreement and the United Nations’ Sustainable Development Goals, at least 40 % of the amount of each Recovery and Resilience Plan shall contribute to mainstreaming climate and biodiversity actions and environmental sustainability objectives. By means of a delegated act, the Commission shall adopt the relevant methodology to help the Member States to fulfil that requirement.</b></p> <p><b>Reflecting the future-oriented character of the Next Generation EU recovery instrument and acknowledging the importance of the Digital Skills Agenda, the Child Guarantee and the Youth Guarantee for preventing the young people of today from becoming a ‘lockdown generation’, each recovery and resilience plan shall contribute to tackling the risk of long-lasting damage to young people’s labour market prospects and to their overall well-being through comprehensive employment, education and skills solutions and responses targeting young people.</b></p>

**Amendment 24**

COM(2020) 408 final — Article 15(2)

Text proposed by the European Commission	CoR amendment
<p>The recovery <b>and resilience</b> plan presented by the Member State concerned <b>shall constitute an annex to its National Reform Programme and</b> shall be officially submitted at the latest by 30 April. <b>A draft plan may be submitted by Member State starting from 15 October of the preceding year, together with the draft budget of the subsequent year.</b></p>	<p>The recovery plan presented by the Member State concerned shall be officially submitted at the latest by 30 April.</p>

**Reason**

The deadlines set under the European Semester hardly lend themselves to a process of ‘annexing’ recovery plans, let alone providing ‘pre-notification’ more than six months in advance. The competent authorities must be allowed greater flexibility and adaptability for presenting their plans.

**Amendment 25**

COM(2020) 408 final — Article 15(3)(c)

Text proposed by the European Commission	CoR amendment
<p>The recovery <b>and resilience</b> plan shall be duly reasoned and substantiated. It shall in particular set out the following elements:</p> <p>[...]</p> <p>(c) an explanation of how the measures in the plan are expected to contribute to the green and the digital transitions or to the challenges resulting from them;</p>	<p>The recovery plan shall be duly reasoned and substantiated. It shall in particular set out the following elements:</p> <p>[...]</p> <p>(c) an explanation of how the measures in the plan <b>contribute to achieving the Sustainable Development Goals and</b> are expected to contribute to the green and the digital transitions or to the challenges resulting from them;</p>

**Amendment 26**

COM(2020) 408 final — Article 15(3)(d) (new)

Text proposed by the European Commission	CoR amendment
	<p><i>(d) a detailed explanation of how the measures are expected to ensure that at least 40 % of the amount requested for the recovery and resilience plan contribute to mainstreaming climate and biodiversity actions and environmental sustainability objectives based on the methodology provided by the Commission in accordance with Article 14(1);</i></p>

**Amendment 27**

COM(2020) 408 final — Article 15(4) (new)

Text proposed by the European Commission	CoR amendment
	<p><i>When drawing up their proposals for recovery plans, and insofar as the reforms and investments to be supported fall within the sphere of local and regional authorities’ competence as defined by the national legal framework, Member States shall establish a mechanism for structured cooperation with local and regional authorities aimed at ensuring their full participation in the preparation of plans and showing due regard for the principle of subsidiarity. Member States shall reflect this in their recovery plans.</i></p>

**Reason**

See amendment to Recital 21.

**Amendment 28**

COM(2020) 408 final — Article 16(3)(b)

Text proposed by the European Commission	CoR amendment
<p>The Commission shall assess the importance and coherence of the recovery <b>and resilience</b> plan and its contribution to the green and digital transitions, and for that purpose, shall take into account the following criteria:</p> <p>[...]</p> <p>(b) whether the plan contains measures that effectively contribute to the green and the digital transitions or to addressing the challenges resulting from them;</p>	<p>The Commission shall assess the importance and coherence of the recovery plan and its contribution to the green and digital transitions, and for that purpose, shall take into account the following criteria:</p> <p>[...]</p> <p>(b) whether the plan contains measures that effectively contribute to the green and the digital transitions, <b>to achieving the Sustainable Development Goals</b> or to addressing the challenges resulting from them;</p>

**Amendment 29**

COM(2020) 408 final — Article 20

Text proposed by the Commission	CoR amendment
<p>Article 20</p> <p><b>Reporting by the Member State in the European Semester</b></p> <p>The Member State concerned shall report on a <b>quarterly</b> basis <b>within the European Semester process</b> on the progress made in the achievement of the recovery <b>and resilience</b> plans, including the operational arrangement referred to in Article 17(6). To that effect, the <b>quarterly</b> reports of the Member States shall be appropriately reflected in the National Reform Programmes, which shall be used as a tool for reporting on progress towards completion of the recovery <b>and resilience</b> plans.</p>	<p>Article 20</p> <p><b>Reporting by the Member State in the European Semester</b></p> <p>The Member State concerned shall report on a <b>biannual</b> basis on the progress made in the achievement of the recovery plans, including the operational arrangement referred to in Article 17(6). To that effect, the reports of the Member States shall be appropriately reflected in the National Reform Programmes, which shall be used as a tool for reporting on progress towards completion of the recovery plans.</p>

**Reason**

See amendment to Recital 33.



**Amendment 30**

COM(2020) 408 final — Article 22 (new)

Text proposed by the Commission	CoR amendment
	<p style="text-align: center;"><b>Recovery and resilience scoreboard</b></p> <p><b>1. The Commission shall establish a recovery and resilience scoreboard (the ‘Scoreboard’) displaying the status of implementation of the agreed reforms and investments through the recovery and resilience plans of each Member State.</b></p> <p><b>2. The Scoreboard shall include key indicators, such as social, economic and environmental indicators, that evaluate the progress registered by the recovery and resilience plans in each of the priority policy areas that define the scope of this Regulation as well as a summary of the monitoring process regarding the compliance with the minimum shares of expenditure on climate and other environmental objectives.</b></p> <p><b>3. The Scoreboard shall indicate the degree of fulfilment of the relevant milestones of the recovery and resilience plans and the identified shortcomings in their implementation, as well as the recommendations of the Commission to address the respective shortcomings.</b></p> <p><b>4. The Scoreboard shall also summarise the main recommendations addressed to the Member States as regards their recovery and resilience plans.</b></p> <p><b>5. The Scoreboard shall serve as a basis for a permanent exchange of best practices between Member States which will materialise in the form of a structured dialogue organised on a regular basis.</b></p> <p><b>6. The Scoreboard shall be constantly updated and shall be publicly available on the Commission’s website. It shall indicate the status of payment claims, payments, suspensions and cancellations of financial contributions.</b></p> <p><b>7. The Commission shall present the Scoreboard at a hearing organised by the competent committees of the European Parliament.</b></p>

**Reason**

The effectiveness of the measures should be made measurable and transparent.

Proposal for a Regulation establishing a Technical Support Instrument

**Amendment 31**

COM(2020) 409 final — Recital 4

Text proposed by the Commission	CoR amendment
<p>At Union level, the European Semester of economic policy coordination is the framework to identify national reform priorities and monitor their implementation. Member States develop their own national multiannual investment strategies in support of those reform priorities. Those strategies are presented alongside the yearly National Reform Programmes as a way to outline and coordinate priorities to be supported by national and/or Union funding. They should also serve to use Union funding in a coherent manner and to maximise the added value of the financial support to be received notably from the programmes supported by the Union under the structural and cohesion funds, and from other programmes.</p>	<p>At Union level, the European Semester of economic policy coordination (<b>the ‘European Semester’</b>), <b>including the principles of the European Pillar of Social Rights and incorporating the Sustainable Development Goals (SDGs)</b>, is the framework to identify national reform priorities and monitor their implementation. Member States, <b>in cooperation with local and regional authorities within their spheres of competence</b>, develop their own national multi-annual investment strategy in support of these reforms. Those strategies are presented alongside the yearly National Reform Programmes as a way to outline and coordinate priorities to be supported by national and/or Union funding. They should also serve to use Union funding in a coherent manner and to maximise the added value of the financial support to be received notably from the programmes supported by the Union under the structural and cohesion funds, <b>the Recovery Fund, the InvestEU programme</b> and from other programmes.</p>

**Reason**

The content of this paragraph should be brought into line with that included in the proposal for a regulation and the Interinstitutional Agreement concerning the InvestEU programme, and with the proposal concerning the ‘Recovery and Resilience Facility’, including the recognition of the role of local and regional authorities in the European Semester. It should also be noted that the Semester must incorporate the Sustainable Development Goals.

**Amendment 32**

COM(2020) 409 final — Recital 8

Text proposed by the European Commission	CoR amendment
<p>The general objective of the technical support instrument should be to promote the Union’s economic, social and territorial cohesion by supporting Member States efforts to implement reforms necessary to achieve economic and social recovery, resilience and convergence. To that effect, it should support the strengthening of the administrative capacity of the Member States to implement Union law, in relation to challenges faced by institutions, governance, public administration, and economic and social sectors.</p>	<p>The general objective of the technical support instrument should be to promote the Union’s economic, social and territorial cohesion by supporting Member States’ <b>and local and regional authorities</b>’ efforts to implement reforms necessary to achieve economic and social recovery, resilience and convergence. To that effect, it should support the strengthening of the administrative capacity of the Member States <b>and of local and regional authorities</b> to implement Union law, in relation to challenges faced by institutions, governance, public administration, and economic and social sectors.</p>

**Reason**

Consistency should be ensured with Articles 2 and 4 of the proposed regulation, which state that the instrument is intended to support all public authorities in the Member States, including local and regional authorities, which are responsible for the implementation of a significant proportion of Union law, as well as for more than half of public investment and one third of public expenditure as a whole.

**Amendment 33**

COM(2020) 409 final — Recital 10

Text proposed by the European Commission	CoR amendment
<p><b>With a view to helping Member States address reform needs in all the key economic and societal areas</b>, technical support should continue to be provided by the Commission, upon request from a <b>Member State</b>, in <b>a broad range of policy domains, which include</b> areas related to public financial and asset management, institutional and administrative reform, business environment, the financial sector, markets for products, services and labour, education and training, sustainable development, public health and social welfare. Specific emphasis should be given to the actions that foster the green and digital transitions.</p>	<p>Technical support should continue to be provided by the Commission, upon request from a <b>national authority</b>, in <b>the areas necessary for the implementation of the objectives of the Treaty on European Union and which are</b> related to public financial and asset management, institutional and administrative reform, business environment, the financial sector, markets for <b>local</b> products, services and labour, education and training, sustainable development, public health, social welfare <b>and gender equality</b>. Specific emphasis should be given to the actions that foster the green and digital transitions, <b>with a particular focus on narrowing the digital divide that affects women</b>.</p>

**Reason**

Consistency with the legislative amendments to Articles 2 and 4. See amendment to Recital 8.

**Amendment 34**

COM(2020) 409 final — Article 2(1)

Text proposed by the Commission	CoR amendment
<p>For the purposes of this Regulation, the following definitions apply:</p> <p>(1) ‘technical support’ means measures that help <b>Member States</b> to carry out institutional, administrative and <b>growth-sustaining</b> and resilience-<b>enhancing reforms</b>;</p>	<p>For the purposes of this Regulation, the following definitions apply:</p> <p>(1) ‘technical support’ means measures that help <b>national, regional and local authorities</b> to carry out institutional <b>and</b> administrative <b>reforms, and reforms likely to bring about sustainable growth, cohesion and</b> resilience. <b>In order to be eligible for recourse to the Technical Support Instrument, such reforms shall meet the following criteria:</b></p> <ul style="list-style-type: none"> <li>(i) <b>they shall be necessary for the implementation of the objectives of the Treaty on European Union;</b></li> <li>(ii) <b>they shall contribute to convergence and the reduction of regional disparities in the spirit of the legal basis of the Regulation, Article 175 of the Treaty on the Functioning of the European Union (TFEU); and</b></li> <li>(iii) <b>they shall be able to trigger public investment and stimulate long-term sustainable and inclusive growth consistent with the Sustainable Development Goals;</b></li> </ul>

**Reason**

Consistency with Articles 2(2) and Article 4 as regards the instrument's beneficiaries and with Articles 3, 4 and 5 as regards the objective of the reforms.

**Amendment 35**

COM(2020) 409 final — Article 3

Text proposed by the Commission	CoR amendment
<p>The general objective of the instrument shall be to promote the Union's economic, social and territorial cohesion by supporting Member States efforts to implement reforms necessary to achieve economic and social recovery, resilience and upward economic and social convergence, and to support Member States' efforts to strengthen their administrative capacity to implement Union law in relation to challenges faced by institutions, governance, public administration, and economic and social sectors.</p>	<p>The general objective of the instrument shall be to promote the Union's economic, social and territorial cohesion by supporting Member States <b>'and local and regional authorities'</b> efforts to implement reforms necessary to achieve economic and social recovery, resilience and upward economic and social convergence, and to support Member States <b>'and local and regional authorities'</b> efforts to strengthen their administrative capacity to implement Union law in relation to challenges faced by institutions, governance, public administration, and economic and social sectors.</p>

**Amendment 36**

COM(2020) 409 final — Article 5(e)

Text proposed by the Commission	CoR amendment
<p>policies for implementing the digital and the green transitions, e-government solutions, e-procurement, connectivity, data access and governance, e-learning, use of Artificial Intelligence based solutions, the environmental pillar of sustainable development and environmental protection, climate action, mobility, promoting the circular economy, energy and resource efficiency, renewable energy sources, achieving energy diversification and ensuring energy security, and for the agricultural sector, soil and biodiversity protection, fisheries and the sustainable development of rural areas; and</p>	<p>policies for implementing the digital and the green transitions, e-government solutions, e-procurement, connectivity, data access and governance, e-learning, use of Artificial Intelligence based solutions, the environmental pillar of sustainable development and environmental protection, climate action, mobility, promoting the circular economy, <b>the complete water cycle</b>, energy and resource efficiency, renewable energy sources, achieving energy diversification and ensuring energy security, and for the agricultural sector, soil and biodiversity protection, fisheries and the sustainable development of rural areas; and</p>

**Reason**

The water sector is of fundamental strategic importance for the well-being of Europe's citizens and economy, as it is an essential resource, as well as an economic sector that generates sustainable and high-quality jobs. The use of renewable energies is a key goal in the fight against climate change.

**Amendment 37**

COM(2020) 409 final — Article 8

Text proposed by the European Commission	CoR amendment
<p>1. A <b>Member State</b> wishing to receive technical support under the instrument shall submit a request for technical support to the Commission, identifying the policy areas and the priorities for support within the scope as set out in Article 5. These requests shall be submitted by 31 October of a calendar year. The Commission may provide guidance on the main elements to be included in the request for support.</p> <p>2. <b>Member States</b> may submit a request for technical support in the following circumstances linked to:</p> <p>(a) the implementation of reforms by <b>Member States</b>, undertaken on their own initiative, in particular to support recovery [in line with Regulation (EU) No YYY/XX], achieve sustainable economic growth and job creation and enhance resilience;</p> <p>[...]</p>	<p>1. A <b>national, regional or local authority</b> wishing to receive technical support under the instrument shall submit a request for technical support to the Commission, identifying the policy areas and the priorities for support within the scope as set out in Article 5. These requests shall be submitted by 31 October of a calendar year. The Commission may provide guidance on the main elements to be included in the request for support.</p> <p>2. <b>National, regional or local authorities</b> may submit a request for technical support in the following circumstances linked to:</p> <p>(a) the implementation of reforms by <b>national, regional or local authorities</b>, undertaken on their own initiative, in particular to support recovery [in line with Regulation (EU) No YYY/XX], achieve sustainable economic growth and job creation and enhance resilience;</p> <p>[...]</p>

**II. POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS,

**With regard to what is referred to as the ‘Recovery and Resilience Facility’,**

1. welcomes the fact that the budget size of this new instrument, namely EUR 360 billion in grants and EUR 312,5 billion in loans to be committed by the end of 2024, provides a macroeconomic response commensurate with the scale of the 2020 recession, the worst ever to have been experienced in the history of the European Union, with a fall of 8,3 % in GDP <sup>(1)</sup>. The CoR also supports the balance the proposal strikes between grants and loans. The risk of further widening of socioeconomic divergences justifies the rapid adoption and implementation of the ‘Recovery Plan for Europe’ and the post-2020 EU budget as of autumn 2020;

2. emphasising that the legal basis of the proposal (Article 175 TFEU) relates to the objective of cohesion, the CoR is concerned at the weak territorial dimension of the Commission’s proposal, given that the social and economic repercussions of the coronavirus crisis are unevenly distributed between Member States and, within them, between regions: firstly, because the health and human impact has been highly regionalised and healthcare capacities are unevenly distributed; secondly, because coronavirus prevention measures have also varied in duration and severity depending on the regional health situation; and thirdly, because some economic sectors are disproportionately affected with the socioeconomic impact at local and regional level therefore depending on the most important industries, the type of jobs available and exposure to global value chains in each region. Without specific mitigation measures, the coronavirus crisis is therefore likely to create or reinforce regional disparities within and between Member States. Cohesion and solidarity must be placed at the forefront of our investment priorities;

<sup>(1)</sup> Commission summer economic forecast (July 2020): [https://ec.europa.eu/info/sites/info/files/economy-finance/ip132\\_en.pdf](https://ec.europa.eu/info/sites/info/files/economy-finance/ip132_en.pdf)

3. cautions that the European Semester as a governance mechanism for the Fund (referred to as 'Facility') remains a centralised and top-down exercise that is not appropriate for a tool that is supposed to strengthen economic, social and regional cohesion; therefore reiterates its proposal for a code of conduct to involve local and regional authorities (LRAs) in the European Semester <sup>(2)</sup>. This code is more urgent and necessary than ever if the Semester is to become more transparent, inclusive and democratic, and also more effective, by involving regional and local authorities;

4. recognises that the specific Next Generation EU recovery measures represent an opportunity for all regions, especially those hardest hit by the economic crisis arising from the COVID-19 pandemic, to promote the modernisation of their economic models and to make them more productive and resilient. Regrets, however, that the proposed allocation key for the first tranche of 70 % of commitments, in the form of transfers from the Recovery Fund, is based on socioeconomic indicators that refer to the situation prior to the health crisis, and does not take into account the impact of the pandemic on these indicators, since the economic effects of the crisis have, from the outset, been distributed unevenly across the regions;

5. points out that the economic downturn is occurring at a time when many key industry sectors are already facing major challenges as a result of the digital and environmental transformation. To manage the change, the EU must not fall behind in global competition in innovation. This demands substantial investment in research and development and in skills acquisition and upgrading; the Recovery and Resilience Facility should also be used to make such investment possible;

6. insists, therefore, that LRAs should be involved in drawing up plans for recovery through structured cooperation with the Member States, insofar as the reforms and investments to be supported fall within the sphere of local and regional authorities' competence, and in accordance with the national legal framework for the division of powers between tiers of government. The Committee encourages the Commission, in consultation with the CoR, to already present guidelines to this end in autumn 2020. For its part, it undertakes to organise a biannual assessment of the implementation in the regions of the recovery plans;

7. considers, furthermore, that the deadlines set within the European Semester hardly lend themselves to a process of 'annexing' the recovery plans to the National Reform Programmes, let alone providing 'pre-notification' more than six months in advance. The competent authorities must be allowed greater flexibility and adaptability for presenting their plans;

8. notes that on 17 September 2020, the Commission presented the parallel publication of the Guidance to Member States on Recovery and Resilience Plans <sup>(3)</sup> and the Annual Sustainable Growth Strategy (ASGS). In this context, points out that:

- it currently seems that the Commission is proposing to merge the national recovery and resilience plans and national reform programmes and that it no longer plans to propose country-specific recommendations,
- while the Commission asks the Member States to 'describe the institutional nature of the plan, as well as the role of their national/regional parliaments, other regional/local authorities, and national advisory bodies such as national fiscal boards and national productivity boards in the decision process leading up to the adoption/submission of the Recovery and Resilience Plans', it does not set any requirements as to the involvement of local and regional authorities in preparing them,
- the territorial dimension does not seem to be a programming priority in these documents,
- the Commission is presenting seven flagship initiatives <sup>(4)</sup> which the recovery and resilience plans are expected to fit into. These flagship initiatives may be seen as additional constraints on the strategic planning of the recovery and resilience plans. Furthermore, none of these seven flagship initiatives relates to social cohesion, despite the fact that it has been undermined by the COVID-19 pandemic.

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<sup>(2)</sup> CoR opinion: *Improving the governance of the European Semester — a Code of Conduct for the involvement of local and regional authorities* — Rapporteur Rob Jonkman (NL/ECR), adopted on 11.5.2017. Ref.: COR-2016-05386.

<sup>(3)</sup> Only available in English at this stage.

<sup>(4)</sup> Clean technologies and renewable energy; energy efficiency of building stock; innovative mobility; connectivity (5G, fibre optics); modernisation of public administration; development of a European cloud for industrial data and powerful microprocessors; digitisation of education systems and the development of digital skills.

Proposes organising a 'Recovery and Resilience Forum' jointly with the European Commission, in order to boost local and regional authorities' participation in the recovery plan and to assess their contribution to cohesion and to the green and digital transitions;

9. points out, lastly, that LRAs are responsible for more than half of public investment in the EU — much of it in key sectors such as health, education, social services, housing, transport and tourism— and that it would therefore be absurd for them not to be able to benefit from this support for public investment. Support of this kind is particularly necessary in times of crisis, with the last decade having illustrated the harmful pro-cyclical consequences of cuts in public investment, which is all too often used as an adjustment variable in the face of budgetary constraints;

10. stresses the role that the proposed instrument must play for the climate, but considers that the recovery plans should be earmarked for at least 40 % of spending on climate action to enable the European Union to meet its climate commitments. The CoR also believes that the Commission's proposal should incorporate all the Sustainable Development Goals as a strategic planning framework;

11. opposes the option of transferring resources to the recovery and resilience instrument from the Structural and Investment Funds (Article 6), as such an option entails the risk of recentralising and undermining the management of the Structural and Investment Funds, which operates on the partnership principle;

12. sees the application of macroeconomic conditionality as a useful measure that would help to ensure targeted use of EU funds in the Member States;

13. reiterates its call for a clear definition of the reforms eligible for support from the 'Recovery Fund' and/or the Technical Support Instrument, showing due regard for the principle of subsidiarity, by stating that they should respond to the following criteria and be:

(i) relevant for the implementation of the objectives of the Treaty on European Union;

(ii) relevant to convergence and the reduction of regional disparities in the spirit of the legal basis of Article 175 of the Treaty on the Functioning of the European Union (TFEU);

(iii) able to trigger investment and stimulate long-term sustainable growth, consistent with the Sustainable Development Goals;

14. stresses that before the recovery and resilience 'fund' can be rolled out, local and regional authorities implementing projects need a stable legal framework for state aid at European and national level. In particular, they need to know whether the European framework for state aid will be set up on an ad hoc basis to take account of the increased volume of aid and obtain guarantees on the responsibilities and deadlines for notifying aid;

15. stresses that the term 'Facility' appears too technocratic, is incomprehensible to mere mortals and is ambiguous in a number of official EU languages, thus creating an obstacle to decentralised communication on the subject of the EU's responses to recovery and resilience; suggests, therefore, that the term 'Facility' be replaced by 'Fund';

#### **With regard to the Technical Support Instrument,**

16. welcomes the Commission's presentation of the proposal for a regulation establishing a Technical Support Instrument, which is likely to contribute to strengthening the administrative capacity of public authorities and thus to better implementation of reforms and more effective public management;

17. strongly supports the fact that the instrument is intended not only for national administrations but also for LRAs, as stated in Article 2 of the proposal;



18. considers, however, that the proposal for a regulation needs to be clarified and made more consistent, in particular as regards Article 8 on requests for technical support, which must come from a national authority within the meaning of Article 2 and not exclusively from a Member State.

Brussels, 14 October 2020.

*The President*  
*of the European Committee of the Regions*  
Apostolos TZITZIKOSTAS

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## Opinion of the European Committee of the Regions – European Year of Rail 2021

(2020/C 440/25)

<b>Rapporteur:</b>	Jarosław STAWIARSKI (PL/ECR), President of the Lubelskie Region
<b>Reference document:</b>	Proposal for a Decision of the European Parliament and of the Council on a European Year of Rail (2021) COM(2020) 78 final

### I. RECOMMENDATIONS FOR AMENDMENTS

#### Amendment 1

Recital 6

Commission text	CoR amendment
By connecting the Union's main transport routes with its peripheral regions and territories, the rail sector contributes to social, economic and territorial cohesion.	By connecting the Union's main transport routes with its peripheral regions and territories, the rail sector contributes to social, economic and territorial cohesion, <b><i>both as a local and regional public service, and as a large-capacity, long-distance service for passengers and goods.</i></b>

#### Reason

The contribution to cohesion should indicate the different rail models provided, in order to emphasise their importance and the need for each and every one of them, without exception, to the objective pursued.

#### Amendment 2

Article 3(1)

Commission text	CoR amendment
(a) initiatives and events to promote debate, raise awareness and facilitate citizens, businesses and public authorities' engagement to attract more people and goods to rail as a means to combat climate change, through multiple channels and tools, including events in Member States;	(a) initiatives and events to promote debate, raise awareness and facilitate citizens, businesses and public authorities' engagement to attract more people and goods to rail as a means to combat climate change, through multiple channels and tools, including events in Member States, <b><i>together with new commercial policies that facilitate access to rail through reductions, discounts and promotions, with a special focus on particular groups;</i></b>

**Reason**

In order to attract new rail users, it is crucial to facilitate access to this means of transport through new fare policies, reductions and discounts, especially for routes subject to public service obligations.

**Amendment 3**

## Article 4

Commission text	CoR amendment
The organisation of participation in the European Year at national level is a responsibility of the Member States. To that end, Member States shall appoint national coordinators. The national coordinators shall ensure the coordination of relevant activities at national level.	The organisation of participation in the European Year at national level is a responsibility of the Member States. To that end, Member States shall appoint national coordinators. The national coordinators shall ensure the coordination of relevant activities at national level, <b>also covering the promotion of rail transport that may be carried out by the different regional bodies in each EU Member State.</b>

**Reason**

In order to ensure that the European Year of Rail is implemented effectively in Member States, it is essential to get regional governments involved in this project and to promote rail not only at central level, but also at regional level in particular.

**Amendment 4**

## Article 5

Commission text	CoR amendment
1. The Commission shall regularly convene meetings of the national coordinators in order to coordinate the running of the European Year. Those meetings shall also serve as opportunities to exchange information regarding the implementation of the European Year at national and Union level; representatives of the European Parliament may participate in those meetings as observers.	1. The Commission shall regularly convene meetings of the national coordinators in order to coordinate the running of the European Year. Those meetings shall also serve as opportunities to exchange information regarding the implementation of the European Year at national and Union level; representatives of the European Parliament <b>and the European Committee of the Regions</b> may participate in those meetings as observers.
2. The coordination of the European Year at Union level shall have a transversal approach with a view to creating synergies between the various Union programmes and initiatives that fund projects in the field of rail transport or that have a rail dimension.	2. The coordination of the European Year at Union level shall have a transversal approach with a view to creating synergies between the various Union programmes and initiatives that fund projects in the field of rail transport or that have a rail dimension.
3. The Commission shall convene regular meetings of stakeholders and representatives of organisations or bodies active in the field of rail transport, including existing transnational networks and relevant NGOs, as well as of youth organisations and communities, to assist it in implementing the European Year at Union level.	3. The Commission shall convene regular meetings of stakeholders and representatives of organisations or bodies active in the field of rail transport, including existing transnational networks and relevant NGOs, as well as of youth organisations and communities, to assist it in implementing the European Year at Union level.

Commission text	CoR amendment
The Commission may, budget allowing, organise calls for proposals and projects that can receive support for their outstanding contribution to the objectives of the year.	The Commission may, budget allowing, organise calls for proposals and projects that can receive support for their outstanding contribution to the objectives of the year. <b>Projects that receive EU support should be selected based on geographical balance.</b>

### **Reason**

It is essential for the CoR to participate in coordinators' meetings given the important role of local and regional authorities in developing local and regional rail transport. Financial support for projects under the European Year of Rail should be balanced, hence the proposal for a geographical criterion.

## **II. POLICY RECOMMENDATIONS**

### **A. THE ROLE OF RAIL AND ITS CONTRIBUTION TO THE SOCIOECONOMIC DEVELOPMENT OF EUROPE'S REGIONS, SUSTAINABLE MOBILITY AND ACHIEVING THE CLIMATE GOALS SET OUT IN THE EUROPEAN GREEN DEAL AND THE EU'S TRANSPORT POLICY**

#### THE EUROPEAN COMMITTEE OF THE REGIONS

1. welcomes the proposed 2021 European Year of Rail as a way to promote rail among citizens, businesses and authorities — through projects, debates, events, exhibitions and initiatives across Europe — as an attractive and environmentally sustainable way to travel across Europe;
2. notes that the objectives set out in the decision on the European Year of Rail are consistent with the promotion of rail transport outlined in the European Commission's communication on the European Green Deal, particularly with regard to sustainable and smart mobility and achieving the EU's climate neutrality by 2050;
3. points out that rail is one of the most sustainable, energy-efficient and safest forms of transport and, as such, will play an important role in the future European mobility system;
4. notes that rail is six times more energy-efficient than road transport, and emits nine times less CO<sub>2</sub> than road freight and air passenger transport;
5. stresses that rail, as a leader in climate neutral mobility in the EU, has established its own sustainable mobility strategy in order to reach a target of being fully operational with zero emissions by 2050;
6. points out that all modes of transport should help meet the external costs they generate, in line with the polluter pays principle. Accordingly, calls on the German Presidency of the EU Council to speed up debate on the Eurovignette so that a general approach can be adopted over the next few months. This will finally make it possible to conduct trilogue negotiations with the European Parliament and so promote the switch from road to rail;
7. underlines that the rail sector is also making a significant contribution to the European economy and the completion of the European single market;

8. points out, moreover, that the objectives of the modal shift to rail cannot be achieved solely by means of PULL measures in the rail sector. Rather, PUSH measures relating to fossil fuel-powered transport will also be needed in order to achieve the objectives set by the Commission under the Green Deal;

9. notes that passenger satisfaction with rail services has been consistently growing thanks to the rail sector's efforts to improve these services<sup>(1)</sup>;

10. points out that growing urbanisation will be one of the biggest challenges in the world. It is therefore necessary to create new mobility patterns. A full roll-out of electric and automated vehicles is still many years away, but the rail sector already needs support to deal with the problems caused by climate change;

11. stresses that investments in rail freight corridors and transshipment terminals help improve the EU's territorial cohesion, development of trade with third countries, economic growth and employment;

12. ahead of the planned revision of Regulation (EU) No 1315/2013 of the European Parliament and of the Council<sup>(2)</sup> (TEN-T), encourages the EU institutions to continue to support the development of this network and to invest in new corridors, wherever needed in the European Union, particularly in the regions which have less developed railway infrastructure. The amber corridor and Rail Baltica are examples of corridors with European added value;

13. notes that, in the 2014-2016 period, investment in rail under the Connecting Europe Facility generated EUR 264 billion in GDP. Further expected benefits from this instrument, stemming from investment in the EU's core network corridors, should yield 1,8 % of additional GDP by 2030 and bring about a modal shift that lowers external costs;

14. notes the success of high-speed rail services in Europe and their potential to replace the air travel network for distances of up to 800-1 000 km; encourages the further development of high-speed rail infrastructure, particularly in Central and Eastern Europe and Nordic countries, as this will improve the connectivity of Europe's transport network, promoting the competitiveness, accessibility and climate goals of the EU;

15. notes that the COVID-19 crisis has confirmed that the European rail system has a high degree of resilience and stability which has allowed for unhindered territorial cohesion, particularly between regions, thanks to the transport of patients and urgently needed goods;

16. highlights the differences in infrastructure development and quality between the various European countries, and is pleased that the new Connecting Europe Facility (CEF) has already allocated a significant percentage of its budget to a coherent EU-wide strategy to reduce disparities in the operation of rail systems between EU countries;

17. is of the opinion that EU decision-makers should take advantage of the period of economic recovery following the pandemic to focus more on green modes of transport, such as rail. Future EU transport strategies and investment plans must reflect this new approach.

## **B. THE CHALLENGES FACING EUROPEAN RAIL AND THE COMMITTEE OF THE REGIONS' RECOMMENDATIONS FOR HOW TO PROMOTE AND DEVELOP THE SECTOR**

### THE EUROPEAN COMMITTEE OF THE REGIONS

18. notes that the 2011 white paper on transport aimed to bring about a significant modal shift towards rail; finds it regrettable that these objectives have not been met and that, overall, the transport sector has recorded a steady increase in greenhouse gas emissions;

<sup>(1)</sup> Flash Eurobarometer 463, January-February 2018 on Europeans' satisfaction with rail services.

<sup>(2)</sup> OJ L 348, 20.12.2013, p. 1.

19. calls on the EU institutions and the national authorities to take urgent action to create a level playing field between the different modes of transport, particularly by factoring in negative externalities on the environment and aligning taxation, and to consistently promote rail. Would point out here that the European Committee of the Regions supported the European Citizens' Initiative Fairosene calling for taxation of aviation fuel;

### **Meeting the EU's climate goals**

20. reiterates its call<sup>(3)</sup> for an abolishment of the current VAT exemptions stipulated in Council Directive 2006/112/EC<sup>(4)</sup>, under which all Member States apply VAT exemptions for cross-border aviation but not for cross-border rail;

21. calls on the EU institutions and governments to strengthen strategic cooperation to tackle climate change by providing urgent support for a range of measures, including:

- introducing the principle of full internalisation of external costs in transport; ensuring equal and safety concerned standards between all forms of transport,
- making rail (in line with the obligation entered into by Member State ministers in the Graz Declaration) a focal point for sustainable mobility in the EU in passenger traffic as well as freight transport,
- providing further support for electrification and modernisation of the rail network,
- supporting the modal shift towards rail, including, in particular, rail passenger transport in local traffic and regional transport as well as for journeys up to 1 000 km and the implementation of aid and financial programmes for rail freight transport, which will enable it to increase its share of transport in the EU from 17 % at present to a minimum 30 % in 2030,
- taking stock of the work carried out under the Shift2Rail initiative and stepping up support for R & D and innovation in the rail sector, including through further measures under the Horizon Europe programme;

### **Meeting the objectives of the EU's transport policy**

22. notes that the EU's TEN-T policy is a key instrument for coordinating important multimodal transport projects for the EU (and third countries) and contributes to the development of cross-border and regional infrastructure;

23. draws attention, however, to the lack of complementarity with regard to investment between the core and comprehensive TEN-T rail networks. It is important to ensure sufficient funding including for the comprehensive network;

24. stresses that transport policy should not only focus on network extension projects to include new railway lines, but also on modernising and improving the performance of existing rail infrastructure; during this process the right of way on tracks should be prioritised according to climate efficiency and avoidance of road traffic congestion effects of the measures;

25. calls for full support for the public investments needed in rail infrastructure, as well as for measures drawing on rail's potential and its role in the European economy's recovery from the COVID-19 crisis;

26. notes that urban rail hubs are not sufficiently integrated into the TEN-T network. Rail also has shortcomings with regard to 'last mile' infrastructure; recommends that sustainable transport plans and strategies should be drawn up to put rail at the centre of a system that integrates the various forms of regional and urban transport;

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<sup>(3)</sup> 2015/2347(INI).

<sup>(4)</sup> OJ L 347, 11.12.2006, p. 1.

27. calls for a bigger role for railway stations as efficient multimodal interfaces in urban and suburban mobility chains, connecting and integrating rail systems with other modes of transport and shared urban systems (e.g. cycling);

28. draws attention to the need for an adequate level of protection for passengers, including passengers with reduced mobility. Future legislative solutions must determine rights and obligations in a balanced way, enabling the sector to meet its commitments;

29. furthermore, calls on the EU institutions to opt for a broader approach to supporting and developing secondary rail networks and the additionally required intermodal infrastructure (e.g. terminals) when improving or expanding rail infrastructure, and to adapt or enlarge the support instruments accordingly;

### **Investment needs, financing needs and making the rail sector more competitive**

30. draws attention to the considerable investment needs of rail, especially at regional level. In order to remain competitive, the rail sector needs access to EU funding for infrastructure projects, investments in rolling stock, innovation, digitalisation and activities to tackle terrorist threats, particularly in countries which have a less developed rail service sector;

31. calls for the 2021-2027 EU budget and Member States' budgets to ensure that sufficient resources are made available to cover rail's investment needs; notes that the countries of Central and Eastern Europe are facing problems due to the obsolescence or lack of rolling stock. Investments are essential in order to make rail more competitive;

32. in view of the financial challenges facing the rail sector and its ambitious development goals, the Committee calls for a relaxation of cohesion rules so as to allow for a vital increase in funding to support rail investments under the ERDF and the Cohesion Fund. Also calls for an increase in the budget for the Connecting Europe Facility with a view to contributing to the green transition of Europe's transport system;

33. recommends that consideration be given to a long-term EU financing mechanism for sustainable transport, using resources from less environmentally friendly modes of transport, in line with the polluter pays principle;

34. points to the need to retain grants as the main formula for EU funding for rail investments. Most infrastructure projects do not generate sufficient revenues — typically they cover 10-20 % of total investment costs. At the same time, these projects generate considerable socioeconomic benefits;

35. underlines the importance of investment in boosting the capacity of urban rail hubs and regional rail transport, which is the backbone of mobility in some regions; rail increases the territorial cohesion of the EU, thus preventing transport exclusion;

36. stresses the importance of projects promoting borderless mobility, accessible to all users, including older people, people with limited mobility or those with disabilities;

37. points to the need for investment in digitalisation and rail automation in order to make rail transport even more efficient and competitive;

38. notes the need for funding to implement existing innovative solutions with a view to improving connections with countries with different track gauges, such as the SUW 2000 system for automatic change of track gauge, which will help improve connections with third countries;



**C. COMMITTEE OF THE REGIONS RECOMMENDATIONS ON EFFECTIVE WAYS TO PROMOTE RAIL TRANSPORT AS PART OF THE 2021 EUROPEAN YEAR OF RAIL**

## THE EUROPEAN COMMITTEE OF THE REGIONS

39. encourages the EU institutions and national and regional authorities to take action in line with the objectives of the European Year of Rail, with a view to promoting rail as an environmentally friendly, innovative and safe mode of transport. In cooperation with railways and railway organisations, they could organise and promote:

- initiatives, exhibitions and events to promote political, business and social debate highlighting the importance of rail in the EU's transport and economic system (including the TRAKO 2021 rail fair in Gdańsk),
- information and educational campaigns on the role and added value of rail transport and measures to encourage the public to help meet the objective of sustainable transport,
- exchanges of experience and good practices between regional and local authorities, rail companies and representatives of the EU institutions, in order to promote rail;

40. the CoR is committed to increasing the contribution and role of rail in public transport, and to making its image more economically and socially attractive. In addition to promoting rail's climate neutrality, it would be worth taking steps to improve and highlight the attractiveness of employment in this sector, in light of the emerging generational gap and changes in rail professions. This is why the CoR in particular:

- encourages national and regional authorities to promote education in rail-related careers and to set up schools and courses of studies focussing on rail at universities, reflecting market demands, particularly in the fields of engineering, automation, signalling and other specialised areas,
- encourages railway companies to offer additional training, and to make working in the rail sector more attractive,
- recommends that rail companies and schools, with the support of regional and national authorities, organise competitions for students to test their rail knowledge,
- encourages the European Commission to maintain and expand the #DiscoverEU programme. The CoR also proposes a joint initiative linking this programme with the rail sector. The aim would be to connect the Interrail trips that young people make to a programme of events in cities and regions focusing on local railway stations as vehicles of culture or technical visits so that young people can learn more about rail,
- welcomes the involvement of the rail sector in the 2021 Europalia international art festival, which will focus on rail's influence on art and the role of rail as a promoter of change;

41. recognises the need to support rail at EU and national level, not least given the challenges faced by the sector. Therefore:

- encourages rail to increase its contribution to sustainable tourism by creating new rail links and restoring ones that have been closed down,
- calls on the rail sector and the Member States to extend services offered by night trains and car-carrying trains,
- calls on the European Commission to set up a coherent European high-speed rail network as an alternative to or alongside air and private transport without compromising the expansion of the regional and freight train infrastructure,

- encourages rail to continuously improve the digitalisation and accessibility of services by developing applications and ticketing platforms, and to work towards a common European rail ticketing scheme,
  - supports rail and Member States in their efforts to promote interoperability in international transport,
  - encourages Member States to promote and fund programmes to shift freight from road to rail by developing new projects such as *tiry na tory*<sup>(5)</sup> (lorries onto rail) and to share their best practices for modal shift,
  - encourages regional and national authorities to draw up long-term transport plans with a leading role for rail, where appropriate, and points to the need to promote rail as a key element in addressing the issue of the transport exclusion of outlying and/or less developed regions. In regions where there is no rail transport, as is the case in the outermost regions, the CoR recommends finding alternative mobility solutions that are suited to the situation in these regions,
  - encourages regional authorities to support existing rail monuments, museums, and historical engine houses as cultural heritage in their regions,
  - recommends that local authorities, in cooperation with rail companies, promote and implement joined-up, door-to-door transport solutions, taking account of collaborative economy projects, including bike sharing,
  - recommends that comprehensive joint campaigns promoting regions and rail be carried out using various media and information channels, and that the role of railway stations and rolling stock as cultural vehicles be highlighted, in order to expand education and build relationships with passengers, and to generate public awareness of the fact that, as a means of transport, rail can play a key role in tackling climate change,
  - encourages national and regional authorities to support investment in construction of intermodal terminals along rail routes and at borders with third countries, to modernise and maintain railway stations and stops, including access roads, and to mark out and create parking spaces for people arriving at train stations by car;
42. points to the need to promote multimodal initiatives linked to the integration of rail with other means of shared transport (car sharing, bike sharing);
43. regards as necessary regional and national investments in modernisation of historical stations, which are being renovated not least to reduce the negative environmental impact, and in new innovative stations which take account of green requirements, mainly relating to the use of renewable energy sources;
44. recommends that the EUR 8 million budget referred to in the proposed Commission decision (COM(2020) 78) be increased to EUR 12 million.

Brussels, 14 October 2020.

*The President*  
*of the European Committee of the Regions*  
Apostolos TZITZIKOSTAS

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<sup>(5)</sup> <https://tirynatory.pl/>

## Opinion of the European Committee of the Regions – The REACT-EU package

(2020/C 440/26)

<b>Rapporteur:</b>	General: Mieczysław STRUK (PL/EPP), President of the Pomorskie Region
<b>Reference documents:</b>	COM(2020) 451 final
	COM(2020) 450 final
	COM(2020) 452 final
	COM(2020) 447 final

### I. RECOMMENDATIONS FOR AMENDMENTS

*Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1303/2013 as regards exceptional additional resources and implementing arrangements under the Investment for growth and jobs goal to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy (REACT-EU)*

COM(2020) 451 final

#### Amendment 1

COM(2020) 451 final — Part 1

Title of the act

Text proposed by the European Commission	CoR Amendment
<p>Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1303/2013 as regards exceptional additional resources and implementing arrangements under the Investment for growth and jobs goal to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy (REACT-EU)</p>	<p>Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1303/2013 as regards exceptional additional resources and implementing arrangements under the Investment for growth and jobs <b>goal and the European territorial cooperation</b> goal to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy (REACT-EU)</p>

#### Reason

The Covid-19 pandemic and unilateral closing of borders of a number of Member States internal borders have caused massive damages to border regions which need to be properly addressed.

**Amendment 2**

COM(2020) 451 final — Part 1

Recital 1

Text proposed by the European Commission	CoR Amendment
<p>Member States have been affected by the crisis due to the consequences of the COVID-19 pandemic in an unprecedented manner. The crisis hampers growth in Member States, which in turn aggravates the serious liquidity shortages due to the sudden and important increase in public investments needed in their health systems and other sectors of their economies. This has created an exceptional situation which needs to be addressed with specific measures.</p>	<p>Member States have been affected by the crisis due to the consequences of the COVID-19 pandemic in an unprecedented manner. The crisis <b>increased the risk of poverty and a deepening of social cleavages in the EU</b>, hampers growth in Member States, which in turn aggravates the serious liquidity shortages due to the sudden and important increase in public investments needed in their health systems and other sectors of their economies. This has created an exceptional situation which needs to be addressed with specific measures.</p>

**Amendment 3**

COM(2020) 451 final — Part 1

Recital 4

Text proposed by the European Commission	CoR Amendment
<p>In accordance with Regulation [European Recovery Instrument] and within the limits of resources allocated therein, recovery and resilience measures under the European Investment and Structural Funds should be carried out to address the unprecedented impact of the COVID-19 crisis. <b>Such additional resources should be used to ensure compliance with the time limits provided for in Regulation [ERI]</b>. Moreover, additional resources for economic, social and territorial cohesion should be made available through a revision of the multiannual financial framework for 2014-2020.</p>	<p>In accordance with Regulation [European Recovery Instrument] and within the limits of resources allocated therein, recovery and resilience measures under the European Investment and Structural Funds should be carried out to address the unprecedented impact of the COVID-19 crisis. Moreover, additional resources for economic, social and territorial cohesion should be made available through a revision of the multiannual financial framework for 2014-2020.</p>

**Reason**

More flexibility should be given.

**Amendment 4**

COM(2020) 451 final — Part 1

Recital 5

Text proposed by the European Commission	CoR Amendment
<p>An additional exceptional amount of EUR 58 272 800 000 (in current prices) for budgetary commitment from the Structural Funds under the Investment for growth and jobs goal, for the years 2020, 2021 and 2022 should be made available to support Member States and regions most impacted in crisis repair in the context of the COVID-19 pandemic or preparing a green, digital and resilient recovery of the economy, with a view to deploying resources quickly to the real economy through the existing operational programmes. Resources for 2020 stem from an increase in the resources available for economic, social and territorial cohesion in the multiannual financial framework for 2014-2020 whereas resources for 2021 and 2022 stem from the European Union Recovery Instrument. Part of the additional resources should be allocated to technical assistance at the initiative of the Commission. The Commission should set out the breakdown of the remaining additional resources for each Member State on the basis of an allocation method based on the latest available objective statistical data concerning Member States' relative prosperity and the extent of the effect of the current crisis on their economies and societies. The allocation method should include a dedicated additional amount for the outermost regions given the specific vulnerability of their economies and societies. In order to reflect the evolving nature of the effects of the crisis, the breakdown should be revised in 2021 on the basis of the same allocation method using the latest statistical data available by 19 October 2021 to distribute the 2022 tranche of the additional resources.</p>	<p>An additional exceptional amount of EUR 58 272 800 000 (in current prices) for budgetary commitment from the Structural Funds under the Investment for growth and jobs goal <b>and the European territorial cooperation goal</b>, for the years 2020, 2021 and 2022 <b>and, where requested by a managing authority and justified by a Member State also for the years 2023 and 2024</b>, should be made available to support Member States and regions most impacted in crisis repair in the context of the COVID-19 pandemic or preparing a green, digital and resilient recovery of the economy, with a view to deploying resources quickly to the real economy through the existing operational programmes. Resources for 2020 stem from an increase in the resources available for economic, social and territorial cohesion in the multiannual financial framework for 2014-2020 whereas resources for 2021 and 2022, <b>and, where applicable, for 2023 and 2024</b>, stem from the European Union Recovery Instrument. Part of the additional resources should be allocated to technical assistance at the initiative of the Commission. The Commission should set out the breakdown of the remaining additional resources for each Member State on the basis of an allocation method based on the latest available objective statistical data concerning Member States' relative prosperity and the extent of the effect of the current crisis on their economies and societies. The allocation method should include a dedicated additional amount for the outermost regions given the specific vulnerability of their economies and societies. In order to reflect the evolving nature of the effects of the crisis, the breakdown should be revised in 2021 on the basis of the same allocation method using the latest statistical data available by 19 October 2021 to distribute the 2022 tranche, <b>and, where relevant, 2023 and 2024 tranches</b> of the additional resources.</p>

**Reason**

Managing authorities will need more time and flexibility to implement a new programme of this size.

**Amendment 5**

COM(2020) 451 final — Part 1

Recital 7

Text proposed by the European Commission	CoR Amendment
<p>In order to allow maximum flexibility to Member States for tailoring crisis repair actions in the context of the COVID-19 pandemic or preparing a green, digital and resilient recovery of the economy, allocations should be established by the Commission at Member State level. Furthermore, the possibility for using any additional resources to support aid for the most deprived should also be provided for. In addition, it is necessary to establish ceilings concerning the allocation to technical assistance at the initiative of the Member States while allowing maximum flexibility to the Member States as to its allocation within operational programmes supported by the ERDF or <i>the ESF. It should be clarified that there is no need to respect the ESF minimum share for the additional resources.</i> Taking account of the expected quick spending of the additional resources, the commitments linked to those additional resources should only be decommitted at the closure of the operational programmes.</p>	<p>In order to allow maximum flexibility to Member States for tailoring crisis repair actions in the context of the COVID-19 pandemic or preparing a green, digital and resilient recovery of the economy, allocations should be established by the Commission at Member State level. <b><i>However, regional and local authorities should be strongly involved in the preparation and implementation of projects with a strong multi-level governance approach.</i></b> Furthermore, the possibility for using any additional resources to support aid for the most deprived should also be provided for. In addition, it is necessary to establish ceilings concerning the allocation to technical assistance at the initiative of the Member States while allowing maximum flexibility to the Member States as to its allocation within operational programmes supported by the ERDF or the ESF. Taking account of the expected quick spending of the additional resources, the commitments linked to those additional resources should only be decommitted at the closure of the operational programmes.</p>

**Reason**

The ESF should not be weakened.

**Amendment 6**

COM(2020) 451 final — Part 1

Recital 14

Text proposed by the European Commission	CoR Amendment
<p>In order to enable Member States to deploy the additional resources for crisis repair quickly in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy within the current programming period, it is justified to exempt, on an exceptional basis, Member States from the need to comply with <i>ex ante</i> conditionalities and requirements on the performance reserve and application of the performance framework, on thematic concentration, also in relation to the thresholds established for sustainable urban development for the ERDF, and requirements on preparation of a communication strategy for the additional resources. It is nevertheless necessary that Member States carry out at least one evaluation by 31 December 2024 to assess the effectiveness, efficiency and impact of the additional resources as well as how they contributed to achieving the goals of the new dedicated thematic objective. To facilitate the availability of comparable information at Union level, Member States are encouraged to make use of the programme-specific indicators made available by the Commission. In addition, while carrying out their responsibilities linked to information, communication and visibility, Member States and managing authorities should enhance the visibility of the exceptional measures and resources introduced by the Union, in particular by ensuring that potential beneficiaries, beneficiaries, participants, final recipients of financial instruments and the general public are aware of the existence, volume and additional support stemming from the additional resources.</p>	<p>In order to enable Member States to deploy the additional resources for crisis repair quickly in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy within the current programming period, it is justified to exempt, on an exceptional basis, Member States from the need to comply with <i>ex ante</i> conditionalities and requirements on the performance reserve and application of the performance framework, on thematic concentration, also in relation to the thresholds established for sustainable urban development for the ERDF, and requirements on preparation of a communication strategy for the additional resources. It is nevertheless necessary that Member States carry out at least one evaluation by 31 December 2024, <b>or by 31 December 2026 where additional resources are made available for budgetary commitment in 2023 and 2024</b>, to assess the effectiveness, efficiency and impact of the additional resources as well as how they contributed to achieving the goals of the new dedicated thematic objective. To facilitate the availability of comparable information at Union level, Member States are encouraged to make use of the programme-specific indicators made available by the Commission. In addition, while carrying out their responsibilities linked to information, communication and visibility, Member States and managing authorities should enhance the visibility of the exceptional measures and resources introduced by the Union, in particular by ensuring that potential beneficiaries, beneficiaries, participants, final recipients of financial instruments and the general public are aware of the existence, volume and additional support stemming from the additional resources.</p>

**Reason**

Managing authorities will need more time and flexibility to implement a new programme of this size.



**Amendment 7**

COM(2020) 451 final — Part 1

Recital 21

Text proposed by the European Commission	CoR Amendment
<p>Article 135(2) of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community provides that amendments to Council Regulation (EU, Euratom) No 1311/2013 or Council Decision 2014/335/EU, Euratom that are adopted on or after the date of entry into force of that Agreement shall not apply to the United Kingdom insofar as those amendments have an impact on the United Kingdom's financial obligations. The support under this Regulation for 2020 is financed from an increase of the ceiling of the Multiannual Financial Framework and for 2021 and 2022 from an increase of the own resources ceiling of the Union, which would have an impact on the United Kingdom's financial obligation. Therefore, this Regulation should not apply to and in the United Kingdom.</p>	<p>Article 135(2) of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community <sup>(1)</sup> provides that amendments to Council Regulation (EU, Euratom) No 1311/2013 <sup>(2)</sup> or Council Decision 2014/335/EU, Euratom <sup>(3)</sup> that are adopted on or after the date of entry into force of that Agreement shall not apply to the United Kingdom insofar as those amendments have an impact on the United Kingdom's financial obligations. The support under this Regulation for 2020 is financed from an increase of the ceiling of the Multiannual Financial Framework and for 2021 and 2022, <b>and where applicable for 2023 and 2024</b>, from an increase of the own resources ceiling of the Union, which would have an impact on the United Kingdom's financial obligation. Therefore, this Regulation should not apply to and in the United Kingdom.</p> <p><sup>(1)</sup> <i>OL L 29, 31.1.2020, p. 7.</i>  <sup>(2)</sup> <i>Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).</i>  <sup>(3)</sup> <i>Council Decision 2014/335/EU, Euratom of 26 May 2014 on the system of own resources of the European Union (OJ L 168, 7.6.2014, p. 105).</i></p>

**Reason**

Managing authorities will need more time and flexibility to implement a new programme of this size.

**Amendment 8**

COM(2020) 451 final — Part 1

Amend Article 1, paragraph 1, point 1

Regulation (EU) No 1303/2013

Article 91, paragraph 1a

Text proposed by the European Commission	CoR amendment
<p>in Article 91, a new paragraph 1a is inserted:</p> <p>'1a. In addition to the global resources referred to in paragraph 1, additional resources of EUR 5 000 000 000 in <b>current</b> prices shall be made available for economic, social and territorial cohesion for budgetary commitment for 2020, and allocated to the ERDF and the ESF.;</p>	<p>in Article 91, a new paragraph 1a is inserted:</p> <p>'1a. In addition to the global resources referred to in paragraph 1, additional resources of EUR 5 000 000 000 in <b>constant 2018</b> prices shall be made available for economic, social and territorial cohesion for budgetary commitment for 2020, and allocated to the ERDF and the ESF.;</p>

**Reason**

Using constant 2018 prices is in line with the conclusions of the Special meeting of the European Council on 17-21 July 2020 <sup>(1)</sup>.

**Amendment 9**

COM(2020) 451 final — Part 1

Amend Article 1, paragraph 1, point 2

Regulation (EU) No 1303/2013

Article 92a, first and second paragraph

Text proposed by the European Commission	CoR amendment
<p>Measures referred to in Article 2 of Regulation [ERI] shall be implemented under the Structural Funds with an amount of EUR 53 272 800 000 in current prices of the amount referred to in Article 3(2)(a)(i) of that Regulation, subject to its Article 4(3), (4) and (8).</p>	<p>Measures referred to in Article 2 of Regulation [ERI] shall be implemented under the Structural Funds with an amount of EUR 53 272 800 000 in current prices of the amount referred to in Article 3(2)(a)(i) of that Regulation, subject to its Article 4(3), (4) and (8).</p>
<p>These additional resources for 2021 and 2022 shall constitute external assigned revenues in accordance with Article 21(5) of the Financial Regulation.</p>	<p>These additional resources for 2021 and 2022 shall constitute external assigned revenues in accordance with Article 21(5) of the Financial Regulation. <b>A decision to prolong the flexibility measures under REACT-EU to the years 2023 and 2024 may be taken through a delegated act.</b></p>

**Reason**

Managing authorities will need more time and flexibility to implement a new programme of this size.

**Amendment 10**

COM(2020) 451 final — Part 1

Regulation (EU) No 1303/2013

Amend heading

Article 92b

Text proposed by the European Commission	CoR Amendment
<p>Exceptional additional resources and implementing arrangements for the Investment for growth and jobs goal to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy (REACT-EU)</p>	<p>Exceptional additional resources and implementing arrangements for the Investment for growth and jobs goal <b>and the European territorial cooperation goal</b> to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy (REACT-EU)</p>

<sup>(1)</sup> <https://data.consilium.europa.eu/doc/document/ST-10-2020-INIT/en/pdf>

**Reason**

The Covid-19 pandemic and unilateral closing of borders of a number of Member States internal borders have caused massive damages to border regions which need to be properly addressed.

**Amendment 11**

COM(2020) 451 final — Part 1

Regulation (EU) No 1303/2013

Article 92b paragraph 1

Text proposed by the European Commission	CoR Amendment
<p>The additional resources referred to in Articles 91(1a) and 92a ('the additional resources') shall be made available under the Investment for growth and jobs <b>goal</b> to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy (REACT-EU). The additional resources shall be used to implement technical assistance pursuant to paragraph 6 of this Article and the operations implementing the thematic objective in paragraph 10 of this Article.</p>	<p>The additional resources referred to in Articles 91(1a) and 92a ('the additional resources') shall be made available under the Investment for growth and jobs <b>and under the European territorial cooperation goals</b> to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy (REACT-EU). The additional resources shall be used to implement technical assistance pursuant to paragraph 6 of this Article and the operations implementing the thematic objective in paragraph 10 of this Article.</p>

**Reason**

The COVID-19 pandemic and the early lockdowns had a devastating impact on cross-border cooperation. Projects under the territorial cooperation goal, including cross-border cooperation, should be eligible for funding.

**Amendment 12**

COM(2020) 451 final — Part 1

Amend Article 1, paragraph 1, point 2

Regulation (EU) No 1303/2013

Article 92b, paragraph 2

Text proposed by the European Commission	CoR amendment
<p>Additional resources shall be made available for budgetary commitment for the years 2020 to 2022 in addition to the global resources set out in Article 91 as follows:</p> <ul style="list-style-type: none"> <li>— 2020: EUR 5 000 000 000;</li> <li>— 2021: EUR <b>42 434 400 000</b>;</li> <li>— 2022: EUR <b>10 820 400 000</b>.</li> </ul>	<p>Additional resources shall be made available for budgetary commitment for the years 2020 to 2022 in addition to the global resources set out in Article 91 as follows:</p> <ul style="list-style-type: none"> <li>— 2020: EUR 5 000 000 000;</li> <li>— 2021: EUR <b>34 615 620 000</b>;</li> <li>— 2022: EUR <b>18 639 180 000</b>.</li> </ul>

Text proposed by the European Commission	CoR amendment
<p>The additional resources for 2020 shall be made available from the additional resources as set out in Article 91(1a).</p> <p>The additional resources for 2021 and 2022 shall be made available from the additional resources as set out in Article 92a. The additional resources set out in Article 92a shall also support administrative expenditure up to EUR 18 000 000 in <b>current</b> prices.</p>	<p>The additional resources for 2020 shall be made available from the additional resources as set out in Article 91(1a).</p> <p>The additional resources for 2021 and 2022 shall be made available from the additional resources as set out in Article 92a. <b>By way of revision of this Regulation through a delegated act and based on a request by a managing authority and justified by a Member State, the additional resources may also be made available for budgetary commitment in 2023 and 2024.</b> The additional resources set out in Article 92a shall also support administrative expenditure up to EUR 18 000 000 in <b>constant 2018</b> prices.</p>

### Reason

The commitment of available resources should be spread more regularly over 2021 and 2022 (65 % and 35 % respectively) in order to ease the administrative burden of managing authorities and beneficiaries upon the closure of 2014-2020 operational programmes and the start of 2021-2027 operational programmes. Additional resources to support administrative expenditure should be expressed in constant prices. Managing authorities will need more time and flexibility to implement a new programme of this size.

### Amendment 13

COM(2020) 451 final — Part 1

Amend Article 1, paragraph 1, point 2

Regulation (EU) No 1303/2013

Article 92b, paragraph 4

Text proposed by the European Commission	CoR Amendment
<p>The Commission shall adopt a decision, by means of implementing acts, setting out the breakdown of the additional resources as appropriations from the Structural Funds for 2020 and 2021 for each Member State in accordance with the criteria and methodology set out in Annex VIIa. That decision shall be revised in 2021 to set out the breakdown of the additional resources for 2022 based on data available by 19 October 2021.</p>	<p>The Commission shall adopt a decision, by means of implementing acts, setting out the breakdown of the additional resources as appropriations from the Structural Funds for 2020 and 2021 for each Member State in accordance with the criteria and methodology set out in Annex VIIa. That decision shall be revised in 2021 to set out the breakdown of the additional resources for 2022 based on data available by 19 October 2021. <b>Where applicable, it shall also be revised in 2022 in relation to budgetary commitments in 2023 and 2024. The revisions shall ensure that operational programmes are not negatively affected.</b></p>

### Reason

Managing authorities will need more time and flexibility to implement a new programme of this size.

**Amendment 14**

COM(2020) 451 final — Part 1

Amend Article 1, paragraph 1, point 2

Regulation (EU) No 1303/2013

Article 92b, paragraph 5

Text proposed by the European Commission	CoR Amendment
<p>By way of derogation from the first subparagraph of Article 76, the budget commitments for the additional resources in respect of each operational programme concerned shall be made for each Fund for the years 2020, 2021 and 2022.</p>	<p>By way of derogation from the first subparagraph of Article 76, the budget commitments for the additional resources in respect of each operational programme concerned shall be made for each Fund for the years 2020, 2021 and 2022.</p>
<p>The legal commitment referred to in the second subparagraph of Article 76 for the years 2021 and 2022 shall enter into force as of the date referred to in Article 4(3) of the [ERI Regulation].</p>	<p>The legal commitment referred to in the second subparagraph of Article 76 for the years 2021 and 2022 shall enter into force as of the date referred to in Article 4(3) of the [ERI Regulation].</p>
<p>The third and fourth subparagraphs of Article 76 shall not apply in respect of the additional resources.</p>	<p>The third and fourth subparagraphs of Article 76 shall not apply in respect of the additional resources.</p>
<p>By way of derogation from Article 14(3) of the Financial Regulation, the decommitment rules set out in Chapter IV of Title IX of Part II and in Article 136 shall apply to the budgetary commitments based on the additional resources referred to in Article 92a. By derogation from Article 12(4) (c) of the Financial Regulation, the additional resources shall not be used for a succeeding programme or action.</p>	<p>By way of derogation from Article 14(3) of the Financial Regulation, the decommitment rules set out in Chapter IV of Title IX of Part II and in Article 136 shall apply to the budgetary commitments based on the additional resources referred to in Article 92a. By derogation from Article 12(4) (c) of the Financial Regulation, the additional resources shall not be used for a succeeding programme or action.</p>
<p>By way of derogation from Articles 86(2) and 136(1), the commitments for additional resources shall be decommitted in accordance with the rules to be followed for the closure of the programmes.</p>	<p>By way of derogation from Articles 86(2) and 136(1), the commitments for additional resources shall be decommitted in accordance with the rules to be followed for the closure of the programmes.</p>
<p>Each Member State shall allocate the additional resources available for programming under the ERDF and the ESF to operational programmes.</p>	<p>Each Member State shall allocate the additional resources available for programming under the ERDF and the ESF to operational programmes.</p>
<p>By way of derogation from Article 92(7), a share of the additional resources may also be proposed to be used to increase the support for the Fund for European Aid to the Most Deprived ('FEAD') before or at the same time as the allocation to the ERDF and the ESF.</p>	<p>By way of derogation from Article 92(7), a share of the additional resources may also be proposed to be used to increase the support for the Fund for European Aid to the Most Deprived ('FEAD') <b>and the Youth Employment Initiative</b> before or at the same time as the allocation to the ERDF and the ESF.</p>
<p>Following their initial allocation, the additional resources may, at the request of a Member State for amendment of an operational programme pursuant to Article 30(1), be transferred between the ERDF and the ESF, irrespective of the percentages referred to in points (a), (b) and (c) of Article 92(1).</p>	<p>Following their initial allocation, the additional resources may, at the request of a Member State for amendment of an operational programme pursuant to Article 30(1), be transferred between the ERDF and the ESF, irrespective of the percentages referred to in points (a), (b) and (c) of Article 92(1).</p>

Text proposed by the European Commission	CoR Amendment
<p>Article 30(5) shall not be applicable for the additional resources. These resources shall be excluded from the basis of calculation for the purposes of the ceilings established in that paragraph.</p> <p>For the purposes of the application of point (f) of Article 30 (1) of the Financial Regulation, the condition that appropriations are for the same objective shall not apply in respect of these transfers. Transfers can only apply to the ongoing year or to future years in the financial plan.</p> <p>The requirements laid down in Article 92(4) shall not apply to the initial allocation or their subsequent transfers.</p> <p>Amounts allocated to the YEI in accordance with Article 92 (5) under the Investment for growth and jobs goal shall not be affected.</p> <p>The additional resources shall be implemented in accordance with the rules of the Fund to which they are allocated or transferred.</p>	<p>Article 30(5) shall not be applicable for the additional resources. These resources shall be excluded from the basis of calculation for the purposes of the ceilings established in that paragraph.</p> <p>For the purposes of the application of point (f) of Article 30 (1) of the Financial Regulation, the condition that appropriations are for the same objective shall not apply in respect of these transfers. Transfers can only apply to the ongoing year or to future years in the financial plan.</p> <p>The requirements laid down in Article 92(4) shall not apply to the initial allocation or their subsequent transfers.</p> <p>Amounts allocated to the YEI in accordance with Article 92 (5) under the Investment for growth and jobs goal shall not be affected.</p> <p>The additional resources shall be implemented in accordance with the rules of the Fund to which they are allocated or transferred.</p>

#### Amendment 15

COM(2020) 451 final — Part 1

Amend Article 1, paragraph 1, point 2

Regulation (EU) No 1303/2013

Article 92b, paragraph 5, subparagraph 6

Text proposed by the European Commission	CoR amendment
<p>Each Member State shall allocate the additional resources available for programming under the ERDF and the ESF to operational programmes.</p>	<p>Each Member State shall allocate, <b><i>in accordance with the principles of Partnership and multi-level governance pursuant to Article 5</i></b>, the additional resources available for programming under the ERDF and the ESF to operational programmes.</p>

#### **Reason**

Regional and local authorities as well as other relevant stakeholders must play an active role in decision making on the allocation of additional resources.

**Amendment 16**

COM(2020) 451 final — Part 1

Amend Article 1, paragraph 1, point 2

Regulation (EU) No 1303/2013

Article 92b, paragraph 7, subparagraph 2 and 3

Text proposed by the European Commission	CoR amendment
<p>For the purpose of applying Article 134(2) for the annual pre-financing in the years 2021, 2022 <i>and</i> 2023, the amount of the support from the Funds for the whole programming period to the operational programme shall include the additional resources.</p>	<p>For the purpose of applying Article 134(2) for the annual pre-financing in the years 2021, 2022, 2023 <i>and 2024</i>, the amount of the support from the Funds for the whole programming period to the operational programme shall include the additional resources.</p>
<p>The amount paid as additional initial pre-financing referred to in the first subparagraph shall be totally cleared from the Commission accounts not later than when the operational programme is closed.</p>	<p>The amount paid as additional initial pre-financing referred to in the first subparagraph shall be totally cleared from the Commission accounts not later than when the operational programme is closed.</p>

**Reason**

Managing authorities will need more time and flexibility to implement a new programme of this size. It is therefore suggested to stick to the Commission proposal, which is line with the adopted REGI report in the European Parliament.

**Recommendation for Amendment 17**

COM(2020) 451 final — Part 1

Amend Article 1, paragraph 1, point 2

Regulation (EU) No 1303/2013

Article 92b, paragraph 8

Text proposed by the European Commission	CoR Amendment
<p>The additional resources not allocated to technical assistance shall be used under the thematic objective set out in paragraph 10 to support operations fostering crisis repair in the context of the COVID-19 pandemic or preparing a green, digital and resilient recovery of the economy.</p>	<p>The additional resources not allocated to technical assistance shall be used under the thematic objective set out in paragraph 10 to support operations fostering crisis repair in the context of the COVID-19 pandemic or preparing a green, digital and resilient recovery of the economy.</p>
<p>Member States may allocate the additional resources either to one or more separate priority axes within an existing operational programme or programmes or to a new operational programme referred to in paragraph 11. By way of derogation from Article 26(1), the programme shall cover the period until 31 December 2022, subject to paragraph 4 <i>above</i>.</p>	<p>Member States may allocate the additional resources either to one or more separate priority axes within an existing operational programme or programmes or to a new operational programme referred to in paragraph 11. By way of derogation from Article 26(1), the programme shall cover the period until 31 December 2022, <i>or 31 December 2024 where the derogation referred to in paragraph 2 applies</i>, subject to paragraph 4 <i>of this Article</i>.</p>



Text proposed by the European Commission	CoR Amendment
<p>For the ERDF, the additional resources shall primarily be used to support investment in products and services for health services, to provide support in the form of working capital or investment support to SMEs, investments contributing to the transition towards a digital and green economy, investments in infrastructure providing basic services to citizens, and economic measures in the regions which are most dependent on sectors most affected by the crisis.</p> <p>For the ESF, the additional resources shall primarily be used to support job maintenance, including through short-time work schemes and support to self-employed, even when that support is not combined with active labour market measures, unless the latter are imposed by national law. The additional resources shall also support job creation, in particular for people in vulnerable situations, youth employment measures, education and training, skills development, in particular to support the twin green and digital transitions, and to enhance access to social services of general interest, including for children.</p>	<p>For the ERDF, the additional resources shall primarily be used to support investment in products and services for health services, to provide support in the form of working capital or investment support to SMEs, investments contributing to the transition towards a digital and green economy, investments in infrastructure providing basic services to citizens, and economic measures in the regions which are most dependent on sectors most affected by the crisis.</p> <p>For the ESF, the additional resources shall primarily be used to support job maintenance, including through short-time work schemes and support to self-employed, even when that support is not combined with active labour market measures, unless the latter are imposed by national law. The additional resources shall also support job creation, in particular for people in vulnerable situations, youth employment measures, education and training, skills development, in particular to support the twin green and digital transitions, and to enhance access to social services of general interest, including for children.</p>

### Reason

Managing authorities will need more time and flexibility to implement a new programme of this size.

### Amendment 18

COM(2020) 451 final — Part 1

Amend Article 1, paragraph 1, point 2

Regulation (EU) No 1303/2013

Article 92b, paragraph 9

Text proposed by the European Commission	CoR Amendment
<p>With the exception of technical assistance referred to in paragraph 6 and of the additional resources used for the FEAD referred to in the seventh subparagraph of paragraph 5, the additional resources shall support operations under the new thematic objective 'Fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy', complementing the thematic objectives set out in Article 9.</p>	<p>With the exception of technical assistance referred to in paragraph 6 and of the additional resources used for the FEAD <b>or the Youth Employment Initiative</b> referred to in the seventh subparagraph of paragraph 5, the additional resources shall support operations under the new thematic objective 'Fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy', complementing the thematic objectives set out in Article 9.</p>

Text proposed by the European Commission	CoR Amendment
<p>The thematic objective referred to in the first subparagraph shall exclusively be available for the programming of the additional resources. By way of derogation from points (b), (c) and (d) of Article 96(1), it shall not be combined with other investment priorities.</p>	<p>The thematic objective referred to in the first subparagraph shall exclusively be available for the programming of the additional resources. By way of derogation from points (b), (c) and (d) of Article 96(1), it shall not be combined with other investment priorities.</p>
<p>The thematic objective referred to in the first subparagraph shall also constitute the single investment priority for the programming and implementation of the additional resources from the ERDF and the ESF.</p>	<p>The thematic objective referred to in the first subparagraph shall also constitute the single investment priority for the programming and implementation of the additional resources from the ERDF and the ESF.</p>
<p>Where one or more separate priority axes are established corresponding to the thematic objective referred to in the first subparagraph within an existing operational programme, the elements listed in points (b)(v) and (vii) of Article 96(2) shall not be required for the description of the priority axis in the revised operational programme.</p>	<p>Where one or more separate priority axes are established corresponding to the thematic objective referred to in the first subparagraph within an existing operational programme, the elements listed in points (b)(v) and (vii) of Article 96(2) shall not be required for the description of the priority axis in the revised operational programme.</p>
<p>The revised financing plan set out in Article 96(2)(d) shall set out the allocation of the additional resources for the years 2020, 2021 and, where applicable, for 2022 without identifying amounts for the performance reserve and with no breakdown per category of regions.</p>	<p>The revised financing plan set out in Article 96(2)(d) shall set out the allocation of the additional resources for the years 2020, 2021 and, where applicable, for 2022 without identifying amounts for the performance reserve and with no breakdown per category of regions.</p>
<p>By way of derogation from Article 30(1), requests for the amendment of a programme submitted by a Member State shall be duly justified and shall in particular set out expected impact of the changes to the programme on fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy. They shall be accompanied by the revised programme.</p>	<p>By way of derogation from Article 30(1), requests for the amendment of a programme submitted by a Member State shall be duly justified and shall in particular set out expected impact of the changes to the programme on fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy. They shall be accompanied by the revised programme.</p>

### Amendment 19

COM(2020) 451 final — Part 1

Amend Article 1, paragraph 1, point 2

Regulation (EU) No 1303/2013

Article 92b, paragraph 10, new subparagraph after subparagraph 4

Text proposed by the European Commission	CoR amendment
	<p><b><i>By way of derogation from Article 29(3) and (4) and Article 30(2), the Commission shall approve any amendment to an existing operational programme or any new dedicated operational programme not later than ten working days of its submission by a Member State.</i></b></p>

**Reason**

Revised or new operational programmes should be approved as quickly as possible in the context of REACT-EU objectives.

**Amendment 20**

COM(2020) 451 final — Part 1

Amend Article 1, paragraph 1, point 2

Regulation (EU) No 1303/2013

Article 92b, paragraph 11, subparagraph 2

Text proposed by the European Commission	CoR amendment
<p>By way of derogation from Article 56(3) and 114(2), the Member States shall ensure that by 31 December 2024 at least one evaluation on the use of the additional resources is carried out to assess their effectiveness, efficiency, impact and how they contributed to the thematic objective referred to in paragraph 10 of this Article.</p>	<p>By way of derogation from Article 56(3) and 114(2), the Member States shall ensure that by 31 December 2024, <b>or by 31 December 2026 where the derogation referred to in subparagraph 3 of paragraph 2 of this Article applies</b>, at least one evaluation on the use of the additional resources is carried out to assess their effectiveness, efficiency, impact and how they contributed to the thematic objective referred to in paragraph 10 of this Article.</p>

**Reason**

Managing authorities will need more time and flexibility to implement a new programme of this size. It is therefore suggested to stick to the Commission proposal when it comes to the decommitment rule and the extension until 2024, which is in line with the adopted REGI report in European Parliament.

**Amendment 21**

COM(2020) 451 final — Part 2

Regulation (EU) No 1303/2013

Annex, paragraph 2

Text proposed by the European Commission	CoR Amendment
<p>The rules described in paragraph 1 shall not result in allocations per Member State for the whole period 2020 to <b>2022</b> higher than</p> <p>a) for Member States whose average GNI per capita (in PPS) for the period 2015-2017 is above 109 % of the EU-27 average; 0,07 % of their real GDP of 2019;</p>	<p>The rules described in paragraph 1 shall not result in allocations per Member State for the whole period 2020 to <b>2024</b> higher than</p> <p>a) for Member States whose average GNI per capita (in PPS) for the period 2015-2017 is above 109 % of the EU-27 average; 0,07 % of their real GDP of 2019;</p>

Text proposed by the European Commission	CoR Amendment
<p>b) for Member States whose average GNI per capita (in PPS) for the period 2015-2017 is equal to or below 90 % of the EU-27 average: 2,60 % of their real GDP of 2019;</p> <p>c) for Member States whose average GNI per capita (in PPS) for the period 2015-2017 is above 90 % and equal to or below 109 % of the EU-27 average: the percentage is obtained through a linear interpolation between 0,07 % and 2,60 % of their real GDP of 2019 leading to a proportional reduction of the capping percentage in line with the increase in prosperity.</p> <p>The amounts exceeding the level set out in points a) to c) per Member State are redistributed proportionally to the allocations of all other Member States whose average GNI per capita (in PPS) is under 100 % of the EU-27 average. The GNI per capita (in PPS) for the period 2015-2017 is the one used for cohesion policy in the MFF 2021-2027 negotiations.</p>	<p>b) for Member States whose average GNI per capita (in PPS) for the period 2015-2017 is equal to or below 90 % of the EU-27 average: 2,60 % of their real GDP of 2019;</p> <p>c) for Member States whose average GNI per capita (in PPS) for the period 2015-2017 is above 90 % and equal to or below 109 % of the EU-27 average: the percentage is obtained through a linear interpolation between 0,07 % and 2,60 % of their real GDP of 2019 leading to a proportional reduction of the capping percentage in line with the increase in prosperity.</p> <p>The amounts exceeding the level set out in points a) to c) per Member State are redistributed proportionally to the allocations of all other Member States whose average GNI per capita (in PPS) is under 100 % of the EU-27 average. The GNI per capita (in PPS) for the period 2015-2017 is the one used for cohesion policy in the MFF 2021-2027 negotiations.</p>

### Reason

Managing authorities will need more time and flexibility to implement a new programme of this size.

### Amendment 22

COM(2020) 451 final — Part 2

Regulation (EU) No 1303/2013

Annex, paragraph 3

Text proposed by the European Commission	CoR Amendment
<p>For the purposes of calculating the distribution of the exceptional additional resources for the years 2020 and 2021:</p> <p>a) For GDP the reference period shall be: the first semester of 2020;</p> <p>b) For the number of people unemployed and the number of young people unemployed the reference period shall be: the average of June to August 2020.</p> <p>c) The maximum allocation resulting from the application of paragraph 2 is multiplied by the share of the additional resources for the years 2020 and 2021 in the total additional resources for the years 2020, 2021 <b>and 2022.</b></p>	<p>For the purposes of calculating the distribution of the exceptional additional resources for the years 2020 and 2021:</p> <p>a) For GDP the reference period shall be: the first semester of 2020;</p> <p>b) For the number of people unemployed and the number of young people unemployed the reference period shall be: the average of June to August 2020.</p> <p>c) The maximum allocation resulting from the application of paragraph 2 is multiplied by the share of the additional resources for the years 2020 and 2021 in the total additional resources for the years 2020, 2021, 2022 <b>and where applicable 2023 and 2024.</b></p>

Text proposed by the European Commission	CoR Amendment
<p>Before the application of the method described in paragraphs 1 and 2 concerning the additional resources for the year 2020, an amount corresponding to an aid intensity of EUR 30 per inhabitant will be allocated to the outermost NUTS level 2 regions from the allocation. That allocation will be distributed per region and Member State in a manner proportional to the total population of those regions. The remaining amount for the year 2020 will be distributed among Member States in accordance with the method described in paragraphs 1 and 2.</p>	<p>Before the application of the method described in paragraphs 1 and 2 concerning the additional resources for the year 2020, an amount corresponding to an aid intensity of EUR 30 per inhabitant will be allocated to the outermost NUTS level 2 regions from the allocation. That allocation will be distributed per region and Member State in a manner proportional to the total population of those regions. The remaining amount for the year 2020 will be distributed among Member States in accordance with the method described in paragraphs 1 and 2.</p>

**Reason**

Managing authorities will need more time and flexibility to implement a new programme of this size.

**Amendment 23**

COM(2020) 451 final — Part 2

Regulation (EU) No 1303/2013

Annex, paragraph 4

Text proposed by the European Commission	CoR Amendment
<p>For the purposes of calculating the distribution of the exceptional additional resources for the year 2022:</p> <p>a) For GDP the reference period shall be: the first semester of 2021;</p> <p>b) For the number of people unemployed and the number of young people unemployed the reference period shall be: the average of June to August 2021.</p> <p>c) The maximum allocation resulting from the application of paragraph 2 is multiplied by the share of the additional resources for the year 2022 in the total additional resources for the years 2020, 2021 <b>and 2022</b>'.</p>	<p>For the purposes of calculating the distribution of the exceptional additional resources for the year 2022 <b>and where applicable 2023 and 2024</b>:</p> <p>a) For GDP the reference period shall be: the first semester of 2021;</p> <p>b) For the number of people unemployed and the number of young people unemployed the reference period shall be: the average of June to August 2021.</p> <p>c) The maximum allocation resulting from the application of paragraph 2 is multiplied by the share of the additional resources for the year 2022 in the total additional resources for the years 2020, 2021, 2022, <b>2023 and 2024</b>'.</p>

**Reason**

Managing authorities will need more time and flexibility to implement a new programme of this size.

Amended proposal for a Regulation of the European Parliament and of the Council 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 and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument

COM(2020) 450 final

#### Amendment 24

COM(2020) 450 final

Amend point (1)

Text proposed by the European Commission	CoR amendment
<p>the following recital (15a) is inserted:</p> <p>'(15a) In order to provide flexibility for Member States to allocate and adjust the allocation of financial resources in accordance with their specific needs, it is necessary to provide them with the possibility to request limited transfers from the Funds to any other instrument under direct or indirect management or among the Funds at the beginning of the programming period or during the implementation phase.'</p>	<p>the following recital (15a) is inserted:</p> <p>'(15a) In order to provide flexibility for Member States to allocate and adjust the allocation of financial resources <b>in response to immediate effects of a major crisis and</b> in accordance with their specific needs, it is necessary – <b>in accordance with the Code of Conduct on Partnership and Multi-level Governance</b> – to provide them with the possibility to request <b>thematically limited and temporary</b> transfers from the Funds to any other instrument under direct or indirect management or among the Funds at the beginning of the programming period or during the implementation phase.'</p>

#### Reason

Any reallocation of resources from and/or between the Funds should be carried out in response to a major crisis and comply fully with the principles of partnership and multi-level governance.

#### Amendment 25

COM(2020) 450 final

Amend point (6)

Text proposed by the European Commission	CoR amendment
<p>Article 21 is amended as follows:</p> <p>(a) paragraph 1 is replaced by the following:</p> <p>'1. Member States may request, in the Partnership Agreement or in the request for an amendment of a programme, the transfer of up to 5 % in total of the initial national allocation of each Fund to any other instrument under direct or indirect management.'</p>	<p>Article 21 is amended as follows:</p> <p>(a) paragraph 1 is replaced by the following:</p> <p>'1. Member States – <b>in agreement with their respective managing authorities and in line with the Code of Conduct on Partnership and Multi-level Governance</b> – may request, <b>in response to a major crisis recognised by the Council</b>, in the Partnership Agreement or in the request for an amendment of a programme, the transfer of up to 5 % in total of the initial national allocation of each Fund to any other instrument under direct or indirect management <b>only for operations in line with cohesion policy objectives</b>.</p>

Text proposed by the European Commission	CoR amendment
<p>Member States may also request, in the Partnership Agreement or in the request for an amendment of a programme, the transfer of up to 5 % in total of the initial national allocation of each Fund to another Fund or Funds. Member States may request an additional transfer of up to 5 % in total of the initial national allocation by Fund between the ERDF, the ESF+ or the Cohesion Fund within the Member State's global resources under the Investment for jobs and growth goal.;</p>	<p>Member States – <b><i>in agreement with their respective managing authorities and in line with the Code of Conduct on Partnership and Multi-level Governance</i></b> – may also request, <b><i>in response to a major crisis recognised by the Council</i></b>, in the Partnership Agreement or in the request for an amendment of a programme, the transfer of up to 7 % in total of the initial national allocation of each Fund to another Fund or Funds. Member States may request an additional transfer of up to 7 % in total of the initial national allocation by Fund between the ERDF, the ESF+ or the Cohesion Fund within the Member State's global resources under the Investment for jobs and growth goal.;</p>

### Reason

Notwithstanding the negative consequences of any major crisis, including the COVID-19 pandemic, Member States should not be overly encouraged to withdraw resources from cohesion policy. On the other hand, cohesion policy should be more flexible so as to absorb potential negative shocks such as the current pandemic.

### Amendment 26

COM(2020) 450 final

Amend point (8), new Article 15a, new (last) subparagraph

Text proposed by the European Commission	CoR amendment
	<p><b><i>The abovementioned measures shall apply within 24 months or where applicable 48 months of the Council decision pursuant to the first subparagraph. Any prolongation of these measures requires another Council decision recognising a major crisis.</i></b></p>

### Reason

All extraordinary measures taken in response to the exceptional circumstances must be limited to a clearly defined period of time. These measures should only be extended by the Council if a major crisis persists. Managing authorities will need more time and flexibility to implement a new programme of this size.



Amended proposal for a Regulation of the European Parliament and of the Council on the European Regional Development Fund and on the Cohesion Fund

COM(2020) 452 final

**Amendment 27**

COM(2020) 452 final

Amend point (2)

Text proposed by the European Commission	CoR amendment
<p>the following recital (10b) is inserted:</p> <p>(10b) In order to strengthen the capability of public health systems to prevent, quickly respond to, and recover from health emergencies, the ERDF should also contribute to the resilience of health systems. Additionally, as the unprecedented COVID-19 pandemic has revealed the importance of immediate availability of critical supplies to provide an effective response to an emergency situation, the scope of support of the ERDF should be broadened to allow for the purchase of supplies necessary for strengthening the disaster resilience and for strengthening the resilience of health systems. When purchasing supplies to strengthen the resilience of health systems, these should be consistent with and not go beyond the national health <b>strategy</b> and ensure complementarities with [the Health Programme], as well as the rescEU capacities under the Union Civil Protection Mechanism (UCPM).';</p>	<p>the following recital (10b) is inserted:</p> <p>(10b) In order to strengthen the capability of public health systems to prevent, quickly respond to, and recover from health emergencies, the ERDF should also contribute to the resilience of health systems. Additionally, as the unprecedented COVID-19 pandemic has revealed the importance of immediate availability of critical supplies to provide an effective response to an emergency situation, the scope of support of the ERDF should be broadened to allow for the purchase of supplies necessary for strengthening the disaster resilience and for strengthening the resilience of health systems. When purchasing supplies to strengthen the resilience of health systems, these should be consistent with and not go beyond the national <b>and, where applicable, regional health strategies</b> and ensure complementarities with [the Health Programme], as well as the rescEU capacities under the Union Civil Protection Mechanism (UCPM).';</p>

**Reason**

Self-explanatory.

**II. POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS

**General comments**

1. welcomes the targeted REACT-EU proposals aimed at addressing the direct negative socioeconomic effects of the current pandemic and other major future crises, including additional financial resources to foster crisis repair and facilitate a green, digital and resilient recovery;
2. highlights the importance of cohesion policy and its capacity to support cities and regions in times of crisis, including by using the existing operational programmes; stresses in this context that the challenges addressed by REACT-EU, namely mitigation of a negative COVID-19 impact and preparation for a long-term recovery, require tailor-made and territorially adapted strategies, since the territorial impacts and opportunities stemming from these challenges are not evenly distributed throughout the EU;
3. underlines the need to strike a balance between fast disbursement of newly available resources, effective and efficient investing and the need to avoid irregularities, systemic errors or fraud;

4. reiterates its concern about the temporary nature of some financial reinforcements within cohesion policy, which will not compensate for the initial cuts proposed by the Commission in 2018; the CoR insists in this context that cohesion policy should not lose sight of its long-term objectives and development needs when implementing short-term priorities;
5. welcomes the measures to reduce the administrative burden entailed in implementing the programmes;
6. takes note of the exemption from the thematic concentration requirement under REACT-EU, but recommends a minimum thematic concentration to ensure the funds spent on crisis repair are in line with the EU 2050 climate neutrality goal; calls on the Member States to make innovative use of the additional resources to bring their economies closer to a green, digital and resilient development path ensuring longer-term recovery;
7. underlines that, in order to ensure that the money is spent in the areas with the greatest need, the partnership and multi-level governance principles should be used when reshaping or creating new operational programmes to cover REACT-EU financial allocations or when reallocations of resources and modifications of post-2020 cohesion policy programmes are carried out;
8. stresses that a high number of projects in various fields have to be urgently prepared and efficiently implemented for the overall recovery from the crisis. This could be, however, hampered by the financial scarcity of local and regional budgets. Hence, there is a need to use available national and EU technical assistance sources to support a quick launch of the most important projects aiming to restart the economy;
9. stresses that the COVID-19 pandemic and unilateral closing of borders in a number of Member States have caused massive damage to border regions which needs to be properly addressed, including by financing cross-border projects; underlines, at the same time, that in the case of future lockdown measures, the closing of borders causing disproportionate disruption in the life of people living in border regions should be avoided;

#### **In relation to the REACT-EU regulation**

10. welcomes the introduction of a new thematic objective 'Fostering crisis repair in the context of the COVID-19 pandemic and preparing a green digital and resilient recovery of the economy' for the additional resources which should facilitate programming and *ex post* evaluation of interventions carried out under REACT-EU;
11. welcomes the option of requesting a co-financing rate of up to 100 % in the event of additional resources under REACT-EU, while also calling for an adequate investment stream and increased vigilance with regard to possible irregularities;
12. welcomes the higher level of pre-financing for actions supported by the additional REACT-EU funding, which should make it possible to quickly disburse commitments made;
13. asks for the additional resources to be spread until 2024 to offer managing authorities the necessary time and flexibility to implement a new programme of this size and in order to promote efficiency and effectiveness of spending as well as to ease the administrative burden;
14. underlines that the possibility of transfers between the categories of regions should only be used when there are no other financing possibilities and only to the extent necessary for the immediate response to the COVID-19 outbreak, whilst taking into account the overall objective of economic, social and territorial cohesion;

#### **In relation to the amendment to the 2021-2027 Common Provisions Regulation proposal**

15. notes the extra flexibility for transferring financial resources from cohesion policy programmes to instruments under direct or indirect management in response to a major crisis;
16. reiterates that such extra measures should be limited in time and scope, bearing in mind that any transfers should not hamper, in particular, the implementation or completion of essential investments in the regions affected by these transfers;

17. underlines, at the same time, that post-2020 cohesion policy should be more flexible so as to absorb potential negative shocks such as the current pandemic;
18. welcomes the lower thresholds for phasing out operations in the future programming period;
19. recommends clarifying provisions for the selection of physically completed or fully implemented operations in direct response to negative effects of crisis situations;

#### **In relation to the amendment to the 2021-2027 ERDF and Cohesion Fund regulation**

20. welcomes the extension of the scope of support, which makes the Member States more resilient to potential future crises. The CoR stresses in this context the importance of better access to funding for companies most affected by the crisis, without losing focus on the application of State aid rules;
21. welcomes the extension of support through financing of working capital for SMEs, which should enable them to respond quickly to any potential major crisis arising;
22. takes note of the derogation from the requirements of thematic concentration and minimum allocation for Sustainable Urban Development in response to exceptional circumstances; the CoR calls at the same time for bigger ambitions and the development of territorial instruments at local and regional level in the post-2020 period;

#### **In relation to the amendment to the 2021-2027 ESF regulation**

23. welcomes the proposals to tackle child poverty and to increase thematic concentration on youth employment since these groups have proven particularly vulnerable to the negative effects of the COVID-19 pandemic and therefore deserve much more attention;
24. welcomes the option of applying for temporary measures for the use of ESF Plus;
25. warns that any cuts in the EU Health Programme could significantly lower EU readiness for future pandemics and underlines synergies between that programme and ESF Plus;

#### **Finally**

26. underlines that regions and cities were at the forefront of the Covid-19 pandemic and are the best places to ensure recovery from asymmetric shocks such as the crisis;
27. stresses therefore that the measures justified by the COVID-19 crisis should under no circumstances lead to an attempt to centralise the implementation of cohesion policy in the post-2020 period;
28. underlines, as a consequence, that decentralised EU funding for regions and cities is not only an effective way to tackle negative short-term health shocks, but also to lay the foundations for a medium- and long-term sustainable recovery;
29. calls in this respect for full coordination between cohesion policy instruments and other EU schemes, including the Just Transition Fund and the Recovery and Resilience Facility, so as to maximise their positive medium- and long-term impact and shape their efficient delivery system;
30. notes that the four legislative proposals comply with the principles of subsidiarity and proportionality;
31. stands firmly behind an EU mechanism to protect democracy, the rule of law and fundamental rights; calls for this mechanism to uphold all fundamental EU values, including the respect for human dignity and human rights, freedom and equality, in every Member State, region and municipality.

Brussels, 14 October 2020.

*The President*  
*of the European Committee of the Regions*  
Apostolos TZITZIKOSTAS

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