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COMMITTEE OF THE REGIONS

INTERACTIO — REMOTE — 143RD COR PLENARY SESSION, 17.3.2021-19.3.2021

Opinion of the European Committee of the Regions – A new approach to the Atlantic maritime strategy – Atlantic action plan 2.0

An updated action plan for a sustainable, resilient and competitive blue economy in the European Union Atlantic area

(2021/C 175/01)

Rapporteur: Paula FERNÁNDEZ VIAÑA (ES/RENEW), Minister for the Presidency, Home Affairs, Justice and External Action of the Government of Cantabria

POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

The pillars and goals of the Atlantic Action Plan

1. points out that the Atlantic regions are facing a twofold economic crisis. The — as yet unquantified — consequences of Brexit for fisheries, tourism, trade and transport will come on top of those generated by COVID-19. The drastic reduction in mobility we are suffering is having a particular impact on infrastructure, maritime links, logistics chains and the tourism industry;

2. calls, therefore, for mitigation measures to be specifically developed in Atlantic coastal and maritime regions and for account to be taken of the outcome of the Brexit negotiations and its possible impact on the future of the Atlantic maritime strategy and related action plan. In this regard, it is concerned about the possible consequences of the withdrawal of the United Kingdom for the Common Fisheries Policy (CFP);

3. highlights the role of the Atlantic itself in climate change mitigation and management, and the need to better observe, research and understand the way the ocean ecosystem functions and to work together on research;

4. points out that the goals and actions of the four pillars are cross-cutting in nature and that their achievement will depend on good cooperation between the various Commission departments, national supervisory authorities and project coordinators. Warns, however, that, although appropriate, the current pillars must be redefined as the review of European sectoral policies has shown them to be inadequate, and that a proper exercise coordinating them with the Atlantic strategy is necessary;

5. regrets that key blue economy activities are excluded from the Atlantic Action Plan (AAP), such as the naval and maritime construction and transport industries, recreational boating, along with its services and ancillary industry, and sustainable tourism activities relating to the marine environment, including water sports, cruise tourism and ferries, and that neither fisheries, shellfishing or aquaculture are dealt with as subjects in their own right in the AAP;

6. calls, therefore, for marine food supply to be included as a pillar in the AAP as it is a priority of the European Green Deal. In addition, the development of marine ecosystems and their potential for increased carbon storage should also be included;

7. considers, with regard to pillars I and III, concerning possible sectors of activity in the blue economy (ports and renewable energies), that making only these sectors pillars of the AAP limits its reach in that other existing and emerging areas of action, which are of particular relevance in the Atlantic regions, are not included;

8. suggests, therefore, combining these two pillars to form a single pillar entitled 'Blue economy activities as drivers for sustainable development of coastal areas', and developing five goals within that pillar: Ports as catalysts for the regional blue economy ecosystem; Ports as innovation hubs for incorporating technological solutions; Improving activities in mature sectors (fisheries, transport and maritime logistics, etc.) and bringing them into line with the Sustainable Development Goals; Promoting activities in emerging blue growth sectors and, in particular, renewable marine energies; and Digitalisation of blue economy activities;

9. points out that port and port catchment area connectivity is another key topic and welcomes the inclusion in the AAP of a pillar dedicated to Atlantic ports. It is essential to remove bottlenecks in rail transport and on connecting roads (the last mile), whether caused by capacity problems or by redistribution of freight. It is right to include a reference to ports as gateways for trade in the Atlantic and catalysts for business, but their crucial role generating wealth and employment in their catchment areas is overlooked;

10. advocates broadening the scope of Motorways of the Sea in the Atlantic, allowing new connections to be established between ports in the TEN-T global network, and basing the criteria for including European ports in general and Atlantic ports in particular in TEN-T on their strategic importance for the EU and its territories. Stresses, in this regard, the strategic value of Motorways of the Sea in connecting Ireland with mainland Europe after Brexit;

11. calls for those Atlantic ports which are strategically important to structure the European transport network but which are currently outside the TEN-T core network to be included in it. Also calls for funding to be provided for measures for developing Motorways of the Sea and for short sea shipping services to be improved as sustainable, inclusive transport services in the area. These investments should be made in both ports and land connections, including both in 'last-mile' connecting roads and, in particular, in modernising and upgrading railway lines, which are essential for creating a sustainable transport network and for the cohesion of outlying regions;

12. supports the development of the 'Atlantic rail motorway' and of rail port connections, and key 'last-mile' connecting roads, both between existing infrastructure and between TEN-T corridors and other routes in the Atlantic area;

13. welcomes the fact that one of the pillars of the new AAP relates to renewable marine energy, a sector where the Atlantic regions have huge potential and practical experience. However, regrets that, since developing the various forms of marine renewable energy is a priority for the Atlantic regions, key investment for their development has been halted because of the current crisis;

14. considers that the Atlantic strategy should promote marine renewable energy projects in the broad sense, including the promotion of a competitive value chain and the demonstration and validation of new, emerging technologies that can be used to plan and coordinate future generating systems;

15. proposes that, since there are a number of studies on the use of waves, currents and wind in the Atlantic area, they should be incorporated into a map of potential resources, and that, within Pillar III, account should be taken of the compatibility of the activity of producing renewable energy from marine sources or areas with pre-existing activities such as fishing, shellfishing and aquaculture; consideration should also be given to marine ecosystems and biodiversity;

16. criticises the fact that none of the pillars are dedicated to tourism and cultural heritage, which are the hallmark of the European Atlantic area because of the way they contribute to the continent of Europe's brand;

Skills for promoting blue growth at European Union level and funding programmes

17. considers that a specific economic and budgetary instrument should be developed for the Atlantic strategy, to facilitate its implementation and the roll-out of its linked actions in a more attractive way. The integration of the goals of the AAP and the Atlantic strategy into the Multiannual Financial Framework (MFF) is particularly relevant with regard to the United Kingdom's decision to leave the European Union;

18. reiterates that, through the ERDF and the ESF, cohesion policy has been the most important investment tool in the EU in the last programming period. Fully exploiting cohesion policy, along with available EMFAF and EAFRD funding opportunities, will be essential for the future success of Atlantic strategy projects. Streamlining the ESI Funds will help make more funding available for local projects;

19. points out that the AAP's schedule is intended to inspire the supervisory authorities of the Member States and coastal regions when drafting the partnership agreements and programmes for the period 2021-2027, and that many of the actions included in programmes related to the AAP will contribute to the achievement of the EU's climate objectives. Therefore, notes the already existing delays due to the outbreak of COVID-19 and underlines the need for the European Structural and Investment Funds and the national operational programmes to be available and operational at the start of the 2021-2027 programming period;

20. points out that the implementation of the AAP will largely depend on investments made with public and private funding. In addition, flagship projects deriving from the Atlantic strategy should be better suited to EU programmes;

21. in view of the increase in the number of financial instruments available, invites the European Commission to organise, potentially together with the European Committee of the Regions, information campaigns for local and regional authorities on best practices for accessing and deploying those financial instruments;

The blue economy and the importance of data for developing blue economy methodology at local and regional level

22. notes that the regional and local impact of the blue economy have not yet been fully measured, as a set of indicators based on reliable data measuring the precise effect of activities directly or indirectly relying on the sea has yet to be developed;

23. notes that, in the field of the blue economy, in addition to the activities mentioned above, there is extensive experience available in areas such as shipbuilding and shipping, generating structures for marine energy production and developing biocomponents from marine natural elements;

24. recommends that regional specialisation strategies be adopted for the development of local and regional blue economy methodology, given the considerable number and complexity of existing resources, to help identify the most appropriate measures;

25. proposes that the European Committee of the Regions compile an inventory of blue economy activities in each of its regions and areas, thus creating a real map of the development of the blue economy in the European Union. This should be regularly updated, under the umbrella of the NAT commission, by the specific stakeholders in each region, in order to identify good practice in this area;

Multilevel governance in the Atlantic

26. supports the new governance structure and monitoring framework and proposes that specific roadmaps or milestones be included for each goal in order to make the actions defined more specific;

27. considers it appropriate to recognise the importance of the LEADER approach to the development of the Atlantic strategy, and the support provided by applying it, through community-led local development strategies associated with Fisheries Local Action Groups, a specific instrument linked to the coast and its economic and social stakeholders, where experience and knowledge are available;

28. strongly advocates effective multi-level governance, while respecting the institutional framework of each Member State, and believes that the renewed maritime strategy should enable the regions to play an active part in Atlantic governance;

29. stresses the need to align the agendas and objectives of the multiple EU processes and policies, as often what is no longer a priority on an agenda ending on a given date becomes a priority on the agenda of another process with a different end date. This governance problem reflects the existence of a fragmented structure and the lack of proper coordination and correct, up-to-date information;

Cooperation in the Atlantic

30. notes that the achievement of the — albeit inadequate — goals and actions of the four pillars of the AAP as proposed by the European Commission will have positive effects and benefits for adjacent non-Atlantic regions, and strongly recommends extended cooperation with such regions;

31. calls for cross-border cooperation beyond sea boundaries and within regions to be increased by developing simpler calls for cross-border projects, strengthening Interreg programmes and other budgetary tools;

32. points out that territorial cooperation programmes involving the Atlantic regions have made and will continue to make a smart contribution to achieving the objectives of the new AAP, and stresses the possibility of greater impact if there is a specific call for support for cross-border projects within a dedicated budgetary framework for the Atlantic maritime strategy, with defined objectives appropriate to the plan and with specific measurement indicators that are simple to manage;

33. notes that, if cooperation is to be improved, greater mutual understanding is also needed. It would therefore be very useful to draw up a list of stakeholders, problems and opportunities and distribute it to the operators in each country and/or region, and also to establish lines of action or technology agendas for the various sectors of the blue economy geared to the particular specialisation of each region, promoting mutual cooperation and providing a joint offer, without the need to compete;

34. considers that, in order to achieve and enhance cross-border cooperation, it is necessary to create conditions that foster synergies and encourage work in multidisciplinary and multicultural teams by aligning interests and agendas in scientific priorities and management and governance instruments, promoting fair collaboration between teams of people in the various regions, establishing simple, ongoing funding mechanisms so that actions can be taken forward in timeframes that are realistic, and encouraging broad participation of society in these actions to help ensure they are successful;

35. points out that having a large number of parallel but unrelated programmes creates confusion and is likely to lead to inefficient use of public funds. Harmonisation of public research and innovation funding is needed to maximise the coherence and impact of investments and fully exploit researchers' available time. Calls for regional, national and European measures and support to be combined to give them far greater impact than that achieved by several unrelated programmes, thus contributing effectively to a high-performance European Research Area in the field of the blue economy;

36. considers that cooperation should not be limited to maritime and port matters, but should include sea-land interaction and factor in climate change mitigation and adaptation (circular economy, sustainable mobility, marine ecosystems, etc.);

37. stresses the importance of cooperation based on the Atlantic regions' respective Smart Specialisation Strategies (S3) and the development of flagship projects in Atlantic smart maritime specialisation areas;

38. would like to stress that, in the context of post-COVID-19 recovery and in the wake of Brexit, cooperation in the Atlantic area becomes even more necessary because of the way the socioeconomic situation is likely to deteriorate and the impact of that on jobs and blue growth, along with the consequences of the UK's withdrawal from the European Union and the final scope of the Brexit Adjustment Reserve;

39. wishes to look to the future in this respect and view the disruption caused by the pandemic and Brexit as a potential opportunity if our key sectors update their technological capabilities. Therefore welcomes new instruments that can boost new European value chains, based on the priorities of regional Smart Specialisation Strategies;

40. considers that, taking into account the Council conclusions on the implementation of EU macro-regional strategies, it is time to create and develop a macro-regional strategy for the Atlantic area, with a specific budgetary and implementation framework geared to its current situation and potential;

41. believes that the creation of an Atlantic macro-region is the way to deepen cooperation, tackle both sea and land challenges, improve coordination between regions and Member States and streamline the use of funding;

42. believes that the maritime nature of the macro-region should be complemented by innovation potential derived from the areas of smart specialisation common to the Atlantic regions, and facilitate transatlantic cooperation by enabling the outermost regions, third regions and countries to participate, following the Alpine macro-region's model of multilevel governance whereby the regions are directly and actively involved.

Brussels, 19 March 2021.

The President
of the European Committee of the Regions

Apostolos TZITZIKOSTAS

Opinion of the European Committee of the Regions – Achieving the European Education Area by 2025

(2021/C 175/02)

Rapporteur:	Emil BOC (RO/EPP), Major of Cluj-Napoca
Reference document:	Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on achieving the European Education Area by 2025 COM(2020) 625 final

POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

1. points out that education is essential for the smooth development of local and regional communities, particularly now when it is an essential strategic factor in building a knowledge economy. Education also has a key impact in other fields relevant to local and regional communities, such as brain drain/brain gain, social cohesion, implementation of smart specialisation strategies, the digital transformation, innovation (both technological and social), green communities and cooperation between universities and other sectors. Education is an important factor in making communities more resilient, enabling them to cope more easily with economic or any other crises and to adapt to new requirements and circumstances. At local and regional level, support for education and training must be seen as a sound investment in our future;

2. considers that local and regional authorities (LRAs) have an instrumental role to play in delivering on the vision of the European Education Area, as they have direct and comprehensive ties to the communities where education policies shaped at European level will have to be implemented and where those policies have a direct impact. LRAs are responsible for implementing 70 % of EU legislation. Ultimately, education is inherently local, and so on the basis of the subsidiarity principle we must include the regional and local levels in the plan alongside the European and national levels, enabling them to take part in decision-making procedures from the very outset. The Commission and the CoR clearly need to work closely and steadily together on this key issue;

3. points out that the strategic objectives of the European Education Area need to be matched with clear, identifiable financial resources available to LRAs;

4. considers that attaining the Sustainable Development Goals, pursuing environmental sustainability and strengthening the European, national and regional identities should be key goals of the European Education Area;

5. points out that a roadmap, annual indicators and benchmarks need to be developed in order to assess progress towards European Education Area objectives at European, national and, where relevant, at regional and local level. It is necessary to support the assessment of the local and regional current situation and the goals, objectives and support system are defined accordingly;

6. points out that a detailed discussion at European level on local and regional competencies for the creation of the European Education Area is needed, since LRAs' remits in the field of education vary widely from one Member State to another. It is paramount that these competencies dovetail into national strategies and initiatives. Each and every town, municipality and region must factor key educational targets linked to national and European objectives into its strategy;

7. notes that while problems and challenges in the field of education apply across the board, the tools and resources available to LRAs vary; there are also disparities in the administrative capacity of LRAs, which has a direct impact on their ability to successfully design and implement education strategies and policies. It is imperative that we identify regional education needs and promote specific policies which take account of local circumstances. Developing mechanisms which will enable LRAs to exchange and learn from local good practices in other EU communities is also important. Developing a pan-European system mapping the resources available to each region and enabling those resources to be used flexibly and efficiently will help achieve the European Education Area. Cooperation is crucial for providing education services and avoiding overlaps. The Commission should support this type of activity and remove all obstacles to cooperation by developing and encouraging a flexible, accessible and user-friendly cooperation framework;

8. considers that it is important to reduce current education disparities between remote, rural and urban areas, regional disparities, stages in the education system (primary, secondary and university) and educational establishments. These disparities are a contributing factor in persistent inequality in terms of having access to and remaining in education and long-term outcomes, particularly entering the labour market and securing a well-paid job;

9. notes that we need a consistent approach to the various EU programmes and funds for education and training. A new approach would entail incorporating additional instruments such as Horizon Europe and the Structural Funds in addition to Erasmus+. The approach should be comprehensive, and all EU instruments should support regions and local communities in a smooth, flexible transformation which is geared to the existing uneven landscape, ensuring synergies and avoiding overlaps in the field of education and learning (for both students and teachers);

10. emphasises that it is crucial to ensure that no one is left behind. Poor education is generally linked to poverty and inadequate individual resources. If we continue to short-change education, we will enter a vicious circle of poor performance and skills which will result in a lack of local economic growth and even more limited resources. It is imperative that we also consider people without resources and other disadvantaged people, for whom education is one of the very few ways to escape poverty, when framing strategies and operational programmes;

11. further stresses that poor education is also linked to barriers accessing it on different grounds of discrimination, including gender, racial or ethnic origin, religion or belief, disability, or sexual orientation. Ensuring inclusive and fair education for all and taking appropriate measures to combat racism and discrimination in educational establishments is therefore essential;

12. considers that there are important lessons to be learned from the COVID-19 crisis as regards education in local and regional communities. The crisis has had a profound impact on education in local and regional communities, forcing them to meet huge challenges in terms of crisis management, economic and social resilience, the use of technology in education, adapting human resources to new circumstances, the need to cooperate and the need to provide inclusive education which meets high standards. Education has been faced with challenges in the areas of the digital transition and transformation, new teaching methods, providing a safe environment for students and teachers conducive to their well-being, and maintaining and transforming mobility (students and teachers). We need to identify systemic challenges and pinpoint which transformations need to be acted on to deliver education systems able to cope with similar situations in the future. Cooperation in the field of education and training needs to make resilient education systems a priority by harnessing innovation in education and new technologies (such as artificial intelligence, supercomputers/supercomputing and cybersecurity). It is important, considering also the social, ethnic and regional differences and challenges, to ensure that all communities have equal access to the digital education, including equipment, resources and digital educational content;

13. points out that making teaching a more attractive profession (including in financial terms) and continuous training of teachers who are motivated and competent are key to achieving the European Education Area. It is impossible to frame a successful education strategy without fully understanding the fundamental role of teachers. Investing in areas such as training teachers, effective teacher selection, recruitment and assessment procedures and making teaching more attractive, especially in rural areas, is crucial for maintaining the standards and competitiveness of the Member States' education systems and for strengthening the EU's position as a major international player;

14. highlights the increasing importance of building strategic partnerships between LRAs and their universities (central players in the 'knowledge square': education, research, innovation and service to society). Universities play a key role in developing resilient local communities and regions. University education can promote brain gain and brain circulation and can help Europe attract a high level of international talent. The EU has proposed far-reaching reforms in university education, such as the European Universities, student mobility, the European Student Card Initiative, monitoring the employment outcomes of graduates, and mutual recognition of higher education qualifications. LRAs must be able to develop strategic partnerships with universities and to contribute to this transformation;

15. stresses the close links between the European Education Area and the European Research Area and calls for 'a fresh approach for a European Education and Research Area, pointing to the need for a cross-cutting approach to these issues, which are closely linked to regional policies' ([1]);

16. notes the importance of mutual recognition of higher education, upper secondary education and training qualifications between Member States. This needs to be in place if we are to progress, and should preferably be based on expected learning outcomes, along the lines of the European Qualifications Framework;

17. notes the importance of flexible curricula focusing on skills and creating open educational resources geared to technology-supported learning. Also considers that flexible curricula can cater to local and regional situations, tackling issues and developing skills in line with the circumstances and needs/challenges of each area;

18. considers that it is imperative to identify and shine a spotlight on success stories in the delivery of European Education Area objectives at local and regional level. Studying and disseminating these good practices can provide increased added value for the measures taken by LRAs in the Member States;

19. notes that priorities in terms of local educational infrastructure development need to be changed, and that LRAs will support the switch to modern, functional, digital and green education infrastructure in their communities. The emphasis should be placed on the switch from rigid education structures to flexible models which push past formal barriers both between educational establishments and between stages in the education system;

20. notes that education is a key factor in changing the local and regional economy (towards a green economy based on knowledge and the digital transformation). The dual environmental and digital transition must be mainstreamed into all educational processes and cross-cutting objectives for education and training;

21. welcomes the launch of the Education for Climate Coalition to support the implementation of the European Climate Pact and expresses its readiness to be closely involved in this flagship initiative of the European Education Area in order to achieve a fair, green and digital societal transition for all;

22. asks the European Commission to include in the Education for Climate Coalition the regions and local communities and initiatives such as the Global Covenant of Mayors for Climate and Energy in order to ensure a link between bottom-up initiatives and EU-level action, supporting pledges and concrete actions for sustainable behaviour across the EU;

23. considers that there should be greater focus on life skills and transversal skills so as to make Europeans better able to adapt to a dynamic, constantly changing labour market;

24. flags up the importance of improving education at local and regional level as this can do much to curb brain drain, and points to the important role played by support mechanisms implemented by the European Commission and the EU in combating brain drain and turning it into brain circulation;

([1]) CoR Opinion on a new European Research Area (ERA) for research and innovation (OJ C 106, 26.3.2021, p. 31).

25. considers that LRA support for education and digital inclusion is pivotal both for pupils/students and for members of the public and civil servants (in connection with the Commission's new Digital Education Action Plan);

26. flags up the importance of driving improvements in education in areas such as developing basic skills, interculturalism, learning foreign languages and cultural and linguistic diversity, as well as to ensure that disadvantaged children acquire skills that other children acquire at home;

27. believes that LRAs can work with formal and non-formal education and training establishments to provide much-needed lifelong learning programmes for upskilling and reskilling to enable people to remain active in or reintegrate into the labour market and other areas of life that are quickly changing in the green and digital transitions. Such programmes can also be geared to the needs of specific groups, such as older people, so as to boost their quality of life and overall satisfaction and integration. Furthermore, universities can be/must become key partners for LRAs in developing and implementing innovative programmes for local stakeholders which are tailored to the local and regional situation;

28. encourages local authorities and regions to support universities, vocational training centres and other bodies responsible for Erasmus+ programmes, with a view to encouraging the mobility of students and also young entrepreneurs and volunteers in the Member States;

29. notes that it is important that local and regional communities promote safe environments for all school students that are free from violence and bullying, harassment at school, harmful speech, disinformation and discrimination;

30. emphasises that local and regional communities need to act to make education more inclusive at every level to people with disabilities or from vulnerable groups;

31. notes that local and regional communities need to encourage changes (through educational establishments) in people's behaviour and skills as regards the green and digital transitions, and to promote teacher and student mobility by means of national and international partnerships with other communities. This mobility can underpin the transfer of know-how on designing and implementing successful education strategies. The OECD study on teaching and learning (TALIS, 2018) showed that a significant number of teachers said they needed to develop the specific skills needed to teach students with special needs, to use digital technologies and to teach multilingual and multicultural classes;

32. encourages local and regional communities to leverage partnerships between the public, private and non-profit sectors to bolster universities' capacities with regard to educational programmes focusing on advanced digital skills and cutting-edge technologies such as artificial intelligence, cybersecurity and high performance computing;

33. notes that LRAs from the Member States should promote the establishment of supranational educational centres in large university towns in the EU so as to develop good practices and public policies on student and teacher mobility and the digital transformation of education.

Brussels, 19 March 2021.

The President
of the European Committee of the Regions

Apostolos TZITZIKOSTAS

Opinion of the European Committee of the Regions – Action Plan for Critical Raw Materials

(2021/C 175/03)

Rapporteur: Isolde RIES (DE/PES)
First Vice-President of the Saarland State Parliament

Reference document: COM(2020) 474 final

POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

General comments

1. stresses that modern societies and economies cannot function over the long term without a reliable, secure, competitive and environmentally sound supply of raw materials. Critical raw materials in this context are those that are of crucial economic importance but which cannot currently be reliably and sustainably sourced domestically within the European Union;

2. takes the view that the EU needs a strong industrial base, which, due to the commitments regarding the transition to a low-carbon economy and increasing digitalisation, is heavily dependent on having an adequate supply of raw materials and efficient use and recycling of these materials;

3. notes that, according to a European Commission study [1], demand for critical raw materials for strategic technologies and sectors will increase sharply between now and 2030/2050, based on information currently available, such that, for example, by 2030 the EU will need up to 18 times more lithium and five times more cobalt than today for electric vehicle batteries and energy-storing devices — and almost 60 times more lithium and 15 times more cobalt by 2050;

4. points out that the EU extracts or produces less than 5 % of global critical resources, whereas around 20 % of the global consumption of these resources is accounted for by EU industry. The EU is particularly dependent on imports of critical resources that have a key role for future technologies and are important, for example, in the form of rare metals and elements for innovative technical applications. They will thus be needed for production and value creation in those areas where the European economy seeks to be a major global leader. This applies, for example, to the use of raw materials set out in the European Green Deal for the transition to secure, clean and affordable energy from renewable sources, the path to a clean and more circular economy, and also for their use in mobility and construction in a more energy- and resource-efficient way;

5. notes that the EU raw materials sector as a whole provides around 350 000 jobs, and that more than 30 million jobs in downstream processing industries depend on reliable, non-discriminatory access to raw materials;

6. underlines that, among other things, the COVID-19 crisis has shown that Europe is too dependent on non-EU suppliers for critical raw materials, and that supply disruptions can have a negative impact on industrial value chains and other sectors;

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[1] Critical Raw Materials for Strategic Technologies and Sectors in the EU — A Foresight Study: https://ec.europa.eu/docsroom/documents/42881

Impact on industry

7. highlights the need to address over-reliance on non-EU countries for critical raw materials and to make critical supply chains more resilient, in order to reliably ensure security of supply, the energy transition and the transition to a digital economy;

8. points out that critical raw materials are needed above all in many of Europe's key industries and industries of the future, such as the automotive, steel, aviation, IT, healthcare and renewables sectors. Innovative products and new technologies such as e-mobility, digitalisation, Industry 4.0 and the energy transition are changing and increasing the need for raw materials. Demand for raw materials will also rise worldwide due to population growth, industrialisation and progressive decarbonisation of the transport and energy sectors;

9. stresses that fair and non-discriminatory access to raw materials, a secure supply of such materials, and stable and predictable raw material prices are of key importance for the development opportunities and competitiveness of European industry and SMEs, innovation, and the preservation of industrial centres in the EU;

10. is convinced that a more strategic approach is needed in order to ensure a sustainable supply of critical raw materials and reduce dependence on third parties and raw material imports; stresses that this will necessitate developing diversified value chains, reducing dependency on raw materials, strengthening the circular economy, promoting innovation with regard to alternatives, and ensuring an environmentally sound and socially responsible level playing field in the global market;

11. welcomes the European Commission's presentation of an Action Plan for Critical Raw Materials and the first Strategic Foresight Report, which identifies the EU's dependency on the imports of critical raw material as a strategic weakness;

12. supports the objectives set out in the action plan: developing resilient industrial value chains in the EU, reducing dependency on critical raw materials through circular use of resources, sustainable products and innovation, strengthening domestic sourcing of raw materials in the European Union, diversifying sourcing from third countries, and removing distortions to international trade in a WTO-compatible way;

13. underlines that regions have varying levels of dependence on critical raw materials; therefore calls for regional dependencies on such materials to be identified, as well as the consequent need for regions to take action to build sustainable and innovative value chains;

14. stresses that, under the Action Plan, local and regional authorities constitute a key level for securing acceptance of the EU's strategic objectives on raw materials, and of industrial projects;

15. with a view to the possible broadening of the scope of the EU taxonomy criteria to economic sectors not yet covered, calls for the criteria that are to be used for the mining, extraction and processing of raw materials to be based on a cradle-to-cradle life-cycle assessment and socio-economic considerations. In addition, a distinction should be drawn, when a company is being assessed, between investment in existing production facilities and in new plants, in order to avoid a situation where only very few investments are classified as sustainable, thus increasing the cost of financing for the crucial transformation of the economy;

Safeguarding industrial value chains in the EU

16. calls for gaps and vulnerabilities in existing raw materials supply chains to be addressed by taking a more strategic approach. For example, appropriate stockpiling would be useful, in order to avoid unexpected disruptions to supply and production. Alternative sources of supply are also needed in case of disruption, as are closer partnerships between operators in the critical raw materials sector and those in downstream consumption sectors, in order to trigger investment in strategic developments;

17. welcomes the fact that, in the current critical raw materials list, the European Commission has once again confirmed coking coal as one of the most important raw materials for the steel industry; points out that this raw material will remain indispensable to the steel industry as long as no technologically and economically viable alternatives can be implemented on a large scale; with a view to the development of hydrogen metallurgy, also asks the European Commission to examine the potential for including hot briquetted iron (HBI) and direct reduced iron (DRI) in the EU's critical raw materials list;

18. is in favour of industrial alliances such as the European Battery Alliance, which is intended to encourage substantial public and private investment leading, as far as possible, to European lithium demand largely being covered; also calls for support for forward-looking alliances for the commodities industries;

19. particularly supports the new European Raw Materials Alliance, which aims to increase EU resilience throughout the rare earths and magnets value chain; welcomes the fact that this alliance is open to all relevant stakeholders, including the regions, and that the Committee of the Regions was invited to its launch event ([2]);

20. welcomes the recent announcement by the European Investment Bank that it will provide financial support for projects to secure the supply of critical raw materials needed for lower carbon processes in the EU;

21. calls for steps to be taken to ensure that these projects do not distort competition, are resource-efficient and sustainable, and contribute to the EU's strategic resilience;

Recycling and substitution of raw materials

22. notes that Europe does not make sufficient use of its own critical raw materials, and that the EU Member States do not currently have adequate processing, recycling, refining or separation capacities;

23. stresses that reducing consumption, preventing waste and recycling must be the core elements of the transition to a resource-efficient economy; calls for consumers to be given adequate, transparent information about the situation regarding raw materials in our affluent, throwaway society and also about market conditions for the recycling industry. However, consumers play only a secondary role in promoting products with high recyclability and consuming less: the primary responsibility lies above all with producers, and obligations should therefore be placed on them. In the case of products made in the Union, obligations should pertain for manufacturers and equivalent obligations should also be applied to products imported into the EU market;

24. underlines the importance of applied and practical research and development in the extraction of raw materials and their efficient use;

25. calls for increased and sustained support for research and development in the field of raw materials extraction and the circular economy as a whole, including metallurgy as a key enabler; urges that when new materials are developed, their recyclability in future always be a criterion for funding research;

26. stresses that this should also aim at significantly extending the lifespan and ease of repair of products that require critical raw materials for their manufacture by applying the principle of sustainable ecodesign, and replacing critical raw materials with more readily available materials, particularly where technological advances and planned obsolescence limit their lifespan. Calls for the requirement that CE marking be updated with ambitious recyclability criteria for products that contain critical raw materials;

([2]) Website of the European Raw Materials Alliance and application to join the alliance: https://erma.eu/about-us/join-erma/

27. points out that Horizon Europe, the European Regional Development Fund and national research and development programmes can be used for these purposes. A circular economy platform for European priorities strategic agenda (CICERONE), for example, could be conceived in this ambit and the European Geo-Montan regions could use the MIREU (Mining and Metallurgy (European) Regions) project to advance their networking and focus further on strengthening and prioritising raw materials research;

28. believes that consumers should be continuously informed about the externalities of buying and replacing cheap low-quality household items frequently; a gradual return to the culture of servicing and repairing could create new employment that cannot be offshored;

29. notes that, in Europe, the term 'waste' often conceals valuable resources and critical raw materials; in this connection, draws attention to the Committee of the Regions' recently adopted opinion on the New Circular Economy Action Plan ([3]);

30. stresses that much more use should be made of recycled materials in order to reduce the use of primary and critical raw materials; calls on the European Commission to look into competitive criteria whereby new products should, where possible, contain a substantial proportion of recycled materials, and recommends taking account of these criteria in the approach to key product value chains ([4]);

31. calls for the recovery of critical raw materials from urban waste to be researched with a view to practicability and economic feasibility, and for it to be increased as far as technically and economically viable. In particular, raw materials needed for renewable energy or innovative technical applications, such as rare earths, gallium and indium, are not recycled, or only to a limited extent, because recycling has so far been relatively expensive and technically difficult. It is also important to stress the importance of promoting effective energy extraction combined with recovery of metals and salts from waste that can only be recycled in this way owing to impurities, material fatigue or the presence of complex materials. The European Union, Member States, regions with their public research institutes and businesses are therefore called on to undertake more research in this area and to enable the harnessing of results in order to avoid the need for valuable raw materials to be landfilled as waste;

32. notes that significant quantities of waste and scrap are exported, even though they could potentially be recycled into secondary raw materials in the EU; therefore calls for recycling capacity within the EU to be substantially strengthened, especially given the harm to the environment — sometimes catastrophic — caused by exports of waste and scrap to developing and emerging countries with inadequate recycling capability;

33. points out that there is currently no statistical record of the quantity of raw materials contained in extractive waste. The European Commission is therefore urged to evaluate and map the quantity of materials stored, with the assistance of the Member States, regions and municipalities;

34. stresses that producers have an important role to play in moving towards a circular economy. They must develop innovative products that allow for material separation, are thus environmentally friendly, and use as few primary fossil raw materials as possible; producers must also review their current business models so as to orient them towards lower resource consumption; points out that, at the same time, the State also has its own inherent responsibilities, such as establishing appropriate framework conditions and corresponding legal regulations, and offering economic incentives;

Strengthening sustainable sourcing and processing of raw materials in the EU

35. stresses that, to the extent possible, the EU must also obtain raw materials from its own sources in the long term and develop forward-looking development strategies, including building new capacities to access and process critical raw materials in the EU and developing a sustainable financing model for converting current mining operations to extract critical raw materials;

([3]) CoR Opinion on the New Circular Economy Action Plan (OJ C 440, 18.12.2020, p. 107).
([4]) CoR Opinion on the New Circular Economy Action Plan (OJ C 440, 18.12.2020, p. 107).

36. underlines that this increase in the domestic extraction of raw materials within the EU must comply with established high environmental and health and safety standards; notes that examples of best practice in this regard are already being taken into account in EU projects, but that these have not yet led, generally speaking, to a marked rise in planned investment in more raw materials extraction and processing. As well as the safeguarding of former and current mining activities, new mining is, however, also integral to providing the economy with critical raw materials from domestic sources;

37. regrets in this light that a substantially greater application of R&D outcomes in commercial practice for raw materials extraction and processing is so far still lacking and stresses that new mining of high technology raw materials in the EU must be based on R&D plans for innovative low-impact mining; welcomes in this connection the fact that, starting in 2021 under Horizon Europe, the European Commission wants to push further ahead with the reduction of environmental impacts and calls for particular attention to be given to the areas of water management and rewilding;

38. stresses that permits for new mines must provide not just for environmental and labour protection standards, but also for solutions to offset lost environmental and recreational assets, so that mining sites can also be used during and after extraction operations for recreation and other purposes that are equally important for the local community;

39. emphasises that the regions have a fundamental role to play, thanks to their expertise in this area; points out that raw materials for batteries can be found in the EU in a number of coal regions, as well as in other regions, and that mining waste is often rich in critical raw materials; therefore calls for disused and new underground and open-cast mines where critical raw materials are found to be investigated with a view to raw materials extraction; points out that extraction of these raw materials could create new jobs in former and current mining regions;

40. underlines that there is considerable technical expertise to be found in the EU's former and active mining regions; this experience and knowledge should be passed on to new generations of workers, and the competences of skilled workers should be strengthened by means of targeted training;

41. stresses that the exploitation of raw material reserves and the opening of new underground and open-cast mines could reduce the EU's dependence on third countries, but that the necessary exploration and extraction work within the EU is often in competition with other land use options and is therefore subject to spatial planning restrictions; therefore calls for conflicts over use to be resolved as far as possible by mutual agreement in the interests of securing the supply of raw materials;

42. notes that public opposition to mining projects is increasing in many EU countries and that the industry's efforts to improve its environmental footprint are not yet being sufficiently recognised. The European Union, Member States, regions and municipalities are therefore called upon to communicate the advantages and disadvantages of reopening new underground and open-cast mines actively and transparently and to ensure the participation of all relevant stakeholders, thus ensuring acceptance and understanding by civil society;

43. points out that reopening such mines involves high investment and operating costs, partly because of the high environmental and safety standards in force in the EU, which are a disadvantage for European mining regions in relation to the rest of the world; therefore urges the European Union and its Member States to examine whether, and to what extent, such projects can be supported financially with European funding or under State aid rules;

44. underlines that the Just Transition Fund should help mitigate the socio-economic impact of the transition to climate neutrality in coal-intensive and carbon-intensive regions and diversify the economies of the regions, including by investing in the circular economy. The sustainable infrastructure window under InvestEU could also support regional development of critical raw materials;

45. highlights the need to develop and apply sufficient expertise within the EU to be able to process or refine certain critical raw materials such as lithium; calls for the European Union, the Member States and local and regional authorities to play an active role in developing and expanding the relevant skills;

46. calls for better coordination between the relevant stakeholders in exploration, extraction, distribution, processing, reuse and recycling; in this context, local and regional authorities have a fundamental role to play;

47. underlines that raw materials strategies and plans by Member States and local and regional authorities can make significant contributions to safeguarding domestic raw material supplies;

48. recognises that introducing new, innovative, accepted, safe and environmentally sound mining of critical raw materials in the EU requires permits based on legal certainty and calls for the competent national, regional and local authorities and bodies to be set up, organised and equipped to a level commensurate with the increasing importance of their responsibilities and mission, so that transparent, efficient and coordinated administrative procedures allow for the extraction of raw materials on EU territory;

Regional cooperation

49. stresses the importance of promoting national and regional raw material clusters that bring together industry, mining authorities, geological services, upstream and downstream service providers, equipment manufacturers, and mining and refining companies, as well as the transport industry and the social partners, in sustainable mining in Europe, also using new mining technologies;

50. highlights the need for local, regional, national and European levels to work together to handle the impact on the ground and to meet the necessary investment needs;

51. calls for closer networking between regions that are highly dependent on critical raw materials in order to find joint solutions and guarantee an active role for regions in the European Raw Materials Alliance;

Sourcing of raw materials from third countries

52. notes that, despite all the efforts undertaken, the EU will remain heavily reliant on imports of critical raw materials from third countries; points out that there is now intense competition for critical raw materials between many countries;

53. stresses that trade in raw materials is increasingly subject to trade restrictions and distortions of competition; calls on the European Commission to continuously monitor import and export restrictions and to raise such issues at regional, bilateral and multilateral level; takes the view that measures that distort trade in raw materials — particularly in critical raw materials — must be comprehensively assessed and that, if necessary, further legal action should be taken under World Trade Organization (WTO) rules;

54. considers that a diplomacy-based raw materials policy is of great importance for the EU, not only in terms of industrial and energy policy and international trade, but also as a cross-cutting issue affecting various areas of internal, foreign and security policy;

55. notes that it would boost the EU's economic and financial resilience for raw materials to be traded in European currency, as it would reduce price volatility and the dependence of EU importers and third-country exporters on USD financing markets; in this connection, calls on the European Commission and the Member States to step up their efforts to ensure that European currency is used for trade;

56. calls for the EU to enter into more strategic partnerships with resource-rich third countries; welcomes the European Commission's approach of discussing priorities with Member States and industry, including in the countries concerned, before launching pilot partnership projects in 2021, as they have local expertise and a network of Member States' embassies;

57. stresses that enhanced cooperation with strategic partners must be linked to responsible sourcing. High concentration of supply in countries with lower social and environmental standards not only poses a risk to security of supply but can also exacerbate social and environmental problems. An international agreement at WTO level should therefore be sought as a first step, aimed at ensuring a high level of transparency and consistent traceability of supply and trade chains in terms of the social and environmental standards to be applied in the extraction of raw materials in third countries. Negotiations on systematic improvements to those standards should subsequently be launched as soon as possible, as is already the case in the EU's existing free trade agreements; welcomes the Conflict Minerals Regulation, which entered into force on 1 January 2021, and encourages the European Commission to present as soon as possible a balanced proposal for due diligence in supply chains;

58. underlines that it is becoming increasingly difficult for individual businesses to source raw materials in highly consolidated supply markets and in competition with markets where demand is strong (in particular China); calls for targeted support to be given to entrepreneurial alliances such as purchasing associations.

Brussels, 19 March 2021.

The President
of the European Committee of the Regions

Apostolos TZITZIKOSTAS

Opinion of the European Committee of the Regions – Trade policy review

(2021/C 175/04)

Rapporteur: Willy BORSUS (BE/Renew Europe)

Vice-President of Wallonia, Walloon Minister for Economic Affairs, Foreign Trade, Research and Innovation, the Digital Economy, Spatial Planning, Agriculture, IFAPME (Walloon institute for ongoing and freelance training and SMEs) and competence centres

Reference document: COM(2021) 66 final

POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

General comments

1. Generally endorses the Commission Communication of 18 February on An Open, Sustainable and Assertive Trade Policy; takes note of the conclusions and recommendations set out in this communication, but notes that it also displays certain weaknesses that will need to be addressed;

2. believes that trade policy needs to be thoroughly overhauled in order to ensure consistency with the European Green Deal commitments for sustainable and inclusive growth, meet the challenges of the digital transition, increase the competitiveness of EU industry and contribute to the growth of employment in Europe and to enhancing the standard of living of all citizens; emphasises, finally, that trade policy must enhance the resilience of the European Union and ensure it has the capacity to mitigate current and future systemic shocks, especially those arising from climate change, heightened geopolitical tensions and the risk of further pandemics and health crises;

3. points to the central role played by trade in the EU economy and the millions of European jobs that depend on exports outside Europe. Before the COVID-19 crisis, 35 million European jobs depended on exports, and 16 million on foreign investment. In other words, one job in every seven depended on exports;

4. is concerned by the shockwave that the COVID-19 crisis has unleashed on the international markets and by the way it has worsened the pre-existing situation — which had already deteriorated, in particular due to the heightened geopolitical tensions. According to a recent analysis by DG TRADE, global trade is expected to fall by 10-16 % in 2020; the EU-27 are forecast to experience a reduction of 9-15 % in extra-EU exports, amounting to a reduction of some EUR 282 to 470 billion ([1]); notes with concern that the ILO predicts that in 2020, as a result of the COVID-19 pandemic, 12 million jobs will be lost in Europe alone;

5. notes that socioeconomic difficulties are compounded by the increasingly widespread questioning by citizens of how the benefits of globalisation are distributed, at every stage of value chains, in all economic sectors and in society as a whole; considers in this regard that it is important for local and regional authorities — the level closest to citizens — to continue to be fully involved and fully consulted by the Commission with regard to EU trade agreements; in this context, is concerned about the approach adopted by the Commission in the recent trade negotiations — in the wake of the judgment delivered by the Court of Justice of the European Union in the Singapore case (opinion 2/15 of May 2017) — with a view to avoiding 'mixed' trade relations by only negotiating trade agreements in which the EU has exclusive competences;

6. is convinced that only a sustainable trade model that respects EU values, the EU's core, non-negotiable legislative norms and the SDGs can contribute to the well-being and prosperity of all, both within the EU and elsewhere in the world;

([1]) https://trade.ec.europa.eu/doclib/docs/2020/may/tradoc_158764.pdf

Increasing consistency between trade policy and other EU sectoral policies as part of the recovery

7. considers that greater consistency must be ensured between trade policy and the EU's agricultural, industrial, digital, competition, tax, social, environmental, transport, climate, energy, development and cohesion policies, as well as with the fundamental rights of the EU; regrets that the Commission communication does not place sufficient emphasis on this need for consistency among the various EU sectoral policies;

8. stresses the fundamental commitment to the economic freedom of public authorities to provide, commission and finance services of general economic interest;

9. underlines the importance of protecting public services and critical infrastructure (public services of general interest) in trade agreements and therefore calls for them to be excluded — both comprehensively and with legal certainty — from the scope of all free trade and investment agreements, including all investment protection provisions, for example through a positive list approach to contractual market access provisions, most-favoured-nation treatment and non-discrimination on grounds of nationality;

10. believes that trade policy revision must go hand-in-hand with focused reforms of certain aspects of EU competition policy and a recast of European industrial and innovation policy, in order to support the EU's world-leading position in key areas; looks forward in this regard to the updated EU industrial policy strategy announced for April 2021;

11. stresses that the EU should strive for a global solution to the taxation of digital services, accompanied by appropriate governance and rules at global level; if an international solution cannot be found in the coming months — particularly at OECD level — the EU should consider acting alone;

12. supports the call for EU trade and economic agreements to include a chapter containing clauses on tax offences, money laundering and aggressive tax planning, as well as cooperation between tax authorities, in line with the WTO's rules and principles. The Commission should include such a chapter both in ongoing negotiations and when revising treaties that are already in force;

13. emphasises that where agricultural policy is concerned, having trade policy that does not ensure outside markets are held to the high European standards with regard to sustainability and food safety can severely undermine the internal market, and can endanger the agricultural sector particularly if it is already in difficulty, thereby threatening the EU's food supply, which is a key objective of the Common Agricultural Policy, and the management of European land, which depends on the sector's workers; considers that the revised trade policy should, together with agricultural policy, help maintain overall employment and safeguard farming as a way of life by guaranteeing a fair return. Trade policy regarding the agricultural sector should guarantee an equal level playing field between the internal market and the external market, prioritising supply within the EU itself over products from external markets. At the same time internal rules governing the markets should stimulate diversification of our internal market to ensure competitiveness. However, this must not undermine efforts to strengthen fair trading relations with African countries;

14. is disappointed that the European Commission's communication does not contain any solutions to mitigate the negative impact that trade agreements may have on certain agricultural sectors which are already under pressure or internally fragile; calls for reflection on the establishment of a support mechanism for the most heavily impacted sectors; in this regard, remains particularly concerned about the negative impact that the draft EU-Mercosur association agreement is doubtless capable of having on certain agricultural sectors;

15. recalls the important role of cohesion policy in enhancing the competitiveness of the EU's regions by means of targeted investment tailored to the needs of any given territory — especially in remote and isolated regions where the development and modernisation of infrastructure are essential — in key sectors such as network infrastructure, connectivity, research and innovation, SMEs, IT services, environmental and climate action, high-quality employment and social inclusion;

16. considers that EU trade policy must not jeopardise the EU's development cooperation work in third countries, and calls for a balanced, fair free-trade approach to the more fragile economies;

17. supports the introduction by the Commission of a legal tool to remedy the distorting impact of foreign subsidies on the EU's internal market and stresses the importance of modernising and updating European competition rules;

18. urges the European Commission to demonstrate that an ambitious modernisation of the Energy Charter Treaty can be achieved in the short term, in such a way as to align it with the objectives of the Paris Climate Agreements and incorporate the EU's modernised approach to investment protection: otherwise the option of an orderly exit of the EU from this treaty should be explored;

19. urges the Commission to take all the necessary steps to ensure the swift and orderly termination of the remaining intra-EU Bilateral Investment Treaties;

Towards a model for open strategic autonomy

20. underlines how important it is that the EU remain an open economy and continue to promote free, fair, sustainable international trade that is rules-based and of benefit to all trade partners; to this end, supports the European Commission's efforts to reform the WTO. The aim must be to revitalise and strengthen the WTO, inter alia, by modernising the way it works in key areas and filling gaps in its regulatory framework so that it can respond adequately to current trade policy challenges;

21. welcomes the model for open strategic autonomy proposed by the European Commission, which must result in an open, sustainable and solid trade policy that harnesses and protects our economic advantages, guarantees access to key markets and raw materials and safeguards access to vital goods and services; at the same time warns against protectionist tendencies and underlines that Europe must remain a strategic global actor that respects international rules and is ready to enforce them too;

22. believes that this requires our value chains to be mapped, with the involvement of the relevant regional bodies, in order to identify and reduce areas of dependence in strategic sectors and boost the resilience of the most sensitive industrial ecosystems, in particular in remote and isolated regions such as the outermost regions, and specific areas such as health, defence, space, food, digitalisation and critical raw materials; will pay close attention to the outcome of the work currently being carried out by the Commission on listing areas of strategic dependence and the most sensitive industrial ecosystems;

23. emphasises that this may include diversifying production and supply chains, creating strategic stockpiles, fostering investment and production in Europe, exploring substitution solutions and promoting industrial cooperation between the Member States;

24. observes that the COVID-19 crisis has revealed the potential for creativity and innovation that exists in regional ecosystems and is spurred by new cooperative approaches with a view to meeting the supply challenges in areas such as medicines and medical products; considers that the EU should promote a stronger local economy for certain industries, and innovative European value chains, based on complementarity between ecosystems, specifically by means of measures to support cooperation between players; considers that cluster policies and cooperation between clusters are valuable levers to create critical mass and meet the needs of SMEs; considers that creating a critical mass of demand for certain strategic products and making it visible on the internal market can contribute to the reshoring of certain areas of production and the development of competitive production on EU territory, in particular by accelerating the marketing of innovative solutions;

25. points to the need to frame specific action plans for each of the strategic value chains identified within the EU for implementing IPCEIs, since these are an important tool for the green and digital transitions and for strengthening the Union's technological leadership, especially in relation to batteries, microelectronics and hydrogen, for example;

A sustainable trade model — the only model for contributing to the well-being and prosperity of all, both within and outside the EU

26. notes that the communication refers to the review of the EU's 15-point action plan on the effective implementation and enforcement of Trade and Sustainable Development (TSD) Chapters in trade agreements; is pleased that the review will cover all relevant aspects of TSD implementation and enforcement, including the scope of commitments, monitoring mechanisms, the possibility of sanctions for non-compliance and the essential elements clause, as well as the institutional set-up and resources required; regrets that this review and the communication were not coordinated, but is pleased that the end date for the review has been brought forward to the end of 2021; trusts that this review will be as transparent and inclusive as possible;

27. considers in this regard that European environmental, climate protection and social standards, such as those set out in the European Green Deal and the European Pillar of Social Rights, should be built into every trade agreement negotiated by the EU and should form the minimum set of requirements to which the parties commit; considers that this will help European SMEs and industry who comply with these standards to flourish, while having a ripple effect on their trading counterparts;

28. believes that the EU must be more assertive in terms of respecting and promoting both human rights and the social, environmental and climate protection standards contained in its trade agreements; welcomes the Commission's introduction of a complaints mechanism to report non-compliance with trade and sustainable development commitments; advocates that each party to an agreement should respect, promote and effectively apply the internationally-recognised fundamental standards, as defined in the ILO core conventions, in their legislation and practices throughout their territory;

29. supports the Commission's proposal to make the Paris Climate Agreement an essential element in all future trade and investment agreements and to prioritise effective implementation of the Convention on Biological Diversity in these agreements;

30. encourages effective implementation of trade agreements by rewarding partner countries that comply with their TSD commitments. The parties should where appropriate begin to progressively implement tariff reductions tied to the effective implementation of provisions concerning the TSD chapter, and specify the conditions that countries must meet for such reductions, including the option of withdrawing these specific tariff lines in the event of infringement of the provisions;

31. considers that guaranteeing fairness and sustainability for all is the only way to contribute to the global changes that many citizens are demanding;

32. in this regard, looks forward to a Commission proposal due to be presented in 2021 for creating an effective carbon external border adjustment mechanism that is compliant with WTO rules and can guarantee fair competition for companies operating in the single market and boost the competitiveness of European industry. This mechanism should first complement, then replace in the longer term, the free-of-charge allocation of CO_2 emissions quotas and the compensation of the price of electricity for primary industries;

33. believes that particular attention should also be paid to promoting responsible entrepreneurship and transparency in supply chains; to this end, strongly supports current European initiatives to strengthen due diligence mechanisms; considers that this is also necessary in order to establish a level playing field on the EU internal market;

34. welcomes the appointment by the European Commission of a Chief Trade Enforcement Officer whose tasks include specifically monitoring the proper application of sustainable development commitments, especially with regard to the climate programme and labour rights; hopes that the Enforcement Officer will put in place comprehensive and ongoing channels of communication with local and regional governments and with civil society; will make sure that sufficient resources are allocated to the Enforcement Officer to ensure that they can achieve their objectives;

Ensuring a level playing field for EU businesses

35. considers that further guarantees on respect for human rights and social standards need to be added during the work on the ratification of the EU-China Comprehensive Agreement on Investment;

36. underlines the importance of preserving a level playing field so that businesses are competitive on the internal market and internationally in global value chains; considers that there is a need to focus on applying the existing rules and to display greater assertiveness in mobilising trade defence mechanisms to combat market-distorting practices in third countries;

37. welcomes the agreement between the European Parliament and the Council on the legislative proposal for a regulation to strengthen the enforcement of trade rules, which responds to the current deadlock in the functioning of the WTO Appellate Body and which will also apply in the context of trade agreements — bilateral or regional — where a partner unilaterally imposes sanctions against the EU and blocks the dispute settlement procedure provided for in the agreements. Stresses that this regulation would extend the EU's ability to impose retaliatory measures such as tariffs, quantitative restrictions and in the field of public procurement to services and intellectual property. Also supports the European Commission which has established a one stop shop to 'treat all violations of labour rights, climate change or human rights provisions at the same level as complaints relating to access to the markets of our trading partners';

38. considers that it is necessary to re-examine the competition rules in the light of the challenges of external competitiveness, third-country practices and the new situation created by innovation ecosystems; competition on the internal market and SME access to European and global value chains must remain key aspects of balanced, effective and independent European competition rules;

39. shares the view that the EU needs to go onto the attack to ensure reciprocity and tackle protectionism in access to public procurement markets in third countries;

40. underlines that foreign direct investment is a major source of growth, jobs and innovation, but that it can, however, bring with it risks of jeopardising national security and public order in the EU for sensitive sectors. In consequence, investment screening systems need to be put in place at national level;

Better anticipating and taking account of the negative externalities of participating in international trade

41. notes with concern that, at present, the benefits of free-trade agreements do not reach all regions, that certain economic sectors are often negatively affected, and that SMEs do not make full use of the potential of free-trade agreements and are more strongly impacted by the effects of unfair competition as a result of the measures taken by certain third countries; regrets that the Commission communication does not put forward any means of mitigating the potential negative impact of trade agreements; nonetheless, is pleased that the Commission intends to design a number of digital tools and online portals for SMEs in order to help them access these agreements, opening up new opportunities in terms of access to public procurement and remedying the unfair competition referred to above;

42. is pleased that the Commission intends to propose a specific legislative act necessary for the enforcement of, inter alia, trade related provisions of the EU-UK Trade and Cooperation Agreement;

43. is pleased that the Commission has prepared an anti-coercion instrument;

44. highlights the important role SMEs play in the EU's international trade relations, creating more than 58 % of all exports from the EU and more than 46 % of all imports to the EU [2]. In this respect underlines the need for an effective EU trade policy that protects SMEs, which are far more vulnerable and exposed to the volatility of international trade relations than large companies; welcomes the emphasis on SMEs in the Commission communication;

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[2] *https://ec.europa.eu/eurostat/statistics-explained/index.php/International_trade_in_goods_by_enterprise_size#Share_of_SMEs_in_total_trade_.28intra_.2B_extra-EU.29*

45. firmly believes that it is necessary to revise the impact analysis model and to carry out full, in-depth impact analyses (by sector and sub-sector, by geographical area — country/region — within the EU, in terms of impact on SMEs and in the social, environmental, climate and human rights sphere) of each existing agreement, together with aggregated impact analyses (based on the same criteria) of all existing agreements, in order to ensure that the EU's trade policy is conducted to the advantage of all, citizens and businesses; regrets the Commission communication's shortcomings in this respect; notes that the Commission communication makes provision only for carrying out an *ex post* evaluation of the impact of the EU's agreements on key environmental aspects, including the climate, carrying out work to develop a better understanding of the gender equality implications of various parts of trade policy and undertaking further analytical work (without giving any further details) on the impacts of trade policies on employment and different aspects of social development;

46. considers that there must be particular focus on the difficulties facing SMEs; supports the Commission's efforts to strengthen tools for decrypting trade agreements, particularly regarding rules of origin; considers it necessary to be able to meet SMEs' needs for expertise concerning access to third markets by using existing advice and support services at Member State and regional level and in chambers of commerce, and by making it easier to call upon outside expertise;

47. considers that the Enterprise Europe Network (EEN), present in 60 countries, and the network of national and regional trade promotion organisations that make up the European Trade Promotion Organisations' Association (ETPOA), present in 180 countries altogether, could be more widely mobilised with regard to their tasks of supporting SMEs in entering foreign markets. Similarly, the EU should set up 'FTA contact points', as close as possible to the SMEs and taking into account the 'think small, act regional' principle, with regional trade promotion organisations playing a leading role;

48. considers that a dedicated approach for innovative SMEs wishing to move onto the international scene would fit in well with the InvestEU project. In this way, the risks facing this type of business could be properly covered and their international growth fostered;

49. considers that against the backdrop of the EU Green Deal, the current IPEEC-type framework for state aid should be revised in order to facilitate investment and amortise the running costs of cooperative/transnational projects carried out by this type of business Accordingly, is pleased that on 23 February 2021, the Commission launched a public consultation open until 20 April 2021 which calls on all stakeholders to comment on a proposal for a targeted review of the Communication on state aid supporting important projects of common European interest (IPCEI) ([3]).

Brussels, 19 March 2021.

The President
of the European Committee of the Regions

Apostolos TZITZIKOSTAS

([3]) https://ec.europa.eu/competition/consultations/2021_ipcei/draft_communication_en.pdf — Link to public consultation: http://bit.ly/3dEFgeM

Opinion of the European Committee of the Regions – A Renovation Wave for Europe – greening our buildings, creating jobs, improving lives

(2021/C 175/05)

Rapporteur: Enrico ROSSI (IT/PES), Member of Signa Municipal Council (Florence)

Reference document: COM(2020) 662 final *A Renovation Wave for Europe — greening our buildings, creating jobs, improving lives*

POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

Boosting building renovation for climate neutrality and recovery

1. welcomes the Renovation Wave which, by targeting a sector responsible for 40 % of energy consumption in Europe, will help achieve climate neutrality by 2050 and reduce energy dependency on third countries, increasing European energy security. Considers that it is essential that this policy be incorporated into the recovery and resilience programmes (RRF) as well as under the European Structural and Investment Funds (ESIF) so that efforts are coordinated, avoiding separate and inefficient measures; highlights that the success of this strategy will largely depend on its sustainability and feasibility at a local and regional level, while additional administrative burdens should be avoided; also calls for all measures relating to the Renovation Wave to have a noticeable benefit and for economic viability, social acceptability and financial viability to be maintained, particularly for public budgets based on current budgetary provisions, but also for tenants and owners;

2. considers that the Renovation Wave can only be deployed fully if it is supported by a complete overhaul of the Clean Energy Package, starting with the Energy Performance of Buildings Directive (EPBD) and the Regulation on the Governance of the Energy Union, along with timely and accurate transposition at national level; underlines the need to start immediately implementing the strategy and its actions by scaling up renovations and testing new methods for delivering renovations, which could be replicated at scale; therefore proposes that a pilot initiative be initiated as soon as possible to test and fine-tune a protocol to be followed for the various types of intervention and economic, social and climate conditions;

3. stresses the importance of the subsidiarity and proportionality principles. Operational implementation and funding takes place locally in regions, cities and municipalities. The European framework must therefore be flexible and take account of differences, for example between rural areas and large cities;

4. underlines that the Climate Pact has the potential to promote locally-driven partnerships and joint initiatives of the public and the private sector and that 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, municipal and other public undertakings with the necessary expertise at different levels, and developing instruments 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 with the Climate Pact as a facilitator of replication and scale-up of the most successful European initiatives; hopes that the European Renovation Wave strategy, national building renovation strategies ([1]) and the cost-optimal methodology ([2]) will be interlinked more effectively; a partial review of the Energy Performance of Buildings Directive would be useful for this purpose;

([1]) The Energy Performance of Buildings Directive provides for national strategies for the energy upgrading of the national building stock.

([2]) http://bpie.eu/wp-content/uploads/2015/10/Implementing_Cost_Optimality.pdf

5. points out that the Renovation Wave should be understood not only as a technical-regulatory approach to implementing the Green Deal Agenda, but also as a means of incorporating the transformation process towards a circular economy into a conceptual, aesthetics-oriented and design-oriented framework; therefore welcomes and expressly supports the launch of a New European Bauhaus initiative and the parallel move to establish a distinctive European label. This initiative provides the opportunity to harness the creative potential of regions and municipalities, engage and involve members of the public in the transformation process and thereby create accepted and sustainable solutions that make the Green Deal tangible;

6. welcomes the launch of the Climate Pact, which will promote involvement and participation in the Green Deal, and is pleased that the Renovation Wave is included among the Green Deal's priorities. Is ready to cooperate more closely with the Commission, the European Investment Bank and all other stakeholders on a joint platform bringing together all the information that local and regional authorities need to roll out the Green Deal;

7. welcomes the reference to a district-based and energy community approach, which will, for example, allow for the use of joint renewable energy production facilities, district heating and cooling and nature-based solutions ([3]) and points out that this will entail the use of integrated energy and climate planning tools; highlights that the Covenant of Mayors is a benchmark in this respect and that the Sustainable Energy and Climate Action Plans (SECAPs) could guarantee that building renovation is in line with a broader framework promoting fair, sustainable urban renewal, sustainable behaviour and harmonisation with climate change mitigation and adaptation policies on a massive scale; also suggests that the impact should be properly monitored, through standard energy management systems, so that the effects of the planning can be assessed ([4]);

8. welcomes the reference to the Level(s) ([5]) initiative on circularity in buildings as a benchmark for promoting circularity-based construction and urges the Commission and Member States to promote an awareness-raising campaign on this matter on which it is keen to cooperate. At the same time, invites the Commission to build upon the wide experience of other existing building certification systems when carrying out further work ([6]); calls on the Commission to support the development of life-cycle assessments of the climate impact of buildings, together with corresponding standards, environmental product declarations, databases for building materials and products, and to assess the possibility of introducing a synthetic indicator on life-cycle performances of buildings as a voluntary scheme;

9. points out that the Renovation Wave is an opportunity to put forward a vision of future-proof buildings able to factor in aspects such as health, social equilibrium, connectivity, circularity and hydro-geological and seismic resilience in addition to energy and environmental requirements; also calls for particular attention to be given to sparsely populated rural areas with very elderly, particularly vulnerable populations;

10. stresses in this connection that greenhouse gas emissions during building, running and demolition phases must be monitored; in addition, the reuse, recycling and, to some extent, the use of materials resulting from demolition or reconstruction for energy production must be maximised by 2050. The creation of local and regional value chains for the reuse of building materials is an important step in this. It requires planning, logistics and new economic models involving the creation of stockpiles of materials for new buildings. For numerous regulatory, cultural and economic reasons, it will only be possible to phase in such a new circular model incrementally, starting with a phase of experimentation and then a range of financial incentives for large-scale deployment;

([3]) See for example the project Sharing cities at http://www.sharingcities.eu/

([4]) Guidebooks are available to help with drafting integrated plans such as 'How to develop a SECAP' (JRC), the 'Smart City Guidance Package' and the summary booklet ('Integrated Planning Policy and Regulation' EIP Smart Cities action cluster), the European Energy Award.

([5]) https://ec.europa.eu/environment/topics/circular-economy/levels_en

([6]) For example, Level(s) lacks an indicator of buildings' maximum power requirements (kW) and load on the electricity system, something that has become an increasingly important factor in many areas where electricity systems are subject to growing demand.

11. emphasises that in the long term, the deployment of the Renovation Wave will generate significant energy and economic savings in terms of building upkeep and management, as well as improving comfort, a healthy indoor environment and living standards while fighting energy poverty. Considers that the EU Building Stock Observatory needs to monitor changes made and assess their impact, using the indicators in its database and developing new ones where necessary, and providing EU-wide access to the data needed; this would make it easier to quantify these savings and help local and regional authorities, individuals and businesses to take due account of buildings' lifecycle cost;

12. welcomes the Commission's commitment to revisit the European state aid schemes for energy efficiency renovation, and looks forward to contributing with the aim of making them clearer and easier to apply so that they do not constitute a barrier to investment. Moreover, the assessment foreseen for 2021 in Decision 2012/21/EU on state aid in the form of public service compensation should lead to support measures for energy-efficiency renovation of social housing explicitly falling into its remits; points out that European, national, regional and local support measures and programmes must complement one another, without creating parallel and/or additional structures; a broad range of instruments is therefore needed — subsidies, financial instruments and combinations — using implementation partners, such as national development banks and institutions, to fund projects on the ground to match local, regional and national needs; believes, as a matter of principle, that tax incentives for energy renovation of buildings can play an important role;

13. welcomes the Commission's commitment to review the occupational exposure limits set out in Directive 2009/148/EC on the protection of workers from the risks related to exposure to asbestos in order to ensure that workers are protected during renovation and demolition work. Similarly, considers that European legislation on exposure to hazardous substances as a result of this work should be updated;

14. warmly welcomes against this background the Commission's proposal to launch a European initiative for affordable housing by funding 100 innovative and participatory flagship projects focusing on the thorough renovation of social housing districts in order to serve as a model for a large-scale roll-out across the European Union;

15. considers that the Renovation Wave should contribute to implementing the right of everyone to have affordable, accessible and healthy housing, in accordance with Principle 19 of the European Pillar of Social Rights and in line with UN SDG 11: Sustainable cities and communities; considers that energy efficiency action is a structural way of tackling energy poverty and so of limiting debt costs where people have fallen into arrears through no fault of their own;

Key principles for building renovation towards 2030 and 2050

16. calls on the Commission to build upon the EPBD framework to develop a mechanism to be devised which can categorise buildings using criteria geared to the areas of intervention identified by the Renovation Wave, such as:

— ownership: public, private (individuals, businesses, foundations, local public authorities, etc.);

— purpose: residential, non-residential, etc.;

— location: urban centres (old town, suburbs), small towns, sparsely populated areas;

— climate zone;

— age and energy performance of the building, and its energy/technological systems;

— architectural/ historical /landscape significance;

— property market dynamics (prices and number of sales or rental contracts, occupancy rate, etc.);

— climate risk: interaction of social and economic exposure with climate vulnerability.

This information should be classified by the *EU Building Stock Observatory* ([7]) and could then feed into dedicated guidelines for the renovation of the various building types, partly by analysing the existing principal barriers. Assembling and disseminating good practices will be instrumental in identifying standard action for each of the above-mentioned categories;

17. calls for ambitious efforts to decarbonise residential heating and cooling, which is responsible for more than 80 % of the overall energy consumption of buildings in the EU; to this aim, reiterates how important it is to promote the decarbonisation of the energy sources used, and urges the prompt and consistent expansion of renewable, and where possible local, energy sources in order to significantly reduce Europe's CO_2 emissions; notes that renewable heating and cooling solutions can be diverse and should be tailored to the specific needs of a given household or community ([8]); agrees with the Commission that regions heavily dependent on fossil fuels will need to switch to transitional energy resources ([9]), without however investing in non-futureproof infrastructure. Energy generated from nuclear power must not be counted as renewable energy;

18. calls on the Commission to propose a system for setting priorities on the basis of criteria such as potential for reducing consumption and emissions, bankability and occupant vulnerability. Also calls for negative priority criteria, tailored to regional and local circumstances, to be established, highlighting instances in which demolition and reconstruction are the best option, without paving the way to the gentrification of vulnerable neighbourhoods;

19. points out that, in order to implement the Renovation Wave, the Commission and the Member States must provide significant support to the construction sector, which has been severely affected by the crisis and often involves small businesses, not always well equipped to offer the required products and services. The whole construction sector should be helped to overcome the gaps in knowledge, skills and technology, and to foster the start-up of new future-proof businesses; recalls that the necessary transition to a circular and place-based approach, aimed at protecting employment, and ensuring a gradual restructuring of the workforce, needs stable support mechanisms in order to ensure continuity of operations, prevent bubbles building up and enable skills to be developed in the medium to long term in our territories across the EU;

20. recognises the importance of introducing legislative requirements for purchasing and renovation of all existing public buildings as well as minimum energy performance standards and mandatory targets for the annual renovation rate of the public building stock and the use of renewable energy. Nevertheless, highlights that these provisions will be feasible only if rules will be flexible enough to take into account the different characteristics ([10]) of buildings and if LRAs will be adequately supported by the Commission and by respective Member States, with rules that are as straightforward and consistent as possible and that include routine maintenance if it is combined with, and directly contributes to, making buildings energy-efficient and earthquake-resistant. If any such obligations are imposed on privately owned or residential buildings, it must be ensured that no extra financial burdens are created, particularly for energy vulnerable households. Therefore calls on the Commission and the Member States to realise a thorough impact assessment at subnational level, assessing the potential and vulnerability of the different territories in this regard, including an analysis of current national best practices and past evaluations from European projects;

21. supports the proposal to update the energy performance certificate (EPC) framework so as to increase the use of this instrument, make it easier to compare data across Europe and tie financing to deep renovation; points out that this revision should guarantee the necessary consistency with the frameworks in place in the Member States and be guided by the principle of proportionality. Sees the value of a uniform EU template for energy performance certificates and the introduction of digital building logbooks which feed into readily accessible databases which are free of charge; points out that these databases must be available to at least NUTS 3 level and connected to the EU Building Stock Observatory, including under the forthcoming common European data space ([11]);

([7]) *EU Building Stock Observatory*: https://ec.europa.eu/energy/topics/energy-efficiency/energy-efficient-buildings/eu-bso_en

([8]) Such options include but are not limited to: direct electrification and the use of heat pumps, district heating networks, repurposing of the existing gas network and the use of hydrogen.

([9]) Such as natural gas-based solutions.

([10]) Such as characteristics of buildings in terms of age, form, use, historical/architectural design, ownership, purpose, local property market, alternative value, sub-contracting costs and any previous renovation work.

([11]) See for instance the X-tendo https://x-tendo.eu, U-Cert https://u-certproject.eu and QualDEEPC https://qualdeepc.eu projects.

22. welcomes the Commission delegated regulation on a Smart Readiness Indicator (SRI) to assess the degree to which buildings are ready for the integration of smart technologies and to inform building owners and occupants of the findings. Points out that the level of digitalisation across the EU's urban and rural areas is extremely uneven and that this indicator will have to be correlated to the area being assessed so as to avoid penalising areas which are still lagging behind in the digital transition, especially in the less developed regions and sparsely populated areas;

23. emphasises that in order to guarantee that the Renovation Wave is deployed effectively, the capacity of and tools available to local and regional authorities must be increased to close the knowledge gap which is still an issue in some parts of the EU; in this regard recognises the fundamental role of the Climate Pact in creating the opportunities and tools, through enhanced mechanisms for capacity building and a more consistent framework for Green Deal related bottom-up initiatives. Points out that local and national energy agencies can and must play a key role in this process, transferring expertise and skills to local authorities without standing in for them.

Delivering faster and deeper renovation for better buildings

24. asks the Commission to provide maximum support for research into the renovation of buildings in areas subject to landscape-based or historical constraints and thus to ensure a respectful integration of renewable energies. Likewise calls for this issue to be made one of the cornerstones of the New European Bauhaus initiative. The initiative must promote still deeper reflection on integrating the various levels of planning, from a single building to a district to the entire region, factoring in sustainable mobility, reduced land use and greater urban biodiversity ([12]). Where appropriate, feasible and respectful of vulnerable groups this urban regeneration should support the systematic use of nature-based solutions ([13]) integrated with energy and environmental monitoring systems that validate their performance, push a 'zero volume' policy, minimise embodied energy ([14]) in buildings and, as a last resort, can opt for demolition of buildings with no historic value; also suggests including the New European Bauhaus in the Knowledge Exchange Platform (KEP ([15])) in order to improve exchanges between LRAs on innovative concepts, interdisciplinary approaches and competences, and to highlight the regional and local dimension in design and implementation;

25. points out that, in view of the new prospect created by the COVID-19 pandemic of a demographic exodus from the centre to the outskirts of cities, as early as 2016 the UN Habitat III conference incorporated urban densification as a sustainability factor, one of the main mechanisms of which is restoring buildings in sparsely populated urban centres where it is possible to build;

26. points out that the various sources of renewable energy available should be integrated systematically; to that end, as well as potentially setting subnational targets, it will in particular be necessary to ensure a fair level playing field for the various energy sources. Notes that in addition to allowing for the specific geographical and geological features of the areas in question, the use of these technologies must safeguard the environment, health and the natural and built landscape. Their use should also be fostered through the establishment of renewable energy communities and citizen energy communities (provided for under the RED II Directive) geared more towards social and environmental sustainability than financial objectives;

27. considers it important to support plans for deep renovation of housing blocks based on off-the-shelf solutions and industrial prefabricated building components. This will significantly improve the energy efficiency of buildings and will help to achieve the goal of decarbonising the housing stock by 2050; points out that using off-the-shelf solutions and prefabricated building components speeds up the construction process, reduces the environmental impact and makes it possible to increase the renovation rate for housing blocks; points out that industrial prefabrication of building components helps to enhance the innovative capacity of companies by allowing renovation processes to be modernised and automated;

([12]) For instance, see the GROWGREEN project: http://growgreenproject.eu

([13]) Such as 'hanging gardens', 'green roofs', 'green and blue infrastructures'.

([14]) Embodied energy is the energy consumed by all of the processes associated with the production of a building, from the mining and processing of natural resources to manufacturing, transport and product delivery.

([15]) The KEP has been developed by the Committee of the Regions and the European Commission (DG Research and Innovation).

28. with particular regard to the public sector, which plays a role in setting an example, calls on the Commission to continue to promote the roll-out of energy management systems, such as the ISO 50001 scheme and other standards applicable to both the private and public sectors, and to assess the potential of scaling up the energy strands of the European Environmental Management Scheme (EMAS). Points out that these systems can have a significant impact on reducing the energy needs of buildings when they are in use ([16]) and that they can put in place long-lasting virtuous procedures, including for the management and monitoring phases;

29. emphasises that Building Information Modelling (BIM) ([17]) and the public sector comparator (PSC) ([18]) systems can play a key role in the deployment of the Renovation Wave and asks the Commission to work with the Member States on rolling out these instruments, including via public platforms ([19]) in order to foster the digital development of the property industry and property management based on 'PropTech' technology ([20]);

30. points out that availability of data on buildings' energy consumption is fundamental for urban energy planning, calculating investments and potential savings and for monitoring purposes. Therefore urges the European Commission to work with the Member States to ensure that these data are readily available for public purposes free of charge across the entire EU based on existing databases, while respecting data protection requirements; building owners could also provide the data obtained to energy providers for a fee, which could partially fund renovation work;

31. points out that the systematic application of Green Public Procurement criteria for the buildings sector is an important tool when it comes to both bringing about a rapid reduction in buildings' energy consumption and ensuring broad take-up of more sustainable management models; against this background welcomes the proposal to publish comprehensive guidance on sustainable public investments through procurement. Calls on the Commission and the Member States to devise a consistent legislative framework supporting this practice by internalising these criteria into relevant national rules and centralised public procurement platforms; also calls on the Commission to support this practice by promoting technological development and innovation, engaging in an effective dialogue with suppliers, drawing up relevant requirements and introducing systems for checking them and monitoring their implementation;

32. with a view to speeding up the deployment of the Renovation Wave, urges the Commission and Member States to establish financing mechanisms to assist local and regional authorities with preparing feasibility plans for the energy renovation of inefficient districts, starting with scaling up the European City Facility, Urban Innovative Actions and the European Urban Initiative as well as creating new instruments, further developing the proposals outlined in the Staff Working Document accompanying the Strategy; asks that regions, cities and municipalities be given the necessary assistance to tap the resources made available through Next Generation EU, Horizon Europe missions, cohesion policy 2021-2027 operational programmes and the European Investment Bank's credit lines and making administrative procedure less burdensome. Harmonising access in this way would entail overhauling the procedures involved to ensure a systematic and traceable approach;

33. calls for the deployment of the Renovation Wave to be supported by technical assistance available to all local and regional authorities; this could take the form of a strengthened and more decentralised model of the ELENA facility, based on promoting and standardising the one-stop-shop model ([21]); considers that the one-stop-shops should not be limited to financial matters: they must become real catalysts for awareness, capacity-building and spreading good practices at local and regional level; confirms that the Committee is ready and willing to cooperate with the European Investment Bank (EIB) in order to ensure that this initiative is effective and available with no loss of time, thereby ensuring that all parties have access to it and dramatically cutting down on delivery times; believes that greater synergy between the ELENA facility and Horizon Europe could also make it possible to move from individual good practices to large-scale investments; lastly, is concerned that the leverage factor currently requested by the ELENA programme for sustainable residential building (ten times the amount of the grant) is a significant barrier for some groups of recipients; therefore asks the Commission and the EIB to discuss possible solutions to these sorts of situations;

([16]) For instance, see the Compete4SECAP project: https://compete4secap.eu

([17]) See, for example, page 91 of the 'Smart City Guidance Package' at https://www.researchgate.net/publication/343615678_Smart_-City_Guidance_Package

([18]) See, for example, page 92 of the 'Smart City Guidance Package' at https://www.researchgate.net/publication/343615678_Smart_-City_Guidance_Package

([19]) For instance, see the NET-ubiep project: http://www.net-ubiep.eu.

([20]) Enabling Positive Energy Districts across Europe: energy efficiency couples renewable energy | EU Science Hub (europa.eu).

([21]) For instance, see the OKTAVE https://www.oktave.fr (French only), INTERREG ReeHub https://reehub.italy-albania-montenegro.eu and PADOVA FIT https://www.padovafit.eu/home.html projects.

34. points out that the Renovation Wave's financing mechanisms will have to contend with very diverse situations of property ownership and with occupants from a very wide range of socio-economic backgrounds, as well as with mixed uses as a result of the growing remote working trend. The model of housing cost neutrality should combine social and climate goals in an ideal way and prevent 'renovictions' (evictions by renovation); calls, therefore, for the competent levels of government to avoid that renovation costs can be passed on to the tenants, and considers that rent increases must be commensurate with the expected energy savings;

Specific aspects of renovating buildings

35. welcomes the proposal to introduce, in the framework of the EPBD revision, a 'deep renovation' standard, with a view to anchoring significant private financing to transparent, measurable and genuinely 'green' investments; recalls that these standards should take into account all the requirements for buildings in different climate zones and foresee specific protocols for historic buildings, taking account of the protection of monuments, while building upon consolidated best practices in the different territories ([22]);

36. asks the Commission to work with the Member States to establish more flexible budget rules for local and regional administrations; this would enhance their capacity to invest in renovating existing buildings and building new, socially-oriented public buildings. Particular attention should be paid to the potential of off-budget Energy Performance Contracts ([23]);

37. points out that housing conditions are often a source of marked inequality, where overcrowded buildings with inefficient energy systems and the related cost create often unsupportable burdens on household budgets; as around 34 million Europeans are affected by energy poverty, calls on the Member States, to draw up accurate estimates for the subregional level. Urges the Commission to step up the promotion and exchange of best practices in the field of combating energy poverty, the linking up of existing observatories and to support the set-up of observatories in those Member States that do not have one yet;

38. points out that energy needs to be generally affordable and that energy poverty has major social, economic and environmental consequences; stresses that the vicious circle of energy poverty not only affects vulnerable households and natural persons, but that businesses and sometimes small local authorities may also suffer from very similar dynamics, where the funds available are not sufficient to meet the rising cost of energy services, which therefore becomes a growing burden on the general budget; calls on the Commission, therefore, to look into extending the analysis of energy poverty beyond individual households, and to draw on this when defining the mechanisms for implementing the Renovation Wave. Points out that the model of 'environmentally-friendly manufacturing areas' could be a useful reference for involving the manufacturing industry in the Renovation Wave and, more generally, in implementing the Green Deal; is ready to cooperate with the European Commission as regards the work of the new Observatory on energy poverty;

39. points out that local energy communities and the 'prosumer' concept can play a key role in the increase of the renovation rates, in combating energy poverty, and in the energy transition through decentralised energy production and grassroots initiatives. To this end, initiatives for self-generation and self-consumption in dwellings must be promoted, facilitating and enhancing the deployment of technologies such as solar thermal and photovoltaic and geothermal technologies, both in existing buildings which are being renovated and especially in new buildings. Another approach is the all-inclusive 'warm rent' model — the basic principle applied in Sweden and Finland, for example — whereby the property owner guarantees the tenant a suitable indoor environment, with a normal temperature of 20-21 degrees. This has proven successful in avoiding energy poverty, and has at the same time provided property owners — who have other means at their disposal than tenants, though they are still reliant on the latter's cooperation — with a significant incentive to save energy. Therefore calls on the Commission to work with the Member States to ensure that the relevant directives are transposed in a timely manner, that the transposition process complies fully with the spirit of the directive and that it is underpinned by straightforward implementation mechanisms; suggests that the requirements for individual metering and billing should not be applied when they are not a cost-effective way of saving energy;

([22]) See for example the project ENERGIESPRONG at https://energiesprong.org/
([23]) For instance, see the Guarantee project: www.guarantee-project.eu

40. highlights the importance of supporting neighbourhood-based approaches which harness the potential of local communities to integrate local renewable energy sources with local consumption using innovative digital solutions that are the cornerstone of the smart city concept; stresses that proper digital connectivity ([24]) in urban and rural areas will make it easier for people to access information on their energy consumption in real time, enabling them to optimise it and make it more efficient; these local concepts should go beyond the physical borders of Member States, thus allowing for exchanges of renewable energy between adjacent municipalities and neighbourhoods in border regions;

41. urges the Commission and the Member States to lay the groundwork for deploying the Renovation Wave in less urbanised, more outlying and sparsely-populated rural areas as well, so as to ensure that these areas do not become less attractive places to live and that they can provide future-proof living standards and services; points out that energy communities can play an important role with regard to promoting renewable energy in urban and rural communities as well as territorial cohesion;

42. stresses the need to cater for the particular situation of the outermost regions — which suffer from adverse climatic events, are very vulnerable to climate change and are isolated in terms of energy — where the cost of renovation will be higher. In order to achieve the greening of buildings, it is necessary to adapt financial support schemes to projects located in those regions in order to take into account the production costs associated with their specific conditions; in this regard, welcomes the launch of the second phase of the 'Clean energy for EU islands' initiative and is ready and willing to help implement it;

43. calls for the bolstering of certification mechanisms that encourage the selection of construction materials and techniques based on their lifecycle, the possibility of using selective demolition techniques and the separation of hazardous and recoverable elements. The aim here is to stimulate the restructuring of the construction sector so as to enable it to implement circular processes throughout the industry in accordance with the EU Construction and Demolition Waste Protocol. In this connection, contractors must be supported in the development of alternatives, for example through innovation and cooperation partnerships between contracting authorities and suppliers in public procurement; the European Commission also needs to give Member States more incentive to support these procurement methods;

44. calls on the Commission to require that the Member States give local and regional authorities a full and effective role in preparing and acting on their national recovery and resilience plans. Only multilevel governance can ensure that energy renovation of buildings is designed in synergy with the local set-up, thus maximising the multiple benefits (environmental, social and economic). Emphasises that the multilevel climate and energy dialogue ([25]) must be developed and the methodologies used to implement it shaped in such a way as to ensure that it is effective, consistent and systematic;

45. has no hesitation in asserting that local and regional authorities play a pivotal role in guaranteeing that building renovation meets land use and town planning requirements, promotes policies to counter depopulation and is in line with social equity and green criteria. Points out that the mechanisms for financing the Renovation Wave chosen by the Member States must not undermine this fundamental coordination role;

46. asks the Commission and the Member States to encourage synergies wherever joint action would be more effective, as well as the integration of ESI funds and directly managed funds (Horizon Europe, the Connecting Europe Facility, InvestEU, the new LIFE CET (Clean Energy Transition) Programme, and the EIB). In pursuit of this goal, incentives should be offered to stakeholders that establish such synergies and find their main partners in the local area (primarily the regions). Specifically, the OECD's 'impact investing' approach to the implementation of the Sustainable Development Goals could be adopted, so that investments operate on the basis of measurable social and environmental impact objectives as well as delivering a financial return ([26]);

([24]) For instance, 5G is a technology capable of connecting thousands of monitoring devices in the most populated areas and of facilitating ultra-fast connectivity that many of the least populated areas, some of them at risk from depopulation, currently lack.

([25]) As established by Regulation (EU) 2018/1999 on the Governance of the Energy Union.

([26]) https://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/social-impact-investment-initiative.htm

47. calls on the Commission and the Member States to ensure that building renovation does not focus solely on construction aspects of the building or housing itself, but also addresses aspects related to the need to change mobility, primarily in urban areas, by focusing on introducing parking areas for bicycles and personal mobility vehicles inside or adjacent to buildings and recharging points for electric vehicles, while also factoring in the need to remove administrative and legislative barriers. Furthermore, also calls for common communication infrastructure (ICT) to be available in order to facilitate the integration of the people living in the buildings into an increasingly connected society;

48. calls for improvements to be made to the financing mechanisms for the strategy with regard to the Recovery and Resilience Facility, cohesion policy and the European Investment Bank (EIB), so that regions can play a greater role in the phases of receiving and managing funds;

49. is committed to ensuring that the legislative form of the Renovation Wave does not curtail the Member States' right to independently choose between energy sources, provided that the decarbonisation provided for in the European Union's objectives is secured;

50. welcomes the proposal of the European Commission to work in close partnership with the European Committee of the Regions on the Renovation Wave and calls for a dedicated agreement laying the foundation for an enhanced cooperation in this field in the post-COVID recovery;

51. calls on the Council of the EU to develop a communication campaign in cooperation with other institutions and working in close partnership with the European Committee of the Regions to raise awareness and stimulate action on the renovation wave simultaneously at EU, national, regional and local levels.

Brussels, 19 March 2021.

The President
of the European Committee of the Regions

Apostolos TZITZIKOSTAS

III

(Preparatory acts)

COMMITTEE OF THE REGIONS

INTERACTIO — REMOTE — 143RD COR PLENARY SESSION, 17.3.2021-19.3.2021

Opinion of the European Committee of the Regions – A New Pact on Migration and Asylum

(2021/C 175/06)

Rapporteur: Antje GROTHEER (DE/PES), Vice-President of Bremen City Parliament

Reference documents:

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on a New Pact on Migration and Asylum

(COM(2020) 609 final)

Proposal for a Regulation of the European Parliament and of the Council on asylum and migration management and amending Council Directive (EC) 2003/109 and the proposed Regulation (EU) XXX/XXX [Asylum and Migration Fund]

(COM(2020) 610 final)

Proposal for a Regulation of the European Parliament and of the Council establishing a common procedure for international protection in the Union and repealing Directive 2013/32/EU

(COM(2020) 611 final)

Proposal for a Regulation of the European Parliament and of the Council introducing a screening of third country nationals at the external borders and amending Regulations (EC) No 767/2008, (EU) 2017/2226, (EU) 2018/1240 and (EU) 2019/817

(COM(2020) 612 final)

Proposal for a Regulation of the European Parliament and of the Council addressing situations of crisis and force majeure in the field of migration and asylum

(COM(2020) 613 final)

Amended proposal for a Eurodac Regulation

(COM(2020) 614 final) (at the time of translation available in EN only)

Commission Recommendation on legal pathways to protection in the EU: promoting resettlement, humanitarian admission and other complementary pathway

(C(2020) 6467 final)

Commission Recommendation of 23.9.2020 on cooperation among Member States concerning operations carried out by vessels owned or operated by private entities for the purpose of search and rescue activities

(C(2020) 6468 final)

Commission Recommendation on an EU mechanism for Preparedness and Management of Crises related to Migration (Migration Preparedness and Crisis Blueprint)

(C(2020) 6469 final)

Communication from the Commission — Commission Guidance on the implementation of EU rules on definition and prevention of the facilitation of unauthorised entry, transit and residence

(C(2020) 6470 final)

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on an Action plan on Integration and Inclusion 2021-2027

(COM(2020) 758 final)

I. **RECOMMENDATIONS FOR AMENDMENTS**

Proposal for a Regulation of the European Parliament and of the Council on asylum and migration management and amending Council Directive (EC) 2003/109 and the proposed Regulation (EU) XXX/XXX [Asylum and Migration Fund]

Amendment 1

COM(2020) 610 final, Recital 26

Text proposed by the European Commission	CoR amendment
Only persons who are more likely to have a right to stay in the Union should be relocated. Therefore, the scope of relocation of applicants for international protection should be limited to those who are not subject to the border procedure set out in Regulation (EU) XXX/XXX [*Asylum Procedure Regulation*].	Only persons who are more likely to have a right to stay in the Union should be relocated. Therefore, the scope of relocation of applicants for international protection should be limited to those who are not subject to the border procedure set out in Regulation (EU) XXX/XXX [*Asylum Procedure Regulation*]. ***The European Commission shall draw up and regularly update a list of safe countries for the purposes of any return procedures.***

Reason

In order to apply this criterion correctly, provision should be made for the Commission to draw up and regularly update a list of safe countries for any return procedures that arise.

Amendment 2

COM(2020) 610 final, Recital 36

Text proposed by the European Commission	CoR amendment
This Regulation should apply to applicants for subsidiary protection *and* persons eligible for subsidiary protection in order to ensure equal treatment for all applicants and beneficiaries of international protection, and consistency with the current Union asylum acquis, in particular with Regulation (EU) XXX/XXX [*Qualification Regulation*].	This Regulation should apply to applicants for subsidiary protection, persons eligible for subsidiary protection ***and applicants for and beneficiaries of the other forms of protection provided for by the Member States*** in order to ensure equal treatment for all applicants and beneficiaries of international protection, and consistency with the current Union asylum acquis, in particular with Regulation (EU) XXX/XXX [*Qualification Regulation*].

Reason

The scope of the Regulation needs to be widened so that it applies not only to applicants for and beneficiaries of international and subsidiary protection, but also to applicants for and beneficiaries of the other forms of protection provided for by the Member States.

Amendment 3

COM(2020) 610 final, Recital 47

Text proposed by the European Commission	CoR amendment
The definition of a family member in this Regulation should include the sibling or siblings of the applicant. Reuniting siblings is of particular importance for improving the chances of integration of applicants and hence reducing unauthorised movements. The scope of the definition of family member should also reflect the reality of current migratory trends, according to which applicants often arrive to the territory of the Member States after a prolonged period of time in transit. The definition should therefore include families formed outside the country of origin, ***but*** before their arrival on the territory of the Member State. This limited and targeted enlargement of the scope of the definition is expected to reduce the incentive for some unauthorised movements of asylum seekers within the EU.	The definition of a family member in this Regulation should include the sibling or siblings of the applicant. Reuniting siblings is of particular importance for improving the chances of integration of applicants and hence reducing unauthorised movements. The scope of the definition of family member should also reflect the reality of current migratory trends, according to which applicants often arrive to the territory of the Member States after a prolonged period of time in transit. The definition should therefore include families formed outside the country of origin, before ***and after*** their arrival on the territory of the Member State. This limited and targeted enlargement of the scope of the definition is expected to reduce the incentive for some unauthorised movements of asylum seekers within the EU.

Reason

Families are often formed in the host Member State, so the right to family unity must be guaranteed in relocations regardless of when and where the family was formed. Otherwise, there is a risk of provisions being discriminatory.

Amendment 4

COM(2020) 610 final, Recital 63

Text proposed by the European Commission	CoR amendment
To support Member States who undertake relocation as a solidarity measure, financial support from the Union budget should be provided. In order to incentivise Member States to give priority to the relocation of ***unaccompanied*** minors a higher incentive contribution should be provided.	To support Member States who undertake relocation as a solidarity measure, financial support from the Union budget should be provided. In order to incentivise Member States to give priority to the relocation of minors ***and women travelling alone,*** a higher incentive contribution should be provided.

Reason

Greater financial incentive should be provided for the reception of *all* children (together with their parents and siblings), not only for refugees who are unaccompanied minors. This should also apply to women travelling alone. Women and girls are frequently reported to be at high risk of gender-based violence in reception centres. Overcrowding in some of the Greek hotspots has significantly increased the risk of sexual and gender-based violence, especially for single women, who are often not accommodated separately. In addition, according to the Commission, particularly vulnerable migrant and refugee women and unaccompanied minors are at a higher risk of being victims of human trafficking. In order to minimise these risks, there should therefore also be greater financial incentives to take particular care of women.

Amendment 5

COM(2020) 610 final, Article 2(w)

Text proposed by the European Commission	CoR amendment
'migratory pressure' means a situation where there is a large number of arrivals of third-country nationals or stateless persons, or a risk of such arrivals, including where this stems from arrivals following search and rescue operations, as a result of the geographical location of a Member State and the specific developments in third countries which generate migratory movements that place a burden even on well-prepared asylum and reception systems and requires immediate action;	'migratory pressure' means a situation ***at local, regional and/or national level*** where there is a large number of arrivals of third-country nationals or stateless persons, or a risk of such arrivals, including where this stems from arrivals following search and rescue operations, as a result of the geographical location of a Member State ***or a region*** and the specific developments in third countries which generate migratory movements that place a burden even on well-prepared asylum and reception systems and requires immediate action;

Reason

Where there are migratory movements that do not affect the entire national asylum and reception system, there may nevertheless be regions and places that are under particular pressure and are at risk of being overwhelmed.

Amendment 6

COM(2020) 610 final, Article 6(3)

Text proposed by the European Commission	CoR amendment
Member States shall ***have*** national strategies in place to ensure sufficient capacity for the implementation of an effective asylum and migration management system in accordance with the principles set out in this Part. Those strategies ***shall*** include contingency planning at national level, taking into account the contingency planning pursuant to Regulation (EU) XXX/XXX [*European Union Asylum Agency*], Regulation (EU) 2019/1896 (European Border and Coast Guard Agency) and Directive XXX/XXX/EU [*Reception Conditions Directive*] and the reports of the Commission issued within the framework of the Migration Preparedness and Crisis Blueprint. Such national strategies ***shall*** include information on how the Member State is implementing the principles set out in this Part and legal obligations stemming therefrom at national level. They ***shall*** take into account other relevant strategies and existing support measures notably under Regulation (EU) XXX/XXX [*Asylum and Migration Fund*] and Regulation (EU) XXX/XXX [*European Union Asylum Agency*] and be coherent with and complementary to the national strategies for integrated border management established in accordance with Article 8(6) of Regulation (EU) 2019/1896. The results of the monitoring undertaken by the Asylum Agency and the European Border and Coast Guard Agency, of the evaluation carried out in accordance with Council Regulation No 1053/2013 as well as those carried out in line with Article 7 of Regulation (EU) XXX/XXX [*Screening Regulation*], should also be taken into account in these strategies.	Member States shall ***endeavour to put*** national strategies in place to ensure sufficient capacity for the implementation of an effective asylum and migration management system in accordance with the principles set out in this Part. Those strategies ***should*** include contingency planning at ***local, regional and*** national level, taking into account the contingency planning pursuant to Regulation (EU) XXX/XXX [*European Union Asylum Agency*], Regulation (EU) 2019/1896 (European Border and Coast Guard Agency) and Directive XXX/XXX/EU [*Reception Conditions Directive*] and the reports of the Commission issued within the framework of the Migration Preparedness and Crisis Blueprint. Such national strategies ***should be based on multilevel cooperation between the relevant stakeholders within local and regional authorities, the public and private sectors and civil society, and should*** include information on how the Member State is implementing the principles set out in this Part and legal obligations stemming therefrom at national level. They ***should*** take into account other relevant strategies and existing support measures notably under Regulation (EU) XXX/XXX [*Asylum and Migration Fund*] and Regulation (EU) XXX/XXX [*European Union Asylum Agency*] and be coherent with and complementary to the national strategies for integrated border management established in accordance with Article 8 (6) of Regulation (EU) 2019/1896. The results of the monitoring undertaken by the Asylum Agency and the European Border and Coast Guard Agency, of the evaluation carried out in accordance with Council Regulation No 1053/2013 as well as those carried out in line with Article 7 of Regulation (EU) XXX/XXX [*Screening Regulation*], should also be taken into account in these strategies.

Reason

In the CoR's view, an obligation to introduce national strategies may raise problems as regards the proportionality of the measure. At the same time, more emphasis should be placed on the local and regional dimension, as practical implementation of the strategies has to occur at this level.

Amendment 7

COM(2020) 610 final, Article 11(h)

Text proposed by the European Commission	CoR amendment
that the competent authorities of Member States and the Asylum Agency will process personal data of the applicant including for the exchange of data on him or her for the sole purpose of implementing their obligations arising under this Regulation;	that the competent authorities of Member States and the Asylum Agency will process personal data of the applicant including for the exchange of data on him or her for the sole purpose of implementing their obligations arising under this Regulation ***and that that data will not be communicated to the country of origin***;

Reason

Provision should be made to prohibit the sending of data relating to applicants — data which should be subject to the strictest privacy — to the countries of origin.

Amendment 8

COM(2020) 610 final, Article 12(6)

Text proposed by the European Commission	CoR amendment
The Member State conducting the personal interview shall make a written summary thereof which shall contain at least the main information supplied by the applicant at the interview. The summary may either take the form of a report or a standard form. The Member State shall ensure that the applicant or the legal advisor or other counsellor who is representing the applicant have timely access to the summary.	The Member State conducting the personal interview shall make a written summary thereof which shall contain at least the main information supplied by the applicant at the interview. The summary may either take the form of a report or a standard form ***on the basis of a checklist.*** The Member State shall ensure that the applicant or the legal advisor or other counsellor who is representing the applicant have timely access to the summary.

Reason

Clarifies the text.

Amendment 9

COM(2020) 610 final, Article 21

Text proposed by the European Commission	CoR amendment
Article 21	
Entry	
1. Where it is established, on the basis of proof or circumstantial evidence as described in the two lists referred to in Article 30(4) of this Regulation, including the data referred to in Regulation (EU) XXX/XXX [Eurodac Regulation], that an applicant has irregularly crossed the border into a Member State by land, sea or air having come from a third country, the first Member State thus entered shall be responsible for examining the application for international protection. That responsibility shall cease if the application is registered more than 3 years after the date on which that border crossing took place.	
2. The rule set out in paragraph 1 shall also apply where the applicant was disembarked on the territory following a search and rescue operation.	
3. Paragraphs 1 and 2 shall not apply if it can be established, on the basis of proof or circumstantial evidence as described in the two lists referred to in Article 30(4) of this Regulation, including the data referred to in Regulation (EU) XXX/XXX [Eurodac Regulation], that the applicant was relocated pursuant to Article 57 of this Regulation to another Member State after having crossed the border. In that case, that other Member State shall be responsible for examining the application for international protection.	

Reason

The proposed solidarity mechanism and increased operational responsibility of the European Border and Coast Guard (Frontex) in the new asylum and migration pact, as well as the burden that the mandatory border procedures place on local and regional authorities in border regions, mean that there is no longer justification for allocating responsibility for asylum applications based on the criterion of irregular entry via an external border. On the contrary, it is likely that the criterion would hinder solidarity-based distribution. Moreover, allocation of responsibility to the Member State of entry for people disembarked following search and rescue operations is likely to jeopardise the effectiveness of search and rescue operations, as Member States have already refused disembarkation in the past so as to avoid responsibility. Deletion of Article 21 of the proposal (according to which 'the first Member State (…) entered shall be responsible') would not change the responsibility of the State on the external border in most cases of irregular entries that are detected. Article 9(1) of the proposal obliges applicants for protection to apply for protection in the Member State of first entry. According to Article 8(2) of the proposal, this State remains responsible for the asylum procedure if no other criterion for determining the Member State responsible for the protection procedure applies. However, deletion of the article would reduce the burden on national administrations and reduce costs by removing unnecessary administrative burdens. Already at this stage, return attempts have very little chance of success if irregular entry cannot be demonstrated based on Eurodac data. These would be removed by deleting Article 21 of the proposal.

Amendment 10

COM(2020) 610 final, Article 29(1)

Text proposed by the European Commission	CoR amendment
If a Member State where an application for international protection has been registered considers that another Member State is responsible for examining the application, it shall, without delay and in any event within two months of the date on which the application was registered, request that other Member State to take charge of the applicant. Notwithstanding the first subparagraph, in the case of a Eurodac hit with data recorded pursuant to Articles 13 and 14a of Regulation (EU) XXX/XXX [*Eurodac Regulation*] or of a VIS hit with data recorded pursuant to Article 21 of Regulation (EC) No 767/2008, the request to take charge shall be sent within one month of receiving that hit. Where the request to take charge of an applicant is not made within the periods laid down in the first and second subparagraphs, responsibility for examining the application for international protection shall lie with the Member State where the application was registered. Where the applicant is an unaccompanied minor, the determining Member State may, where it considers that it is in the best interest of the minor, continue the procedure for determining the Member State responsible and request another Member State to take charge of the applicant despite the expiry of the time limits laid down in the first and second subparagraphs.	If a Member State where an application for international protection has been registered considers that another Member State is responsible for examining the application, it shall, without delay and in any event within two months of the date on which the application was registered, request that other Member State to take charge of the applicant. Notwithstanding the first subparagraph, in the case of a Eurodac hit with data recorded pursuant to Articles 13 and 14a of Regulation (EU) XXX/XXX [*Eurodac Regulation*] or of a VIS hit with data recorded pursuant to Article 21 of Regulation (EC) No 767/2008, the request to take charge shall be sent within one month of receiving that hit. Where the request to take charge of an applicant is not made within the periods laid down in the first and second subparagraphs, responsibility for examining the application for international protection shall lie with the Member State where the application was registered. Where the applicant is an unaccompanied minor, the determining Member State may, where it considers that, ***having heard the minor wherever possible***, it is in the best interest of the minor, continue the procedure for determining the Member State responsible and request another Member State to take charge of the applicant despite the expiry of the time limits laid down in the first and second subparagraphs.

Reason

With regard to the procedure for determining the Member State responsible, the terminology used in the Article appears too discretionary and it would be preferable to provide for ensuring, wherever possible, that the unaccompanied minor is heard.

Amendment 11

COM(2020) 610 final, Article 55(2)

Text proposed by the European Commission	CoR amendment
Where a Member State commits to provide return sponsorship and the illegally staying third-country nationals who are subject to a return decision issued by the benefitting Member State do not return or are not removed within 8 months, the Member State providing return sponsorship shall transfer the persons concerned onto its own territory in line with the procedure set out in Articles 57 and 58. This period shall start from the adoption of the implementing act referred to in Article 53(1) or, where applicable, in Article 49(2).	Where a Member State commits to provide return sponsorship and the illegally staying third-country nationals who are subject to a return decision issued by the benefitting Member State do not return or are not removed within 8 months, the Member State providing return sponsorship***, after consulting the local and/or regional authority in whose area the transfer is to take place as regards feasibility,*** shall transfer the persons concerned onto its own territory in line with the procedure set out in Articles 57 and 58. This period shall start from the adoption of the implementing act referred to in Article 53(1) or, where applicable, in Article 49(2).

Reason

The aim of the proposed amendment is to ensure that local and/or regional authorities, which have to accommodate people arriving under the return sponsorship arrangements, are able to prepare themselves as well as possible for this task.

Amendment 12

COM(2020) 610 final, Article 55(4)

Text proposed by the European Commission	CoR amendment
The measures referred to in paragraph 1 shall include one or more of the following activities carried out by the sponsoring Member State:	The measures referred to in paragraph 1 shall include one or more of the following activities carried out by the sponsoring Member State***, where appropriate after consulting the competent local and/or regional authority of the benefitting Member State***:
a) providing counselling on return and reintegration to illegally staying third-country nationals;	a) providing counselling on return and reintegration to illegally staying third-country nationals;
b) using the national programme and resources for providing logistical, financial and other material or in-kind assistance, including reintegration, to illegally staying third-country nationals willing to depart voluntarily;	b) using the national programme and resources for providing logistical, financial and other material or in-kind assistance, including reintegration, to illegally staying third-country nationals willing to depart voluntarily;
c) leading or supporting the policy dialogue and exchanges with the authorities of third countries for the purpose of facilitating readmission;	c) leading or supporting the policy dialogue and exchanges with the authorities of third countries for the purpose of facilitating readmission;

Text proposed by the European Commission	CoR amendment
d) contacting the competent authorities of third countries for the purpose of verifying the identity of third-country nationals and obtaining a valid travel document;	d) contacting the competent authorities of third countries for the purpose of verifying the identity of third-country nationals and obtaining a valid travel document;
e) organising on behalf of the benefitting Member State the practical arrangements for the enforcement of return, such as charter or scheduled flights or other means of transport to the third country of return.	e) organising on behalf of the benefitting Member State the practical arrangements for the enforcement of return, such as charter or scheduled flights or other means of transport to the third country of return.
These measures shall not affect the obligations and responsibilities of the benefitting Member State laid down in Directive 2008/115/EC.	These measures shall not affect the obligations and responsibilities of the benefitting Member State laid down in Directive 2008/115/EC.

Reason

The aim of the proposed amendment is to ensure that local and/or regional authorities, which know the transferred people because of having received them, are also involved in return sponsorship measures in order to ensure that the rights of these people are respected and the transfer of responsibilities goes smoothly.

Amendment 13

COM(2020) 610 final, Article 57(9)

Text proposed by the European Commission	CoR amendment
The transfer of the person concerned from the benefitting Member State to the Member State of relocation shall be carried out in accordance with the national law of the benefitting Member State, after consultation between the Member States concerned, as soon as practically possible, and at the latest within 4 weeks of the confirmation by the Member State of relocation or of the final decision on an appeal or review of a transfer decision where there is a suspensive effect in accordance with Article 33(3).	The transfer of the person concerned from the benefitting Member State to the Member State of relocation shall be carried out in accordance with the national law of the benefitting Member State, after consultation between the Member States concerned, as soon as practically possible, and at the latest within 4 weeks of the confirmation by the Member State of relocation or of the final decision on an appeal or review of a transfer decision where there is a suspensive effect in accordance with Article 33(3). ***Steps must be taken to ensure that the local and regional authorities responsible for the proposed place of relocation are informed and consulted at an early stage.***

Reason

In order to ensure proper reception, the competent local and regional authorities must also be directly informed and consulted so that they can prepare for reception accordingly.

Amendment 14

COM(2020) 610 final, Article 72

Text proposed by the European Commission	CoR amendment
1. Article 16 is replaced by the following:	1. Article 16 is replaced by the following:
[…]	[…]
2. Where appropriate, Member States may also be eligible for an additional amount of EUR 10 000 for family members of persons referred to in paragraph 1, if the persons are admitted to ensure family unity.	2. Where appropriate, Member States may also be eligible for an additional amount of EUR 10 000 for family members of persons referred to in paragraph 1, if the persons are admitted to ensure family unity. ***In particular, it is necessary to ensure that part of this amount is paid directly to the local or regional authority in whose area the persons concerned are being received through resettlement or humanitarian admission arrangements.***
2. Article 17 is replaced by the following:	2. Article 17 is replaced by the following:
[…]	[…]
7. Within the limits of available resources, the Commission shall be empowered to adopt delegated acts in accordance with Article 32 to adjust, if deemed appropriate, the amounts referred to in paragraphs 1, 2 and 3 of this Article to take into account the current rates of inflation, relevant developments in the field of transfer of applicants for international protection and of beneficiaries of international protection from one Member State to another, as well as factors which can optimise the use of the financial incentive brought by those amounts.	7. Within the limits of available resources, the Commission shall be empowered to adopt delegated acts in accordance with Article 32 to adjust, if deemed appropriate, the amounts referred to in paragraphs 1, 2 and 3 of this Article to take into account the current rates of inflation, relevant developments in the field of transfer of applicants for international protection and of beneficiaries of international protection from one Member State to another, as well as factors which can optimise the use of the financial incentive brought by those amounts. ***In particular, it is necessary to ensure that part of this amount is paid directly to the local or regional authority in whose area the persons concerned are being received.***

Reason

The proposed additions are intended to ensure that the competent local or regional authorities receive the necessary financial support.

Amended proposal for a Regulation of the European Parliament and of the Council establishing a common procedure for international protection in the Union and repealing Directive 2013/32/EU

Amendment 15

COM(2020) 611 final, point (2)

Text proposed by the European Commission	CoR amendment
	i) Recital 10 is replaced by the following:
	(10) The resources of the Asylum, Migration and Integration Fund should be mobilised to provide adequate support to Member States' efforts in applying this Regulation, in particular to those Member States which are faced with specific and disproportionate pressures on their asylum and reception systems. Adequate resources should be made available also to local and regional authorities, including the possibility to access the Asylum, Migration and Integration Fund directly. The EU also needs to allocate specific funds to enable regions under higher migration pressure, primarily those at the EU's external borders, to accommodate and assist unaccompanied minors who arrive on their territory.
Recital 31 is replaced by the following:	***ii)*** Recital 31 is replaced by the following:
'(31) In order to guarantee the rights of the applicant, a decision concerning his or her application should be given in writing. Where the decision does not grant international protection, the applicant should be given reasons in fact and in law, information on the consequences of the decision and the modalities for challenging it.	'(31) In order to guarantee the rights of the applicant, a decision concerning his or her application should be given in writing. Where the decision does not grant international protection, the applicant should be given reasons in fact and in law, information on the consequences of the decision and the modalities for challenging it.
(31a) In order to increase the efficiency of procedures and to reduce the risk of absconding and the likelihood of unauthorised movements, there should be no procedural gaps between the issuance of a negative decision on an application for international protection and of a return decision. A return decision should immediately be issued to applicants whose applications are rejected. Without prejudice to the right to an effective remedy, the return decision should either be part of the negative decision on an application for international protection or, if it is a separate act, be issued at the same time and together with the negative decision.'	(31a) In order to increase the efficiency of procedures and to reduce the risk of absconding and the likelihood of unauthorised movements, there should be no procedural gaps between the issuance of a negative decision on an application for international protection and of a return decision. A return decision should immediately be issued to applicants whose applications are rejected ***and to whom the Member State has not decided to grant an autonomous residence permit or other authorisation offering a right to stay on grounds of hardship, humanitarian or other reasons.*** Without prejudice to the right to an effective remedy, the return decision should either be part of the negative decision on an application for international protection or, if it is a separate act, be issued at the same time and together with the negative decision.'

Reason

This recommendation strengthens regional and local structures and responds to previous CoR requests in this area. Moreover, it is essential that the EU earmark specific funds for regions with higher migratory pressure.

Amendment 16

COM(2020) 611 final, point (5), Recital 40(h)

Text proposed by the European Commission	CoR amendment
When applying the border procedure for carrying out return, certain provisions of the [recast Return Directive] should apply as these regulate elements of the return procedure that are not determined by this Regulation, notably those on definitions, more favourable provisions, non-refoulement, best interests of the child, family life and state of health, risk of absconding, obligation to cooperate, period for voluntary departure, return decision, removal, postponement of removal, return and removal of unaccompanied minors, entry bans, safeguards pending return, detention, conditions of detention***, detention of minors and families*** and emergency situations. To reduce the risk of unauthorised entry and movement of illegally staying third-country nationals subject to the border procedure for carrying out return, a period for voluntary departure not exceeding 15 days may be granted to illegally staying third-country nationals, without prejudice for the possibility to voluntarily comply with the obligation to return at any moment.	When applying the border procedure for carrying out return, certain provisions of the [recast Return Directive] should apply as these regulate elements of the return procedure that are not determined by this Regulation, notably those on definitions, more favourable provisions, non-refoulement, best interests of the child, family life and state of health, risk of absconding, obligation to cooperate, period for voluntary departure, return decision, removal, postponement of removal, return and removal of unaccompanied minors, entry bans, safeguards pending return, detention, conditions of detention and emergency situations. To reduce the risk of unauthorised entry and movement of illegally staying third-country nationals subject to the border procedure for carrying out return, a period for voluntary departure not exceeding 15 days may be granted to illegally staying third-country nationals, without prejudice for the possibility to voluntarily comply with the obligation to return at any moment.

Reason

The CoR is committed to a complete halt to the detention of children.

Amendment 17

COM(2020) 611 final, point (13), Article 35a

Text proposed by the European Commission	CoR amendment
Rejection of an application and issuance of a return decision	**Rejection of an application and issuance of a return decision**
Where an application is rejected as inadmissible, unfounded or manifestly unfounded with regard to both refugee status and subsidiary protection status, or as implicitly or explicitly withdrawn, Member States shall issue a return decision that respects Directive XXX/XXX/EU [Return Directive]. The return decision shall be issued as part of the decision rejecting the application for international protection or, in a separate act. Where the return decision is issued as a separate act, it shall be issued at the same time and together with the decision rejecting the application for international protection.	Where an application is rejected as inadmissible, unfounded or manifestly unfounded with regard to both refugee status and subsidiary protection status, or as implicitly or explicitly withdrawn, ***and the Member State has not decided to grant the person an autonomous residence permit or other authorisation offering a right to stay on hardship, humanitarian or other grounds,*** Member States shall issue a return decision that respects Directive XXX/XXX/EU [Return Directive]. The return decision shall be issued as part of the decision rejecting the application for international protection or, in a separate act. Where the return decision is issued as a separate act, it shall be issued at the same time and together with the decision rejecting the application for international protection.

Reason

The wording of the Commission's proposal prevents Member States from granting protection on other humanitarian or family grounds outside international protection without initiating a return procedure. This is contrary to Article 3(2) of Proposal COM(2016) 466 final ('Qualification Regulation'), which precisely guarantees this right of Member States: 'This Regulation does not apply to other national humanitarian statuses granted by Member States under their national law to those who do not qualify for the refugee status or the subsidiary protection status'. Moreover, in certain circumstances, Member States are even obliged to provide protection; this is the case, for example, where there are threats to health, as the Court of Justice of the European Union (CJEU) has made clear in its case law since the M'Bodj case. In addition, this provision seems redundant because of the obligation under Article 6(1) of Directive 2008/115/EC ('Return Directive') to adopt a return decision in the event of illegal stay. The proposed amendment is in keeping with Article 6(4) of the Return Directive.

Amendment 18

COM(2020) 611 final, point (14), Article 40(1)(i)

Text proposed by the European Commission	CoR amendment
Article 40 is amended as follows:	Article 40 is amended as follows:
(a) in paragraph 1 the following point is added:	(a) in paragraph 1 the following point is added:
'(i) the applicant is of a nationality or, in the case of stateless persons, a former habitual residence of a third country for which the proportion of decisions granting international protection by the determining authority is, according to the latest available yearly Union-wide average Eurostat data, 20 % or lower, unless a significant change has occurred in the third country concerned since the publication of the relevant Eurostat data or the applicant belongs to a category of persons for whom the proportion of 20 % or lower cannot be considered as representative for their protection needs;'	'(i) ***the applicant's application may, on the basis of the findings of an initial interview, be decided upon on a case-by-case basis within a short period of time and, should the application be rejected, there is a reasonable prospect of rapid return to the home State or to a third country which has agreed to allow that person to reside***.'
[…]	[…]

Reason

The linking of sanctions to nationality as a result of linking the issue to protection rates is incompatible with the prohibition of discrimination under international and European law, if there is no justification in the individual case in hand. The CoR therefore proposes a procedure based on the possibility of return and the likelihood of rapid decisions on individual cases, as has been used in the Swiss asylum procedure since 2019. This would allow many more decisions to be taken within a short period of time than would be the case if there were a link to the rate of protection. This also and above all helps reduce the burden on local and regional authorities in border areas. This model in addition allows quick decisions to be taken to grant protection and can thus significantly accelerate the integration of clearly vulnerable people such as those entitled to international protection who are rescued from distress at sea.

Amendment 19

COM(2020) 611 final, point (14), Article 40(5)(c)

Text proposed by the European Commission	CoR amendment
[…]	[…]
(b) in paragraph 5 the following point is added:	(b) in paragraph 5 the following point is added:
'(c) ***the applicant is of a nationality or, in the case of stateless persons, a former habitual residence of a third country for which the proportion of decisions granting international protection by the determining authority is, according to the latest available yearly Union-wide average Eurostat data, 20 % or lower, unless a significant change has occurred in the third country concerned since the publication of the relevant Eurostat data or the applicant belongs to a category of persons for whom the proportion of 20 % or lower cannot be considered as representative for their protection needs***;'	'(c) ***the applicant's application may, on the basis of the findings of an initial interview, be decided upon on a case-by-case basis within a short period of time and, should the application be rejected, there is a reasonable prospect of rapid return to the home State or to a third country which has agreed to allow that person to reside***.'

Reason

The linking of sanctions to nationality as a result of linking the issue to protection rates is incompatible with the prohibition of discrimination under international and European law, if there is no justification in the individual case in hand. The CoR therefore proposes a procedure based on the possibility of return and the likelihood of rapid decisions on individual cases, as has been used in the Swiss asylum procedure since 2019. This would allow many more decisions to be able to be taken within a short period of time than would be the case if there were a link to the rate of protection. This also and above all helps reduce the burden on local and regional authorities in border areas. This model in addition allows quick decisions to be taken to grant protection and can thus significantly accelerate the integration of clearly vulnerable people such as those entitled to international protection who are rescued from distress at sea.

Amendment 20

COM(2020) 611 final, point (15), Article 41(3)

Text proposed by the European Commission	CoR amendment
Member State shall examine an application in a border procedure in the cases referred to in paragraph 1 where the circumstances referred to in Article 40(1), point (***c), (***f) or (i), apply.	Member State shall examine an application in a border procedure in the cases referred to in paragraph 1 where the circumstances referred to in Article 40(1), point (f) or (i), apply***, and in point (c) only where circumstances indicate that a rapid decision and return can be expected in the individual case concerned***.

Reason

This would relieve the burden on local and regional authorities by whom applicants are accommodated during border procedures.

Amendment 21

COM(2020) 611 final, point (15), Article 41(5)

Text proposed by the European Commission	CoR amendment
The border procedure may only be applied to ***unaccompanied minors and to*** minors ***below the age of 12*** and their family members in the cases referred to in Article 40(5) (b).	The border procedure may only be applied to minors and their ***accompanying*** family members in the cases referred to in Article 40(5) (b) ***or in cases where a rapid granting of international protection can be expected following an examination in accordance with Article 40(5)(c). Minors should not be kept in detention in border procedures.***

Reason

The protection of minors under international law applies equally to everyone under the age of 18. Special procedures should therefore only be used where this is either in the interests of the minor or warranted on the basis of serious grounds within the meaning of Article 40(5)(b) of the proposal ('danger to the national security or public order') in individual cases. Detention should not be carried out for procedural reasons. This approach, based on the best interests of minors and the security interests of the Member States, is in line with previous positions adopted by the CoR.

Amendment 22

COM(2020) 611 final, point (15), Article 41(9)(b)

Text proposed by the European Commission	CoR amendment
Member States shall not apply or shall cease to apply the border procedure at any stage of the procedure where:	Member States shall not apply or shall cease to apply the border procedure at any stage of the procedure where:
[…]	[…]
(b) the necessary support ***cannot*** be provided ***to applicants with special procedural needs*** in the locations referred to in paragraph 14;	(b) ***applicants have special procedural needs, unless steps are taken to ensure on a case-by-case basis that*** the necessary support ***can*** be provided in the locations referred to in paragraph 14;

Reason

People with special procedural needs must have access to the relevant support measures on a case-by-case basis, otherwise they may not be transferred to a border procedure.

Amendment 23

COM(2020) 611 final, point (15), Article 41(11)

Text proposed by the European Commission	CoR amendment
The border procedure shall be as short as possible while at the same time enabling a complete and fair examination of the claims. It shall encompass the decision referred to in paragraph 2 and 3 and any decision on an appeal if applicable and shall be completed within ***12*** weeks from when the application is registered. Following that period, the applicant shall be authorised to enter the Member State's territory except when Article 41a(1) is applicable. By way of derogation from the time limits set in Articles 34, 40(2) and 55, Member States shall lay down provisions on the duration of the examination procedure and of the appeal procedure which ensure that, in case of an appeal against a decision rejecting an application in the framework of the border procedure, the decision on such appeal is issued within ***12*** weeks from when the application is registered.	The border procedure shall be as short as possible***, in order to help alleviate pressure on border regions,*** while at the same time enabling a complete and fair examination of the claims. It shall encompass the decision referred to in paragraph 2 and 3 and any decision on an appeal if applicable and shall be completed within ***8*** weeks from when the application is registered. Following that period, the applicant shall be authorised to ***move further onto*** the Member State's territory except when Article 41a(1) is applicable. By way of derogation from the time limits set in Articles 34, 40(2) and 55, Member States shall lay down provisions on the duration of the examination procedure and of the appeal procedure which ensure that, in case of an appeal against a decision rejecting an application in the framework of the border procedure, the decision on such appeal is issued within ***8*** weeks from when the application is registered.

Reason

The timeframe of 20 weeks is unreasonably long, obliging applicants to remain in transit zones, thus putting disproportionate burden on border regions. In its judgement on the Hungarian transit zone of 14 May 2020, the Court of Justice of the European Union (CJEU) stated that the 'specific procedures [at the border] must be carried out within a reasonable time' and states that already after four weeks, entry to the regular procedure must be granted. As the situation in the transit zone is a situation of deprivation of liberty, border procedures in transit zones have to be conducted quickly. A period of more than eight weeks, which already doubles the time limit allowed for at the moment according to Article 43 of the Asylum Procedures Directive (4 weeks), would most probably be seen as unreasonable both by the CJEU as well as the European Court of Human Rights (ECtHR). A period of eight weeks suffices to conduct an asylum procedure in most of the cases. If the procedure ends with a negative decision, an additional eight weeks are foreseen for the return procedure. If the total of the procedure runs for more than three months, it is not likely that the return may be carried out expeditiously, as foreseen for the border procedure.

Amendment 24

COM(2020) 611 final, point (15), Article 41(13)

Text proposed by the European Commission	CoR amendment
During the examination of applications subject to a border procedure, the applicants shall be kept at or in proximity to the external border or transit zones. Each Member State shall notify to the Commission, [two months after the date of the application of this Regulation] at the latest, the locations where the border procedure will be carried out, at the external borders, in the proximity to the external border or transit zones, including when applying paragraph 3 and ensure that the capacity of those locations is sufficient to process the applications covered by that paragraph. Any changes in the identification of the locations at which the border procedure is applied, shall be notified to the Commission two months in advance of the changes taking effect.	During the examination of applications subject to a border procedure, the applicants shall be kept at or in proximity to the external border or transit zones. Each Member State shall notify to the Commission, [two months after the date of the application of this Regulation] at the latest, the locations where the border procedure will be carried out, at the external borders, in the proximity to the external border or transit zones, including when applying paragraph 3 and ensure that the capacity of those locations is sufficient to process the applications covered by that paragraph. ***This notification shall be accompanied by a report on the consultation of the competent local and regional authority in whose area these procedures are to be carried out.*** Any changes in the identification of the locations at which the border procedure is applied, shall be notified to the Commission two months in advance of the changes taking effect.

Reason

When planning the locations for carrying out border procedures, it is important to take due account of the needs of the competent local and regional authorities.

Amendment 25

COM(2020) 611 final, point (15), Article 41(14)

Text proposed by the European Commission	CoR amendment
In situations where the capacity of the locations notified by Member States pursuant to paragraph 14 is temporarily insufficient to process the applicants covered by paragraph 3, Member States may designate other locations within the territory of the Member State and upon notification to the Commission accommodate applicants there, on a temporary basis and for the shortest time necessary.	In situations where the capacity of the locations notified by Member States pursuant to paragraph 14 is temporarily insufficient to process the applicants covered by paragraph 3, Member States may, ***after first consulting the competent local and regional authorities,*** designate other locations within the territory of the Member State and upon notification to the Commission accommodate applicants there, on a temporary basis and for the shortest time necessary.

Reason

When planning the locations for carrying out border procedures, it is important to take due account of the needs of the competent local and regional authorities.

Amendment 26

COM(2020) 611 final, point (16), Article 41a(2)

Text proposed by the European Commission	CoR amendment
Persons referred to in paragraph 1 shall be kept for a period not exceeding ***12*** weeks in locations at or in proximity to the external border or transit zones; where a Member State cannot accommodate them in those locations, it can resort to the use of other locations within its territory. The ***12***-week period shall start from when the applicant, third-country national or stateless person no longer has a right to remain and is not allowed to remain.	Persons referred to in paragraph 1 shall be ***accommodated*** for a period not exceeding ***8*** weeks in locations at or in proximity to the external border or transit zones; where a Member State cannot accommodate them in those locations, it can***, after first consulting the competent local and regional authorities,*** resort to the use of other locations within its territory. The ***8***-week period shall start from when the applicant, third-country national or stateless person no longer has a right to remain and is not allowed to remain.

Reason

When planning the locations for carrying out border procedures, it is important to take due account of the needs of the competent local and regional authorities. Likewise, not more than 8 weeks should be available for carrying out the return procedure in order to alleviate the pressure on border regions. In its judgement on the Hungarian transit zone of 14 May 2020, the Court of Justice of the European Union (CJEU) stated that the 'specific procedures [at the border] must be carried out within a reasonable time' and states that already after four weeks, entry to the regular procedure must be granted. As the situation in the transit zone is a situation of deprivation of liberty, border procedures in transit zones have to be conducted quickly. A period of more than eight weeks, which already doubles the time limit allowed for at the moment according to Article 43 of the Asylum Procedures Directive (4 weeks), would most probably be seen as unreasonable both by the CJEU as well as the European Court of Human Rights (ECtHR). A period of eight weeks suffices to conduct an asylum procedure in most of the cases. If the procedure ends with a negative decision, an additional eight weeks are foreseen for the return procedure. If the total of the procedure runs for more than three months, it is not likely that the return may be carried out expeditiously as foreseen for the border procedure. According to Article 34 of the 2016 proposal for an Asylum Procedure Regulation, it is foreseen that decisions on admissibility and on the use of third country agreements have to be taken within one month. A period of more than two months for a decision in the border procedure would therefore be unreasonable from a legal perspective. It is also necessary to foresee a short period as returns are more likely to occur after a swift procedure with minimal waiting times. Moreover, terminology needs to be consistent across the proposal, and ambiguous terms which could invoke de facto detention such as 'kept' should be avoided and replaced with legally precise wording such as 'accommodated', in line with the revised Reception Conditions Directive.

Amendment 27

COM(2020) 611 final, point (18), Article 53(9)

Text proposed by the European Commission	CoR amendment
Member States shall provide for only one level of appeal in relation to a decision taken in the context of the border procedure.	***In*** relation to a decision taken in the context of the border procedure***, Member States shall provide for a remedy in accordance with Article 47 of the Charter of Fundamental Rights. For appeals, the time limits foreseen in national law apply in accordance with Article 55. Applicants have the right to remain on the territory during the period of appeal and pending its outcome in accordance with Article 54.***

Reason

The rigid limitation to only one level of appeal and the strict deadline for border procedures interferes with the competencies of Member States who are procedurally autonomous when it comes to providing a legal remedy in the context of border procedures. They are, however, bound to respect Article 47 of the Charter of Fundamental Rights, according to CJEU case law, which stipulates that rules on legal remedies must comply with the principle of non-discrimination and the principles of equivalence and effectiveness. This means that discrimination against other asylum seekers and unequal treatment in relation to other comparable administrative court proceedings is not permitted. The proposed amendment aims to ensure compliance with these requirements. Likewise, the delay within which a response to an appeal must be issued cannot be set uniformly at EU level and it is therefore best to link it to national administrative law provisions.

Proposal for a Regulation of the European Parliament and of the Council introducing a screening of third country nationals at the external borders and amending Regulations (EC) No 767/2008, (EU) 2017/2226, (EU) 2018/1240 and (EU) 2019/817

Amendment 28

COM(2020) 612 final, Recital 12

Text proposed by the European Commission	CoR amendment
The screening should be conducted at or in proximity to the external border***, before the persons concerned are authorised to enter the territory***. The Member States should apply measures pursuant to national law to prevent the persons concerned from ***entering*** the territory during the screening. In individual cases, where required, this may include detention, subject to the national law regulating that matter.	The screening should be conducted at or in proximity to the external border. The Member States should apply measures pursuant to national law to prevent the persons concerned from ***moving further onto*** the territory during the screening. In individual cases, where required***, except for cases involving minors***, this may include detention, subject to the national law regulating that matter***. If as a result of the screening procedure, further onward movement is denied, Article 14 of the Schengen Borders Code shall apply***.

Reason

International law precludes children's deprivation of liberty on administrative grounds and according to the CJEU, minors cannot be treated systematically as adults in the migration context. Refusing onward movement after screening must be fully substantiated, in line with the Schengen Borders Code.

Amendment 29

COM(2020) 612 final, Recital 20

Text proposed by the European Commission	CoR amendment
The Member States should determine appropriate locations for the screening ***at or in proximity to the external border*** taking into account geography and existing infrastructures, ensuring that apprehended third-country nationals as well as those who present themselves at a border crossing point can be swiftly submitted to the screening. The tasks related to the screening may be carried out in hotspot areas as referred to in point (23) of Article 2 of Regulation (EU) 2019/1896 of the European Parliament and of the Council[23].	The Member States should determine appropriate locations for the screening taking into account ***the opinions of the competent local and regional authorities,*** geography and existing infrastructures, ensuring that apprehended third-country nationals as well as those who present themselves at a border crossing point can be swiftly submitted to the screening. The tasks related to the screening may be carried out in hotspot areas as referred to in point (23) of Article 2 of Regulation (EU) 2019/1896 of the European Parliament and of the Council[23].

Reason

Member States should be allowed to choose the appropriate locations according to their national circumstances and possibilities. In particular, they should be able to take account of the particular pressure placed on regions at or near external borders through decentralisation possibilities. It is important for the planning of screening sites to take due account of the needs of the competent local or regional authorities.

Amendment 30

COM(2020) 612 final, Recital 24

Text proposed by the European Commission	CoR amendment
By the end of the screening, the authorities responsible for the screening should fill in a de-briefing form. The form should be transmitted to the authorities examining applications for international protection or to the authorities competent for return — depending on whom the individual is referred to. In the former case, the authorities responsible for the screening should also indicate any elements which may seem to be relevant for determining whether the competent authorities should submit the application of the third-country national concerned to an accelerated examination procedure or to the border procedure.	By the end of the screening, the authorities responsible for the screening should fill in a de-briefing form. The form should be transmitted to the authorities examining applications for international protection or to the authorities competent for return — depending on whom the individual is referred to – ***as well as, where appropriate, to the authorities responsible for health and safety under national law, and/or the authorities responsible for particularly vulnerable sections of the population, such as unaccompanied minors and women travelling alone.*** In the former case, the authorities responsible for the screening should also indicate any elements***, in particular any special protection needs,*** which may seem to be relevant for determining whether the competent authorities should submit the application of the third-country national concerned to an accelerated examination procedure or to the border procedure.

Reason

Any justified health or safety concerns should be forwarded to the corresponding competent authorities. Even where there is provision for the involvement of these authorities in the screening, steps should be taken to ensure that they receive all relevant information. This holds true for cases where special protection needs have been identified during screening, if a different authority is competent under national law, as is regularly the case for children, and possibly also for victims of trafficking and other groups. In particular, it is important to remember those groups that are the most vulnerable and that may be subject to abuse throughout the migration process, such as unaccompanied minors and women travelling alone.

Amendment 31

COM(2020) 612 final, Article 3(1)

Text proposed by the European Commission	CoR amendment
Article 3	*Article 3*
Screening at the external border	**Screening at the external border**
1. This Regulation shall apply to all third-country nationals who:	1. This Regulation shall apply to all third-country nationals who:

Text proposed by the European Commission	CoR amendment
a) are apprehended in connection with an unauthorised crossing of the external border of a Member State by land, sea or air, except third country nationals for whom the Member State is not required to take the biometric data pursuant to Article 14(1) and (3) of Regulation (EU) 603/2013 for reasons other than their age, or	a) are apprehended in connection with an unauthorised crossing of the external border of a Member State by land, sea or air, except third country nationals for whom the Member State is not required to take the biometric data pursuant to Article 14(1) and (3) of Regulation (EU) 603/2013 for reasons other than their age, or
b) are disembarked in the territory of a Member State following a search and rescue operation.	b) are disembarked in the territory of a Member State following a search and rescue operation.
The screening shall apply to those persons regardless of whether they have applied for international protection.	***Those*** persons ***shall be subject to screening by the authority responsible for refusing entry in accordance with Article 14(2) of Regulation (EU) 2016/399 (Schengen Borders Code) in accordance with national law,*** regardless of whether they have applied for international protection.

Reason

The screening procedure introduces yet another step in the already burdensome migration management processes for many Member States with external EU borders. In order to avoid this requiring a separate procedure, which generates a significant additional burden, particularly for the external border countries, the Committee of the Regions proposes that this procedure be integrated into border controls and that the national authorities responsible for refusing entry in accordance with Article 14(2)(2) of Regulation (EU) 2016/399 (the Schengen Borders Code) be entrusted with it if the screening relates to an entry that does not fulfil entry conditions at the external border. Incorporating this into the border control process and the tasks of the border authorities will do more to ensure that the screening can fulfil its intended function, namely that people who are apprehended are subject to the appropriate procedures at the earliest opportunity and that these procedures can start without delay or interruption. As there are three possible approaches for third-country nationals covered by Article 3 (refusal of entry, referral to the authorities responsible for the return procedure, referral to the asylum authorities or to the Member State responsible for the asylum procedure based on a solidarity mechanism), one of which is refoulement at the border in accordance with Article 14 of Regulation (EU) 2016/399 (Schengen Borders Code), this allocation of the screening ensures a uniform approach and a link between screening and possible refusal of entry, which makes it much easier to carry out this procedure. In addition, the outcome of the screening can then be included in the decision to refuse entry without further intermediate steps.

Amendment 32

COM(2020) 612 final, Article 5

Text proposed by the European Commission	CoR amendment
Screening within the territory Member States shall apply the screening to third-country nationals found within their territory where there is no indication that they have crossed an external border to enter the territory of the Member States in an authorised manner.	Screening within the territory Member States shall apply the screening to third-country nationals found within their territory where there is no indication that they have crossed an external border to enter the territory of the Member States in an authorised manner. ***To relieve the pressure on Member States' authorities, duplications of parts of the screening functions, such as in the case of an application for international protection, should be avoided.***

Reason

Screening must be conducted separately only if necessary. When applying for international protection, some screening functions (identification, special protection needs) are included in obligations under Eurodac and the Reception Conditions Directive and screening should be part of these procedures.

Amendment 33

COM(2020) 612 final, Article 6

Text proposed by the European Commission	CoR amendment
Article 6	*Article 6*
Requirements concerning the screening	**Requirements concerning the screening**
1. In the cases referred to in Article 3, the screening shall be conducted at locations ***situated at or in proximity to the external borders***.	1. In the cases referred to in Article 3, the screening shall be conducted at ***appropriate*** locations ***in the Member State concerned***. ***These locations shall be determined after consultation with the competent local or regional authority.***
2. In the cases referred to in Article 5, the screening shall be conducted at any appropriate location within the territory of a Member State.	2. In the cases referred to in Article 5, the screening shall be conducted at any appropriate location within the territory of a Member State. ***These locations shall be determined after consultation with the competent local or regional authority.***
3. In the cases referred to in Article 3, the screening shall be carried out without delay and shall in any case be completed within 5 days from the apprehension in the external border area, the disembarkation in the territory of the Member State concerned or the presentation at the border crossing point. In exceptional circumstances, where a disproportionate number of third-country nationals needs to be subject to the screening at the same time, making it impossible in practice to conclude the screening within that time-limit, the period of 5 days may be extended by a maximum of an additional 5 days.	3. In the cases referred to in Article 3, the screening shall be carried out without delay and shall in any case be completed within 5 days from the apprehension in the external border area, the disembarkation in the territory of the Member State concerned or the presentation at the border crossing point. In exceptional circumstances, where a disproportionate number of third-country nationals needs to be subject to the screening at the same time, making it impossible in practice to conclude the screening within that time-limit, the period of 5 days may be extended by a maximum of an additional 5 days.
With regard to persons referred to in Article 3(1)(a) to whom Article 14 (1) and (3) of Regulation (EU) 603/2013 apply, where they remain physically at the external border for more than 72 hours, the period for the screening shall be reduced to two days.	With regard to persons referred to in Article 3(1)(a) to whom Article 14 (1) and (3) of Regulation (EU) 603/2013 apply, where they remain physically at the external border for more than 72 hours, the period for the screening shall be reduced to two days. ***In any case, the procedures must ensure the adequate assessment of each case to prevent discriminatory conduct in the process.***

Text proposed by the European Commission	CoR amendment
4. Member States shall notify the Commission without delay about the exceptional circumstances referred to in paragraph 3. They shall also inform the Commission as soon as the reasons for extending the screening period have ceased to exist.	4. Member States shall notify the Commission without delay about the exceptional circumstances referred to in paragraph 3. They shall also inform the Commission as soon as the reasons for extending the screening period have ceased to exist.
5. The screening referred to in Article 5 shall be carried out without delay and in any case shall be completed within 3 days from apprehension.	5. The screening referred to in Article 5 shall be carried out without delay and in any case shall be completed within 3 days from apprehension.
6. The screening shall comprise the following mandatory elements:	6. The screening shall comprise the following mandatory elements:
a) preliminary health and vulnerability check as referred to in Article 9;	a) preliminary health and vulnerability check as referred to in Article 9;
b) identification as referred to in Article 10;	b) identification as referred to in Article 10;
c) registration of biometric data in the appropriate databases as referred to in Article 14(6), to the extent it has not occurred yet;	c) registration of biometric data in the appropriate databases as referred to in Article 14(6), to the extent it has not occurred yet;
d) security check as referred to in Article 11;	d) security check as referred to in Article 11;
e) the filling out of a de-briefing form as referred to in Article 13;	e) the filling out of a de-briefing form as referred to in Article 13;
f) referral to the appropriate procedure as referred to in Article 14.	f) referral to the appropriate procedure as referred to in Article 14.
7. Member States shall designate competent authorities to carry out the screening.	7. Member States shall designate competent authorities to carry out the screening ***in accordance with Articles 3 and 5***.
Member States shall designate qualified medical staff to carry out the health check provided for in Article 9. National child protection authorities and national anti-trafficking rapporteurs shall also be involved, where appropriate.	Member States shall designate qualified medical staff to carry out the health check provided for in Article 9. National child protection authorities and national anti-trafficking rapporteurs shall also be involved, where appropriate.
The competent authorities may be assisted or supported in the performance of the screening by experts or liaison officers and teams deployed by the European Border and Coast Guard Agency and the [European Union Agency for Asylum] within the limits of their mandates.	The competent authorities may be assisted or supported in the performance of the screening by experts or liaison officers and teams deployed by the European Border and Coast Guard Agency and the [European Union Agency for Asylum] within the limits of their mandates.

Reason

Member States should be allowed to choose the appropriate locations according to their national circumstances and possibilities. In particular, they should be able to take account of the particular pressure placed on regions at or near external borders through decentralisation possibilities. When planning screening sites, due account has to be taken of the needs of the competent local and regional authorities.

The procedure must not be carried out in a discriminatory manner. In order to avoid overlaps of responsibilities, designation of the competent authorities must comply with the proposed provisions under Articles 3 and 5.

Amendment 34

COM (2020) 612 final, Article 9(3)

Text proposed by the European Commission	CoR amendment
Where there are indications of vulnerabilities or special reception or procedural needs, the third-country national concerned shall receive timely and adequate support in view of their physical and mental health. In the case of minors, support shall be given by personnel trained and qualified to deal with minors, and in cooperation with child protection authorities.	Where there are indications of vulnerabilities or special reception or procedural needs, the third-country national concerned shall receive timely and adequate support in view of their physical and mental health ***by qualified specialist advisory services or the competent authorities, also ensuring the availability of adequate professionals for the specific needs of certain groups of third-country nationals, such as pregnant women, victims of gender-based or sexual violence, and people with disabilities, and LGBTIQ people***. In the case of minors, support shall be given by personnel trained and qualified to deal with minors, and in cooperation with child protection authorities. ***To this end, the presence of minors shall be reported immediately to the national authorities responsible for child protection. Unaccompanied minors shall not be screened; they must be forwarded immediately to the competent child protection authorities. In addition, where there are indications of serious security concerns within the meaning of Article 40(5)(b), the competent authorities shall be informed.***

Reason

Where special protection needs have been identified, support should be provided by specialised advisory services or by the authorities responsible for the protection of people in such situations in order to ensure timely, expert assistance. It is also necessary to ensure that the presence of minors is reported immediately to the competent authorities for the protection of children. If the people concerned are unaccompanied and minors, they must be forwarded to the competent authorities in order to enable these to take the protection and support measures stipulated under international, European and national law and, in particular, to appoint a guardian or carer. At the same time, LGBTIQ people need protection because they represent the final group of the most vulnerable migrants. They are currently arriving in Europe in high numbers, but we lack real protection systems for them.

Amendment 35

COM (2020) 612 final, Article 14

Text proposed by the European Commission	CoR amendment
Article 14 **Outcome of the screening** […]	*Article 14* **Outcome of the screening** […]

Text proposed by the European Commission	CoR amendment
2. Third-country nationals who made an application for international protection shall be referred to the authorities referred to in Article XY of Regulation (EU) No XXX/XXX [Asylum Procedure Regulation], together with the form referred to in Article 13 of this Regulation. On that occasion, the authorities conducting the screening shall point in the de-briefing form to any elements which ***seem*** at first sight ***to be relevant to refer*** the third-country nationals concerned into the accelerated examination procedure or the border procedure.	2. Third-country nationals who made an application for international protection shall be referred to the authorities referred to in Article XY of Regulation (EU) No XXX/XXX [Asylum Procedure Regulation], together with the form referred to in Article 13 of this Regulation. On that occasion, the authorities conducting the screening shall point in the de-briefing form to any elements which at first sight ***indicate in favour of or against referring*** the third-country nationals concerned into the accelerated examination procedure or the border procedure. ***In particular, reference is to be made to findings or suspicions regarding special protection needs, especially in the case of unaccompanied minors.***
[…]	[…]
7. Where the third country nationals referred to in Article(s) 3(1) and Article 5 are referred to an appropriate procedure regarding asylum or return, the screening ends. Where not all the checks have been completed within the deadlines referred to in Article 6(3) and (5), the screening shall nevertheless end with regard to that person, who shall be referred to a relevant procedure.	7***. Where appropriate, the authorities responsible for health, safety and the protection of special groups shall be informed and, where provided for under national law, the cases of the persons concerned shall be forwarded to these authorities.***
	8. Where the third country nationals referred to in Article(s) 3(1) and Article 5 are referred to an appropriate procedure regarding asylum or return, the screening ends. Where not all the checks have been completed within the deadlines referred to in Article 6(3) and (5), the screening shall nevertheless end with regard to that person, who shall be referred to a relevant procedure.

Reason

In order to ensure that people with special protection needs are not transferred to the border procedure or an accelerated procedure, which in such cases could only be carried out with significant legal and practical difficulty, it should be clarified that such people are being referred to the asylum authority before that authority decides on the type of procedure to be followed. In particular, where there are health and safety concerns, referral should be possible not only to the asylum authority or to the authorities responsible for the return procedure. In addition, Member States should retain the possibility of covering specific responsibilities for certain groups with special protection needs. In particular, it is essential to take into account the special protection measures required for unaccompanied foreign minors.

Proposal for a Regulation of the European Parliament and of the Council addressing situations of crisis and force majeure in the field of migration and asylum

Amendment 36

COM(2020) 613 final, Recital 11

Text proposed by the European Commission	CoR amendment
The procedural rules set out in Regulation (EU) XXX/XXX [Asylum and Migration Management] for carrying out relocation and return sponsorship should be applied for the purpose of ensuring the proper implementation of the solidarity measures in a situation of crisis, although they should be adjusted in order to take into account the gravity and urgency of that situation.	The procedural rules set out in Regulation (EU) XXX/XXX [Asylum and Migration Management] for carrying out relocation and return sponsorship should be applied for the purpose of ensuring the proper implementation of the solidarity measures in a situation of crisis, although they should be adjusted in order to take into account the gravity and urgency of that situation. ***In particular, unaccompanied minors should be relocated to the Member States that are responsible for them as soon as is possible or to other parts of the EU if they have family members in other Member States.***

Reason

Advocating improved access to rights for unaccompanied minors has long been a CoR position and stems from the (legal) need to give primary consideration to the best interests of the child. The EU needs to help unaccompanied minors relocate to other Member States if they have family members there to alleviate the pressure on border regions and in the spirit of solidarity and shared responsibility that the new pact should advocate.

Amendment 37

COM(2020) 613 final, Recital 14

Text proposed by the European Commission	CoR amendment
In order to ensure that Member States have the necessary flexibility when confronted with a large influx of migrants expressing the intention to apply for asylum, the application of the border procedure, established by Article 41 of Regulation (EU) XXX/XXX [Asylum Procedures Regulation] should be broadened, and an asylum crisis management procedure should allow Member States to ***take a decision in the framework of a border procedure also on the merits of an application in cases where the applicant is of a nationality, or, in the case of stateless persons, a former habitual resident of a third country, for which the proportion of decisions granting international protection Union-wide is 75 % or lower. As a result, in the application of the crisis border procedure, Member States should continue applying*** the ***border*** procedure as ***provided by Article 41 of Regulation (EU) XXX/XXX [Asylum Procedures Regulation] but could extend*** the ***application of*** the border ***procedure to nationals who come from third countries where the EU-wide average recognition rate is above 20 % but*** under ***75 %***.	In order to ensure that Member States have the necessary flexibility when confronted with a large influx of migrants expressing the intention to apply for asylum, the application of the border procedure, established by Article 41 of Regulation (EU) XXX/XXX [Asylum Procedures Regulation] should be broadened, and an asylum crisis management procedure should allow Member States***, in consultation with the Commission,*** to ***apply*** the ***regular asylum*** procedure ***so*** as ***to alleviate*** the ***impact on*** the border ***regions*** under ***migrant pressure***.

Reason

In strained situations, border procedures put extra burden on border regions. Member States should have the option of dispensing with border procedures in consultation with the Commission to manage arrivals efficiently, processing asylum procedures in non-border locations on their territory.

Amendment 38

COM(2020) 613 final, Recital 16

Text proposed by the European Commission	CoR amendment
In a situation of crisis, in view of the possible strain on the asylum system, Member States should have the possibility not to authorise the entry in their territory of applicants subject to a border procedure for a longer period of time than the ones set in Article 41 (11) and (13) of Regulation (EU) XXX/XXX [*Asylum Procedures Regulation*]. However, the procedures should be completed as soon as possible and in any event the periods of time should only be prolonged by an additional period not exceeding eight weeks; ***if those procedures cannot be completed by the expiry of that prolonged period, applicants should be authorised to enter the territory of a Member State for the purpose of completing the procedure for international protection.***	In a situation of crisis, in view of the possible strain on the asylum system, ***but taking into account the strain upon the regions impacted by such crisis,*** Member States should have the possibility not to authorise the ***further movement onto*** their territory of applicants subject to a border procedure for a longer period of time than the ones set in Article 41 (11) and (13) of Regulation (EU) XXX/XXX [*Asylum Procedures Regulation*]. However, the procedures should be completed as soon as possible and in any event the periods of time should only be prolonged by an additional period not exceeding eight weeks. ***If the procedures cannot be completed by the expiry of that prolonged period, applicants are authorised to further move onto the territory of the Member State for the purpose of completing the procedure for international protection.***

Reason

The prolongation of a border procedure should not be implemented without first considering the impact on the regions.

Amendment 39

COM(2020) 613 final, Recital 23

Text proposed by the European Commission	CoR amendment
In a crisis situation, Member States should have the possibility to suspend the examination of applications for international protection made by displaced persons from third countries who are unable to return to their country of origin, where they would face a high degree of risk of being subject to indiscriminate violence, in exceptional situations of armed conflict. In such a case, immediate protection status should be granted to those persons. Member States should resume the examination of their application one year at the latest from its suspension.	In a crisis situation, Member States should have the possibility to suspend the examination of applications for international protection made by displaced persons from third countries who are unable to return to their country of origin, where they would face a high degree of risk of being subject to indiscriminate violence, in exceptional situations of armed conflict. In such a case, immediate protection status should be granted to those persons. ***In a crisis situation, the Member State should also have the discretion to grant immediate protection status to children and particularly vulnerable persons as well as to other groups of persons in need of immediate protection, if provided under national law.*** Member States should resume the examination of their application one year at the latest from its suspension.

Reason

In situations covered by the Crisis Regulation, children and people with special protection needs need a minimum level of security of stay. In line with subsidiarity, MS should have the option to let third-country nationals stay on their territory on other grounds, as stipulated by national laws.

Amendment 40

COM(2020) 613 final, Article 1(2)

Text proposed by the European Commission	CoR amendment
Article 1	*Article 1*
Subject matter	**Subject matter**
[…]	[…]
2. For the purposes of this Regulation, a situation of crisis is to be understood as:	2. For the purposes of this Regulation, a situation of crisis is to be understood as:
(a) an exceptional situation of mass influx of third-country nationals or stateless persons arriving irregularly in a Member State or disembarked on its territory following search and rescue operations, being of such a scale, in proportion to the population and GDP of the Member State concerned, and nature, that it renders the Member State's asylum, reception or return system non-functional and can have serious consequences for the functioning the Common European Asylum System or the Common Framework as set out in Regulation (EU) XXX/XXX [*Asylum and Migration Management*], or	(a) an exceptional situation of mass influx of third-country nationals or stateless persons arriving irregularly in a Member State or disembarked on its territory following search and rescue operations, being of such a scale, in proportion to the population and GDP of the Member State concerned, and nature, that it renders the Member State's asylum, reception or return system ***at local, regional and/or national level*** non-functional and can have serious consequences for the functioning the Common European Asylum System or the Common Framework as set out in Regulation (EU) XXX/XXX [*Asylum and Migration Management*], or
(b) an imminent risk of such a situation.	(b) an imminent risk of such a situation.

Reason

The burden of large numbers of entries and applications is often distributed differently across regions and depends in particular on the routes taken by migrants. A functional failure at local or regional level should also be defined as a crisis situation if it has the same consequences for the people concerned, in order to stress that, while relatively speaking a Member State's asylum system may still be fully operational at national level, there may be places or regions where this is not the case; and this non-functionality may cause major problems as regards providing or failing to provide services at local level.

Amendment 41

COM(2020) 613 final, Article 4

Text proposed by the European Commission	CoR amendment
1. In a crisis situation as referred to in Article 1(2), and in accordance with the procedures laid down in Article 3, Member States may, as regards applications made within the period during which this Article is applied, derogate from Article 41 of Regulation (EU) XXX/XXX [*Asylum Procedures Regulation*] as follows:	1. In a crisis situation as referred to in Article 1(2), and in accordance with the procedures laid down in Article 3, Member States may, as regards applications made within the period during which this Article is applied, derogate from Article 41 of Regulation (EU) XXX/XXX [*Asylum Procedures Regulation*] as follows:
(a) By way of derogation from Article 41(2)(b) of Regulation (EU) XXX/XXX [*Asylum Procedures Regulation*], Member States may ***in a border procedure take decisions on the merits of an application in cases where the applicant is of a nationality, or, in the case of stateless persons, a former habitual resident of a third country, for which the proportion of decisions granting international protection by the determining authority is, according to the latest available yearly Union-wide average Eurostat data, 75 % or lower, in addition to the cases referred to in Article 40(1) of Regulation (EU) XXX/XXX [Asylum Procedures Regulation]***;	(a) By way of derogation from Article 41(2)(b) of Regulation (EU) XXX/XXX [*Asylum Procedures Regulation*], Member States may – ***in consultation with the Commission — decide not to apply a border procedure***.
(b) By way of derogation from Article 41(11) and (13) of Regulation (EU) XXX/XXX [*Asylum Procedures Regulation*], the maximum duration of the border procedure for the examination of applications set out in that Article may be prolonged by an additional period of maximum ***eight*** weeks. Following this period, the applicant shall be authorised to enter the Member State's territory for the completion of the procedure for international protection.	(b) By way of derogation from Article 41(11) and (13) of Regulation (EU) XXX/XXX [*Asylum Procedures Regulation*], the maximum duration of the border procedure for the examination of applications set out in that Article may be prolonged by an additional period of maximum ***six*** weeks. Following this period, the applicant shall be authorised to enter the Member State's territory for the completion of the procedure for international protection.

Reason

In crisis situations, application of the border procedure may cause additional overloads for border regions. Member States should therefore, in consultation with the European Commission, have the possibility of dispensing with the border procedure in order to manage arrivals more efficiently. Only a six-week extension of the border procedure should be possible in order to avoid creating (additional) congestion at the border.

Amendment 42

COM(2020) 613 final, Article 10(1)

Text proposed by the European Commission	CoR amendment
Article 10	*Article 10*
Granting of immediate protection status	**Granting of immediate protection status**
1. In a crisis situation as referred to in Article 1(2)(a), and on the basis of an implementing act adopted by the Commission in accordance with paragraph 4 of this Article, Member States may suspend the examination of applications for international protection in accordance with Regulation (EU) XXX/XXX [*Asylum Procedures Regulation*] and Regulation (EU) XXX/XXX [*Qualification Regulation*] in respect of displaced persons from third countries who are facing a high degree of risk of being subject to indiscriminate violence, in exceptional situations of armed conflict, and who are unable to return to their country of origin. In such a case, Member States shall grant immediate protection status to the persons concerned, unless they represent a danger to the national security or public order of the Member State. Such status shall be without prejudice to their ongoing application for international protection in the relevant Member State.	1. In a crisis situation as referred to in Article 1(2)(a), and on the basis of an implementing act adopted by the Commission in accordance with paragraph 4 of this Article, Member States may suspend the examination of applications for international protection in accordance with Regulation (EU) XXX/XXX [*Asylum Procedures Regulation*] and Regulation (EU) XXX/XXX [*Qualification Regulation*] in respect of displaced persons from third countries who are facing a high degree of risk of being subject to indiscriminate violence, in exceptional situations of armed conflict, and who are unable to return to their country of origin. In such a case, Member States shall grant immediate protection status to the persons concerned, unless they represent a danger to the national security or public order of the Member State. ***In a crisis situation, the Member State should also have the discretion to grant immediate protection status to children and particularly vulnerable persons, and other groups of persons in need of immediate protection, if provided for in national law.*** Such status shall be without prejudice to their ongoing application for international protection in the relevant Member State.

Reason

In situations covered by the Crisis Regulation, children and people with special protection needs need a minimum level of security of stay. In line with subsidiarity, MS should have the option to let third-country nationals stay on their territory on other grounds, as stipulated by national laws.

Amended proposal for a Regulation of the European Parliament and of the Council on the establishment of 'Eurodac' for the comparison of biometric data for the effective application of Regulation (EU) XXX/XXX [Regulation on Asylum and Migration Management] and of Regulation (EU) XXX/XXX [Resettlement Regulation], for identifying an illegally staying third-country national or stateless person and on requests for the comparison with Eurodac data by Member States' law enforcement authorities and Europol for law enforcement purposes and amending Regulations (EU) 2018/1240 and (EU) 2019/818

Amendment 43

COM(2020) 614 final, point (14), Article 10 (1)

Text proposed by the European Commission	CoR amendment
Each Member State shall take the biometric data of every applicant for international protection of at least ***six*** years of age during the screening as referred to in Regulation (EU) XXX/XXX [*Screening Regulation*] or, where the biometric data could not be taken during the screening or where the applicant was not subject to screening, upon the registration of the application for international protection referred to in Article 27 of Regulation (EU) No XXX/XXX [*Asylum Procedure Regulation*] and shall, as soon as possible and no later than 72 hours after the biometric data have been taken, transmit them together with the data referred to in Article 12 (c) to (p) of this Regulation to the Central System and to the CIR as appropriate in accordance with Article 4(2).	Each Member State shall take the biometric data of every applicant for international protection of at least ***twelve*** years of age during the screening as referred to in Regulation (EU) XXX/XXX [*Screening Regulation*] or, where the biometric data could not be taken during the screening or where the applicant was not subject to screening, upon the registration of the application for international protection referred to in Article 27 of Regulation (EU) No XXX/XXX [*Asylum Procedure Regulation*] and shall, as soon as possible and no later than 72 hours after the biometric data have been taken, transmit them together with the data referred to in Article 12 (c) to (p) of this Regulation to the Central System and to the CIR as appropriate in accordance with Article 4(2).
Where Article 3(1) of Regulation (EU) XXX/XXX [*Screening Regulation*] applies and the person applies for international protection during screening, for every applicant for international protection of at least ***six*** years of age, each Member State shall use the biometric data taken during screening and transmit them together with the data referred to in Article 12 (c) to (p) of this Regulation to the Central System and to the CIR as appropriate in accordance with Article 4(2), no later than 72 hours from the registration of the application referred to in Article 27 of Regulation (EU) XXX/XXX [*Asylum Procedure Regulation*].	Where Article 3(1) of Regulation (EU) XXX/XXX [*Screening Regulation*] applies and the person applies for international protection during screening, for every applicant for international protection of at least ***twelve*** years of age, each Member State shall use the biometric data taken during screening and transmit them together with the data referred to in Article 12 (c) to (p) of this Regulation to the Central System and to the CIR as appropriate in accordance with Article 4(2), no later than 72 hours from the registration of the application referred to in Article 27 of Regulation (EU) XXX/XXX [*Asylum Procedure Regulation*].
Non-compliance with the 72-hour time-limit shall not relieve Member States of the obligation to take and transmit the biometric data to the CIR. Where the condition of the fingertips does not allow the taking of the fingerprints of a quality ensuring appropriate comparison under Article 26, the Member State of origin shall retake the fingerprints of the applicant and resend them as soon as possible and no later than 48 hours after they have been successfully retaken.	Non-compliance with the 72-hour time-limit shall not relieve Member States of the obligation to take and transmit the biometric data to the CIR. Where the condition of the fingertips does not allow the taking of the fingerprints of a quality ensuring appropriate comparison under Article 26, the Member State of origin shall retake the fingerprints of the applicant and resend them as soon as possible and no later than 48 hours after they have been successfully retaken.

Reason

The Visa Code requests fingerprinting visa applicants from the age of 12; the same applies to children entering the EU for a short stay under the Entry/Exit System (EES). Aligning Eurodac age threshold to that of the Visa Code and EES ensures coherence and data reliability in medium/longer term.

Amendment 44

COM(2020) 614 final, point (17), Article 13(1)

Text proposed by the European Commission	CoR amendment
Each Member State shall promptly take the biometric data of every third-country national or stateless person of at least ***six*** years of age who is apprehended by the competent control authorities in connection with the irregular crossing by land, sea or air of the border of that Member State having come from a third country and who is not turned back or who remains physically on the territory of the Member States and who is not kept in custody, confinement or detention during the entirety of the period between apprehension and removal on the basis of the decision to turn him or her back.	Each Member State shall promptly take the biometric data of every third-country national or stateless person of at least ***twelve*** years of age who is apprehended by the competent control authorities in connection with the irregular crossing by land, sea or air of the border of that Member State having come from a third country and who is not turned back or who remains physically on the territory of the Member States and who is not kept in custody, confinement or detention during the entirety of the period between apprehension and removal on the basis of the decision to turn him or her back.

Reason

The Visa Code requests fingerprinting visa applicants from the age of 12; the same applies to children entering the EU for a short stay under the Entry/Exit System (EES). Aligning Eurodac age threshold to that of the Visa Code and EES ensures coherence and data reliability in medium/longer term.

Amendment 45

COM(2020) 614 final, point (18), Article 14 (1)

Text proposed by the European Commission	CoR amendment
Each Member State shall promptly take the biometric data of every third-country national or stateless person of at least ***six*** years of age who is illegally staying within its territory.	Each Member State shall promptly take the biometric data of every third-country national or stateless person of at least ***twelve*** years of age who is illegally staying within its territory.

Reason

The Visa Code requests fingerprinting visa applicants from the age of 12; the same applies to children entering the EU for a short stay under the Entry/Exit System (EES). Aligning Eurodac age threshold to that of the Visa Code and EES ensures coherence and data reliability in medium/longer term.

Amendment 46

COM(2020) 614 final, point (19), Article 14a (1)

Text proposed by the European Commission	CoR amendment
Each Member State shall promptly take the biometric data of every third-country national or stateless person of at least ***six*** years of age who is disembarked following a search and rescue operation as defined in Regulation (EU) XXX/XXX [*Regulation on Asylum and Migration Management*].	Each Member State shall promptly take the biometric data of every third-country national or stateless person of at least ***twelve*** years of age who is disembarked following a search and rescue operation as defined in Regulation (EU) XXX/XXX [*Regulation on Asylum and Migration Management*].

Reason

The Visa Code requests fingerprinting visa applicants from the age of 12; the same applies to children entering the EU for a short stay under the Entry/Exit System (EES). Aligning Eurodac age threshold to that of the Visa Code and EES ensures coherence and data reliability in medium/longer term.

II. **POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS

1. welcomes the Commission's proposal for a new migration and asylum pact to move beyond the five years of deadlock between Member States on a common asylum and migration system; supports the Commission's objective of developing a comprehensive system for managing migration in the long term, including refugee migration, based on European values, in particular the values of solidarity and dignity, as well as on EU and international law ([1]);

2. is concerned that the local and regional dimension has not been sufficiently taken into account in the proposals as part of the new pact and that the countries on the EU's external borders are once again to have primary responsibility for arrival and registration. In this context, it is critical of the fact that the first entry criterion is being maintained. Thus, in the interests of genuine solidarity, calls for the speedy and fair distribution of asylum seekers to other Member States and greater involvement of the new European Agency for Asylum (EUAA), local regional authorities and civil society players, with a view to multilevel cooperation involving the relevant public and private sector stakeholders;

3. reiterates its call for a long-term solution to the challenges of dealing with irregular arrivals and the accommodation of people seeking protection in accordance with international and EU law, while ensuring that the principle of non-refoulement is respected and that all decisions and measures take into account the interests of vulnerable people. To that end, the CoR suggests that the Asylum and Migration Management Regulation and the New Pact on Migration and Asylum consider existing best practices of voluntary territorial distribution at regional level, which apply a key based on population, unemployment and income data ([2])

4. notes that a fixed quota for the distribution of asylum seekers across the Union has not beenfeasible; does, however, welcome in principle the Commission's proposal to introduce a solidarity mechanism in which all Member States must participate, but which allows them to choose freely between different types of contributions; points out that for this mechanism to work, there is a need to strike a balance between the places available for hosting refugees and other forms of contributions. It is thus crucial to ensure that the number of Member States hosting refugees is commensurate with the number of Member States opting for another type of contributions, and with the proportion of applicants with grounds for asylum to those to be returned;

([1]) CoR Bureau Declaration on the situation of migrants in Moria (COR-2020-02499, point 9).

([2]) This is the case of the 'SHARE' proposal — an initiative led by the Basque Government and supported by various regional governments — which seeks to promote solidarity and co-responsibility in the reception of refugees and asylum seekers, applying a territorial distribution key on the basis of the three aforementioned key parameters.

5. however, given the complexity of the proposed procedure, is sceptical about whether the 'return sponsorship' system is feasible in practice. In this connection, suggests establishing a system of economic incentives and sanctions to ensure implementation of the solidarity mechanism;

6. underlines the importance of human rights and the rule of law (e.g. free access to independent advice and legal representation and to the United Nations High Commissioner for Refugees (UNHCR)), principles which also apply at the external borders of Europe. This holds true particularly for the proposed border procedures, which must be in keeping with European values and the rule of law and ensure that there is no discrimination on grounds of nationality; a different model from the one linked to the protection rate used for border procedures should be chosen. The new border procedures must also guarantee these standards in practice;

7. suggests that the co-legislators examine the provisions of Articles 53 and 54 of the proposal for an Asylum Procedure Regulation for their compatibility with CJEU case law on effective legal protection and the need to comply with other European law and rule of law principles when establishing legal protection in the light of Article 47 of the Charter of Fundamental Rights;

8. calls for the proposed screening procedure to be conducted in a way that allows for an effective identification of 'particular vulnerabilities' at an early stage. This includes the identification and appropriate treatment of categories of people mentioned in the Reception Conditions Directive and the proposed Asylum Procedure Regulation;

9. points out that the maximum period of five days provided for this screening will in many cases not be enough to effectively identify special protection needs. Further resources will need to be allocated in border regions to ensure procedures are carried out appropriately, special needs are properly identified and discriminatory practices such as racial profiling are prevented;

10. underlines the need to avoid duplications in the screening procedure and increase its effectiveness;

11. notes that successful crisis management begins at local and regional level in particular, and that coordination with local and regional authorities should therefore be a top priority;

12. suggests that immediate protection be granted, at the discretion of Member States, in crisis situations not only to refugees from armed conflict, but also to other vulnerable groups, in particular children and victims of torture and trauma as well victims of human trafficking, signs of which are not always visibly identifiable;

13. points out the need to comply with the General Data Protection Regulation and the general principles of data processing, and calls on the co-legislators to take due account of the reservations expressed by the European Data Protection Supervisor, in particular those relating to the proposals on the Screening Regulation and the Eurodac Regulation;

14. proposes setting the age threshold for biometric data collection within the framework of Eurodac at the age of 12 years in order to align it with the age requirements of the Visa Code and the Entry/Exit system. Storage of biometric data always entails risks in relation to data protection legislation. It is therefore recommended to ensure that the data of persons who may not yet understand the issue at stake may not be stored for law enforcement purposes;

15. welcomes the Commission's wish to create safe pathways to Europe. This constitutes an additional European contribution to international refugee protection but cannot replace individual asylum procedures;

16. calls on the Commission and the Member States to further expand resettlement programmes, set up more humanitarian reception programmes, such as community sponsorship programmes, and encourage the recruitment of skilled and talented workers from third countries;

17. stresses that many local and regional authorities across the EU are willing to be actively involved in the reception and integration of vulnerable migrants, and points to the potential of the CoR's 'Cities and Regions for Integration' initiative; suggests that the European Commission take note of regions' and cities' best practices in the area of integration so as to promote their implementation elsewhere, encourage the emergence of new initiatives and help instigate a more constructive public debate on asylum and migration law;

18. calls for effective policies for cooperation with third countries to be established and developed. To that end, the EU needs to develop a new strategy to support the sustainable development of these third countries, especially States in Africa, encouraging sustainable economic development and promoting democracy in those countries, with initiatives relating to healthcare, production, education, training, infrastructure building and sustainable and democratic economic progress that will mean that their inhabitants do not have to migrate;

19. expresses its expectation that more attention will be paid to the offers of help volunteered by local and regions authorities regarding the reception of vulnerable people as part of the new migration and asylum pact;

20. welcomes the 2021-2027 Action Plan on Integration and Inclusion as a necessary complement to the new Migration and Asylum Pact and its recognition of the role of local and regional authorities; is looking forward to implementation of the partnership for integration agreed between the European Commission and the European Committee of the Regions;

21. considers that pre-departure and pre-arrival measures are inextricably linked to effective development of legal migration channels, so that the Action Plan can succeed in its ambitions to successfully cover all the different stages in the integration process;

22. stresses the need for easier, clearer access for local and regional authorities, including at macro-regional level, to EU funding for integration and inclusion;

23. underlines the importance of combating disinformation on integration and migration by means of concrete facts and figures in order to counter discrimination, prejudice, racism and xenophobia. To this end, calls on the European Commission to include in its annual strategic foresight report the results of the CoR's EU Annual Regional and Local Barometer, which is an evidence-based tool to illustrate, inter alia, the impact of migration and integration on cities and regions; also urges the Commission to call for humanist communications and information campaigns aimed at the host societies which explain the need to properly address and manage migration movements;

24. strongly supports the Commission's objective of stepping up the fight against migrant smuggling and of dissuading migrants from making life-endangering journeys. Insists to this effect on the need to strengthen the role of the European agencies and to revise the EU Action Plan on migrant smuggling, which also provides clarity on the role of private rescue at sea. It is important to avoid criminalising the discharging of legal obligations (such as the obligation to carry out rescues at sea). From the CoR's point of view, cooperation in maritime rescue should be coordinated at European level and developed in partnership and mutual respect between state and non-state players;

25. calls for a particular focus on the potential victims of trafficking (women, young people, children), and stresses the importance of properly identifying them, this being a stage at which — should the assessment not be carried out properly — the trafficked person could be denied their human rights or in any case a series of protections that should be granted to them as a result of the violations of which they are victims; considers coordination with local and regional authorities to be essential here, together with multi-agency work — which is essential when it comes to the detection, early identification of and initial assistance to victims aimed at fully including and integrating them — in order to avert the risks of the severe exploitation of vulnerable people, who are potential victims of trafficking; maintains that, in order to ensure a satisfactory reception that meets the individual needs of victims of trafficking, the procedure for taking charge of them must be carried out on the basis of individual plans with a view to respecting their identity, expectations and individual abilities and prerogatives; stresses that multi-agency work, at the heart of which is the empowerment of the victims, is essential to achieving their social integration, paving the way to full autonomy;

26. believes that the objectives of the Migration and Asylum Pact, in particular securing solidarity between Member States and a comprehensive approach bringing together migration, asylum, integration and border management measures, can only be achieved by the Member States if they act together under the framework of the Common European Asylum System and when interests and capabilities of all of them are better recognised in the solidarity mechanism. Confirms that the proposals under the Pact comply with the principle of subsidiarity as set out in TEU Article 5 since the objective(s) of the proposed action — a Common European Asylum System reform — cannot be sufficiently achieved by the Member States, but can by reason of the scale and effects of this action be better achieved at EU level and the proposed action provides a clear benefit compared with action at national, regional or local levels. Further points out that the principle of proportionality needs to be respected.

Brussels, 19 March 2021.

The President
of the European Committee of the Regions

Apostolos TZITZIKOSTAS

Opinion of the European Committee of the Regions – Proposal for a Regulation establishing the Brexit Adjustment Reserve

(2021/C 175/07)

Rapporteur-general:	Loïg CHESNAIS-GIRARD (FR/PES) President of the Regional Council of Brittany
Reference document:	COM(2020) 854 final

I. RECOMMENDATIONS FOR AMENDMENTS

Amendment 1

Recital 1

Text proposed by the European Commission	CoR amendment
On 1 February 2020, the United Kingdom of Great Britain and Northern Ireland ('United Kingdom') left the European Union and the European Atomic Energy Community ('Euratom') — hereafter referred together as the 'Union', entering a transition period. That time-limited period was agreed as part of the Withdrawal Agreement ([1]) and ***is to last until*** 31 December 2020. During the transition period, the Union and the United Kingdom started formal negotiations on a future relationship.	On 1 February 2020, the United Kingdom of Great Britain and Northern Ireland ('United Kingdom') left the European Union and the European Atomic Energy Community ('Euratom') — hereafter referred together as the 'Union', entering a transition period. That time-limited period was agreed as part of the Withdrawal Agreement ([1]) and ***ended on*** 31 December 2020. During the transition period, the Union and the United Kingdom started formal negotiations on a future relationship.
([1]) Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community ('Withdrawal Agreement') (OJ L 29, 31.1.2020, p. 7).	([1]) Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community ('Withdrawal Agreement') (OJ L 29, 31.1.2020, p. 7).

Amendment 2

Add a new recital 2a

Text proposed by the European Commission	CoR amendment
	On 24 December 2020, negotiations between the European Union and the United Kingdom led to the conclusion of an agreement between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part ('the Trade and Cooperation Agreement') ([1]), defining their future relationship and provisionally entering into force on 1 January 2021. Implementation of the fisheries component of the Trade and Cooperation Agreement provides for a transition period of five and a half years until 30 June 2026, with a gradual reduction

Text proposed by the European Commission	CoR amendment
	in fishing activity in UK waters. This is expected to bring about profound changes throughout the fisheries value chain and in the structure of the coastal economy in some regions.
	(1) Trade and cooperation agreement between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part (OJ L 444, 31.12.2020, p. 14).

Amendment 3

Recital 3

Text proposed by the European Commission	CoR amendment
The Union is committed to mitigating the economic impact of the withdrawal of the United Kingdom from the Union and to show solidarity with all Member States, ***especially*** the ***most*** affected ***ones*** in such exceptional circumstances.	The Union is committed to mitigating the ***negative*** economic ***and social*** impact of the withdrawal of the United Kingdom from the Union and to show solidarity with all Member States, ***and all*** the affected ***regions and economic sectors*** in such exceptional circumstances.

Amendment 4

Recital 5

Text proposed by the European Commission	CoR amendment
For the purposes of contributing to economic, social and territorial cohesion, it is appropriate that Member States, when designing support measures, focus in particular on the regions, areas and local communities, including those dependent on fishing activities in the United Kingdom waters, that are likely to be most negatively impacted by the withdrawal of the United Kingdom. Member States may have to take specific measures notably to support businesses and economic sectors adversely affected by the withdrawal. It is therefore appropriate to provide a non-exhaustive list of the type of measures that are most likely to achieve this objective.	For the purposes of contributing to economic, social and territorial cohesion, it is appropriate that Member States, when designing support measures, focus in particular on the regions, areas and local communities, including those dependent on fishing activities in the United Kingdom waters, that are likely to be most negatively impacted by the withdrawal of the United Kingdom***, and ensure a balanced distribution across all of the affected regions***. Member States may have to take specific measures notably to support businesses and economic sectors adversely affected by the withdrawal. It is therefore appropriate to provide a non-exhaustive list of the type of measures that are most likely to achieve this objective.

Amendment 5

Recital 5

Text proposed by the European Commission	CoR amendment
	Certain economic sectors are particularly exposed. In some regions that are heavily dependent on British customers, significant reductions in tourist activity are anticipated. Residency rules for citizens are likely to jeopardise conventional movement and trade practices between areas as well as the demographic balances of certain areas. Trade activities depend on the ability of businesses and value chains to integrate the new requirements set out in the agreement. Although the effects are already apparent for some sectors, such as that of ultra-fresh products, much of the impact of Brexit is still obscured by the health situation caused by COVID-19 or the fact that not all the provisions have been applied in practice yet.

Amendment 6

Recital 6

Text proposed by the European Commission	CoR amendment
At the same time, it is important to clearly specify any exclusions from support provided by the Reserve. The Reserve should exclude from support the value added tax as ***it*** constitutes a Member State revenue, which offsets the related cost for the Member State budget. ***In order to concentrate the use of limited resources in the most efficient way, technical assistance used by the bodies responsible for the implementation of the Reserve should not be eligible for support from the Reserve.*** In line with the general approach for cohesion policy, expenditure linked to relocations or contrary to any applicable Union or national law should not be supported.	At the same time, it is important to clearly specify any exclusions from support provided by the Reserve. The Reserve should exclude from support the value added tax***, unless it is non-recoverable under national VAT legislation,*** as ***VAT*** constitutes a Member State revenue, which offsets the related cost for the Member State budget. In line with the general approach for cohesion policy, expenditure linked to relocations or contrary to any applicable Union or national law should not be supported.

Amendment 7

Recital 14

Text proposed by the European Commission	CoR amendment
Pursuant to paragraphs 22 and 23 of the Inter-institutional agreement for Better Law-Making of 13 April 2016, there is a need to evaluate the Reserve on the basis of information collected through specific monitoring requirements, while avoiding overregulation and administrative burdens, in particular on Member States. These requirements, where appropriate, should include measurable indicators, as a basis for the evaluation of the Reserve.	Pursuant to paragraphs 22 and 23 of the Inter-institutional agreement for Better Law-Making of 13 April 2016, there is a need to evaluate the Reserve on the basis of information collected through specific monitoring requirements, while avoiding overregulation and administrative burden, in particular on Member States ***and local and regional authorities***. These requirements, where appropriate, should include measurable indicators, as a basis for the evaluation of the Reserve.

Amendment 8

Recital 15

Text proposed by the European Commission	CoR amendment
To ensure equal treatment of all Member States and consistency in the evaluation of the applications, the Commission should assess the applications in a package. It should look in particular into the eligibility and the accuracy of the expenditure declared, the direct link of the expenditure with measures taken to address the consequences of the withdrawal and the measures put in place by the Member State concerned to avoid double funding. Upon assessment of the applications for a financial contribution from the Reserve, the Commission should clear the pre-financing paid, and recover the unused amount. In order to concentrate the support on Member States most affected by the withdrawal, where the expenditure in the Member State concerned, accepted as eligible by the Commission, exceeds the amount paid as pre-financing and 0,06 % of the nominal Gross National Income (GNI) for 2021 of the Member State concerned, it should be possible to allow for a further allocation from the Reserve to that Member State within the limits of the financial resources available. Given the extent of the expected economic shock, the possibility to use the amounts recovered from the pre-financing for the re-imbursement of additional expenditure by Member States should be provided for.	To ensure equal treatment of all Member States and consistency in the evaluation of the applications, the Commission should assess the applications in a package. It should look in particular into the eligibility and the accuracy of the expenditure declared, the direct link of the expenditure with measures taken to address the consequences of the withdrawal and the measures put in place by the Member State concerned to avoid double funding. ***The breakdown of expenditure by sector and NUTS 2 regions, including the outermost regions, should also be ensured***. Upon assessment of the applications for a financial contribution from the Reserve, the Commission should clear the pre-financing paid, and recover the unused amount. In order to concentrate the support on Member States most affected by the withdrawal, where the expenditure in the Member State concerned, accepted as eligible by the Commission, exceeds the amount paid as pre-financing and 0,06 % of the nominal Gross National Income (GNI) for 2021 of the Member State concerned, it should be possible to allow for a further allocation from the Reserve to that Member State within the limits of the financial resources available. Given the extent of the expected economic shock, the possibility to use the amounts recovered from the pre-financing for the re-imbursement of additional expenditure by Member States should be provided for.

Amendment 9

Recital 16

Text proposed by the European Commission	CoR amendment
In order to ensure the proper functioning of shared management, Member States should establish a management and control system, designate and notify the Commission of the bodies responsible for the management of the Reserve as well as a separate independent audit body. For simplification reasons, Member States ***may*** make use of existing bodies designated and systems set up for the purpose of the management and control of cohesion policy funding or the European Union Solidarity Fund. It is necessary to specify the responsibilities of the Member States and lay down the specific requirements for the bodies designated.	In order to ensure the proper functioning of shared management, Member States should establish a management and control system, designate and notify the Commission of the bodies responsible ***at national or regional level*** for the management of the Reserve as well as a separate independent audit body. For simplification reasons, Member States ***should*** make use of existing bodies designated and systems set up for the purpose of the management and control of cohesion policy funding or the European Union Solidarity Fund. It is necessary to specify the responsibilities of the Member States and lay down the specific requirements for the bodies designated. ***Member States will ensure that the local and regional authorities concerned are involved in the implementation and monitoring of the fund, in particular via the monitoring bodies, if they are not already part of them.***

Amendment 10

Recital 19

Text proposed by the European Commission	CoR amendment
(19) In order to enhance transparency on the use of the Union contribution, the Commission should provide a final report to the European Parliament ***and*** the Council on the implementation of the Reserve.	(19) In order to enhance transparency on the use of the Union contribution, the Commission should provide a final report to the European Parliament, the Council, ***the Committee of the Regions and the European Economic and Social Committee*** on the implementation of the Reserve.

Amendment 11

Article 2

Text proposed by the European Commission	CoR amendment
For the purpose of this Regulation, the following definitions apply:	For the purpose of this Regulation, the following definitions apply:
(1) 'reference period' means the reference period referred to in Article 63(5), point (a), of the Financial Regulation, which shall be from 1 July 2020 to 31 December 2022;	(1) 'reference period' means the reference period referred to in Article 63(5), point (a), of the Financial Regulation, which shall be from 1 July 2020 to 31 December 2022;
(2) 'applicable law' means Union law and the national law relating to its application;	(2) 'applicable law' means Union law and the national law relating to its application;

Text proposed by the European Commission	CoR amendment
(3) 'irregularity' means any breach of Union law, or of national law relating to its application, resulting from an act or omission by any public or private entity involved in the implementation of the Reserve, including Member State authorities, which has, or would have, the effect of prejudicing the budget of the Union by charging an unjustified item of expenditure to the budget of the Union;	(3) 'irregularity' means any breach of Union law, or of national law relating to its application, resulting from an act or omission by any public or private entity involved in the implementation of the Reserve, including Member State authorities, which has, or would have, the effect of prejudicing the budget of the Union by charging an unjustified item of expenditure to the budget of the Union;
(4) 'total error rate' means total errors identified in the sample divided by the audit population;	(4) 'total error rate' means total errors identified in the sample divided by the audit population;
(5) 'residual error rate' means the total error rate less the financial corrections applied by the Member State which intend to reduce the risks identified by the independent audit body in its audits of financed measures, divided by the expenditure to be covered by the financial contribution from the Reserve;	(5) 'residual error rate' means the total error rate less the financial corrections applied by the Member State which intend to reduce the risks identified by the independent audit body in its audits of financed measures, divided by the expenditure to be covered by the financial contribution from the Reserve.
(6) 'Relocation' means a transfer of the same or similar activity or part thereof within the meaning of Article 2(61a) of Commission Regulation (EU) No 651/2014.	

Amendment 12

Article 4

Text proposed by the European Commission	CoR amendment
1. All Member States shall be eligible for support from the Reserve.	1. All Member States shall be eligible for support from the Reserve.
2. The maximum resources for the Reserve shall be EUR ***5***370 994 000 in current prices.	2. The maximum resources for the Reserve shall be EUR ***6***370 994 000 in current prices.
3. The resources referred to in paragraph 2 shall be allocated as follows:	3. The resources referred to in paragraph 2 shall be allocated as follows:
(a) a pre-financing amount of EUR 4 244 832 000 shall be made available in 2021 in accordance with Article 8;	(a) a pre-financing amount of EUR 4 244 832 000 shall be made available in 2021 in accordance with Article 8;
(b) additional amounts of EUR ***1*** 126 162 000 shall be made available in ***2024*** in accordance with Article 11.	(b) additional amounts of EUR ***2*** 126 162 000 shall be made available in ***2026*** in accordance with Article 11.
The amounts referred to in point (a) of the first subparagraph of this paragraph shall be considered pre-financing within the meaning of Article 115(2), point (b)(i), of the Financial Regulation.	The amounts referred to in point (a) of the first subparagraph of this paragraph shall be considered pre-financing within the meaning of Article 115(2), point (b)(i), of the Financial Regulation.

Text proposed by the European Commission	CoR amendment
	4. Resources from the pre-financing of the reserve allocated on the basis of the fisheries criterion (Annex I, point 2) shall be used exclusively to support businesses and local and regional communities dependent on fishing activities in waters that belong to the UK Exclusive Economic Zone (EEZ), as provided for in Article 5(1)(c).
	5. When defining the support measures financed with the resources allocated on the basis of the trade criterion with the United Kingdom (Annex I, paragraph 2), the Member States will take into account the relative importance of net trade for each (NUTS 2) region. In any event, this trade will include tourism services.

Amendment 13

Add a new Article 4a

Text proposed by the European Commission	CoR amendment
	Consultation process
	1. Each Member State shall establish a multi-level dialogue, in accordance with the national legal framework, including at least with local and regional authorities in the areas most heavily affected. This consultation process shall be based on the partnership principle in cohesion policy, and shall relate to the identification and implementation of the measures supported by the Reserve.
	2. ***The arrangements for consulting and involving local and regional authorities shall be indicated by the Member State in [new Annex IV].***

Reason

A consultation process should be an essential part of deciding how this funding is allocated. Local and Regional Authorities should be included in the consultation process, in line with procedures for cohesion policy.

Amendment 14

Article 5(1)

Text proposed by the European Commission	CoR amendment
Eligibility	**Eligibility**
1. The financial contribution from the Reserve shall only support the public expenditure directly linked to measures specifically taken by Member States to contribute to the objectives referred to in Article 3, and may cover, in particular the following:	1. The financial contribution from the Reserve shall only support the public expenditure directly linked to measures specifically taken by Member States to contribute to the objectives referred to in Article 3, and may cover, in particular the following:

Text proposed by the European Commission	CoR amendment
(a) measures to assist businesses and local communities adversely affected by the withdrawal;	(a) measures to assist businesses ***(especially SMEs), regions*** and local communities adversely affected by the *withdrawal* ***including compensation for businesses facing a significant drop in turnover due to their access to the UK market being reduced by the introduction of non-tariff barriers***;
(b) measures to support the most affected economic sectors;	(b) measures to support the most affected economic sectors***, including essential investment for the reorganisation of value chains***;
(c) measures to support businesses and local communities dependent on fishing activities in the United Kingdom waters;	(c) measures to support businesses and local ***and regional*** communities dependent on fishing activities in the United Kingdom waters***, including essential investment for restructuring the sector***;
(d) measures to support employment, including through short-time work schemes, re-skilling and training ***in*** affected sectors;	***(d) measures aimed at mitigating the economic and social impact of Brexit on particularly affected sectors, such as tourism, agricultural exports, research and innovation;***
(e) measures to ensure the functioning of border, customs, sanitary and phytosanitary, security and fisheries controls, as well as the collection of indirect taxation including additional personnel and infrastructure;	(e) measures to support employment, including through short-time work schemes, re-skilling and training ***for the*** affected sectors;
(f) measures to facilitate regimes for certification and authorisation of products, to assist in meeting establishment requirements, to facilitate labelling and marking, for example for safety, health and environmental standards, as well as to assist in mutual recognition;	(f) ***measures to facilitate the reintegration into the EU labour market of EU nationals who had to leave the United Kingdom as a result of restrictions on the free movement of workers;***
(g) measures for communication, information and awareness-raising of citizens and businesses about changes stemming from the withdrawal to their rights and obligations.	(g) measures to ensure the functioning of border, customs, sanitary and phytosanitary, security and fisheries controls, as well as the collection of indirect taxation including additional ***skilled*** personnel and ***physical and intangible*** infrastructure;

Text proposed by the European Commission	CoR amendment
	(h) measures to facilitate regimes for certification and authorisation of products, to assist in meeting establishment requirements, to facilitate labelling and marking, for example for safety, health and environmental standards, as well as to assist in mutual recognition; (i) measures for communication, information and awareness-raising of citizens and businesses***, with a particular focus on SMEs,*** about changes stemming from the withdrawal to their rights and obligations; ***(j) measures to mitigate disruptions caused by the withdrawal of the United Kingdom from cooperation and exchange programmes;*** ***(k) measures to ensure dialogue and consultation between the regions and sectors most heavily affected, in order to limit the unexpected effects of disruptions between European and British partners and to create an environment conducive to the smooth and operational implementation of the Trade and Cooperation Agreement;*** ***(l) measures for impact assessment and evaluation of measures implemented under the Reserve.***

Amendment 15

Article 5(2)

Text proposed by the European Commission	CoR amendment
2. Expenditure shall be eligible if it is incurred and paid during the reference period for measures carried out in the Member State concerned ***or for the benefit*** of the Member State concerned.	2. Expenditure shall be eligible if it is incurred and paid during the reference period for measures carried out in ***the affected regions and sectors of*** the Member State concerned.

Amendment 16

Article 5 (3)

Text proposed by the European Commission	CoR amendment
When designing support measures, Member States shall take into account the varied impact of the withdrawal of the United Kingdom from the Union on different regions and local communities and focus support from the Reserve on those most affected, as appropriate	When designing support measures, Member States shall take into account the varied impact of the withdrawal of the United Kingdom from the Union on different regions and local communities and focus support from the Reserve on those most affected, as appropriate***, ensuring a balanced distribution of resources based on the economic impact on each region***.

Reason

The amendment aims to ensure that the allocation of the Reserve's resources takes into account the economic impact of Brexit on each affected region and leads to a balanced distribution of the funds based on actual economic damage.

Amendment 17

Article 5(4)

Text proposed by the European Commission	CoR amendment
The measures referred to in paragraph 1 shall comply with applicable law.	The measures referred to in paragraph 1 shall comply with the applicable law***, subject to the exceptions referred to in Article [new Article 6]***.

Amendment 18

Article 5(5)

Text proposed by the European Commission	CoR amendment
Measures eligible under paragraph 1 may receive support from other Union programmes and instruments provided that such support does not cover the same cost.	Measures eligible under paragraph 1 may receive support from other Union programmes and instruments provided that such support does not cover the same cost. ***The relevant local and regional authorities that act as managing authorities or intermediate bodies for European funds shall be fully involved and consulted in the context of efforts to avoid overlapping funding. The decision to mobilise the Structural Funds rather than the Reserve must be subject to consultation with the relevant stakeholders, in view of the impact it may have on the implementation of other European and funding programmes.***

Amendment 19

Add a new Article 5a

Text proposed by the European Commission	CoR amendment
	State aid ***1. For the fisheries sector, and the sector for primary production of agricultural products, Articles 107, 108 and 109 of the Treaty on the Functioning of the European Union shall not apply to payments made by Member States under the present Regulation falling within the scope of Article 42 of the Treaty on the Functioning of the European Union for aid granted solely under Article 5 during the reference period.*** ***2. National provisions establishing public funding that goes beyond the provisions of the present Regulation relating to the payments referred to in paragraph 1 shall be treated in their entirety on the basis of Articles 107, 108 and 109 of the Treaty on the Functioning of the European Union.***

Amendment 20

Article 6

Text proposed by the European Commission	CoR amendment
Exclusion from support	**Exclusion from support**
The Reserve shall not support:	*The Reserve shall not support:*
(a) value added tax;	(a) value added tax***, except where it is non-recoverable under national VAT legislation***;
(b) technical assistance for the management, monitoring, information and communication, complaint resolution, and control and auditing of the Reserve;	***(b)*** expenditure supporting relocation as defined in Article 2(6);
(c) expenditure supporting relocation as defined in Article 2(6);	***(c)*** expenditure supporting relocation in accordance with ***Article 2(61)(a) and*** Article 14(16) of Commission Regulation (EU) No 651/2014, where a contribution from the Reserve constitutes State aid;
(d) expenditure supporting relocation in accordance with Article 14(16) of Commission Regulation (EU) No 651/2014, where a contribution from the Reserve constitutes State aid.	***(d) beneficiaries whose registered office is in a third country***.

Amendment 21

Article 7(5)

Text proposed by the European Commission	CoR amendment
By derogation from Article 12 of the Financial Regulation, unused commitment and payment appropriations under this Regulation shall be automatically carried over and may be used until 31 December ***2025***. The appropriations carried over shall be consumed first in the following financial year.	By derogation from Article 12 of the Financial Regulation, unused commitment and payment appropriations under this Regulation shall be automatically carried over and may be used until 31 December ***2026***. The appropriations carried over shall be consumed first in the following financial year.

Amendment 22

Article 8(3)

Text proposed by the European Commission	CoR amendment
The Commission shall pay the pre-financing within ***60*** days of the date of the adoption of the implementing act referred to in paragraph 2. It shall be cleared in accordance with Article 11.	The Commission shall pay the pre-financing within ***45*** days of the date of the adoption of the implementing act referred to in paragraph 2. It shall be cleared in accordance with Article 11.

Amendment 23

Article 10(1)

Text proposed by the European Commission	CoR amendment
The application shall be based on the template set out in Annex II. The application shall include information on the total public expenditure incurred and paid by Member States and the values of output indicators for the measures supported. It shall be accompanied by the documents referred to in paragraphs 5, 6 and 7 of Article 63 of the Financial Regulation and by an implementation report.	The application shall be based on the template set out in Annex II. The application shall include information on the total public expenditure incurred and paid by Member States***, including a breakdown of expenditure by NUTS 2 region,*** and the values of output indicators for the measures supported. It shall be accompanied by the documents referred to in paragraphs 5, 6 and 7 of Article 63 of the Financial Regulation and by an implementation report.

Amendment 24

Article 10(2)

Text proposed by the European Commission	CoR amendment
2. The implementation report for the Reserve shall include:	2. The implementation report for the Reserve shall include:
(a) a description of the impact of the withdrawal of the United Kingdom from the Union in economic and social terms including an identification of the regions, areas and sectors most affected;	(a) a description of the impact of the withdrawal of the United Kingdom from the Union in economic and social terms including an identification of the regions, areas and sectors most affected; ***the financial assessment shall be expressed in constant euros;***
	(aa) in accordance with [new Article 5], a description of the consultations held with the regions and sectors most heavily affected, both when the measures were drawn up and when they were implemented;
(b) a description of the measures taken to counter the adverse consequences of the withdrawal of the United Kingdom from the Union, of the extent to which those measures alleviated the regional and sectoral impact referred to in point (a), and how they were implemented;	(b) a description of the measures taken to counter the adverse consequences of the withdrawal of the United Kingdom from the Union, of the extent to which those measures alleviated the regional and sectoral impact referred to in point (a), and how they were implemented;
(c) a justification of the eligibility of the expenditure incurred and paid and its direct link to the withdrawal of the United Kingdom from the Union;	(c) a justification of the eligibility of the expenditure incurred and paid and its direct link to the withdrawal of the United Kingdom from the Union;

Text proposed by the European Commission	CoR amendment
(d) a description of the measures taken to avoid double funding and to ensure complementarity with other Union instruments and national funding;	(d) a description of the measures taken to avoid double funding and to ensure complementarity with other Union instruments and national funding;
(e) a description of the contribution of the measures to climate change mitigation and adaptation.	(e) a description of the contribution of the measures to climate change mitigation and adaptation.

Amendment 25

Article 13(1)

Text proposed by the European Commission	CoR amendment
Management and control	**Management and control**
1. When executing tasks relating to the implementation of the Reserve, Member States shall take all the necessary measures, including legislative, regulatory and administrative measures, to protect the financial interests of the Union, namely by:	1. When executing tasks relating to the implementation of the Reserve, Member States shall take all the necessary measures, including legislative, regulatory and administrative measures, to protect the financial interests of the Union, namely by:
(a) designating ***a body*** responsible for the management of the financial contribution from the Reserve and an independent audit body in accordance with Article 63(3) of the Financial Regulation, and supervising such bodies;	(a) designating***, at the appropriate level of governance, one or more bodies*** responsible for the management of the financial contribution from the Reserve and an independent audit body in accordance with Article 63(3) of the Financial Regulation, and supervising such bodies;
(b) setting up management and control systems for the Reserve in accordance with the principles of sound financial management and ensuring that those systems function effectively;	(b) setting up management and control systems for the Reserve in accordance with the principles of sound financial management and ensuring that those systems function effectively;
(c) drawing up a description of the management and control system in accordance with the template set out in Annex III, keeping the description up to date and making it available to the Commission on request;	(c) drawing up a description of the management and control system in accordance with the template set out in Annex III, keeping the description up to date and making it available to the Commission on request;
(d) notifying the Commission of the identity of the bodies designated and of the body to which the pre-financing shall be paid, and confirming that the systems' descriptions have been drawn up, within three months of the entry into force of this Regulation;	(d) notifying the Commission of the identity of the bodies designated and of the body to which the pre-financing shall be paid, and confirming that the systems' descriptions have been drawn up, within three months of the entry into force of this Regulation;
(e) ensuring that expenditure supported under other Union programmes and instruments is not included for support from the Reserve;	(e) ensuring that expenditure supported under other Union programmes and instruments is not included for support from the Reserve;

Text proposed by the European Commission	CoR amendment
(f) preventing, detecting and correcting irregularities and fraud, and avoiding conflict of interest ***including through the use of a single data mining tool provided by the Commission***; […]	(f) preventing, detecting and correcting irregularities and fraud, and avoiding conflict of interest; […]

Amendment 26

Article 13(3)

Text proposed by the European Commission	CoR amendment
The body responsible for managing the financial contribution from the Reserve shall:	The body ***or bodies*** responsible for managing the financial contribution from the Reserve shall:
(a) ensure the functioning of an effective and efficient internal control system;	(a) ensure the functioning of an effective and efficient internal control system;
(b) establish criteria and procedures for the selection of measures to be financed and determine the conditions for a financial contribution from the Reserve;	(b) establish criteria and procedures for the selection of measures to be financed and determine the conditions for a financial contribution from the Reserve;
(c) verify that the measures financed from the Reserve are implemented in accordance with applicable law and the conditions for a financial contribution from the Reserve, and that the expenditure is based on verifiable supporting documents;	(c) verify that the measures financed from the Reserve are implemented in accordance with applicable law and the conditions for a financial contribution from the Reserve, and that the expenditure is based on verifiable supporting documents;
(d) establish effective measures to avoid double funding of the same costs by the Reserve and other sources of Union funding;	(d) establish effective measures to avoid double funding of the same costs by the Reserve and other sources of Union funding;
(e) ensure ex post publication in accordance with paragraphs 2 to 6 of Article 38 of the Financial Regulation;	(e) ensure ex post publication in accordance with paragraphs 2 to 6 of Article 38 of the Financial Regulation;
(f) use an accounting system to record and store in an electronic form data on the expenditure incurred to be covered by the financial contribution from the Reserve that provides accurate, complete and reliable information in a timely manner;	(f) use an accounting system to record and store in an electronic form data on the expenditure incurred to be covered by the financial contribution from the Reserve that provides accurate, complete and reliable information in a timely manner;
(g) keep available all supporting documents regarding expenditure to be covered by the financial contribution from the Reserve for a period of five years following the deadline for submission of the application for a financial contribution, and transpose this obligation in agreements with other entities involved in the implementation of the Reserve;	(g) keep available all supporting documents regarding expenditure to be covered by the financial contribution from the Reserve for a period of five years following the deadline for submission of the application for a financial contribution, and transpose this obligation in agreements with other entities involved in the implementation of the Reserve;

Text proposed by the European Commission	CoR amendment
(h) for the purposes of point (f) of paragraph 1, collect information in an electronic standardised format to allow for the identification of recipients of a financial contribution from the Reserve and their beneficial owners in accordance with Annex III.	(h) for the purposes of point (f) of paragraph 1, collect information in an electronic standardised format to allow for the identification of recipients of a financial contribution from the Reserve and their beneficial owners in accordance with Annex III.

Amendment 27

Article 16(2)

Text proposed by the European Commission	CoR amendment
2. By 30 June 2027, the Commission shall submit to the European Parliament ***and to*** the Council a report on the implementation of the Reserve.	2. By 30 June 2027, the Commission shall submit to the European Parliament, the Council, ***the European Committee of the Regions and the European Economic and Social Committee*** a report on the implementation of the Reserve.

Amendment 28

Annex I(3)

Text proposed by the European Commission	CoR amendment
3. The factor linked to fisheries is determined on the basis of the following criterion and by applying the following steps:	3. The factor linked to fisheries is determined on the basis of the following criterion and by applying the following steps:
a) share of each Member State of the total value of the fish caught in the UK EEZ;	a) share of each Member State of the total value of the fish caught in the UK EEZ ***between 2015 and 2018***;
b) these shares are increased for Member States with fisheries that have an above average dependency on the fish caughts in the UK EEZ and decreased for the ones that have a below average dependency as following:	***b) the shares thus determined*** are rescaled to ensure that the sum of all Member States' shares equals 100 %.
i) for each Member State, the value of fish caught in UK EEZ as a percentage of the total value of fish caught by that Member State is expressed as an index of the EU average (index of dependency);	
ii) the initial share of the value of fish caught in the UK EEZ is adjusted by multiplying it with the Member State's index of dependency;	
iii) these adjusted shares are rescaled to ensure that the sum of all Member States' shares equals 100 %.	

Text proposed by the European Commission	CoR amendment
4. The factor linked to trade is obtained by applying the following steps:	4. The factor linked to trade is obtained by applying the following steps:
a) each Member State's trade with the UK is expressed as share of the EU trade with the UK (trade is the sum of the imports and the exports of goods and services);	a) each Member State's trade with the UK is expressed as share of the EU trade with the UK (trade is the sum of the imports and the exports of goods and services***, including the tourism sector, except financial services)***

Amendment 29

Add a new Annex IIIa

Text proposed by the European Commission	CoR amendment
	Annex IIIa
	Template for geographical and sectoral breakdown
	1. Identification of the economic sectors most heavily affected:
	2. Identification of the NUTS 2 regions most heavily affected:
	For each region (including regions identified in Article 349 TFEU):
	— NUTS 2 classification
	— Name of region
	— Population of region (date)
	— GDP of region
	— Volume of trade with the United Kingdom in 2019
	3. Description of the partnership approach put in place:
	4. Development of strategies:
	(please indicate the strategy documents developed)
	— Overall strategy:
	— Regional strategies:
	— Sectoral strategies:
	5. Description of the monitoring and evaluation tools put in place:
	6. Breakdown of expenditure
	Amount paid
	Fisheries sector
	Sectors affected by trade

Text proposed by the European Commission	CoR amendment
	7. Geographical breakdown of expenditure
	i. NUT 2 regions most heavily affected: NUTS 2 classification Amount €/inhabitant
	ii. Amount without geographic targeting:
	8. Contribution to climate objectives
	Percentage of expenditure:
	9. Contribution to the digital transition objectives
	Percentage of expenditure:

II. **POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS

1. welcomes the establishment of a Brexit Adjustment Reserve (BAR), which aims to cushion the territorial impact of the United Kingdom's withdrawal from the European Union. The BAR is a tangible expression of intra-European solidarity and is intended to contribute to economic, social and territorial cohesion, as illustrated by the legal basis (Article 175 TFEU) of the Commission's proposal;

2. considers the conclusion of a trade and cooperation agreement between the EU and the UK to be a positive outcome of the negotiations. However, the new framework for relations with the United Kingdom will have serious subnational consequences. Because the TCA does not fully meet the FTA scenario, many European regions are still highly exposed to the economic and social consequences of Brexit. This impact is particularly significant for regions that are geographically close to the United Kingdom or have particularly close relationships with British partners. Local and regional authorities, economic operators such as tourism, along with the education and research sectors, and also civil society and the general public, are facing the consequences of new borders and new administrative procedures being put in place, new complications in value chains, and the end of cooperation programmes;

3. draws attention to the geopolitical consequences of the Trade and Cooperation Agreement, which are very real for a number of local and regional authorities that are now on the new external borders of the European Union. It is therefore very welcome that measures to improve the fluidity of controls, trade in goods and movement of persons are eligible for support. The CoR stresses that, in these new border regions, local and regional control-related investment will help to protect all European citizens within the new borders of the European Union. The CoR calls on both Parliament and the Council to set a fair minimum coverage floor for these regions;

4. calls for the additional amounts made available in the second stage in accordance with Article 11 to be increased by EUR 1 billion in order to better respond to medium-term needs, in line with its call for the eligibility period for the BAR to be extended;

5. highlights the exposure of the fisheries and seafood sector, for which there will be a transition period of five and a half years. In addition to the new constraints common to all European sectors, the fisheries sector is facing a direct threat to an entire segment of its activities. This situation requires an impact assessment that reflects regional realities as closely as possible, without national indexation. It is crucial to achieve a fairer financial distribution between the European regions affected, irrespective of the size of the Member State;

6. would like local and regional authorities to be placed at the heart of the establishment of this new financial instrument. The CoR recommends introducing criteria that take account of the regional intensity of the impact, and ensure a fair distribution of the resources based on the size of the economic impact on each region; As demonstrated by the CoR's studies on the consequences of Brexit, looking at impact only on a national level does not reflect its very localised intensity. Local authorities must be involved in impact assessments and the design of measures. This is all the more important given that, depending on their competences, local and regional authorities will need to pre-finance certain measures themselves, develop local strategies to mitigate the impact of Brexit and mobilise some of the European funds they manage. This involvement on the part of local and regional authorities will help to target needs and implement the BAR effectively;

7. equally highlights the exposure of regions due to loss of trading opportunities with the UK and the fact that the TCA does not fully meet the FTA scenario. This impacts a wide range of sectors and has a cross value-chain effect, for example in tourism, hospitality and agri-food, translating to job losses on the ground. The CoR appreciates that the impact is likely to have long-lasting socio-economic effects on communities across regions, and hence must be addressed immediately. Further highlights that the BAR is the only EU finance instrument dealing with Member States, regions and sectors suffering the adverse consequences of Brexit;

8. calls for the eligibility period to be extended to June 2026, considering that European solidarity should not be limited to 2021 and 2022 and noting that there is no provision for resources to mitigate the impact of Brexit from 2023 on.

— The CoR highlights a major inconsistency between the length of the transitional period for the fisheries sector and the eligibility period of the BAR. Only an extension of the eligibility period for expenditure until June 2026 will allow the sector to be properly supported. While it is essential to have synergies with the EMFAF, the EMFAF will continue to be the structural instrument for implementing the common fisheries policy and cannot cater for the asymmetric territorial consequences of Brexit.

— For the deployment of permanent control infrastructure, the CoR notes that the health situation related to COVID-19 makes it impossible to measure real flows and make investments immediately.

— Some measures or investments may entail minimum preparation or implementation periods that do not allow for commitments or payments before 31 December 2022. The CoR is referring here to both public procurement procedures and procedures to ensure that measures or investments comply with the EU or national rules in force (environmental impact assessments, planning permits, public inquiries, state aid notification procedures, etc.).

— The CoR stresses that the effects of Brexit vary across European regions and therefore warmly welcomes the flexibility given to the Member States to design measures that best meet their needs. It is important that measures can be developed both for industry, tourism, transport, research and innovation, and for the agricultural or agri-food sectors, according to local and regional needs. The CoR believes that the potential diversity of the reserve's areas of intervention must be made clear in the regulation to facilitate proper understanding and implementation of the fund.

9. believes that the reserve will have a key role to play in supporting the implementation of the new legal framework for relations between the EU and the United Kingdom, whose consequences cannot be fully identified, in particular due to the combined effect of Brexit and COVID-19. This also applies to specific issues that are yet to be negotiated, such as for financial services or the UK's participation in the Horizon Europe programme. Both positive and negative developments will have to be taken into account

10. wonders about the added value in terms of good governance of the public consultation on the Brexit Adjustment Reserve launched by the European Commission on 24 February 2021 for a period of eight weeks ([1]), while the legislative proposal was presented two months earlier and interinstitutional negotiations to reach an agreement in the first half of 2021 are already at a very advanced stage;

11. takes the view that Brexit is a unique situation and that only limited parallels can be drawn with existing schemes such as the EU Solidarity Fund. The CoR finds it regrettable that the Commission's proposal does not reflect the partnership principle applicable to cohesion policy, as it does not provide any guarantees concerning the role of local and regional authorities in governance. The way in which the measures are designed and managed should better reflect the stated approach of targeting territorial impact;

12. considers that Member States should be given flexibility to define management systems: number of bodies and levels of management (national, regional or interregional). In return, Member States will need to justify their choice in terms of subsidiarity and, in particular, of capacity to respond to needs concentrated in certain regions and/or economic sectors that are more exposed; In any case, the regional level's participation in the management process must be ensured;

([1]) https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12917-Proposal-for-a-Regulation-Regional-and-urban-Policy

13. considers Brexit to be of great importance to areas as diverse as fisheries and marine produce, citizens' mobility, training, cooperation projects on research, development and innovation, knowledge transfer, tackling climate change, preserving eco-systems and public-private partnerships, among others. Due to the different degrees of decentralisation found in Member States, cooperation between different administrative levels can be considered as necessary or as a positive factor in helping different areas to overcome the negative externalities of Brexit. The Committee calls for the partnership principle to be made a reality and for the Brexit Adjustment Reserve to be managed in accordance with the general criteria for shared management programmes between the Commission, the Member States and the regional and local authorities;

14. proposes that the Member States encourage the introduction of regional strategies in order to anticipate the timetable for implementing measures and changes in the medium term. This should be done in a way that is consistent with all relevant local and regional policies. At the time when the pre-financing is disbursed, the Member States should inform the European Commission of how they will ensure participation and consultation with local and regional authorities under a 'partnership obligation';

15. proposes that all provisions providing for the involvement of local and regional authorities should be made secure by means of a mechanism for informing the European Commission. Specifically, the CoR recommends that, at the point when expenditure rises, the Member States should send the European Commission a new annex showing the breakdown of expenditure by sector and NUTS 2 region, including their contribution to climate and digital transition objectives. This quantitative and qualitative information will also contribute to the evaluation of the BAR and make it possible, prior to payment of the additional contributions made available in the second stage in accordance with Article 11, to assess how the BAR has been mobilised in each Member State and to ensure that the recommended partnership has indeed been implemented;

16. wishes to ensure that local and regional authorities responsible for managing authorities or intermediate bodies for European funds take part in efforts to avoid overlapping funding. Conversely, the decision to mobilise the Structural Funds rather than the BAR must be subject to consultation with the relevant stakeholders, in view of its potential impact on the implementation of other European policies;

17. calls for a proportion of funds to be made available for transfer to the Member States and regions, after the approval of the distribution and pre-financing criteria, so that, where appropriate, they are able to finance the relevant support measures without creating the need for prior use of their own funds;

18. calls for provision to be made for flexibility with regard to state aid, to ensure rapid implementation of the measures and to provide the capacity to intervene in favour of the economic operators most heavily affected. The temporary arrangements made for COVID need to be extended to the direct impact of Brexit throughout the eligibility period for expenditure under the BAR. In the fisheries and agriculture sectors, the provisions applicable to the EMFAF and EAFRD must apply to the BAR;

19. highlights the fact that SMEs trading with the UK are disproportionately affected by the costs of new administrative procedures associated with exporting to the UK in relation to their turnover. Therefore, the relative costs to businesses should be taken into consideration for the distribution of BAR resource;

20. calls for non-recoverable VAT to be eligible, as provided for in the EU Solidarity Fund. Without this eligibility, many of the measures funded by local and regional authorities will not be able to benefit 100 % from European solidarity;

21. calls for the disbursement of additional funds in 2023 to be partly linked to a European evaluation of the actual impact of Brexit over the period 2021-2022, in order to refine the targeting of the regions and sectors most heavily affected, but also to identify those that have been more resilient or have benefited from the changes;

22. reiterates its commitment to continuing cooperation between British and European stakeholders, and calls for the BAR to support the European partners in the dialogue to be maintained, both in order to avoid disputes arising from the implementation of the Trade and Cooperation Agreement and to build future cooperation.

Brussels, 19 March 2021.

The President
of the European Committee of the Regions

Apostolos TZITZIKOSTAS

Opinion of the European Committee of the Regions – Adequate minimum wages in the European Union

(2021/C 175/08)

Rapporteur: Peter KAISER (AT/PES), Governor of Carinthia

Reference document: Proposal for a Directive of the European Parliament and of the Council on adequate minimum wages in the European Union

COM(2020) 682 final

I. RECOMMENDATIONS FOR AMENDMENTS

Amendment 1

Recital 21

Text proposed by the European Commission	CoR amendment
Minimum wages are considered adequate if they are fair in relation to the wage distribution in the country and if they provide a decent standard of living. The adequacy of statutory minimum wages is determined in view of the national socio-economic conditions, including employment growth, competitiveness as well as regional and sectoral developments. Their adequacy should be assessed at least in relation to their purchasing power, to the productivity developments and to their relation to the gross wage levels, distribution and growth. The ***use of*** indicators ***commonly used at international level, such as*** 60 % of the gross median wage and 50 % of the gross average wage***, can*** help guide the assessment of minimum wage adequacy in relation to the gross level of wages.	Minimum wages are considered adequate if they are fair in relation to the wage distribution in the country and if they provide a decent standard of living. The adequacy of statutory minimum wages is determined in view of the national socio-economic conditions, including employment growth, competitiveness as well as regional and sectoral developments. Their adequacy should be assessed at least in relation to their purchasing power, to the productivity developments and to their relation to the gross wage levels, distribution and growth. The ***internationally recognised*** indicators ***of*** 60 % of the gross median wage and 50 % of the gross average wage help guide the assessment of minimum wage adequacy in relation to the gross level of wages.

Reason

In the consultation process, these indicators have emerged as guidelines capable of commanding consensus.

Amendment 2

Article 3(3)

Text proposed by the European Commission	CoR amendment
'collective bargaining' means all negotiations which take place between an employer, a group of employers or one or more employers' organisations, on the one hand, and one or more ***workers' organisations***, on the other, for determining working conditions and terms of employment; and/or regulating relations between employers and workers; and/or regulating relations between employers or their organisations and ***a worker organisation or worker organisations***;	'collective bargaining' means all negotiations which take place between an employer, a group of employers or one or more employers' organisations, on the one hand, and one or more ***trade unions***, on the other, for determining working conditions and terms of employment; and/or regulating relations between employers and workers; and/or regulating relations between employers or their organisations and ***trade unions***;

Reason

According to the EU social legislation and EU obligations under international law, trade unions are the social dialogue partners of collective bargaining. Work councils for instance do not carry a sufficient institutional legitimacy.

Amendment 3

Article 4(2)

Text proposed by the European Commission	CoR amendment
Member States where collective bargaining coverage is less than 70 % of the workers defined within the meaning of Article 2 shall in addition provide for a framework of enabling conditions for collective bargaining, either by law after consultation of the social partners or by agreement with them, and shall establish an action plan to promote collective bargaining. The action plan shall be made public and shall be notified to the European Commission.	Member States where collective bargaining coverage is less than 70 % of the workers defined within the meaning of Article 2 shall in addition provide for a framework of enabling conditions for collective bargaining, either by law after consultation of the social partners or by agreement with them, and shall establish an action plan to promote collective bargaining ***and to build and strengthen the capacities of the social partners***. The action plan shall be made public and shall be notified to the European Commission.

Reason

To ensure consistency with Article 4(1).

Amendment 4

Article 5(1)

Text proposed by the European Commission	CoR amendment
Member States with statutory minimum wages shall take the necessary measures to ensure that the setting and updating of statutory minimum wages are guided by criteria set to promote adequacy with the aim to achieve decent working and living conditions, social cohesion and upward convergence. Member States ***shall define*** those criteria in accordance with ***their national*** practices, either in relevant ***national*** legislation, in decisions of the competent bodies or in tripartite agreements. The criteria shall be defined in a ***stable and*** clear way.	Member States with statutory minimum wages shall take the necessary measures to ensure that the setting and updating of statutory minimum wages are guided by criteria set to promote adequacy with the aim to achieve decent working and living conditions, social ***and territorial*** cohesion and upward convergence. ***At the level of the*** Member States, those criteria ***shall be defined*** in accordance with practices ***in the Member States***, either in relevant legislation, in decisions of the competent bodies or in tripartite agreements. The criteria shall be defined in a clear way ***and with a timeline***.

Reason

To highlight the territorial dimension.

Amendment 5

Article 5(2)

Text proposed by the European Commission	CoR amendment
The national criteria referred to in paragraph 1 ***shall*** include at least the following elements:	The national criteria referred to in paragraph 1 ***should*** include at least the following elements:
(a) the purchasing power of statutory minimum wages, taking into account the cost of living ***and the contribution of taxes and social benefits***;	(a) the purchasing power of statutory minimum wages, taking into account the cost of living ***with reference to the harmonised indices of consumer prices (HICP) pursuant to Regulation (EU) 2016/792***;
(b) the general level of gross wages and their distribution;	(b) the general level of gross wages and their distribution ***by sector and NUTS-2 region***;
(c) the growth rate of gross wages;	(c) the growth rate of gross wages.
(d) labour productivity developments.	

Reason

Taxes and social benefits and labour productivity are typically business-specific parameters, not suited to assessing whether minimum wages are adequate.

Amendment 6

Article 5(3)

Text proposed by the European Commission	CoR amendment
Member States ***shall use indicative reference values*** to ***guide their assessment of adequacy*** of statutory minimum wages in ***relation to*** the ***general level*** of gross ***wages, such as those commonly used at international level***.	Member States ***remain competent*** to ***set the rate*** of statutory minimum wages***. Member States shall ensure*** in ***any case that statutory minimum wages are adequate and that a convergence process is launched, and assessed on an annual basis, with a view to achieving a lower threshold of at least 60 % of*** the ***full-time gross national median wage and 50 %*** of ***the full-time national*** gross ***average wage as quickly as possible***.

Reason

Consistency with amendment 1 to recital 21.

Amendment 7

Article 6(1)

Text proposed by the European Commission	CoR amendment
Member States ***may allow different rates*** of statutory minimum wage ***for specific groups of workers. Member States shall keep these variations to a minimum, and ensure that any variation is non-discriminatory, proportionate, limited in time if relevant, and objectively and reasonably justified by a legitimate aim***.	Member States ***shall ensure that no categories*** of ***workers are excluded from their*** statutory minimum wage ***protection***.

Reason

There should be no incentives for subminimum rates of statutory minimum wage for specific groups of workers.

Amendment 8

Article 6(2)

Text proposed by the European Commission	CoR amendment
Member States may allow deductions by law that reduce the remuneration paid to workers to a level below that of the statutory minimum wage. Member States shall ensure that these deductions from statutory minimum wages are necessary, objectively justified and proportionate.	Member States may allow deductions by law — ***through the granting of social benefits and benefits in kind*** – that reduce the remuneration paid to workers to a level below that of the statutory minimum wage. Member States shall ensure that these deductions from statutory minimum wages are necessary, objectively justified and proportionate. ***Member States shall ensure that tips, overtime and other extra-payments be excluded from the calculation of the statutory minimum wages and are paid on top of them.***

Reason

Self-explanatory

Amendment 9

Article 9

Text proposed by the European Commission	CoR amendment
Public procurement In accordance with Directive 2014/24/EU, Directive 2014/25/EU and Directive 2014/23/EU, Member States shall take appropriate measures to ensure that in the performance of public procurement or concession contracts economic operators comply with ***the wages*** set out by collective agreements for the relevant sector and geographical area and with the statutory minimum wages where they exist.	**Public procurement** In accordance with Directive 2014/24/EU, Directive 2014/25/EU and Directive 2014/23/EU, Member States shall take appropriate measures to ensure that in the performance of public procurement or concession contracts economic operators comply with ***remuneration and other working conditions*** set out by collective agreements for the relevant sector and geographical area and with the statutory minimum wages where they exist***, and the right to collective bargaining. Member States shall also ensure that economic operators, as a condition for the award of public procurement contracts, are required to comply with wages and other working conditions, established by laws and/or collective agreements and to respect the right to collective bargaining and to recognise and negotiate with trade unions***.

Reason

Self-explanatory

II. **POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS

1. welcomes the fact that the Commission has brought about a fundamental shift regarding the minimum wage, with adequate minimum wages seen as a fundamental right and prerequisite for a social, fair and sustainable market economy underpinning the European single market. The economic, social and societal costs of wage dumping and the wage gap within the European Union far exceed any short-term business profits;

2. welcomes the fact that the Commission proposal allows for a European framework for stronger collective bargaining coverage and for fair and adequate minimum wages, which will in particular help to combat in-work poverty. The CoR stresses the ambition of the Commission proposal to establish a framework for more adequate minimum wages and better access for workers to guaranteed minimum wages; a framework that respects the particular features of national systems and the autonomy and contractual freedom of the social partners. As previously requested by the CoR, the Commission proposal is not a one-size-fits-all solution and is based on the premise supported by the CoR that: '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' ([1]);

3. notes that, by the deadline of 21.1.2021, three of the 20 national parliaments that had examined the Commission's proposal had submitted reasoned opinions under the subsidiarity monitoring mechanism;

4. believes the Commission proposal serves to meet the European objectives of strengthening social and territorial cohesion and avoiding distortions to competition (Article 3 TEU), and ensures continuity with the European Pillar of Social Rights (Principle 6) ([2]), the Charter of Fundamental Rights (Article 31), the European Social Charter (Article 4) and ILO Convention 131. This is of particular importance for those territories where discrepancies in minimum wages across the EU lead to unbalanced migration flows within the EU, which can be destabilising for the local community, as well as having a negative effect on the demographic picture in the region of origin;

5. stresses the urgent need for 'upward convergence' of minimum wages, not least given that low wages remain a feature of employment in the European Union. It is estimated that about one in six workers are on low wages. In recent years, low wages have not kept pace with other wages in many Member States, leading to an increase in wage inequality. The share of workers at risk of poverty increased from 8,3 % in 2010 to 9,3 % in 2018. Moreover, the COVID-19 outbreak has had a negative impact on workers' wages, particularly those on the lowest incomes such as cleaning, retail, health and long-term care and residential care. Sectors that are partially or entirely under the competence of local and regional authorities. According to a Eurofound online survey carried out in 2020, almost 40 % of respondents in the EU declared their financial situation was worse than before the pandemic, and nearly half indicated their households could not make ends meet (47 % in April 2020). In addition, while making up 48 % of employees in general in the European Union, women constitute 59 % of minimum wage earners. This contributes to the gender pay and pension gaps and in-work poverty of women ([3]). Upward convergence would, thus, help reduce in-work poverty as well as the gender pay and pension gaps;

6. takes the view that, in keeping with the subsidiarity principle and based on the case-law of the Court of Justice of the European Union (C-268/06 Impact, 2008), the legal basis of Article 153 TFEU proposed by the Commission does not allow for a direct role in setting remuneration within the European Union. The Commission proposal can only provide for objectives, a process that fully recognises existing national minimum wage legislation and the role of the social partners;

([1]) See point 31 of CoR Opinion on A Strong Social Europe for Just Transitions (rapporteur Anne Karjalainen) (OJ C 440, 18.12.2020, p. 42).

([2]) *6. Wages: Workers have the right to fair wages that provide for a decent standard of living. Adequate minimum wages shall be ensured, in a way that provides for the satisfaction of the needs of the worker and his/her family in the light of national economic and social conditions, whilst safeguarding access to employment and incentives to seek work. In-work poverty shall be prevented.*
All wages shall be set in a transparent and predictable way according to national practices and respecting the autonomy of the social partners.

([3]) Eurofound (2017), In-work poverty in the EU, Publications Office of the European Union, Luxembourg.

7. draws the Commission's attention to the need for a multifaceted approach to combating in-work poverty. The Commission's own analysis shows that combating in-work poverty is a complex challenge, with other factors such as the tax system, training initiatives, the level of social benefits and employment policies, as well as the monitoring of the positive law also playing a crucial role. These are areas where competence lies primarily with the Member States and therefore the success of a European process for adequate minimum wages will depend largely on the willingness of the Member States themselves to adjust to these parameters;

8. notes that, in accordance with Article 154 TFEU, the Commission undertook a two-stage consultation of the social partners regarding potential EU action in the field of minimum wages prior to publishing its draft. In the first phase, running from 14 January to 25 February 2020, the Commission consulted the social partners on the need for an initiative on minimum wages and on what direction it could take. In the second phase, between 3 June and 4 September 2020, the Commission consulted the social partners on the content of and choice of legal instrument for the planned proposal. The proposal for a directive takes account of the parties' input, in particular with regard to the autonomy of the social partners. It is therefore particularly important for the Commission to support both future capacity building and the autonomy of the social partners at European and national level, as legislation does not guarantee strong social partners. The view of the general public were also gathered in the responses to Standard Eurobarometer 92 (autumn 2019), which included questions on the European Union's priorities — including the minimum wage;

9. considers that a decent wage does more than remove extreme poverty. Its purpose is to ensure that people can have a basic quality of life and participate in social and cultural life. It is context-specific and seeks to go beyond 'poverty wages' to ensure that people can meet their basic needs;

10. points out that, on the basis of Article 153(1)(b) TFEU and in full compliance with Article 153(5), a number of directives with provisions on remuneration have already been adopted ([4]);

11. stresses that the principle of equal pay for work of equal value should be respected in cases where minimum wages are set by sector;

12. strongly supports the fact the draft directive does not specify minimum social harmonisation, and understands the proposal to provide for non-regression for existing higher levels of protection in the Member States than that guaranteed by the proposed directive (Article 16);

13. acknowledges that, in its proposal for a directive, the Commission has exempted Member States where wages are set by collective agreements from Chapter II of the directive relating to statutory minimum wages;

14. believes that the European added value of the Commission's proposal is that it creates a basis for triggering upward convergence of minimum wages in dialogue with the Member States;

15. stresses the strong regional dimension of the issue of adequate minimum wages, even though this is not sufficiently reflected in the Commission proposal. The regional dimension stems from the existence of regional collective agreements, from the strong interplay between minimum pay and social and territorial cohesion, and from the fact that local and regional authorities bear ultimate responsibility for wage-setting based on local and regional conditions, including in their capacity as employers;

([4]) See, inter alia, (1) Directive 2006/54 EC of the European Parliament and of the Council of 5 July 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation (OJ L 204, 26.7.2006, p. 23), (2) Directive 2008/94 EC of the European Parliament and of the Council of 22 October 2008 on the protection of employees in the event of the insolvency of their employer (OJ L 283, 28.10.2008, p. 36) and (3) Directive (EU) 2019/1158 of the European Parliament and of the Council of 20 June 2019 on work-life balance for parents and carers and repealing Council Directive 2010/18/EU (OJ L 188, 12.7.2019, p. 79).

16. draws attention to the study commissioned by the CoR on 'Fair Minimum Wages — The Local and Regional Perspective' ([5]). Highlights in particular the conclusion that a general introduction of regional minimum wages cannot be sustained for various reasons, i.a. the institutional frameworks, competencies and traditions placing the setting of minimum wages primarily at national level, but that at the same time a number of possibilities exist for a role of local and regional authorities in enforcing, promoting and monitoring minimum wages;

17. warns that there are significant differences between the amount of people depending on minimum wage in urban and rural areas and highlights that in order to be able to cover the request for convergence towards more adequate minimum wages, innovative approaches need to be found to help local and regional authorities obtain the necessary funding in their budgets, which have been severely devastated by the COVID-19 pandemic;

18. considers that the establishment of national action plans to promote collective bargaining in Member States, as described in Article 4(2), could have been spelt out in greater detail by identifying possible elements of such plans;

19. asks, in principle, whether the concept of the worker underpinning the directive should be revised at EU level. However, the reference to case-law of the European Court of Justice from 1986 (Lawrie Blum case) does not take account of the emergence of new forms of work, especially precarious jobs in the platform economy;

20. highlights, in connection with public procurement, the judgment of the European Court of Justice in case C-115/14 (17 November 2015); according to that judgment, EU law does not rule out excluding, from a contract award procedure, a tenderer who refuses to undertake to pay the staff concerned the statutory minimum wage ([6]);

21. underlines that the draft directive does not explicitly mention that monitoring its implementation could be linked to the European Semester process, by adapting the social scoreboard for example; would be critical of such an option unless the Semester process overall were to undergo in-depth reform to ensure greater transparency, democratic governance (right of consultation for the European Parliament) and the involvement of local and regional authorities and social partners following an approach based on partnership;

22. believes that the process of convergence towards fairer minimum wages should go hand-in-hand with a Commission proposal for wage transparency measures; among other things, this would also be an important way of closing the gender pay gap and preventing discriminatory practices on the basis of race, belief, age, disability, or sexual orientation ([7]).

Brussels, 19 March 2021.

The President
of the European Committee of the Regions

Apostolos TZITZIKOSTAS

([5]) https://op.europa.eu/en/publication-detail/-/publication/6f084eaa-879e-11eb-ac4c-01aa75ed71a1/language-en

([6]) Legislation of a regional entity of a Member State requiring tenderers and their subcontractors to undertake to pay a minimum wage to staff performing the services covered by the public contract was found compatible with EU law.

([7]) See point 32 of the CoR Opinion on A Strong Social Europe for Just Transitions (rapporteur Anne Karjalainen) (OJ C 440, 18.12.2020, p. 42).

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