Dear Secretary-General,

In conformity with the Protocol on Cooperation between the Commission and the Committee of the Regions, I am pleased to send you the follow-up given by the Commission to the opinions adopted by the Committee of the Regions during the plenary session of July 2017.

Yours sincerely,

[signed]

Enrico FORTI
Director

Mr Jiří Buriánek
Secretary-General
Committee of the Regions
99 – 101 Rue Belliard
B-1040 Brussels
FOLLOW-UP PROVIDED BY THE COMMISSION TO THE OPINIONS OF THE COMMITTEE OF THE REGIONS

PLENARY SESSION OF JULY 2017

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<td>8. The Committee of the Regions points out in this context that the Communication does not examine the need to measure progress on attaining the Sustainable Development Goals, either at United Nations, European and national level or at sub-national level; it calls therefore on the Commission to bear this dimension in mind when developing further the indicators used to measure progress and to involve local expertise and existing networks. (see also paragraph 23)</td>
<td>The Commission confirms that the successful implementation of the Sustainable Development Goals requires regular and consistent monitoring. In this respect, the Commission provides regular reporting of the European Union's progress on the implementation of the 2030 Agenda based on a reference indicator framework. Stakeholders have been consulted on the choice of these indicators. The first European Union Sustainable Development Goals monitoring Report was published in November 2017.</td>
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<td>10. The Committee of the Regions proposes capitalising on the mid-term review of the Multiannual Financial Framework in order to ensure overlap between the 2030 Agenda and Europe 2020, by reviewing the key guidelines and gearing them to the new Sustainable Development Goals from the outset. (see also paragraphs 22, 30)</td>
<td>As pointed out in the Commission Communication, the new Multiannual Financial Framework beyond 2020 will reorient the European Union budget's contributions towards the achievement of the European Union's long-term objectives and spending instruments. The importance of sustainability for the future European Union budget was also confirmed in the Commission's contribution to the Informal Leaders' meeting on 23 February 2018 on the next Multiannual Financial</td>
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2 COM(2016) 739 final.
In its contribution, the Commission pleads for a new, modern Multiannual Financial Framework for a European Union that delivers efficiently on its priorities post-2020. It asks the next Multiannual Financial Framework to better align available financing with our political priorities. It should build on what works well today while also anticipating the challenges of tomorrow. It asks for a budget that enables a Europe that is safe and secure; a Europe that is prosperous and sustainable; a Europe that is social; and a Europe that is stronger on the global scene. It also asks the European Union to honour its commitment to the United Nations Sustainable Development Goals.

The 2030 Agenda very much reflects the existing and long-term European Union vision on sustainable development. The Commission confirms its full commitment to implementing the 2030 Agenda - in line with the principle of subsidiarity - together with its Member States at national, regional and local level. The Commission recalls that its approach towards the implementation of the 2030 Agenda includes two work streams. The first work stream is to fully integrate the Sustainable Development Goals in the European policy framework and current Commission priorities. A second work stream is related to reflection work on further developing the longer term vision and the focus of sectoral policies after 2020, preparing for the long term implementation of the Sustainable Development Goals.

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<th>Framework. In its contribution, the Commission pleads for a new, modern Multiannual Financial Framework for a European Union that delivers efficiently on its priorities post-2020. It asks the next Multiannual Financial Framework to better align available financing with our political priorities. It should build on what works well today while also anticipating the challenges of tomorrow. It asks for a budget that enables a Europe that is safe and secure; a Europe that is prosperous and sustainable; a Europe that is social; and a Europe that is stronger on the global scene. It also asks the European Union to honour its commitment to the United Nations Sustainable Development Goals.</th>
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<td>12. The Committee of the Regions stresses that in any event, if they are to be achieved, the objectives set out by the Commission in its Communication on a sustainable European future will all have to be deployed locally. In this regard, the Committee of the Regions recommends embedding the Agenda 2030 objectives at local level, as this is the only way of making a real and lasting impact on people's lives. (see also paragraphs 1-4, 11)</td>
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<td>The 2030 Agenda very much reflects the existing and long-term European Union vision on sustainable development. The Commission confirms its full commitment to implementing the 2030 Agenda - in line with the principle of subsidiarity - together with its Member States at national, regional and local level. The Commission recalls that its approach towards the implementation of the 2030 Agenda includes two work streams. The first work stream is to fully integrate the Sustainable Development Goals in the European policy framework and current Commission priorities. A second work stream is related to reflection work on further developing the longer term vision and the focus of sectoral policies after 2020, preparing for the long term implementation of the Sustainable Development Goals.</td>
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23. The Committee of the Regions regrets that the Communication does not include an assessment of potential risks in the implementation phase of the 17 Sustainable Development Goals. This could be of great assistance in equipping Local and Regional Authorities with appropriate tools to deal with any problems that crop up in the course of implementing policies related to the goals. Ensuring that all indicators are geared to the local level is crucial for ongoing monitoring of trends in inequality – including through the use of indicators other than Gross Domestic Product, such as qualitative indicators capable of measuring the fairness of development and social progress in the regions.

(see also paragraph 8)

The Commission confirms that the assessment of the potential risks in the implementation of Sustainable Development Goals is in line with the Commission’s strategy on Better Regulation and its impact assessment Guidelines. As outlined in the Communication, the Commission’s Better Regulation tools will help ensuring further mainstreaming of sustainable development in European policies. All Commission impact assessments must evaluate environmental, social and economic impacts so that sustainability is duly considered and factored in. Ex-post evaluations must also analyse all three dimensions in a strong integrated approach. Strengthened impact assessment guidelines and enhanced procedures confirming this mainstreaming approach were a key component of the Better Regulation package adopted in 2015. Stakeholder involvement and public consultations form another component of the Better Regulation toolbox to meet the inclusiveness requirement that is at the heart of the 2030 Agenda.

25. [...] the Committee of the Regions looks forward to the launch of the multi-stakeholder platform announced by the Commission in order to facilitate the roll-out of the universal elements contained in the Agenda at local and regional level, and, above all, to promote the exchange of good practice and the sharing of progress made by the most dynamic European regions; the Committee of the Regions expects to be associated to this Platform in the appropriate manner in its institutional role as the assembly representing local and

Stakeholder involvement is crucial in the implementation of the 2030 Agenda. The Commission has therefore launched a multi-stakeholder platform chaired by First Vice-President Timmermans with a role in the follow-up and exchange of best practices on Sustainable Development Goals implementation across sectors, at Member States and European Union level. The first meeting of the platform took place on 10 January 2018. The Commission appreciates
26. The Committee of the Regions recognises that improving living conditions in the European Union will depend, in addition to its ability to strengthen economic, social and territorial cohesion, on well-being and security in the neighbouring countries. In this respect, in line with the new approach set out in the Commission’s Communication on a new European Consensus, the Committee of the Regions strongly urges stepping up support for decentralised cooperation with and development of third countries, by promoting the use of Local and Regional Authority platforms for information and discussion on development: the Euro-Mediterranean Regional and Local Assembly (ARLEM) and the Conference of Regional and Local Authorities for the Eastern Partnership (Corleap), the biennial Assises of decentralised cooperation and the Atlas of decentralised cooperation, which provide partner countries with the opportunity to meet, talk and exchange best practice.

55. The Committee of the Regions calls on the Commission to use National Reform Programmes – which have already been formally included in the programming of the Cohesion Fund – in an even more strategic and operational manner, by making practical use of instruments that have already been adopted to support sustainable development. This would make it possible to highlight, within the European Semester framework, not only the reforms that are planned and promoted at national
level to implement the Sustainable Development Goals, but also those relating to the local and regional dimension.

year, the Commission undertakes a detailed analysis of European Union Member States' plans of budgetary, macroeconomic and structural reforms and provides them with country-specific recommendations for the next 12-18 months. These recommendations also contribute to the objectives of the European Union's long-term strategy for jobs and growth, the Europe 2020 strategy, which is implemented and monitored in the context of the European Semester. Through this cross-cutting approach, the European Semester is therefore already contributing to the Sustainable Development Goals.

The Commission furthermore supports the view that Member States should make every effort to maximise the involvement of all concerned stakeholders in the European Semester process as appropriate, including regions and local authorities, while fully respecting the principle of subsidiarity. The Commission analysis carried out in the context of economic governance takes into account the regional (and even local) dimension insofar as it is of macroeconomic relevance.
N°2 Migration on the Central Mediterranean route - Managing flows, saving lives
JOIN(2017) 4 final
COR 2017/1261 - CIVEX-VI/023
124th Plenary Session – July 2017
Rapporteur: Mr Hans JANSSEN (NL/EPP)
SG – First Vice-President TIMMERmans

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| 3. The Committee of the Regions considers that migration and development policies are closely linked. International, national, regional and local cooperation is crucial for making a common European migration policy a reality. | As recognised in the Agenda 2030 for Sustainable Development and reiterated in the European Consensus for Development, well-managed migration can contribute to sustainable development. In this context, the Partnership Framework Communication of 7 June 2016, (page 9) underlined that "increasing coherence between migration and development policy is important to ensure that development assistance helps partner countries manage migration more effectively [...]"
The Commission agrees with the Committee of the Regions on the importance of cooperation at all levels. |

4. The Committee of the Regions recommends adoption of a holistic approach to the management of migration, allowing for more decentralised and efficient management of migration movements. | The Joint Communication underlines the need to mobilise all the tools available at European Union level with a coherent joined-up approach with Member States. The Joint Communication also identifies a set of key actions targeting the various stages along the Central Mediterranean route, and they are part of a comprehensive strategy, which has a strong focus on |

5. The Committee of the Regions stresses the utmost importance of reducing the number of deaths at sea in the attempt to cross to Europe, and the need to continue to expand efforts to rescue people in distress; it expresses its deep sorrow for the hundreds of lives already lost and commends all the countries and organisations involved in trying to prevent this human tragedy; the Committee of the Regions reiterates that the development of additional safe and accessible legal pathways for migration to the European Union, such as humanitarian visas, resettlements and increased family reunification, must be part of the efforts to create a comprehensive and humane migration policy.

See also paragraph 6, 37.

The title of the Joint Communication is 'Migration on the Central Mediterranean route; Managing flows, saving lives', and in its introduction underlines not only the number of people detected on the route, but also the number of people who have drowned, making clear that the human suffering and cost is intolerable. Chapter 2, pages 5-8, of the Joint Communication sets out in more detail the actions and key initiatives taken and planned to respond to the tragedies at sea.

The European Union and its Member States have progressively laid out a stronger and more articulated response to managing flows and to saving lives. As a result, a permanent European Union presence at sea has been established, with a clear impact in terms of saving lives at sea.

Work is ongoing to deliver on the five pillars of the Joint Valletta Action Plan: Development benefits of migration and addressing root causes of irregular migration and forced displacement; Legal migration and mobility; Protection and asylum; Prevention of and fight against irregular migration, migrant smuggling and trafficking in human beings; and Return, readmission and reintegration.

7. The Committee of the Regions considers it is crucial that the European Union, national and sub-national authorities work in close cooperation with local and regional authorities in the countries of transit and with civil society, migrants'
associations and local communities in the host countries and are receptive to their input.

8. The Committee of the Regions underlines that the success of these actions requires close cooperation with the relevant partners in the countries along the Central Mediterranean route, and concerted efforts by the European Union Institutions and Member States, as well as cooperation with international organisations such as the United Nations High Commissioner for Refugees (UNHCR) and the International Organization for Migration. The Committee of the Regions warns that some of the proposed actions can only be successfully implemented if the situation on the ground allows for it. […]

The Commission agrees with the Committee of the Regions that close cooperation with relevant stakeholders is crucial.

In its conclusion, the Joint Communication emphasises that the success of the actions [of the Joint Communication] will require close cooperation by the relevant partners in North Africa and concerted efforts and commitments by both Member States and the European Union, as well as cooperation with international organisations such as the United Nations High Commissioner for Refugees (UNHCR) and the International Organization for Migration.

The Joint Communication puts emphasis on working not only with Libya, but also with its neighbours and with the third countries of origin of the irregular migrants.

The United Nations High Commissioner for Refugees and the International Organization for Migration are some of the main implementing partners for projects approved in 2017 under the North Africa window of the European Union Trust Fund for Africa.

10. The Committee of the Regions stresses the urgent necessity to reduce the numbers of crossings and to stop dinghies and boats from leaving illegally to reach the European Union. It underlines the importance of preventive actions at all level

Addressing smuggling of migrants is a core part of the European Union strategy. In July 2017 the Council took an important step in the fight against smuggling, allowing Member States to prevent the export or supply to Libya of inflatable boats and outboard motors.
11. The Committee of the Regions considers that finding a lasting solution to Libya's governance and security challenges continues to be a key priority for the European Union, its Member States and international partners, as it is a prerequisite for sustainably managing the current situation.

See also paragraphs 36 and 41.

In the introduction of the Joint Communication, the High Representative and the Commission highlight that progress towards a stable political situation is essential to secure a sustainable future for Libya and stability for the region as a whole. Finding a lasting solution to Libya's governance and security challenges continues to be key also to an effective and sustainable long term response to the migration challenge.

In its conclusion, the Joint Communication underlines that some of the proposed actions can only be implemented to full scale once the situation on the ground makes this possible.

12. The Committee of the Regions observes that the majority of migrants in Libya are third-country nationals, with the largest proportion originating from sub-Saharan African countries. An effective approach therefore also has to take into account actions to the south of Libya.

The Joint Communication is not only focused on actions to be taken to prevent departures from Libya's coast; it presents a comprehensive approach covering the whole Central Mediterranean route. In this regard, the Joint Communication highlights the importance of managing migrant flows through Libya's southern border, and to increase cooperation with neighbouring countries.

13. The Committee of the Regions underlines the added value of the measures announced in the Joint Communication: expanding training programmes for the Libyan Coast Guard, ensuring sustainable sources of funding to cover training needs in the future, taking firm action to step up the fight against smugglers and traffickers and providing incentives for the

The Commission fully shares the opinion that in terms of managing migrant flows, action needs to be taken against smugglers of migrants and traffickers in human beings, and that funds need to be directed towards training for the Libya Coast Guard.

The Commission, not only in this Joint
participation of Tunisia, Algeria and Egypt in the Seahorse Mediterranean Network to ensure sub-regional buy-in; the Committee of the Regions underlines that in all these activities, the re-building of respect for fundamental human rights and the rule of law to the benefit of migrants and local populations must be a key priority.

See also paragraph 26.

14. The Committee of the Regions reiterates the need for serious engagement with the Libyan authorities to ensure that conditions in centres for migrants are improved, paying particular attention to vulnerable persons and minors, ensuring close cooperation with, and effective monitoring of the standards by, the International Organization for Migration and the United Nations High Commissioner for Refugees.

The Joint Communication makes clear that conditions in the centres where migrants are held are unacceptable and fall short of international human rights standards. Ensuring adequate conditions in those centres is of paramount importance and goes along with fighting ill treatment, torture, extortion and inhumane treatment. A priority task is to work with the Libyan authorities and international organisations such as the International Organization for Migration and the United Nations High Commissioner for Refugees to ensure that these centres provide adequate conditions in line with human rights standards. Alternatives to detention should be further developed, in particular for women and minors, working closely with international organisations. In addition, security of both migrants and aid organisations working in those centres needs to be ensured.

15. The Committee of the Regions

The Joint Communication proposes...
recommends stepping up work and engagement with Libyan municipalities to promote alternative livelihoods and support the resilience of local communities hosting migrants.
See also paragraph 21, 34, 43 and 48.

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<th>17. The Committee of the Regions encourages promoting border cooperation, dialogue and exchange of information between Libya and its southern neighbours, including using the Africa-Frontex Intelligence Community to its fullest potential.</th>
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<td>The European Union is already actively promoting dialogue between Libya and its southern neighbours and cooperation on intelligence on migration routes. A European Union-Libya Committee on Integrated Land Border Management was set up in August 2016 for exchanges on border management. Another potential forum for further operational cooperation in the region is the Africa-Frontex Intelligence Community, which provides a framework for regular knowledge and intelligence sharing in the field of border security, and could develop risk analysis and deploy short-term missions to identify migration routes and possible shifts.</td>
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<th>22. The Committee of the Regions suggests that existing socio-economic support for municipalities along the migratory route could be reinforced, involving them in the implementation of strategies to enable the local population to have better living conditions.</th>
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<td>The Joint Communication underlines that ongoing support provided to municipalities located along the migratory route (in particular, in 'migration hubs' and coastal cities) should be reinforced so that capacity-building, socio-economic development and access to basic services (including for migrants) can be enhanced.</td>
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<th>29. The Committee of the Regions advocates enhancing ongoing assisted voluntary returns from Libya to countries of origin, if the situation on the ground allows for it and in coordination with international partners, in particular the International</th>
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<td>Many migrants may have reasons to return to their country of origin, notably if their plans to find a job in Libya or hopes to travel to Europe are not materialising. In those cases, assisted voluntary return can be an option. Under the European Union</td>
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<td>Organization for Migration.</td>
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<td>35. The Committee of the Regions recognises the added value of the Nicosia initiative as a capacity building project in support of Libyan municipalities carried out in partnership with European local and regional authorities and with the financial contribution of the Commission.</td>
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*COM(2017) 350 final.*
Points of the Committee of the Regions opinion considered essential | European Commission position
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9. Independent studies dealing with cross-border cooperation and all Interreg evaluations to date confirm that in Interreg A programmes the best qualitative results are not achieved primarily through flagship projects, but, rather, success is determined by the variety of different genuinely cross-border projects addressing region-specific needs while directly involving citizens, local authorities and civil society organisations. Quite often the management of these Interreg A programmes (sub-programmes) is decentralised. From the beginning of Interreg (1990), the programmes with the best evaluation results have often been those managed in a decentralised way, many of them including support to people-to-people projects and small-scale projects. | Experience and Interreg evaluations show that the quality and impact of projects do not depend on their size or type. When developing projects, cooperation partners adapt the type and size allowing them to be creative and to reach their objectives.

20. The Committee of the Regions points out that the position of the Committee of the Regions was expressed in its opinion on Simplification of European Structural and Investment Funds from the perspective of local and regional authorities. Recommendations regarding cross-border cooperation such as removal of European Territorial Cooperation from the area of application of State aid rules, or a more flexible approach in applying the thematic objectives of EU2020, are even more
The Commission supports the call for further simplification of cross-border cooperation, such as the full use of simplified cost options, also for people-to-people and small-scale projects. Concerning State aid, the Commission considers that European Territorial Cooperation projects can benefit already from many State aid rules which effectively bring most European Territorial Cooperation projects either outside the scope of State aid control or

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5 COTER-VI/012.
allow European Territorial Cooperation projects to be covered by block exemptions. For instance, the *de minimis* Regulation\(^6\) can be currently applied per Member State participating in a European Territorial Cooperation programme. This allows financings of single undertakings of up to EUR 200,000 by each participating Member State over a three-year period. This is particularly relevant for small-scale projects. There are many more possibilities to achieve State aid compliance of which European Territorial Cooperation projects may benefit. However, it may be necessary to include European Territorial Cooperation programmes further into the training which is provided to Member State authorities. The Commission will also reflect on the objectives of European Territorial Cooperation in view of finding an optimal use of European Union funds in the future.

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<th>23. The Committee of the Regions appeals to all shared management levels to enable and to use suitable simplified cost options as the main approach regarding People-to-people and small-scale projects. Despite the necessary control of public funding, the Committee of the Regions calls for the use of the once-only principle, lump sums, flat rates and simplified statements of costs (e.g. standardised unit costs) to be promoted as regards accounting for these projects.</th>
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<td>The Commission strongly promotes the use of simplified cost options in all programmes and all types of projects under European Territorial Cooperation. Nevertheless, in the current regulatory framework, implementation of these simplification measures is not compulsory. However, the Commission agrees with the Committee of the Regions that &quot;all shared management levels&quot; also includes the programme authorities and Technical Secretariats which in some cases are more reluctant with regard to</td>
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| 24. The Committee of the Regions believes that in the light of the current situation in the European Union (growing nationalism, United Kingdom withdrawal from the European Union, migration crisis, economic and monetary difficulties) there is clearly an increasingly strong need to communicate the specific benefits and added value of European Union action. Cross-border cooperation and especially people-to-people and small-scale projects are among the most tangible examples of such specific benefits and added value in the everyday life of citizens. Here, European Union funds have clear positive effects in the real life, prospects and perceptions of European Union citizens. |
| The Commission fully supports the need for all stakeholders to communicate the added value of European Territorial Cooperation and its benefits to the everyday life of citizens. These projects contribute to integrating border areas and overcoming border obstacles. |
| 26. The Committee of the Regions recognises the need to implement a specific methodology to evaluate Small Project Funds (and similar instruments) supporting People-to-people and small-scale projects. Given the "soft" nature of people-to-people projects, it is clear that standard outcome indicators are not suitable for such an evaluation (e.g. for measuring the level of trust or overcoming prejudices). Here it is suggested that just the fact that cross-border cooperation between citizens and institutions of border regions takes place is a positive result in itself (similar to the growing number of students studying abroad thanks to the Erasmus Programme). The number of |
| The Commission recognises the need for developing suitable output indicators for European Territorial Cooperation, including indicators measuring the level of trust or overcoming prejudices. Concrete steps have already been undertaken in this respect. Standard indicators should also be used when they make sense in order to provide data for aggregation of outputs at European Union policy level. |
participating citizens and cooperating
partners should be sufficient. Small-scale
projects shall contribute to the indicators of
the given investment priority but also with
these projects that are not purely people-to-
people, the aspect of cooperating partners
and number of persons actively involved in
the cross-border cooperation should be
considered, as it builds the capacity of such
partners to further develop such cooperation
in the future. It extends the scope of
European Union-driven operations with a
place-based approach and focused on
citizens, who become committed players to
building up more Europe on the ground.
Very often, the professional and intercultural
skills acquired by members of the cross-
border project teams are more valuable than
the result of the project as such (small-scale
investment).

27. The Committee of the Regions
recommends that people-to-people projects
and small-scale projects be anchored in the
regulations governing European union
support for cross-border cooperation as a
legitimate instrument in cross-border
cooperation programmes, and calls on the
Commission to make the necessary
provisions in the proposal for the next
generation of regulations.

The Commission recognises the
importance of simplified procedures
and management for these specific
projects and will carefully analyse the
Committee of the Regions' recommendation to regulate People-to-
people and small scale projects.

28. The Committee of the Regions also
recommends that people-to-people and
small-scale projects be encouraged by the
Commission to be part of the cross-border
cooperation programmes, especially where
there is the demand for such projects at local
and regional level. Sufficient allocations
should be secured to satisfy this bottom-up
demand. Special attention should be paid to
the borders that will be affected by United
Kingdom withdrawal from the European
Union where solutions for continuing

The Commission may consider taking
into account bottom-up small-scale
projects as one of various types of
projects in future proposals regarding
the allocation of cross-border
cooperation.

The Commission recognises the need
to pay special attention to border areas
facing difficult challenges.
cooperation with United Kingdom local and regional authorities and other partners should be found.

30. The Committee of the Regions recommends that Euroregions or similar structures and European Groupings of Territorial Cooperation should be the framework to guarantee the decentralised implementation of People-to-people and small-scale projects, ensuring their continuity and taking into account the already existing roles of such structures (e.g. "umbrella project" recipients) that have proved useful. In border areas where these structures are not present, their creation should be encouraged or other suitable solutions should be found, respecting as much as possible the principles stated above.

Implementing structures for People-to-people and small-scale projects need to be reliable and accountable to the managing authorities of the programmes. Managing authorities need to ensure that a major part of the funds allocated to implementing structures is used to finance People-to-people and small-scale projects.
### Points of the Committee of the Regions opinion considered essential

1. The Committee of the Regions welcomes the Commission's Communication on "Europe's next leaders: the Start-up and Scale-up Initiative" as a development and extension of the Small Business Act; at the same time it calls on the Commission to update the Small Business Act and to maintain its homogeneity.

### European Commission position

The 'Start-up and Scale-up Initiative' that has been put forward in the framework of the Single Market Strategy, brings together a range of existing and new actions to create a more coherent framework for small and medium-sized enterprises, in particular start-ups, to allow their growth and facilitate doing business across Europe.

As for the Small Business Act, the current approach of the Commission is to mainstream and promote small and medium-sized enterprises' interests via all its policy initiatives, such as the Capital Markets Union, the Digital Single Market, the Single Market Strategy and the new Skills Agenda. This mainstreaming approach ensures that the Small Business Act's agenda continues to be implemented. The approach also encompasses the European Semester framework. Among other things, it is also used to support and encourage the implementation of the small and medium-sized enterprise policy at national level.

In addition, the Commission is committed to monitoring and assessing...
the implementation of the Small Business Act principles in Member States through the SME ("Small and Medium-sized Enterprise") Performance Review and, in particular, the annual Small Business Act country fact sheets.

Finally, so as to complement the Small Business Act and the Start-up and Scale-up Initiative with further relevant small and medium-sized enterprise policy topics, the SME Envoys have recently come up with the European SME Action Programme. It is a working document aimed at providing analysis of the current situation and challenges facing European small and medium-sized enterprises including on digitalisation or the sharing economy. It has been drafted to provide insights for the policy areas relevant to small and medium-sized enterprises, to strengthen best practice sharing, and to ensure that the 'Think Small First' principle continues to guide the initiatives of the Members States and across the Commission.

In this context, different elements of the new Industrial Policy Communication, adopted on 13 September 2017\(^8\), are important for the competitiveness of European companies, including small and medium-sized enterprises. The renewed European Union Industrial Policy Strategy brings together all existing and new horizontal and sector-specific initiatives into a comprehensive industrial strategy.

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18. The Committee of the Regions welcomes the proposal for a Directive of the European Parliament and of the Council on the implementation of the Small Business Act principles in Member States through the SME ("Small and Medium-sized Enterprise") Performance Review and, in particular, the annual Small Business Act country fact sheets.

Finally, so as to complement the Small Business Act and the Start-up and Scale-up Initiative with further relevant small and medium-sized enterprise policy topics, the SME Envoys have recently come up with the European SME Action Programme. It is a working document aimed at providing analysis of the current situation and challenges facing European small and medium-sized enterprises including on digitalisation or the sharing economy. It has been drafted to provide insights for the policy areas relevant to small and medium-sized enterprises, to strengthen best practice sharing, and to ensure that the 'Think Small First' principle continues to guide the initiatives of the Members States and across the Commission.

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\(^8\) COM(2017) 479 final.
preventive restructuring frameworks, second chance and measures to increase the efficiency of restructuring, insolvency and discharge procedures and amending Directive 2012/30/EU⁹ which aims to reduce the key barriers to the free flow of capital stemming from differences in Member States' restructuring and insolvency frameworks; it expresses the concern, however, that the proposal is limited to financial aspects, with employed workers treated as creditors of a company on the same footing as banks or other investors, and that the recovery of a company is presented purely as a financial reorganisation of stakeholders.

In June 2016, the Commission proposed to reform the European Union Blue Card to better attract highly-qualified third-country national workers. As talent from abroad can also make an important contribution in founding start-ups, more work needs to be done within the European Union economy.

The European Parliament and the Council got a mandate to start the negotiations of the proposal in June and July 2017 respectively.

A "fitness check" of the legal migration acquis is also ongoing, with the aim of assessing possible issues and gaps in the current legal framework and identifying solutions.

The last trilogue took place on 13 December 2017. The results of the fitness check will be available in the second half of 2018.

Furthermore, to complement the Blue

Card, by mid-2018, the Commission will implement a European Union-wide information and service platform to attract highly skilled non-European Union resident entrepreneurial innovators to create and develop high-tech companies in Europe, and to facilitate their smooth integration in the European economic ecosystem. The platform will build on existing initiatives and services at European, national, regional or city level in the Member States and create appropriate synergies.

| 35. | The Committee of the Regions underlines that additional measures to strengthen and network actors working to promote entrepreneurship in traditional economic sectors, including the craft sector and the cultural and creative industries, rural and peripheral regions, and peri-urban areas would be highly desirable; |
| 42. | The Committee of the Regions encourages the Commission to analyse the possibility of supporting local and regional authorities in setting up teams composed of experienced representatives of business, who would help develop entrepreneurship and start-up and scale-up businesses in the area administered by the local or regional authority. |

One good example of current initiatives aimed at developing entrepreneurial ecosystems on regional and local levels include the European Entrepreneurial Region scheme run by the Committee of the Regions in partnership with the Commission and other relevant stakeholders. The scheme rewards European Union regions and cities which show an outstanding and innovative entrepreneurial policy strategy, irrespective of their size, wealth and competences. So far, 21 regions have been awarded – including less developed regions, since the idea is to enable mutual learning and best practice exchange across Europe. This closer cooperation has already materialised in the follow-up Interreg Europe (iEER) project (aimed at boosting entrepreneurial ecosystems for young entrepreneurs), while further projects building on the European Entrepreneurial Region experience and network are under consideration.

In December 2017, under Europe's Programme for Small and Medium-sized Enterprises (COSME), the
Commission launched a call for proposals for European Strategic Cluster Partnerships for smart specialisation investments.

This also links to the recently adopted Communication "Strengthening Innovation in Europe's Regions: Strategies for resilient, inclusive and sustainable growth"\(^\text{10}\) which puts a special emphasis on regions in industrial transition.

Furthermore, the Commission's Start-up Europe initiative is to "reinforce the links between people, business and associations who build and scale up the start-up ecosystem". Under this objective, several initiatives and networks have been promoted such as the Web Investors Forum, the Accelerator Assembly or the Crowdfunding Network. In the same spirit, but with a clear focus on aggregating and leveraging regional support for start-ups, a new network was created on 1 October 2017 in Brussels, at an event held at the Committee of the Regions: the "Start-up Europe Regions Network" (SERN) with the aim to gather together European Union regions committed to start-up support.

The final beneficiaries will be the already established start-ups, and the target will be companies that have already achieved first results, possibly with support from regional programmes, and are now aiming to grow globally. The network will invest in new instruments and pilot schemes, in line with the priorities defined by the Commission and the Committee of the

\(^{10}\) COM(2017) 736 final.
Regions.

Finally, the Start-up Europe Partnership aims at offering an integrated pan-European platform to help the best start-ups emerge from such local ecosystems and scale-up. The goal is to facilitate linkages so that procurement (corporates buy products and services from start-ups), strategic investments and eventually acquisition/acqui-hires are realised.

| 51. The Committee of the Regions | The Commission welcomes the Committee of the Regions' support to increase the budget for the European Union's Programme for Small and Medium-sized Enterprises (COSME) which allows for additional financing for small and medium-sized enterprises in the start-up and scale-up phases. In 2017 the Commission carried out a review of existing European Union programmes paving the way for the new Multi-annual Financial Framework programmes. In 2018, preparatory work starts for the next Multi-annual Financial Framework, with the inception impact assessment of each proposed programme.

Collaboration between start-ups and larger companies has positive effects on both the market and its players. As a result, more start-ups can grow as they get access to additional revenue, customers and infrastructure while larger companies can more easily increase their innovativeness and chances to remain relevant in today's fast changing markets.

There are already examples of projects fostering cooperation between start-ups and corporates (under Start-up Europe Partnership) and a project for matchmaking start-ups and midcap |

The Committee of the Regions commends the proposal to increase the budget for the European Union's Programme for Small and Medium-sized Enterprises (COSME) and, with the proviso that no funds are diverted away from the Connecting Europe Facility or the Horizon 2020 Programme, in principle also the proposal to increase the budget for the European Fund for Strategic Investments, which allows for additional financing for small and medium-sized enterprises in the start-up and scale-up phases. In particular, it would be useful to promote integration and partnerships between small and medium-sized enterprises and start-ups.
companies will be launched in the first quarter of 2018 under the European Union's Programme for Small and Medium-sized Enterprises (COSME).

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<tr>
<th>31. On 'Creating new opportunities', the Committee of the Regions emphasises that the intensification announced by the Commission of efforts to create connections between clusters and local and regional entrepreneurial ecosystems – in particular with regard to matchmaking between investors and large companies and networking of local decision-makers – should be extended to include connecting start-ups with research hubs, as potential providers of technological and non-technological innovative solutions.</th>
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<tr>
<td>The Start-up Hubs platform is being developed as part of Start-up Europe to provide a detailed and consistent analysis of the start-up ecosystem across Europe. The aim is to provide insight and transparency into the scale and nature, strengths and weaknesses of, and the relationships between, Europe’s start-up ecosystems. Based on these findings, it is possible to identify a series of policy recommendations, for example to focus actions and investment on addressing market gaps.</td>
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<th>32. The Committee of the Regions calls on the Commission to introduce support measures with the aim of launching innovative business incubators to help and support entrepreneurs during the initial stages of their business, improving their business management skills, enabling alternative financing options, reaching agreements with &quot;driver&quot; enterprises (&quot;elevator pitch&quot;), supporting international expansion, etc.</th>
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<tr>
<td>In December 2017, the Commission published, under European Union's Programme for Small and Medium-sized Enterprises (COSME), a call for proposals for European Strategic Cluster Partnerships for smart specialisation investment. The aim is to bring together cluster organisations, other business networks, technology centres and science parks in partnerships to help boost the inter-regional collaboration of enterprises, notably small and medium-sized enterprises, linked to industrial modernisation. At least eight partnerships are expected to be implemented through this measure that will be expected to generate joint actions, including in relation to business scale-up and growth acceleration support.</td>
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<th>39. The Committee of the Regions expresses concern that the Communication – which tackles an unusually broad topic – is too superficial when it comes to planned activities and only selectively goes into future actions (e.g. information about the Programme of the digital innovation hubs is absent, and a proposal to set up a European Innovation Council is merely alluded to without specifying the way in which it will work.</th>
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<tbody>
<tr>
<td>The Start-up Hubs platform is being developed as part of Start-up Europe to provide a detailed and consistent analysis of the start-up ecosystem across Europe. The aim is to provide insight and transparency into the scale and nature, strengths and weaknesses of, and the relationships between, Europe’s start-up ecosystems. Based on these findings, it is possible to identify a series of policy recommendations, for example to focus actions and investment on addressing market gaps.</td>
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<td>failures at key stages in the business life-cycle (starting up, scaling, and expanding into new markets).</td>
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<td><strong>40.</strong> The Committee of the Regions calls on the Commission to put forward more detailed information on the competences that this council is to have, as well as its legislative mandate.</td>
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<td>The idea of setting up a European Innovation Council is meant to address certain shortcomings in the European innovation landscape: the lack of market-creating innovation and high-growth innovative companies and the lack of risk/venture capital investment. The Commission will base its approach on the results from a call for ideas in 2016, experiences from national innovation agencies, the outcome of the interim evaluation of Horizon 2020 and views from stakeholders. Also, the High Level Group of Innovators is to provide its advice on the European Innovation Council in the Framework Programme 9 (FP9) (<a href="https://ec.europa.eu/research/eic/index.cfm">https://ec.europa.eu/research/eic/index.cfm</a>). The Work Programme 2018-2020 for Horizon 2020 provides a pilot on the European Innovation Council by bringing together four instruments (SME (&quot;Small and Medium-sized Enterprise&quot;) Instrument, Fast Track to Innovation (FTI), Future and Emerging Technologies (FET) Open and Horizon prizes) with some changes that stay within the legal and budgetary framework of Horizon 2020. One of the changes is to fully open up the SME (&quot;Small and Medium-sized Enterprise&quot;) Instrument, without thematic restrictions, for proposals for market-creating innovations. The experiences with this pilot will also feed into the Commission's preparation of the future Framework Programme 9 (FP9).</td>
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50. The Committee of the Regions calls on the Commission to promote differentiation between the various sources of funding; venture capital funds, private equity and business angels are still underdeveloped in Europe.

Lack of access to finance has been identified as a key barrier for companies with growth ambitions.

For the period 2014-2020, a range of financial instruments have been set up in different programmes. Financial instruments are available under the European Union’s Programme for Small and Medium-sized Enterprises (COSME) and Horizon 2020 programmes and provide mostly loan (counter-) guarantees and venture capital.

The European Fund for Strategic Investments, as part of the Investment Plan for Europe, already provides support for 540,000 start-ups, small and medium-sized enterprises and mid-caps. The Fund’s extension until 2020 ("EFSI 2.0") allocates an even larger part of the resources to small and medium-sized enterprises.

On 30 September 2015, the Commission launched the Capital Markets Union initiative, with the aim of improving the financing of the European Union economy by developing and integrating capital markets. This was followed by the Start-up and Scale-up Initiative (22 November 2016) aiming to improve the conditions for start-ups willing to scale-up in the single market.

Furthermore, Public Procurement is an important source of possible financing for start-ups and scale-ups in Europe. The value of the Public Procurement market in Europe amounts to EUR 2 trillion annually, equivalent to 14% of European Union Gross Domestic Product. The modernised
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<th>Public Procurement Directives have extended the provisions to support small and medium-sized enterprises' participation in public procurement and support the contracting authorities in the uptake of innovation.</th>
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<td>56. The Committee of the Regions calls on the Commission to analyse the opportunities and risks of crowdfunding for European society, in particular those that directly impact investors who might not have the same access to information and might be less prepared for this kind of transaction compared to professional investors.</td>
<td>Under the Capital Markets Union, the Commission will monitor the evolution of the crowdfunding sector in the European Union and it will work on assessing national regimes and best practice in this area. Following the assessment, the Commission will decide on the best means to enable the development of this new funding channel across the European Union. Specifically for the small and medium-sized enterprises, the European Union Guide for small and medium-sized enterprises already offers information and gives practical tips on how to access crowdfunding. Another recently published study assesses the potential for crowdfunding and other forms of alternative finance to support research and innovation. Among other things, it estimates the size of the alternative market for research and innovation, analyses the challenges limiting development of alternative finance in particular for research and innovation, and offers an assessment of policy options and priority action at European Union and national level to exploit the opportunities of alternative finance for research and innovation.</td>
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<td>59. On 'Start-up activity in areas of particular social importance', the Committee</td>
<td>The Commission has already launched a comprehensive set of actions aiming at</td>
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of the Regions calls on the Commission to adopt a strategy – based on existing areas of particular interest such as the silver economy, social entrepreneurship, and the triple helix model – relating to innovative and socially-focused business initiatives that enhance quality of life, so that the system of incentives supports bottom-up activities and social creativity.

supporting the development of social economy and social enterprises as a follow up to the recommendations of the Commission's Expert Group on Social Entrepreneurship contained in its 2016 report. In this context, the Commission, in close cooperation with Member States and stakeholders, is:

1. improving access to finance both on the demand and supply side;
2. improving access to market (i.e. through ensuring better access to public procurement for social enterprises);
3. developing framework conditions for social enterprises (i.e. through reinforcing the entrepreneurial ecosystem);
4. promoting social innovation and stimulating the uptake of new technologies;
5. reinforcing the role of the social economy and social enterprises in European Union external policies.

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Points of the Committee of the Regions opinion considered essential | European Commission position
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2., 3. The Committee of the Regions points out the disproportionate impact of red tape on small and medium-sized enterprises, with relative compliance costs in areas such as taxation or reporting obligations higher for small and medium-sized enterprises (SMEs) than for larger companies. The Committee of the Regions therefore forcefully emphasises the need to make the European regulatory environment more SME-friendly by tackling barriers to business creation and growth at all levels.

49. The Committee of the Regions urges the Commission to promote measures to simplify regulation for the benefit of craft businesses and micro-enterprises, since currently the overly complex system jeopardises their viability and the important role they play in job creation and the economic development of regions and local communities, not to mention their role in protecting cultural and local heritage.

The Commission welcomes the Committee of the Regions' support for making the European regulatory environment more small and medium enterprise (SME)-friendly by minimizing regulatory burden for small and medium-sized enterprises and adapting European Union regulation to the needs of micro-enterprises and by making starting up and scaling up a company easier by tackling barriers to business creation and growth (start-up and scale-up initiative). Small and medium-sized enterprise Policy remains an important priority of the Commission. The Commission's approach is to mainstream small and medium-sized enterprises' interests in all relevant policy initiatives ("Think small first").

Impacts on small and medium-sized enterprises are checked for all new proposals and assessed in more detail where this is relevant via the use of the SME Test. It is Commission policy to minimise regulatory burdens on small and medium-sized enterprises generally and to exempt micro-

enterprises wherever possible from burdensome requirements.

The Regulatory Scrutiny Board, as an independent body providing a quality check on the Commission's impact assessments, has an important role in ensuring that the SME Test is properly applied.

Reducing unnecessary regulatory burdens in existing European Union law remains an important priority for the Commission. Initiatives for simplification and burden reduction launched under the Commission's Regulatory Fitness Programme (REFIT) are directly relevant to business and small and medium-sized enterprises. They are identified with the advice of stakeholders including small and medium-sized enterprise representatives in the REFIT Platform and also include exemptions or lighter regimes for small and medium-sized enterprises and micro-companies. Initiatives with small and medium-sized enterprise exemptions have been taken for example in the areas of personal data protection, food labelling and public procurement.

| 7. The Committee of the Regions reiterates its call for a revised and strengthened Small Business Act and for a stronger role for regions and cities in implementing Small Business Act principles; it restates its own commitment to promote Small Business Act implementation through its European Entrepreneurial Region scheme. | The Commission remains committed to small businesses. The Small Business Act\textsuperscript{15} and its Review\textsuperscript{16} continue to represent this commitment. The priorities for European Union small and medium-sized enterprise policy have remained stable since 2011 and were confirmed in a public consultation in 2014, with the emerging new priority related to skills |

\textsuperscript{15} COM(2008) 394 final.
\textsuperscript{16} COM(2011) 78 final.
and competences. The Commission continues to monitor the implementation of the Small Business Act in Member States - the results are reviewed annually and published online in the form of Small Business Act factsheets. The regional authorities are encouraged to adopt and follow best practices of the Small Business Act at regional or local level.

Finally, so as to complement the Small Business Act and the Start-up and Scale-up Initiative with further relevant small and medium-sized enterprise policy topics, the SME Envoys have recently come up with the European SME Action Programme. It is a working document aimed at providing an analysis of the current situation and the challenges facing European small and medium-sized enterprises including on digitalisation or the sharing economy. It has been drafted to provide insights for the policy areas relevant to small and medium-sized enterprises, to strengthen best practice sharing and to ensure that the 'Think Small First' principle continues to guide the initiatives of the Members States and across the Commission.

One very good example of a current initiative aimed at developing entrepreneurial ecosystems on regional and local levels includes the European Entrepreneurial Region. So far, 21 regions have been awarded the label - including less developed regions, since the idea is to enable mutual learning and best practice exchange across the Commission. This closer cooperation has already materialised in the follow-up project Interreg IIE (aimed at ensuring that the 'Think Small First' principle continues to guide the initiatives of the Members States and across the Commission).

It is time to consider how best practice sharing and to ensure that the 'Think Small First' principle continues to guide the initiatives of the Members States and across the Commission.
boosting entrepreneurial ecosystems for young entrepreneurs), while further projects building on the European Entrepreneurial Region experience and network are under consideration.

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<th>8. The Committee of the Regions notes that the SME Envoys network acts as a main interface between the Commission and national policy-makers. The Committee of the Regions calls upon the Commission to formally and systematically include regional and local SME Envoys in this network.</th>
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<tr>
<td>The network of SME Envoys was established to monitor the implementation of the Small Business Act and currently also of the Start-up and Scale-up initiative in the Member States. The Commission agrees with the Committee of the Regions' assessment regarding the importance of regional and local SME Envoys, as regions and cities are crucial actors in the building of start-up ecosystems. The Commission is, therefore, open to exploring suggestions as to how the work of regional and local SME Envoys can be linked with that of their national-level counterparts while preserving the effectiveness of the current set-up.</td>
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<th>13. The Committee of the Regions underlines that overlapping and contradictory rules in different European Union policies – regional policy, State aid, public procurement, environmental protection, tension between cluster support and competition and compliance rules – disproportionally affect small and medium-sized enterprise.</th>
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<tr>
<td>Identifying overlapping or contradictory rules in European Union law is an important concern for the Commission. The instruments of evidence-based policy making, such as impact assessments, evaluations and public consultations serve to identify potential overlaps or contradictions. The REFIT Platform, which includes high-level experts of Member States and Stakeholders, issued several opinions on the potential for a better streamlining of different European Union policies, such as a recently adopted opinion in the area of State aid rules and European Regional Development Fund innovation projects.</td>
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<th>15. The Committee of the Regions is</th>
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<td>The Commission systematically</td>
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<td>convinced that the burden of reporting requirements on small and medium-sized enterprises cannot be addressed by simplifying a single piece of legislation; therefore it urges the Commission and Member States to adopt a holistic approach, based on a comprehensive assessment of all reporting requirements faced by small and medium-sized enterprises.</td>
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| The Committee of the Regions stresses that the institutional role of the Committee of the Regions within the REFIT Platform should not be confused with other stakeholders; therefore it considers that representatives of the Committee of the Regions’ commissions should be able to support the Committee of the Regions representative to the Platform by taking part in Platform meetings concerning dossiers related to their remits. | The REFIT Platform consists of two groups; one of experts from the Member States at government level and one of experts from various sides of society with expertise in application of European Union law. The REFIT Platform is an entity where all participants enjoy the same rights and have access to exactly the same level of information, whether in the Government group or the Stakeholder group. Regional and local authorities are public |

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bodies with legitimate stakes in European Union law, but they are not 'governments' so they are by definition stakeholders in the broad and neutral sense of the word.

In relation to the number of participants to the REFIT Platform meetings, this organisational aspect has been fully considered at the time of the creation and entry into operation of the Platform and, following the general procedure and practice of Commission expert groups, it was decided that the meetings will only be open to members.

The REFIT Platform is a unique body and all members should participate on an equal footing with stakeholders, who are not allowed to bring alternates. In addition, the Commission has given weight to establishing a meeting that is conducive to active engagement of all participants, which the Commission believes is possible if the number of participants is limited.

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<th>25. The Committee of the Regions notes that the work of the REFIT Platform focuses primarily on specific issues within European Union legislation that can be improved without fundamentally changing an entire piece of legislation; it considers that this narrow focus should be complemented by a more ambitious approach, aiming for structural improvements to the European Union regulatory framework in the medium term.</th>
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<tr>
<td>The Commission Decision establishing the REFIT Platform stipulates that the Platform should invite, collect and assess suggestions from all available sources on how to reduce regulatory and administrative burden. There is no limitation with regard to the level of ambition of such suggestions. The main guiding principle is that they make existing European Union regulation more efficient and effective while reducing burden and without undermining policy objectives. Within the REFIT process, the Commission systematically checks whether legislation is fit for purpose or whether</td>
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it can be further improved. Opinions of the REFIT Platform provide an important input to this process. Moreover, since 2017, all legislative revisions proposed by the Commission are tested under REFIT for opportunities for simplification and reducing unnecessary regulatory burdens without prejudice to the policy objectives pursued.

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<th>30. The Committee of the Regions calls upon public authorities at all levels to commit themselves to common standards of small and medium-sized enterprise-friendly procurement.</th>
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<tr>
<td>The Commission remains committed to facilitating the participation of small and medium-sized enterprises in public procurement. Under the new European Union public procurement, contracting authorities will be encouraged to divide contracts into lots, making tenders more accessible to small and medium-sized enterprises, the turnover required to participate in a tender procedure will be limited, allowing more small and medium-sized enterprises and start-ups to participate, and the documentation requirements for procurement procedures will be considerably decreased. In addition, the European Single Procurement Document, replacing the various different forms used in the past, will contribute to reducing costs for participating in public tenders.</td>
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| 34. The Committee of the Regions calls for further simplification and harmonisation of tax rules, which are seen as the most burdensome policy area by a majority of European small and medium-sized enterprises. |
| 36. The Committee of the Regions calls for further simplification of rules and procedures linked to different Value- |
| On 18 January 2018 the Commission adopted a proposal including a comprehensive Value-Added Tax simplification package for small enterprises. It is aimed at reducing the administrative burden and at contributing to the creation of an environment favourable to their growth and cross-border trade. The package |

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Added Tax regimes in cross-border trade, for an extension of the mini One Stop Shop principle, and for a common European Union cross-border threshold below which Value-Added Tax would not be applied.

37. The Committee of the Regions calls for a reduction of administrative burden linked to Value Added Tax, such as reporting requirements, deadlines, and record retention periods, and for speeding up administrative practices in processing Value Added Tax returns.

includes a number of measures aimed at (1) eliminating the burden of collecting tax, (2) reducing compliance costs and (3) supporting small and medium-sized enterprises' growth. This initiative involves in particular the review of the special scheme for small enterprises under the VAT ("Value-Added Tax") Directive. The proposal covers both the exemption and simplification measures relating to Value-Added Tax obligations, such as identification, invoicing, accounting or Value-Added Tax returns. Moreover, the proposal provides an alignment between different national regimes making use of best practises. However, taking into account the Commission's experience as regards prior initiatives for simplifying Value-Added Tax rules for small businesses, no harmonised exemption thresholds is proposed. The small and medium-sized enterprises package belongs to the reform announced in the 2016 Value-Added Tax Action Plan.

38. The Committee of the Regions observes that the Single Market for Services still suffers from many restrictions affecting small and medium-sized enterprises, including occupational licensing, establishment rules, fixed or minimum prices, legal form requirements and sector-specific rules; it calls for ambitious simplification and harmonisation in the services sector, to promote growth gains resulting from economies of scale, trigger innovation by strengthening import competition, and

The Commission is actively seeking to improve the functioning of the Single Market for Services. The Services package adopted in January 2017 contains three legislative proposals to improve the workings of the 2006 Services Directive. One of them, the services e-card, is aimed especially to facilitate small and medium-sized enterprises in providing services cross-border. Compliance and enforcement actions via infringement cases are also enacted when appropriate; these have

attract inward investment by reducing market fragmentation.

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<tr>
<th>39. The Committee of the Regions notes that differences in national product market regulations represent a major obstacle for small and medium-sized enterprises, as they result in a need to run different product lines in different Member States and hamper the development of pan-European supply chains; it calls on the Commission and Member States to work towards stronger harmonisation in this area.</th>
<th>Harmonisation is not always possible or desirable. Where there are no harmonised rules on products, Member States can regulate at national level; the free movement of goods is ensured, in this case, on the basis of the mutual recognition principle, embedded in articles 34-36 of the Treaty on the Functioning of the European Union and further developed on the basis of the Court of Justice jurisprudence. The Commission is preparing, as announced in the &quot;Single Market Strategy&quot;, a legislative proposal and a European Union-wide action plan to reinforce the functioning of this fundamental principle and ensure more and better mutual recognition.</th>
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<td>41. The Committee of the Regions calls for a harmonised regulatory framework creating a European passport for crowdfunding platforms, requiring only a single authorisation from one competent authority within the European Union to offer services cross-border, thus allowing for a genuine European crowdfunding market.</td>
<td>Following the Mid-Term Review of the Capital Markets Union, published in June 2017(^{24}), and the public consultation on FinTech which closed in summer 2017, the Commission will assess whether new, more proportionate licensing arrangements for FinTech activities and firms in areas such as investment-based and lending-based crowdfunding are needed.</td>
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<td>42. The Committee of the Regions reiterates its warning, expressed in its opinion on the simplification of the European Structural and Investment Funds(^{25}), that procedures for using the European Structural and Investment Funds(^{25}) during the 2014-2020 programming period, several provisions in the Omnibus Regulation(^{26}) proposed by the Commission aim at simplifying the delivery of the European Structural and Investment Funds on the ground.</td>
<td>As regards the 2014-2020 programming period, several provisions in the Omnibus Regulation(^{26}) proposed by the Commission aim at simplifying the delivery of the European Structural and Investment Funds on the ground.</td>
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\(^{25}\) CoR Opinion on the Simplification of ESIF, ref. COR-2016-00008-00-00-AC-TRA.

\(^{26}\) COM(2016) 605 final.
Funds are getting more and more complex and cumbersome; therefore it calls for an urgent simplification of the rules governing the set-up, reporting requirements and audit of financial instruments under the European Structural and Investment Funds. Proposals include simplifications for the implementation of financial instruments co-financed by European Structural and Investment Funds. In this area, the purpose of the changes is notably to facilitate the implementation of financial instruments (including those combining resources from the European Fund for Strategic Investments), while ensuring the continuity and stability of Financial Instruments implementation under the current programming period and safeguarding sound financial management of European Union funds.

45. The Committee of the Regions underlines that, in order to achieve the objectives of both the European Structural and Investment Funds and European Union small and medium-sized enterprise policy, European Structural and Investment Funds rules should be considered from a perspective of proportionality, creating a partnership for simplification taking the interests of all parties into account; the Committee of the Regions calls for a relationship based on trust instead of the fundamental distrust often manifested by European Union Institutions towards national, regional and local authorities. Multilevel governance is at the core of the European Structural and Investment Funds. This means that funds are implemented by the Commission together with national, regional and local authorities in the Member States in accordance with the regulatory framework adopted by the co-legislators. In line with the Omnibus proposal, which already enables a number of simplifications for the current 2014-2020 programming period, the regulatory framework for the implementation of European Structural and Investment Funds post-2020 should enable maximising the benefits of European Union Funds while ensuring that taxpayers' money is safeguarded.

50. The Committee of the Regions considers the scope of the definition of off-premises contracts in the Consumer Rights Directive to be too broad, potentially harming craftsmen who are called into a home by a consumer; it The Consumer Rights Directive (CRD)\(^\text{27}\) already provides for some exceptions as regards off-premises contracts, namely the possibility for Member States to exclude low value contracts below EUR 50 (Article 3(4),

Therefore calls for a more focused definition taking account of the needs of small and medium-sized enterprises and micro-enterprises.

the simplified information regime for contracts not exceeding EUR 200 under Article 7(4) of the Directive, and the exception from the right of withdrawal for contracts where consumers have specifically requested a visit from the trader for urgent repairs or maintenance (Article 16 (h)).

The Commission remains committed to take into account the needs of small and medium-sized enterprises and micro-enterprises and thoroughly assesses the impacts of existing rules in the framework of the revision of current legislation. In particular, in May 2017 the Commission published the results of the evaluation of the Consumer Rights Directive. The evaluation showed that the Consumer Rights Directive has positively contributed to the functioning of the business-to-consumer internal market and ensured a high common level of consumer protection.

In the framework of that evaluation, some of the stakeholders reported that for off-premises contracts, small and medium-sized enterprises and micro-enterprises face costs because of the level of detail in the information requirements under the Consumer Rights Directive and the fact that information must be provided on paper or, if the consumer agrees, on another durable medium. Specific concerns were raised regarding Article 14(4)(a) of the Consumer Rights Directive which states that consumers shall bear no cost for the performance of services where the trader has failed to inform them.

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about the right of withdrawal or where the consumer has not expressly requested the performance of the service to begin during the 14 days withdrawal period.

However, in the evaluation only few anecdotal examples were provided about possible disproportionate burdens stemming from the application of Article 14(4)(a) of the Consumer Rights Directive, while several concerns were raised by stakeholders about unintended and unexpected effects from the application of other rules on the right of withdrawal, and namely Article 14(2) on the right of withdrawal in case of goods used more than allowed, and Article 13(3) on the trader's obligation to reimburse the consumer before having had the possibility to inspect the returned goods, once the consumer has supplied evidence of having sent them back. Against this background, the Commission considered further investigating whether substantive evidence is available that would demonstrate disproportionate burden on businesses stemming from the application of Article 14(2) and 13(3) of the Consumer Rights Directive. In this regards, as follow-up of the evaluation exercise, the Commission is currently conducting an impact assessment with a view to proposing targeted amendments to the European Union consumer law directives, including the Consumer Rights Directive and its above-mentioned rules on the exercise of the right of withdrawal pursuant to Article 14(2) and 13, also in cases of off-premises contracts.

52. The Committee of the Regions The Commission welcomes the
stresses the importance of innovation-friendly rules that create room for experimentation where appropriate; it stresses the need to encourage entrepreneurial thinking at all government levels.

Committee of the Regions' call for boosting support for innovation in the European Union. The Commission currently engages in a number of activities that aim at supporting innovation (social innovation, innovative design, demand-side innovation, public procurement of innovation, workplace innovation, public sector innovation, etc.) and uses a number of tools, including the Horizon 2020 Programme, to provide financial assistance to boosting the European Union's innovative potential.

Public sector innovation is particularly important because the sector plays a key role as a regulator, service provider, and employer. An efficient and productive public sector can be a strong driver of private sector growth.

As part of its effort to strengthen entrepreneurial thinking, the Commission is implementing the Erasmus for Young Entrepreneurs Programme. Another example is the Entrepreneurship Competence Framework (published under the New Skills Agenda). This framework proposes a shared definition of entrepreneurship as a competence, with the aim to raise consensus among all stakeholders and to establish a bridge between the worlds of education and work.

54. The Committee of the Regions highlights the Danish Burden Hunter project as good practice at national level, that allows identifying barriers in direct dialogue and jointly seeking solutions; the Committee of the Regions calls upon the Commission to take full account of examples of this kind and promote their

The Commission seeks inspiration from best practice whenever possible. More direct involvement of stakeholders in consultations is a priority and is reflected in the work done on more and better proportioned consultations. Targeted consultations, SME Test, translation into more
| use and transfer where possible | languages etc. are all examples of how the Commission integrates best practice and works towards direct dialogue with stakeholders. |
N°6 · Local and Regional Dimension of the Horizon 2020 Programme and the New Framework Programme for Research and Innovation (own-initiative opinion)
COR 2017/0854 – SEDEC-VI/026
124th Plenary Session - July 2017
Rapporteur: Mr Christophe CLERGEAU (FR/PES)
DG RTD - Commissioner MOEDAS

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<td>The opinion tackles implementation of Horizon 2020 as well as the next Framework Programme.</td>
<td>In the interim evaluation of Horizon 2020, the Commission reflected on many issues raised in the opinion. The lessons learned from this evaluation are already feeding into the Work Programme 2018-2020 development and will inform the shaping of the future Framework Programme.</td>
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**Part A - European research and innovation (R&I): an ambition that needs to be stepped up beyond the framework programme**

For a return to innovation and research as a budgetary and policy priority:

- (7) the Committee of the Regions calls for a return to innovation and research as one of the top priorities in the debate on the future of Europe and the priorities set out in the Rome Declaration;

- (7) the budget for the framework programme should be considerably increased to at least maintain the growth momentum of the current Framework Programme;

- (11) clarifying the debate on synergies with other European Union policies.

The interim evaluation shows that Horizon 2020 is well performing, highly relevant for stakeholders and on track with delivering its objectives. Horizon 2020 is both attractive and simpler than its predecessor programme, with more than half of participants being newcomers and more than 65% increase in proposals received per year than for the Seventh Framework Programme for Research (FP7). However, this attractiveness results in a strong level of oversubscription. More than EUR 60 billion in additional funds would have been needed to fund all the proposals evaluated as high quality over the first three years of Horizon 2020: only one out of four of such proposals could be funded.

The Commission welcomes the call from the Committee of the Regions to considerably increase the budget for the
The Commission takes note of the recommendation to clarify the debate on synergies between Framework Programme and other European Union policies, in particular the European Structural and Investment Funds, the European Fund for Strategic Investments, the Common Agricultural Policy and the European Development Fund.

The interim evaluation of Horizon 2020 confirms that compared to the Seventh Framework Programme for Research (FP7), efforts have already been made to increase the synergies between Horizon 2020 and other programmes, notably the European Structural and Investment Funds, but these can be further strengthened. Different intervention logics and complexity of various types of funding as well as compliance with State aid rules are reported difficulties.

Simplification and streamlining could facilitate access to European Union funding for example by having harmonised rules for participation across the European Union budget.29

Regarding governance of the Framework Programme and the European Structural and Investment Funds, there is a need for better clarity of roles and responsibilities of all the actors involved. At present, potential spill-overs and complementarities remain underexploited because of the fragmented nature of national and regional innovation systems across the European Union and the lack of alignment of priorities between the

different levels - local and regional, national, the European Union. European Innovation Partnerships, or similar multi-stakeholder platforms, can be used to foster a more coherent approach. The Commission addressed some of these issues in the Communication "Strengthening Innovation in Europe's Regions" of 18 July 2017.30

While the Commission is committed to make the synergies as operational and straightforward as possible, the national and regional authorities have a central role to play in this transition towards greater synergies. Their active participation, for example, in the Seal of Excellence initiative that started in 2015 is essential for success and their role in maximising the take-up of projects with Seals is crucial for significant impact. Following the successful piloting of the Seal with the small and medium-sized enterprise Instrument, the initiative has recently been extended to cover Teaming, Marie Skłodowska-Curie actions and soon the European Research Council.

In the context of the Seal of Excellence, the compatibility between different rules, including State aid rules has been discussed and first steps undertaken in the Staff Working Document of 4 January 2017. Discussions are ongoing within the Commission to make the process even smoother.

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**Part B - Revamping the foundations of the Framework Programme while retaining its structure**

The Commission notes the call to distinguish between types of excellence, but underlines that Horizon 2020

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An open, collaborative programme for the benefit of all: a new approach to excellence:

- (17) the Committee of the Regions calls for taking better account of all forms of excellence and innovation, and (20) suggests to distinguish between the different types of excellence.

Transforming societal challenges to enhance their relevance and impact:

- (23) the Committee of the Regions calls for the introduction of two new societal challenges to develop excellent scientific output on major challenges for the future of European societies: (a) tackling the challenges of the European skills agenda and (b) territorial dynamic of value creation, innovation and employment, social links and sustainable development;
- (25) the Committee of the Regions encourages adopting a new, complementary approach based on missions, in order to carry out exploratory work and large-scale projects, as well as on cross-cutting focuses.

The issues raised in the opinion are already being tackled to some extent under Societal Challenge 6 Inclusive, Innovative and Reflective Societies of Horizon 2020, and this part of the programme will allocate around EUR 550 million to its calls in the final years of Horizon 2020. The European Institute of Innovation and Technology and its network of Knowledge and Innovation Communities also play an important role in addressing these challenges.

One area for improvement identified in the interim evaluation of Horizon 2020 is to consider an impact-focused mission-oriented approach to continue to deliver on global challenges at a scale, speed and scope that adds value compared to what can be done at national or regional level. Missions are also expected to help in communicating more effectively with citizens and set inspiring goals for European Union leadership, by better capturing impacts on knowledge, economy, industrial competitiveness and society.

Part C - Framework programme supporting R&I established in all regions

Promoting an excellence-based approach that is firmly established in the cities and regions:

- (34) the Committee of the Regions emphasises that the Framework Programme must help to strengthen regional research and innovation capacity so that the regions are helped to climb the already relies on excellence as the guiding principle, as ensured through independent peer review.

It is important to notice the difference between the role and objectives of Horizon 2020 and the European Structural and Investment Funds - in other words, the difference between 'excellence versus geographical criteria'.

In particular, the European Structural and Investment Funds have a key role to play for capacity building in the field of research and innovation based on smart specialisation strategies. The
'stairway to excellence'.

Forming a new alliance between European Union research policy and the cities and regions:

- (37) the Committee of the Regions recommends that the Framework Programme should do more to strengthen regional innovation hubs and ecosystems, and that a new "territorial connections" project be set up to recognise and fund regional excellence networks along the lines of the Vanguard Initiative.

Bridging the innovation gap between regions and between Member States:

- (39) the Committee of the Regions expresses its disappointment regarding low participation of the EU-13 countries in Horizon 2020 halfway through its term;

- (40) the Committee of the Regions recommends continuing the Spreading Excellence and Widening Participation part of Horizon 2020;

- (40) the Committee of the Regions recommends broadening Widening actions – in the case of regions in countries that are not eligible for the Programme but whose research and innovation performance is underdeveloped; the case concerning outermost regions is explicitly mentioned.

- (41) the Committee of the Regions recommends launching a new approach to the 'Stairway to Excellence', whereby a country-specific coordination plan would be developed so that the action is taken concurrently on the necessary reforms, building centres of excellence, combating the brain drain and participating fully in European Union’s Programme for small and medium-sized enterprises (COSME) and European Structural and Investment Funds activities are working in partnership and are associated with the existing three Thematic Smart Specialisation Platforms (Agri-Food, Energy, Industrial Modernisation) that follow the logic of the Vanguard Initiative to strengthen strategic inter-regional collaboration between regional ecosystems and clusters. The recent Smart Specialisation Communication makes clear how this can strengthen innovation in Europe’s regions.

In the area of raw materials and circular economy, Horizon 2020 is supporting European networks of regions on mining and metallurgy, on sustainable wood mobilisation and on circular economy.

The Commission is fully aware of the challenges faced by Member States with low research and innovation performance. Efforts have been undertaken to analyse the situation and its underlying causes and to find

European research networks.

appropriate solutions to help researchers and research institutions from these countries. Following the findings of the interim evaluation of Horizon 2020, progress has been made, albeit slowly, on spreading excellence and widening participation. Moreover, there is strong heterogeneity among EU-13 countries and across Horizon 2020 programme parts.

The measures currently in place have a long-term impact and may not result in an immediate increase of the participation rates of under-represented countries. Moreover, widening participation needs to be addressed both nationally and at European Union level in a complementary way whilst respecting the principles and role of each level and instrument used. In many countries, national reforms and significant investment on Research and Investment should take place in order to build up the capacity to participate in the Framework Programmes.

Horizon 2020 actions such as the Policy Support Facility and actions under the Spreading Excellence and Widening Participation Programme part ('Teaming', 'Twinning', and 'European Research Area (ERA) Chairs') are designed to support countries in improving their research and innovation capacity.

The Policy Support Facility provides Member States with support in the design, implementation and evaluation of research and innovation policy reforms. Bulgaria, Hungary, Poland, Malta, Slovakia, Romania, Lithuania, Latvia and Slovenia have already benefited from this support.
In line with the Commission’s willingness to improve the research and innovation capacity of all countries, and following the EUR 200 million extra budget to Horizon 2020 through the Multi-annual Financial Framework review, EUR 55 million is to be attributed to the Widening actions over the last years of Horizon 2020. These funds will be used to increase substantially the budget of the Teaming Phase 2 call in 2018, the flagship action of the Widening pillar as well as other actions like Twinning and European Research Area (ERA) Chairs.

The Commission also launched, through the Policy Support Facility, a 'Mutual Learning Exercise on Widening Participation and Synergies' to help address these two – often inter-related – issues that are linked to the closing of the innovation divide in Europe. A scoping workshop was organised at the end of May 2017 for the representatives of all interested countries to enable an in-depth discussion on the specific topics to be covered by the exercise.

Regarding the suggestions for future actions, the Commission will be reflecting on that on the basis of evidence from all available sources in accordance with the Better Regulation principles.

### Part D - Supporting joint and shared instruments to promote scientific excellence and innovation

Enhancing spill-over effects, innovation and knowledge dissemination in partnership with the cities and regions:

(59) the Committee of the Regions emphasises that cities and regions should

The Commission shares the views on the importance of dissemination of project results. In that regard, *inter alia*, the 'Knowledge Exchange Platform' was launched in October 2015 by Committee of the Regions President Markku Markkula and Commissioner Moedas. The main objective of the 'Knowledge Exchange Platform is to
be more involved in using and disseminating the results of projects under the Framework Programme.

| present new research and innovation solutions, innovative products and best practice in response to the numerous societal challenges facing local and regional authorities in Europe today. The Knowledge Exchange Platform provides structured cooperation between the Committee of the Regions and pertinent Commission services, and in doing so, it reaches out and mobilises new regional and local policymakers and actors across the European Union. |
7. The Committee of the Regions considers, however, that ocean governance is affected by what is known as the "tragedy of the commons". While there are a range of general worldwide or sea-based agreements, such as the United Nations Convention on the Law of the Sea and specialised agreements particularly under the International Maritime Organization, there is a considerable degree of fragmentation. In that context, the role of the European Union is both to lead by example and to offer incentives so that non-European Union partners replicate the high standards that exist within European Union marine policy. Such incentives, including capacity building, could potentially be included in international agreements on trade and development programmes that the European Union negotiates with third countries;

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<td>One of the issues identified during the consultation process was the lack of appropriate coordination between international organisations. Therefore, improving coordination and cooperation between international organisations is an important part of the actions proposed under the first priority area: improving the international ocean governance framework, notably action three. The European Union is already working towards the inclusion of ocean governance on the agreements it negotiates with third countries.</td>
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8. The Committee of the Regions notes that the European Union and Member States have concurrent powers on international relations, inclusive of marine-related issues. This requires robust coordination between levels of government, and ensuring that European Union and national positions in international forums have undergone territorial impact assessment so that the interests of the competent local and institutional and procedural
<table>
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<th>Regional authorities are fully embedded in them.</th>
<th>Requirements, with due regard to the international legal framework.</th>
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<td>14. Committee of the Regions believes, conversely, that the entry of ocean-sourced goods and commodities from third countries into the European Union Single Market should be conditional to the fact that these countries progressively converge towards higher European Union standards, such as for instance on banning of discards at sea.</td>
<td>Countries may have their own management system. The European Union is still in the process of implementing the discard ban. This standard is not linked to trade preferences. Such conditions could be incompatible with World Trade Organization rules. The entry of ocean-sourced goods and commodities from third countries is conditional to illegal, unreported and unregulated fishing validation.</td>
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<td>17. Leading by example, the European Union is therefore in a position to introduce reciprocity requirements and offer incentives when negotiating new international rules with third parties and organisations. This global initiative for enforcement of those rules is needed in order to ensure a level playing field for all countries, regions and economic operators.</td>
<td>The European Union is active in regional fisheries management organisations in all oceans and is a leader for sustainable management of fisheries on the basis of the principles established in the Common Fisheries Policy that apply in the European Union, and the European Union continues to promote them internationally. With regard to free trade agreements, the European Union includes chapters on sustainable development in all of them, to which all parties should abide.</td>
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<td>19. The Committee of the Regions is concerned that the Commission guidance on seabed mining would act as a deterrent to focus on the European Union resource efficiency plans, the more so as the technology for exploitation of natural resources is untested and has the potential to damage the natural environment. The Committee of the Regions calls for coordination with Member States' negotiations at the International Seabed Authority.</td>
<td>The European Union's Raw Materials Initiative gives equal emphasis to its three pillars: (1) access to international markets, (2) production of primary raw materials in the European Union, (3) resource efficiency and recycling. In line with the Council Conclusions on International ocean governance: an agenda for the future of our oceans (8029/17), the Commission stresses that the exploration and exploitation of seabed mineral resources in areas within and beyond national jurisdiction</td>
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should identify and prevent or mitigate potential environmental risks.

The European Union's interest is to make sure that the responsibilities and activities of the Authority are considered in the broader context of developments within the international Law of the Sea as a whole and that a high level of protection of marine biodiversity is ensured by a full implementation of an ecosystem approach.

20. The Committee of Regions recommends in that respect that the European Union should campaign and provide incentives for other countries and organisations to introduce the European system of yellow and red cards as a model for tackling illegal, unreported and unregulated fishing on a global scale, including blacklisting and export bans resulting from non-compliance. The Committee of the Regions calls for current plans for an electronic tool for managing catch certificates to be speeded up. Such measures would boost the industry in those regions that apply the provisions strictly.

The "yellow cards" and "red cards", or pre-identification and identification of third countries as non-cooperating in the fight against illegal, unreported and unregulated fishing are tools available to the Commission in the framework of the implementation of the European Union Regulation to prevent, deter and eliminate illegal, unreported and unregulated fishing. On this basis the European Union has entered into dialogue, or is working with illegal, unreported and unregulated fishing Working Groups with more than 50 countries worldwide. In each of these exchanges, the Commission encourages the country to take all necessary action to meet their international obligations as flag, coastal, port and market State. Establishing traceability and consequent actions to ensure the effectiveness of the traceability scheme are part of the package of measures that can improve fisheries governance in each country.

The Catch Certification scheme foreseen by the European Union Regulation to prevent, deter and eliminate illegal, unreported and unregulated fishing is based on paper certificates. In cooperation with European Union Member States, the Commission is establishing an electronic database for Catch Certificates which would also serve as a tool to facilitate controls of imports of fishery products into the European Union. This project should be finalised in spring 2019. Concrete work has started on the integration of Catch Certificates and processing statements into the Directorate-General for Health and Food Safety's TRACES ("Trade Control and Expert System") system as a basis for a solid European Union-wide database.

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<th>22. The Committee of the Regions considers that local and regional centres of competitiveness and excellence, particularly in areas with a strong maritime dimension, including the outermost regions, can play a crucial role and need to be financially supported in developing international research teams and technology transfer platforms in support of the European Union's work in Ocean Governance.</th>
<th>The possibility is already there under the European Regional Development Fund. It is up to regional and national authorities to take advantage. Some Operational Programmes already include this, for example that of the Azores.</th>
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<tr>
<td>24. The Committee of the Regions recommends, with regard to the management of biological biodiversity in areas beyond national jurisdiction, that the European Union improve coordination with the European Maritime Safety Agency and the European Fisheries Control Agency as well as closely involving European regions in coordination actions and consultation with The United Nations General Assembly adopted a stand-alone Resolution on 19 June 2015 which established a preparatory committee (PrepCom) tasked to provide substantive recommendations to the United Nations General Assembly on the elements of a draft text of a new legally binding instrument under the United Nations Convention on the Law of the</td>
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adjacent European regions. Sea to address the conservation and sustainable use of marine biodiversity of areas beyond national jurisdiction. The fourth and final session of the United Nations Biodiversity Beyond National Jurisdiction (BBNJ) Preparatory Committee concluded on 21 July 2017 with the adoption by consensus of recommendations to the United Nations General Assembly on elements of draft text for a future agreement on biodiversity of areas beyond national jurisdiction. It was also recommended that the United Nations General Assembly should take a decision as soon as possible to convene the Inter-governmental Conference which should negotiate and agree the future instrument.

| 27. The Committee of the Regions believes that the cooperation between national authorities and the European Border and Coast Guard Agency (Frontex), the European Maritime Safety Agency and the European Fisheries Control Agency must result in joint maritime surveillance capability with the European Union providing, where applicable, state of the art vessels and technology to effectively enforce surveillance. The Commission agrees on the need to maximise efforts at European Union and national level to achieve the best possible maritime surveillance capability in the European Union maritime domain, *inter alia* by making use of the joint efforts by European Union agencies on coastguard cooperation at European Union level, to ensure efficient cooperation with Member States and to further develop concepts such as the Common Information Sharing Environment for the European Union maritime domain. The Commission recalls, however, that maritime surveillance capabilities, with only minor exceptions, are under the ownership and control of European Union Member States and that European Union intervention is merely intended to coordinate and seek synergies between |
28. Moreover, in order to comply with the Paris Agreement, it is essential not only to incorporate climate change adaptation measures into maritime management, but also to leave a substantial amount of the existing fossil fuels underground. To this end, the Committee of the Regions considers that in the interests of consistency, Action 6 should be strengthened through the inclusion of measures to prevent new oil exploration in sensitive areas in European seas.

30. The Committee of the Regions agrees, in line with Action 8, that fishing subsidies that harm the environment both in the European Union and in third countries should be phased out. Appropriate incentives and palliative measures need to be defined to ensure the viability of communities that are heavily dependent on fisheries both in the European Union and elsewhere.

31. A robust European Union environmental framework for prevention, Article 6.3 of the Habitats Directive\(^34\) (conf. Directive 2008/56/EC, page 19\(^35\)) provides that any plan or project likely to have a significant effect on a Natura 2000 site must be subject to an appropriate assessment in view of the sites' conservation objectives.

Following the 2010 Deepwater Horizon accident in the United States, the European Union has progressively upgraded the standards of safety and environmental protection applicable to offshore oil and gas operations, most notably through the adoption of Directive 2013/30/EU\(^36\) on safety of offshore oil and gas operations, and the accession of the European Union to the ‘offshore protocol’ of the Barcelona Convention\(^37\).

The Commission welcomes this statement. The European Union proposal for World Trade disciplines on fisheries subsidies follows this line.

One of the main priorities of the plastic strategy (scheduled to be presented in

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including a possible European Union ban on microplastics, needs proper enforcement at local and regional level, and continuing investment in cleaner technologies including the development of tailor-made local and regional marine litter prevention policies. This should include further progress towards a common regime not only for port reception facilities but also for fees for ship-generated waste and cargo residues, so as to discourage ships from discharging them before docking at ports. While Europe’s regions and local authorities are among the largest emitters of marine litter and plastic, they are also affected by litter coming from outside the European Union, meaning that international cooperation is essential.

December 2017) is to reduce the leaking of litter into the marine environment, including microplastics. Several actions are envisaged based on stakeholder consultations and studies commissioned by the Commission.

Research and innovation projects to prevent marine litter, to mitigate its impact and to clean and restore marine ecosystems are being supported by Horizon 2020 funding.

The ongoing process for a revision of Directive 2000/59/EC on Port Reception Facilities for ship-generated waste and cargo residues, covers not only reception practices but also the fee systems principles aiming at a more common framework for charging practices at ports in the European Union, including so-called green incentives for ships to push for cleaner technologies also on board a ship.

The overall policy aim is to create a system that gives the right incentives to deliver the waste to port reception facilities instead of discharging the waste at sea. On the enforcement side, the monitoring and information system should allow Member States’ authorities to monitor all discharges in their ports by the use of the notification of waste for discharging and the receipt of actual amounts/volumes discharged.

This allows not only efficiency for authorities but also for industry, and thereby creates incentives not to discharge anything into the sea.

This work follows on from the international rules and discussions in

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32. The Committee of the Regions welcomes the Commission's initiative to fight ocean pollution and marine litter in particular, but notes that this is a first step in achieving cleaner oceans and that the European Union and Member States can lead the way by introducing a joint plan for the eventual removal of harmful substances at sea such as munitions, chemicals and nuclear materials. The Committee of the Regions therefore underlines in this regard the importance of pilot projects which can develop and showcase European capabilities, technology and commitment to peace. Such projects can be a source both of technology exports and of know-how that can be leveraged with third countries and organisations as an incentive for the introduction of similar policies elsewhere.

The Commission agrees that the issue of dumped munitions on the sea floor in European sea basins is a problem which merits closer attention. Those munitions do not only pose a threat to the marine environment, but can also pose a security threat, prevent the construction of new infrastructures and hinder blue growth. The Commission has relied on and supported efforts at regional level to map and monitor and, if possible, clean up dumping sites for the protection of human health and the marine environment. In that regard, the Helcom 'Submerged' Group is leading the work in the Baltic region to map and monitor such sites (see 2013 report39, including recommendations for action). The security and defence sector is also engaged in monitoring, risk assessing and clean-up exercises, including when such munitions pose a security threat to economic activities. A number of actions in this regard have therefore been included in the European Union Maritime Security Strategy Action Plan which was adopted by the General Affairs Council in December 2014 (see further http://ec.europa.eu/maritimeaffairs/policy/maritime-security/index_en.htm) and which is now under revision in the Council. This Action Plan, which is jointly implemented by Member States and European Union Institutions and agencies, addresses the issue of unexploded munitions by encouraging cross-sectoral cooperation and best

practice sharing. The Commission is continuously monitoring these issues and is currently assessing to what extent more support can be provided at European Union level to step up action on these issues.

35. The Committee of the Regions agrees in that respect with Action 11, which aims to achieve the global target of conserving 10% of marine and coastal areas and promote the effective management and enforcement of Marine Protected Areas to effectively create "ocean parks". Current studies of similar projects in Australia show benefits for tourism and fisheries in neighbouring regions that can be replicated elsewhere, including parts of European shores. In this connection, the Committee of the Regions highlights the importance of involving and empowering local stakeholders when identifying and managing Marine Protected Areas. Indeed, under-resourced Marine Protected Areas or limited availability of scientific data can be a significant barrier to sustainable economic development, for example marine energy, ports and harbours.

The Commission also recalls that it supports research and innovation projects (for example the Seventh Framework Programme for Research and Technological Development project, Coconet) to design and manage networks of Marine Protected Areas most effectively.

36. The Committee of the Regions believes, concerning Action 12, that a coherent European Union strategy on ocean observation, national fisheries data and marine accounting will boost data services and observation. In that respect, existing European Union and international platforms for ocean and seabed mapping such as the European Maritime Observation and Data Network (EMODnet) or the Copernicus Programme of ocean observation need to be integrated and made interoperable. Initiatives such as IPBES (a global practice sharing. The Commission is continuously monitoring these issues and is currently assessing to what extent more support can be provided at European Union level to step up action on these issues.

The sustainable development of the oceans depends on sound scientific research and knowledge.

With regard to ocean observations, the Commission is working with Member States and international partners, to strengthen global and regional ocean observations, for example in the frameworks of the Group on Earth Observations/Global Earth Observation System of Systems (GEO/GEOSS) and the Group of Seven (G7) initiative 'Future of the Seas and
platform and intergovernmental body open to all United Nations Member States that aims to strengthen the link between science, politics and local knowledge in decision-making related to biodiversity and ecosystem services) should be encouraged, including the development of new tools such as a Nordic Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (Nordic IPBES), the European Union's MAES (Mapping and Assessment of Ecosystems and their Services) and Esmeralda (Enhancing Ecosystem Services Mapping for Policy and Decision Making).

| 37. The Committee of the Regions considers that the combination of different existing and future databases builds an interdisciplinary body of marine | Oceans'. This includes both in situ measurements and remote sensing (including Copernicus).

As indicated in action 12 of the joint Communication, the Commission will propose how the European Maritime Observation and Data Network (EMODnet) could be aligned with other national or regional marine data collection efforts, in order to create an international marine data network and ensure open access to these data.

The European Maritime Observation and Data Network (EMODnet) and Copernicus already share many facilities. Work is underway to assess compatibility with major data platforms operated by countries from other continents.

The European Open Science Cloud, and especially its thematic Blue Cloud, will play an important role here. One of the major issues to be tackled will be access to data, notably from the private sector or those not yet held in large depositories.

Any assessment of ecosystem services requires that the nature and state of ecosystems in different regions be measured in the same way. The European Maritime Observation and Data Network (EMODnet) and Copernicus are providing these data.

It is also noted that a number of research and innovation projects on observations and data management are being supported via Horizon 2020.

| The Commission welcomes the Committee's consideration, and observation. | The Commission welcomes the Committee's consideration, and observation. |
knowledge and data that cuts across multiple fields, such as environmental protection, fisheries and aquaculture, disaster relief, first response and rescue services, border control and migration monitoring, and transport. The Committee of the Regions sees no need to add more databases; rather, existing databases can be coordinated so as to be useful to Member States.

38. The Committee of the Regions stresses that having compatible, redundant and overlapping databases and collection of marine knowledge and ocean mapping requires more synergies not only between the various European Union and competent national institutions but also with other Member States and international organisations, as common data must be the starting points for developing common, trans-oceanic responses.

Open Science is one of the priorities in Europe and beyond. The Commission works with Member States and international partners on open access and interoperability of data, for example in the contexts of the Group on Earth Observations/Global Earth Observation System of Systems (GEO/GEOSS) and the European Global Ocean Observing System (EuroGOOS).

The European Maritime Observation and Data Network (EMODnet) uses the INSPIRE (Infrastructure for Spatial Information in Europe) philosophy which is also used by Member States, although sometimes some translation is necessary to ensure compatibility because not all Member States implement INSPIRE in the same way.

The European Maritime Observation and Data Network (EMODnet) collaborates with the General Bathymetric Chart of the Oceans (GEBCO) international effort to map seabeds. The General Bathymetric Chart of the Oceans (GEBCO) uses European Maritime Observation and Data Network (EMODnet) data for European waters and the European Maritime Observation and Data Network (EMODnet) uses the General
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<th>Bathymetric Chart of the Oceans (GEBCO) where no survey data are available.</th>
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<td>39. The Committee of the Regions insists that marine knowledge must not be just an endeavour for the public sector; the private sector, fishing and sea cargo companies, marine engineering, telecommunications, biotechnology and marine oil and gas exploration companies can play a crucial role in collecting and sharing the environmental data that they gather during their own activities at sea. The European Union and other international bodies must provide incentives and facilitate this so that it does not add an unnecessary burden.</td>
<td>The European Maritime Observation and Data Network (EMODnet) data ingestion facility(^{40}) has been specifically set up to facilitate the input of data from sources that currently do not reach national oceanographic data repositories. A call for applications to join an informal Expert Group on marine knowledge has been evaluated, and industry representatives have been appointed as members of the Expert Group. The Group started its work in January 2018. It is intended to strengthen the collaboration between the European Maritime Observation and Data Network (EMODnet) and industry, notably by advising on how the needs of maritime business and investment can be served better by the provision of data through EMODnet and by determining how private companies could contribute towards monitoring the seas and oceans and how the data they collect for their own purposes could be made more widely available.</td>
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<td>40. The Committee of the Regions reiterates its call on the Commission to promote best practices for the use of public-private partnerships in the blue economy. Such promotion should take into account the potential offered by small and medium-sized businesses and limited administrative capacity of some of the relevant national authorities.</td>
<td>With regard to research and innovation, Horizon2020 includes a framework for contractual arrangements between the Commission and the private sector for research in specific areas. This follows their successful introduction in the Seventh Framework Programme for Research and Technological Development. They proved useful in strengthening European value chains and in particular giving a role to small</td>
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\(^{40}\) https://www.emodnet-ingestion.eu/.
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<th>41. The Committee of the Regions highlights the asymmetric territorial impacts of many of the challenges facing our oceans, which mean that multi-policy marine data needs to be made available for local and regional authorities in a way that is easy to access and use.</th>
<th>As indicated on action 12 of the joint Communication, the Commission will build on the European Maritime Observation and Data Network (EMODnet) to propose a coherent ocean observation strategy in 2018. The next aim is to create a worldwide marine data network open to all. The Commission intends to propose how the European Maritime Observation and Data Network (EMODnet) could be aligned with other national or regional marine data collection efforts, in order to create an international marine data network and ensure open access to these data.</th>
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<td>47. The Committee of the Regions requests, in line with the existing Interinstitutional Agreement and the Better Regulation package, that a Structured Dialogue on Ocean Governance be regularly co-organised by the Commission, Council, European Parliament and Committee of the Regions to jointly develop new marine-related policy initiatives with active input from representatives from the affected coastal and marine regions and communities of the European Union, in particular island, isolated and outermost regions, or their directly mandated representatives, potentially encompassing the existing Stakeholder Forums of the various sea-related European Union macro-regional strategies and representatives from the Regional Fisheries and Management Organisations.</td>
<td>The Commission and the High Representative/ Vice-President have taken into account the need to consult stakeholders in the joint Communication on international ocean governance. They will set up a European Union stakeholder forum dedicated to oceans and seas worldwide. It will support regular dialogue on the European Union’s efforts to improve international ocean governance. A European Union forum dedicated to oceans worldwide currently does not exist, in which ocean-related issues could be raised and discussed with a bottom-up approach.</td>
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<td>Points of the Committee of the Regions</td>
<td>European Commission position</td>
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<td>opinion considered essential</td>
<td>creating a separate chapter on the coordination of long-term care benefits, together with a definition and a detailed list of such benefits, will help make a clear distinction with the provisions on sickness benefits. For the sake of transparency and legal certainty, a separate chapter will give clear visibility to this distinct set of benefits. This also reflects the case law of the Court of Justice of the European Union which has acknowledged that benefits relating to the risk of reliance on care are supplementary to the ‘classic’ sickness benefits stricto sensu, and are not necessarily an integral part of them.</td>
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<td>Amendment 1, 5 and 6; and policy recommendation 13 on long-term care benefits</td>
<td>Thanks to a clear regime, competent institutions will be able to identify cases of overlapping benefits more easily, so resources can be efficiently allocated according to need, in a way which is fair for mobile citizens and taxpayers. It is also important to clarify that the Commission proposal does not intend to enlarge the scope of the Regulations compared to the current coordination system.</td>
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<td>Increased coordination of long-term care benefits is to be welcomed. Moreover, it is not currently possible to draw a clear and uniform distinction between nursing and long-term care benefits, as the rules of the various Member States differ. Further coordination requires that long-term care benefits be recognised and developed in all Member States as a form of benefit complementary to sickness benefits. At present, therefore, adaptation of Article 34 should be preferred to the introduction of a separate chapter covering long-term care. The Committee of the Regions considers that the coordination of long-term care benefits extends the scope of the current coordination rules and notes that the ban on overlapping of sickness and long-term care benefits is likely to be difficult to implement.</td>
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Amendment 2 on access to social benefits for economically inactive European Union mobile citizens

The Court of Justice of the European Union has held in its judgments referred to above that social security benefits which, pursuant to Article 70 of Regulation (EC) No 883/2004, qualify as special non-contributory cash benefits shall also be considered to constitute social assistance benefits within the meaning of Article 24(2) of the Free Movement Directive. To the extent that they also constitute social assistance benefits, the Member State competence provided for there will apply. The proposed amendment seeks to clarify this.

Recital 5a refers to the codification of the case law of the Court of Justice of the European Union on the limitations concerning access to social benefits for economically inactive European Union mobile citizens. According to this case law, Member States may make access by inactive persons to social benefits subject to having a legal right of residence under the Free Movement Directive. The Court's jurisprudence applies both to those special non-contributory benefits which constitute social assistance in the context of the Free Movement Directive (2004/38/EC - see judgement in Case C-140/12, Brey) as well as “classic” social security benefits (for the latter, see judgment in case C-308/14 Commission vs United Kingdom). Under the Free Movement Directive, in order to have a legal right of residence, economically inactive citizens must have sufficient resources to reside without imposing a burden on public finances of the host State, and must have comprehensive sickness insurance.

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15. The Committee of the Regions welcomes the fact that entitlement to sickness insurance cover for economically inactive and needy European Union citizens will be conditional merely on actual residence in a Member State rather than legal residence. In this regard, the host Member State's right to reimbursement by the competent Member State must be established.

19. The Committee of the Regions welcomes that these persons will in future not be excluded from sickness insurance cover on the basis of actual residence and notes that they may be allowed to contribute in a proportionate manner to a scheme for sickness coverage on the basis of their habitual residence. The question remains, however, as to what justification would be needed for restriction of, or complete exclusion from, social assistance. At the same time, the extension of this principle to persons who are actually resident in a Member State other than their own entails regulating its application, also with a view to establishing equal conduct and responsibility for Member States.

By way of clarification, the Commission proposal includes Recital 5b to ensure that Member States take proportionate steps to remove barriers to economically inactive citizens being able to obtain comprehensive sickness insurance. This would ensure that it is possible for economically inactive European Union mobile citizens to fulfil the requirement in the Free Movement Directive to hold comprehensive sickness insurance. This provision recalls to Member States their existing obligations to apply European Union law in a proportionate manner. However, it does not confer new rights or impose new obligations.

Amendment 4 and policy recommendation 11 on posting of workers
The Committee of the Regions reiterates [...] the Committee's view that the time limit beyond which the law of the host country applies in full to employment relationships in posting situations should be 12 months.

The proposal on social security coordination does not affect the Posting of Workers Directive. These two instruments deal with distinct issues. The Posting of Workers Directive deals with the terms and conditions of employment of posted workers, while the social security coordination rules aim to determine which social security system applies. The 24-month period for social

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43 Opinion on the Revision of the Posting of Workers Directive (COR-2016-02881).
security purposes in the case of posting was introduced in 2010. The existing provisions strike a fair balance between the need to avoid unjustified obstacles to workers' free movement and freedom to provide services on the one hand, and ensuring fair conditions for posted workers and a level playing field between posting and local companies, on the other.

The Commission proposal for the revision of the Posting of Workers Directive introduces enhanced protection for long-term posted workers. The Commission has proposed a two-year period in order to apply in full the legislation on employment and working conditions from the host Member State in line with the practice in the social security field. In the view of the Commission, a two-year period strikes the right balance between the impact in terms of administrative burden, the necessary stability of the applicable legislation for the workers as well as their enhanced protection when the link with the host Member State is clearly established.

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<th>Amendment 7 and policy recommendation 16 on unemployment benefits for frontier workers</th>
<th>The Commission’s proposal to amend Article 65 of Regulation (EC) No 883/2004 introduces new provisions for the payment of unemployment benefits to frontier workers and other cross-border workers who, during their last period of work, resided outside the competent Member State. Under the current rules, frontier workers receive unemployment benefits from the Member State of residence, even though they pay contributions in the Member State</th>
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<td>The Committee of the Regions proposes to delete, in Article 1(22), the Commission’s proposal to include the following provision in Article 65 of Regulation (EC) No 883/2004: &quot;Alternatively, a wholly unemployed person referred to in this paragraph, who would be entitled to an unemployment benefit solely under the national legislation of the competent Member State if he or she resided there,</td>
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may instead opt to make themselves available to the employment services in that Member State and to receive benefits in accordance with the legislation of that Member State as if he or she were residing there."

The Committee of the Regions considers the new rules on coordination of unemployment benefits to be appropriate. In its view, the exception concerning short-term employment of less than 12 months provided for in Article 65(2) of Regulation (EC) No 883/2004 may not be necessary.

Policy recommendation 17 (last sentence): the Committee of the Regions has concerns about the special provision regarding employment periods shorter than 12 months.

where they work. Under the Commission proposal, the Member State of former employment will become responsible for paying unemployment benefits to frontier workers, if they have worked there for 12 months. The Member State of residence will only pay unemployment benefits if the 12-month threshold is not met. This reflects the principle that the Member State which has received contributions should pay benefits. The proposal thus makes a closer link between the place where contributions are paid and where benefits are claimed, ensuring a fair financial distribution of burden between Member States.

The proposal also specifies, in the last paragraph of Article 65(2), the possibility for a frontier worker to choose to receive unemployment benefits from the Member State of former employment (not the Member State of residence) if he or she were entitled to these benefits solely under the legislation of that Member State, were he or she to reside there (i.e. without relying on the principle of aggregation in Article 6 of the Regulation). This would ensure that frontier and other cross-border workers benefit from the best available opportunities of reintegration in the labour market. This also reflects the principle arising from the Court of Justice of the European Union case law ("Petroni principle" with reference to Case C-24/75 Petroni [1975] ECR I-1149) that a provision of European Union law should not remove a self-standing right under national legislation.
Amendment 8 - on the issuing of a Portable Document A1

The Committee of the Regions asks to delete the last sentence in the following provision amending Article 19 of implementing Regulation (EC) No 987/2009⁴⁵:

"Whenever an institution is asked to issue the attestation referred to above, it shall carry out a proper assessment of the relevant facts and guarantee that the information on the basis of which the attestation is provided is correct."

5. The Committee of the Regions stresses the importance of regional advisory and support networks for mobile European Union citizens. These are essential to prevent the exploitation of mobile workers and organised fraud. The Committee of the Regions calls for these networks to be strengthened.

10. suggests that, in connection with posting of workers, an unambiguous definition of key terms such as "self-employment" and "place of business" would be helpful for dealing effectively with problems relating to "bogus" self-employment or letterbox companies.

21. points out that the border regions have extensive experience of mobile workers. The Committee of the Regions calls on the Commission and the Member States to make use of this experience. In this connection, the Committee of the Regions

Regulation (EU) No 2016/589⁴⁶ recognises the importance of support services in cross-border regions and acknowledges the role of specific cooperation and service structures for that purpose, such as cross-border partnerships.

Under the Employment and Social Innovation Programme, the Commission co-finances cross-border partnerships in order to ensure support for mobility within cross-border regions.

By way of clarification, Article 1(b) of Regulation (EC) No 883/2004 already contains a definition of "activity as a self-employed person", which makes reference to the provisions of national legislation. Likewise, Article 14(5a) of Regulation (EC) No. 987/2009

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invites the Commission to strengthen the support services for cross-border labour mobility provided by the European Job Mobility Portal, EURES - including through existing EURES Cross-Border Partnerships, while encouraging the creation of new ones - and to enable these services to gather reliable information on the number and profile of cross-border workers and their employers.

contains criteria to determine the place of business for the purpose of applying the rules on posting and applicable legislation. The Commission's proposal seeks to further strengthen these provisions in respect of persons who work in two or more Member States by specifying that an employee shall only be subject to the legislation of the Member State where the employer or undertaking's registered office or place of business is situated if the employer or undertaking in question ordinarily carries out substantial activity in that Member State. Where this is not the case, the employee shall be covered by the legislation of the Member State where the employer or undertaking's main activities or centre of interest are located.

Through annual calls for proposals, the European employment services network, EURES, member organisations are invited to provide support services in cross-border regions, with a particular emphasis on frontier workers and specific information and assistance to such workers and the employers interested in recruiting them. The calls for proposals also invite organisations under an innovative strand to create new cooperation and service structures. Action grants are established for one-year projects following the selection. Once the grant agreements are signed, beneficiaries are invited to an information meeting at the beginning of the implementation period. These meetings are an opportunity for projects to share best practices.
Over the last two years, more attention has been paid to monitoring and presentation of results. The projects not only report according to the standard procedures for grants under the financial regulation and the Employment and Social Innovation Programme monitoring procedure. In cooperation with the cross-border partnerships, an additional template on the specific results of these projects has been developed. This is in line with the development of an overall Performance Measurement System for the European employment services network, EURES (as per Article 32 of Regulation (EU) No 2016/589), which provides data and analysis on the activities completed in EURES (including employment performance and customer satisfaction with the EURES network). The system is a reference tool that could also support the follow-up of all projects under the Employment and Social Innovation Programme Regulation relating to respectively a) mobility of frontier workers/ the cross-border partnerships and b) targeted mobility schemes (Your First European Job Mobility Portal (EURES) Job). The Commission has prepared an overview of the current situation regarding cross-border partnerships and the support services in cross-border regions to assist projects to increase their impact. Furthermore, with the Communication

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7. The Committee of the Regions stresses its strong interest in the continuation of the technical dialogue with the Commission on this issue and, in this connection, underlines the importance of the impact assessment report that the Commission will submit in due course, on the basis of its cooperation agreement with the Committee of the Regions.

12. The Committee of the Regions regrets the delay in introducing the Electronic Exchange of Social Security Information and considers pan-European electronic interchange to be essential.

17. [on export of unemployment benefits] the Committee of the Regions considers it necessary to clarify how Member States

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<th>&quot;Boosting Growth and Cohesion in EU Border Regions(^{48}), the Commission has also highlighted the need to address the specific cross-border obstacles to labour mobility.</th>
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<td>The Commission is fully committed to continued cooperation with the Committee of the Regions on this issue, in line with the joint cooperation agreement.</td>
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<td>The Commission is committed to promoting faster and more efficient exchange of social security information between national social security institutions via the Electronic Exchange of Social Security Information. The Commission made the central Electronic Exchange of Social Security Information system available to Member States in July 2017. Following this, Member States have two years to connect their national systems to the central Information Technology platform. By July 2019, full electronic exchange of social security data in a simple, speedy and secure way will be a reality across Europe. The Commission will continue supporting Member States with the deployment and maintenance of the system over the coming years.</td>
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\(^{48}\) COM(2017) 534 final.

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should be able to extend the export period beyond the applicable provisions of European law. (...) three to six months, with the possibility of further extension for the remaining period of entitlement. It envisages combining this extension with stronger cooperation between Member States to ensure compliance with the conditions of receipt of unemployment benefits, namely participation in activation measures. For this purpose, under the proposal, the host country will have to send a monthly report to the home country.

| 20. The Committee of the Regions regrets the lack of reliable data and information on the number of cross-border workers as described in the legal definition in Regulation (EC) No 883/2004. | The proposal is underpinned by a thorough impact assessment, which was subject to review by an independent quality control, the Regulatory Scrutiny Board, which gave its positive opinion. The Commission made the effort to collect the existing data and evidence; and to identify the drivers or problems behind the issues described, allowing for a proportionate policy response. Much of the data used for the impact assessment was supplied directly by Member States' competent authorities through the Administrative Commission for the coordination of social security systems. This data collection is part of a regular exercise to allow Member States and the Commission to assess the functioning of the social security coordination Regulations. In this context, data collection is based on indicators and methodology agreed by Member States via the Administrative Commission. |
### Points of the Committee of the Regions opinion considered essential

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<th>Points of the Committee of the Regions opinion considered essential</th>
<th>European Commission position</th>
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<td><strong>7.</strong> The Committee of the Regions believes that, with a view to making farming attractive and ensuring safe and high quality European agriculture, regulated markets could ensure better pay for farmers by employing public and private management tools and measures which stabilise agricultural prices and prevent unfair trade practices; it also believes that the position of farmers needs to be strengthened vis-à-vis other stakeholders in the sector.</td>
<td>The Commission recalls that market orientation is one of the guiding principles of the Common Agricultural Policy and a result of past experiences reflected in several policy reforms over the last decades. Agricultural price stability in itself is thus not an objective; however, the Common Agricultural Policy provides policy tools to help farmers address market risks and uncertainties. The Commission recognises that with regards to the future it is key to strengthen the resilience of the sector and its ability to face risks.</td>
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<td><strong>9.</strong> The Committee of the Regions believes that the Common Agricultural Policy urgently needs reform so as to be more in tune with public expectations and to legitimise its budget, which is much sought after in a context of static budgetary resources.</td>
<td>The Commission recognises that challenges arise in terms of securing future budget funding for all identified European Union priorities. All policies will therefore be assessed with regards to their European Union added value. The Common Agricultural Policy is indeed no exception and will have to modernise, while recognising that the maintenance of an agricultural single market is a fundamental European Union added value and crucial for the sustainability of our rural areas.</td>
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<td><strong>14.</strong> The Committee of the Regions notes that the Common Agricultural Policy, despite having a significant budget, is associated with a considerable decrease in agricultural employment (the number of</td>
<td>The Commission highlights that while the share of the Common Agricultural Policy budget in the total European Union budget has indeed fallen over the last 30 years, one of the main drivers of this</td>
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Evolution was the gradual addition of new priorities to the European Union budget. In contrast, as a share of the European Union’s Gross Domestic Product, the Common Agricultural Policy budget stayed constant in recent years and will only slightly decline until 2020.

The Committee takes note of the Committee of the Regions’ concerns. The Commission highlights that co-financing the first pillar of the Common Agricultural Policy would align it with the practice for other shared management policies, including Rural Development, which does not prevent the definition of an integrated European Union policy. A degree of co-financing of the Common Agricultural Policy is one of the options mentioned in the Reflection Paper on European Union finances and in the Commission Communication on "The Future of Food and Farming". It will be further analysed in the forthcoming impact assessment.

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**40.** The Committee of the Regions points out that the share of the European Union budget devoted to agriculture – despite being only 0.7% of European Gross Domestic Product in 2014 – is just enough to build a genuine common European policy that is of strategic importance for food security, but that, where rural development and the second pillar are concerned, the resources are not enough in some spheres, and the Common Agricultural Policy’s new objectives should therefore be taken into account in the future budget.

The Commission takes note of the Committee of the Regions’ opinion concerning the Common Agricultural Policy budget. However, the Commission cannot prejudge the outcome of the debate on the shape of the Common Agricultural Policy post-2020 nor of the next Multiannual Financial Framework proposals which are scheduled for adoption in May 2018.

**41.** The Committee of the Regions rejects the idea of co-financing for the first pillar of the Common Agricultural Policy, which would undermine the position of the Common Agricultural Policy as the sole integrated European Union policy, effectively re-nationalising it, and would put at a disadvantage farmers in the poorest EU countries who are the most dependent on European Union funding.

The Commission takes note of the Committee of the Regions’ concerns. The Commission highlights that co-financing the first pillar of the Common Agricultural Policy would align it with the practice for other shared management policies, including Rural Development, which does not prevent the definition of an integrated European Union policy. A degree of co-financing of the Common Agricultural Policy is one of the options mentioned in the Reflection Paper on European Union finances and in the Commission Communication on "The Future of Food and Farming". It will be further analysed in the forthcoming impact assessment.

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45. The Committee of the Regions

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proposes that the future European agriculture policy after 2020 should be structured around the following objectives, which are widely shared:

o) distributing the public funds of the Common Agricultural and Food Policy more fairly among farms and Member States according to objective, non-discriminatory criteria, based on their ability to contribute to the European Union's sustainable development objectives, (including accelerating the equalisation of direct payments across the Member States);

p) strengthening the second pillar of the Common Agricultural Policy, which aims to improve living conditions in rural areas and to improve the competitiveness of rural areas as a whole.

Committee of the Regions' opinion concerning the future Common Agricultural Policy after 2020 and the distribution of funds. To stimulate further debate, the Commission's Reflection Paper on the Future of European Union Finances of 28 June 2017 has set out options and scenarios for the future direction of the European Union budget. In that debate, also different options for further reform are being considered to enhance the Common Agricultural Policy's efficiency and fairness. Furthermore, the Communication on "The Future of Food and Farming" outlines different possibilities to better target direct payments (e.g. reduce the support for larger farms through a compulsory capping and/or degressive payments, enhance focus on a redistributive payment in favour of small-medium sized farms and ensure support is targeted to genuine farmers), which will be further analysed in the forthcoming impact assessment.

Before making the proposals for the next Multiannual Financial Framework, the Commission will examine all reactions and responses to the Reflection Paper.

Therefore, the Commission can neither prejudge the outcome of this debate on the shape of the Common Agricultural Policy post-2020 nor for the next Multiannual Financial Framework proposals which are scheduled for adoption in May 2018.

46. The Committee of the Regions notes that the complexity of the Common Agricultural Policy makes it difficult, or even risky, for individual entrepreneurs and farmers to apply for subsidies, and that simplification is necessary to ensure the

Simplification has been a key priority of the Commission over the last years. Many achievements have already been made on the level of secondary legislation. Efforts are continuing, and recently the European Parliament and the Council adopted as a
continued acceptance and attractiveness of the Common Agricultural Policy. The process should be simplified and accelerated, including by streamlining paperwork, for low-value transactions in particular.

stand-alone regulation the agricultural provisions of the Omnibus Proposal, which will bring further simplification and entered into force on 1 January 2018. With regard to the future, the Commission is currently exploring how to further simplify the Common Agricultural Policy to enhance its overall efficiency and result-orientation; ideas are outlined in the Communication on "The Future of Food and Farming". This includes in particular a new future delivery system that should be more results-driven, boost subsidiarity by giving Member States a much greater role in rolling out Common Agricultural Policy schemes, pursue agreed realistic and adequate targets, and help reduce the European Union-related administrative burden for beneficiaries.

47. The Committee of the Regions hopes that the Common Agricultural Policy budget will be kept at a sufficiently high level, consistent with the principles set out in the European Union treaties and with its status as the only integrated European Union policy, to meet the needs of European agriculture and of rural areas and communities and to respond to the demands made by society.

The Commission takes note of the Committee of the Regions' opinion concerning the Common Agricultural Policy budget. However, the Commission can neither prejudge the outcome of the ongoing reflection process as regards the shape and the budget allocation of the Common Agricultural Policy post-2020 nor of the next Multiannual Financial Framework proposals due in May 2018.

48. The Committee of the Regions notes that many of the challenges mentioned above concerning climate, energy, food production and biodiversity can be tackled by the agricultural sector. However, it will be necessary to provide financial support for technical initiatives and innovative solutions, both entrepreneurial and cooperative, in order to speed up the transition.

Research and innovation, including knowledge dissemination and adoption in practice, is key for the future of European Union agriculture both with a view to competitiveness and sustainability. The European Innovation Partnership on agricultural productivity and sustainability (EIP-Agri), bridging rural development and Horizon 2020, provides substantial support for innovative solutions in agriculture and its related challenges. With regard to the future, the
Commission, in its Communication on "The Future of Food and Farming", proposes a general strengthening of innovation. In particular, the Common Agricultural Policy should be called upon to:
- enhance synergies with the research and innovation policy;
- strengthen the role of farm advice
- provide incentives for precision farming.

| 49. The Committee of the Regions draws attention to the need, regarding direct and area payments, to concentrate resources particularly on small and family-run farms, while for large farms affected by the capping of aid the priority should be financial solutions; |
| 63. The Committee of the Regions calls for a switch from a direct payments per hectare approach to one based on direct payments per hectare capped and modulated per agricultural worker – understood as an active farmer – in order to: [...] |

| The Commission takes note of these requests. In this respect, the Communication on "The Future of Food and Farming" indicates that, without being exhaustive, the following possibilities should be further explored in order to ensure a fair and better targeted support of farmers' income: |
| - reduce the support for larger farms through a compulsory capping and/or degressive payments, |
| - enhance focus on a redistributive payment in favour of small-medium sized farms and, |
| - ensure support is targeted to genuine farmers. |

| 50. The Committee of the Regions calls on the Commission to carry out a detailed assessment of the results of the current Common Agricultural Policy when it comes to applying the objectives assigned to it in the European Union Treaties in terms of agricultural income and market stabilisation. |

| Evaluations on how the Common Agricultural Policy contributes to its different objectives, including on farm income and market stabilisation, are currently ongoing. The related reports are expected to be ready in the second half of 2018. |

| 51. The Committee of the Regions recommends tackling the volatility of agricultural prices, providing market-driven income opportunities for farmers and making food chains fairer; |
| 54. The Committee of the Regions calls |

| The Commission recalls that market orientation is one of the guiding principles of the Common Agricultural Policy and a result of past experiences reflected in several policy reforms over the last decades. Agricultural price |
on the European Union to use its influence as the world’s largest food importer and exporter to change the international agricultural trade rules introduced in 1994 (World Trade Organization) so as to encourage greater fairness and solidarity in trade relations; it notes that volatility is a challenge for European agriculture and urges the Commission to consider measures to mitigate risks arising from increased exposure to the world market;

55. thinks that an approach in which agricultural revenue is based more on the market than on subsidies can bolster the economic recognition of the job of farming, making it more attractive; to this end advises the EU to regulate its agricultural markets so as to prevent surpluses and shortfalls and stabilise agricultural prices at satisfactory levels;

56. proposes that an annual precautionary savings fund be introduced, to be carried over to the following year if it is not spent in its entirety;

stability in itself is thus not the aim.
The Commission however also stresses that the current Common Agricultural Policy already provides a complementary set of policy tools to address market risks and uncertainties, while allowing European Union farmers to take advantage of global market opportunities. It recognises, however, that with regard to the future, it is key to strengthening resilience of the sector and its ability to face risks and crises and that the Common Agricultural Policy will continue to play an important role as an enabling framework.

The ongoing initiative to improve the food supply chain is considering several options to strengthen food supply chains, including by addressing unfair trading practices; in this context, a public consultation was organised (https://ec.europa.eu/info/consultations/food-supply-chain_en).

The Communication on “The Future of Food and Farming” outlines several ideas on risk management:

- increase knowledge through rural development training, knowledge transfer initiatives and the inclusion in the farm advisory service;

- set up a permanent European Union-level platform on risk management;

- explore new avenues (e.g. support for re-insurance of mutual funds).

In terms of international rule-making for agricultural trade, regardless of the failure of the World Trade Organization 11th Ministerial Conference to deliver on agriculture, the Commission continues to be actively engaged in multilateral negotiations in the World Trade
62. The Committee of the Regions calls for research funded by the European Union budget and the European Investment Bank on agricultural and rural cooperation to be geared in particular towards the following aims:

- technological applications for on-the-spot-checks aimed at simplifying methodologies and making them more effective;

Both under Horizon 2020 and rural development operational groups there are numerous activities working on administrative simplification with technological support (notably: https://www.recap-h2020.eu/).

Under the 2018 Work Programme of Horizon 2020, the Commission launched a call looking at "digital solutions and e-tools to modernise the Common Agricultural Policy". The resulting project will cover at least six Member States and requires testing in real conditions for at least 12 months.

64. The Committee of the Regions calls, as part of greening, for environmental measures and aid for environment- and climate-friendly practices to be gradually reinforced by means of: […]

The Commission takes note of these proposals. As stated in the Communication on "The Future of Food and Farming", any new Common Agricultural Policy should reflect a higher ambition and focus more on results as regards resource efficiency, environmental care and climate action. The future architecture of environmental actions, in line with the new delivery model of the Common Agricultural Policy, will allow Member States to devise a mixture of mandatory and voluntary measures to meet the environmental and climate objectives defined at European Union level, and thus to have all operations integrated into a more targeted, more ambitious yet flexible approach.

66. The Committee of the Regions calls for a strengthening of the second Common Agricultural Policy pillar and an increase in rural development budgets; it also calls for a greater degree of subsidiarity.

The Commission takes note of the Committee of the Regions' opinion concerning the Common Agricultural Policy budget.
enabling Member States to transfer funds from the first to the second pillar.

However, the Commission can neither prejudge the outcome of the ongoing debate on the shape and budget allocation of the Common Agricultural Policy post-2020 nor the next Multiannual Financial Framework proposal scheduled for adoption in May 2018.

| 69. The Committee of the Regions calls for a sufficient share of funds to be set aside for the development of rural areas, by boosting the European Agriculture Fund for Rural Development, to ensure the harmonious and integrated development of these areas, including the provision of local infrastructure; supporting small and medium-sized enterprises, village renewal and wider economic diversification; |
| The Commission highlights that, next to funding under the European Agriculture Fund for Rural Development, rural areas can benefit as well from funding under the European Regional Development Fund, the European Social Fund and the Cohesion Fund. |

| 73. The Committee of the Regions proposes strengthening European Union financial support for rural development, which has decreased significantly in comparison with the previous programming period, while maintaining sufficient funds available under the first pillar. |
| The Commission recalls that the proposed actions can overall already benefit from support under the current Common Agricultural Policy, including for the Leader ("Links between actions of rural development") approach, being a valuable tool for bottom-up and locally driven development initiatives. It takes note of the request to continue this support in future. The Communication on "The Future of Food and Farming" acknowledges the effectiveness of the bottom-up, locally led Leader approach and recalls the need for better synergy and coordination with municipal authorities and local agencies to fully |

| 71. The Committee of the Regions proposes that the second-pillar funds should be primarily aimed at: [...] |
| The Commission recalls that the proposed actions can overall already benefit from support under the current Common Agricultural Policy, including for the Leader ("Links between actions of rural development") approach, being a valuable tool for bottom-up and locally driven development initiatives. It takes note of the request to continue this support in future. The Communication on "The Future of Food and Farming" acknowledges the effectiveness of the bottom-up, locally led Leader approach and recalls the need for better synergy and coordination with municipal authorities and local agencies to fully |

| 77. The Committee of the Regions also advocates making use of the broader potential of agricultural and forest areas – particularly peri-urban areas – for economic, ecological, climate, energy and recreational purposes, such as local food and energy production and rural tourism. This means that the Common Agricultural Policy needs to target not only farmers. The Leader ("Links between actions of rural development") initiatives provide opportunities for rural and peri-urban players to collaborate and innovate, and |
| The Commission recalls that the proposed actions can overall already benefit from support under the current Common Agricultural Policy, including for the Leader ("Links between actions of rural development") approach, being a valuable tool for bottom-up and locally driven development initiatives. It takes note of the request to continue this support in future. The Communication on "The Future of Food and Farming" acknowledges the effectiveness of the bottom-up, locally led Leader approach and recalls the need for better synergy and coordination with municipal authorities and local agencies to fully |
75. The Committee of the Regions recommends adopting a rural strategy enabling all European Union policies to make a greater contribution to innovation and cooperation in, and the development of, rural areas in line with territorial cohesion goals.

The Commission is aware of the need to ensure the contribution of all policies to the development of rural areas. This was also a core element in the 2016 Cork Declaration "A Better Life in Rural Areas". The Commission is currently examining the potential for using "rural proofing" as a means to ensure this.

76. The Committee of the Regions proposes making it easier to pool the various funds aimed at non-agricultural rural development so as to support: [...] The Commission is engaged in work to ensure better coordination and harmonisation of rules related to the funds active in rural areas.

81. The Committee of the Regions welcomes the Commission's Smart Villages initiative, and the European Parliament's part in the success of the process, and proposes that this concept be extended to Smart Rural Areas; it also asks to be able to play as big a role as possible in discussions on establishing a local and regional framework for action in connection with this initiative.

The definition of Smart Villages includes the surrounding landscapes (cfr the "European Action for Smart Villages", https://ec.europa.eu/agriculture/sites/agriculture/files/rural-development-2014-2020/looking-ahead/rur-dev-small-villages_en.pdf). The Commission appreciates the willingness of the Committee of the Regions to engage in the discussions and will follow up accordingly.

82. The Committee of the Regions insists on the need to continue to harmonise the Structural Fund operating rules by means of the common strategic framework so as to facilitate the design and management of rural development programmes and promote integrated and place-based approaches.

The Commission agrees with the recommendation to further harmonise rules where it makes sense.

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The Committee of the Regions:
- underlines the importance of European regional statistics as an important instrument for targeted policy-making and a useful tool for understanding and quantifying the impact of political decisions in specific territories;
- notes the Commission's initiative to amend Regulation (EC) No 1059/2003 as regards the territorial typologies (Tercet). Codification of these typologies in one single text could make it possible to aggregate data for different types of territories, ensuring harmonised and transparent application of existing methodologies at both European Union and Member State levels. This must not lead, however, to the new Tercet classification being translated into eligibility rules for any European Union policies, including Cohesion Policy;
- stresses the need for closer dialogue between the national statistical offices and regional (local) authorities to ensure that the development of Tercet takes due account of specific regional and local circumstances. The Commission agrees and points out that the procedure establishing the typologies is already in application and runs generally smoothly. The Commission is flexible in accepting particular circumstances reported by the national statistical institutes when assigning types to regions and areas.

The Commission takes note and welcomes the opinion of the Committee of the Regions. The Committee acknowledges the importance of regional statistics and of the proposed typologies in the framework of political and statistical analysis.

The Committee of the Regions expresses the opinion that the new classification must not lead to revised or new eligibility rules for any European Union policy; this is in line with the intentions of the Commission.

includes a limited number of territorial typologies and does not take account of other typologies related to the territories with specific geographic, economic, social and demographic features that have already been developed and used, namely the typologies on island regions, mountain regions, border regions and sparsely populated regions or outermost regions. The Committee of the Regions therefore recommends including references to the above-mentioned territorial typologies when modifying the Tercet Regulation, with involvement of the Member States and regions.

The Commission takes note of the Committee of the Regions’ proposal to include more typologies as identified in the Treaty. When preparing and designing Tercet, the Commission focused on those typologies for which the definitions were sufficiently stable and mature to be put into legislation, and the demand to do so by the policy Directorates-General was strong. The Commission is however open to expand Tercet by other typologies, if such an expansion will be necessary for decision making at European Union level in the future.
<table>
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<tr>
<th>Points of the Committee of Regions opinion considered essential</th>
<th>European Commission position</th>
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<tr>
<td>General remarks - on the role of local and regional authorities and their contribution to achieving climate protection goals.</td>
<td>The Commission agrees with the intention to promote and include local authorities in the development of renewable energy. Specific reference was not made to local authorities in the proposal as it is assumed this would be led by the relevant Member States' regional body in cooperation with relevant local bodies according to the constitutional order of Member States.</td>
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<td>General remarks - Amendment 1 - Amendment 7 on the possibility for Member States to set their own binding targets providing for a higher share.</td>
<td>The proposal sets a renewables target for the European Union. This is without prejudice for Member States to set their own national binding target, provided that the sum of all national contributions is at least equal to the 27% European Union target.</td>
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<td>Amendment 3 for Recital 15 Support schemes for electricity generated from renewable sources have proved to be an effective way of fostering deployment of renewable electricity. If and when Member States decide to implement support schemes, such support should be provided in a form that is as non-distortive as possible for the functioning of electricity markets. To this end, an increasing number of Member States allocate support in a form where support is granted in addition</td>
<td>The Commission agrees with the need to support renewable energy generators without distorting the market and therefore the proposal promotes support granted in addition to market revenues, in line with State aid guidelines. The additional suggested wording from the Committee of the Regions helps clarify this point.</td>
</tr>
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to market revenues, and it is therefore necessary to give renewable energy generators incentives to enable them to respond to market signals.

Amendment 5 for Recital 54
Local citizen participation in renewable energy projects through renewable energy communities has resulted in substantial added value in terms of local acceptance of renewable energy and access to additional private capital. This local involvement will be all the more crucial in a context of increasing renewable energy capacity in the future. The creation of such communities should be supported at national, regional and local level.

Amendment 11 for Article 7(1)
For the calculation of a Member State's gross final consumption of energy from renewable energy sources, the contribution from biofuels and bioliquids, as well as from biomass fuels consumed in transport, if produced from food or feed crops, excluding low indirect land-use change-risk biofuels as defined in Article 2(a), shall be no more than 7% of final consumption of energy in road and rail transport in that Member State. This limit shall be reduced to 3.8% in 2030 following the trajectory set out in part A of Annex X. Member States may set a lower limit and may distinguish between different types of biofuels, bioliquids and biomass fuels produced from food and feed crops, for instance by setting a lower limit for the contribution from food or feed crop-based biofuels produced from oil crops, taking into account indirect land use change.

Amendment 13 for Article 11(1)
One or more Member States may cooperate

The Commission agrees that renewable energy communities should be supported at all levels of Member States' governance. It infers this through many of its proposals although is not explicit in its wording. The additional suggested wording could help clarify the point.

The provisions regarding the promotion of renewable energy in transport reflect the lessons learned under the current legislative framework. The decreasing cap for food and feed crop-based biofuels and the abolishment of the binding target for renewable energy in the transport sector reflects the sustainability concerns related to these types of biofuels and removes incentives in European Union legislation to support them. At the same time, the cap does not represent a quantitative restriction on the amounts of conventional biofuels that can be produced or consumed in the Member States. This leaves the Member States with a sufficient degree of flexibility.

The proposed wording seems difficult to put in practice, as it is not clear. The
with one or more third countries on all types of joint projects regarding the production of electricity from renewable energy sources. Such cooperation may involve private operators.

**Renewable energy production plants located in third countries that are included in the joint projects must comply during their life cycle with environmental, social, labour, and safety standards applied in general in the European Union and in the Member State that intends to use this energy production in its own national accounts.**

Amendment 15 for Article 19(2), (7)

2. [...] Member States shall ensure that no guarantees of origin are issued to a producer that receives financial support from a support scheme for the same production of energy from renewable sources. Member States shall issue such guarantees of origin and transfer them to the market by auctioning them. The revenues raised as a result of the auctioning shall be used to offset the costs of renewables support.

7. A guarantee of origin shall specify at least:

(a) the energy source from which the energy was produced and the start and end dates of production;

(b) whether it relates to:

(i) electricity; or

(ii) gas, or

(iii) heating or cooling;

(c) the identity, location, type and capacity of the installation where the energy was produced;

The amendment is unclear because it does not link precisely to the text proposed by the Commission. The justification for removal of the Member States' obligation is that renewable energy producers should not be granted the same guarantee of origin twice. However, there is no way that the guarantee of origin can be issued twice, because, as stipulated in Article 19.2, Member States shall ensure that the same unit of energy is taken into account only once. Therefore it does not appear that the amendment gives any added value.

Regarding the reference to "support schemes", the definition of "support schemes" proposed in Article 2 applies.
(d) whether the installation has benefited from investment support, whether the unit of energy has benefited in any other way from a *public* support scheme, and the type of *this* support scheme;

Amendment 16 for Article 20

1. Subject to requirements relating to the maintenance of the reliability and safety of the grid, based on transparent and non-discriminatory criteria defined by the competent national authorities:

(a) Member States shall ensure that transmission system operators and distribution system operators in their territory guarantee the transmission and distribution of electricity produced from renewable energy sources, including the installation of electric energy storage systems and power management systems using batteries to eliminate disruptions in intermittent renewable energy sources and ensure the stability of the electricity network;

(b) Member States shall also provide for either priority access or guaranteed access to the grid-system of electricity produced from renewable energy sources;

(c) Member States shall ensure that when dispatching electricity generating installations, transmission system operators shall give priority to generating installations using renewable energy sources in so far as the secure operation of the national electricity system permits and based on transparent and non-discriminatory criteria. Member States shall ensure that appropriate grid and

The future regulatory framework of the electricity markets foresees priority dispatch rules in the Proposal for a Regulation on the internal market for electricity (recast)\(^5\), in particular its Article 11.

Priority dispatch can arguably be beneficial to renewable energy producers when the renewable energy sources are still an emerging technology. This is increasingly no longer the case especially given that by 2030, which is the projected time scale of the present proposals, they will become the main source of electricity (60% projected installed capacity by 2030).

Priority dispatch essentially means that its beneficiaries are isolated from market signals and, therefore, undermine the ability of the market to foster efficient operational and investment decisions. It removes incentives for market participants to develop flexibility and may reduce the capacity of the electricity system to absorb high levels of electricity from renewable energy sources, or increase the costs of doing so.

For this reason, the above-mentioned Regulation proposes to limit priority dispatch to certain small-scale installations, which could face a

market-related operational measures are taken in order to minimise the curtailment of electricity produced from renewable energy sources. If significant measures are taken to curtail the renewable energy sources in order to guarantee the security of the national electricity system and security of energy supply, Member States shall ensure that the responsible system operators report to the competent regulatory authority on those measures and indicate which corrective measures they intend to take in order to prevent inappropriate curtailments;

d) Member States should ensure that remuneration for renewable energy is in line with transparency criteria, taking into account production costs for electricity from fossil fuels in the electricity networks into which renewable energy will be injected, specifically in small isolated networks, and eliminating distortions introduced by aid or profits which may be distributed to conventional production systems and fossil fuel supply systems in order to prevent distortions which favour fossil fuel energy sources to the detriment of renewables;

e) Installations for producing electricity from renewables essentially aimed at own consumption, particularly in the residential sector, should be assured that energy surplus can be injected in the public network with limits on power and energy in line with actual consumption, and should have facilitated authorisation processes and fair compensation prices in keeping with the prices of the energy supplied to the consumer.

2. Where relevant, Member States shall assess the need to extend existing gas network infrastructure to facilitate the disproportionate administrative burden if subject to normal dispatch, as well as demonstration projects. Additionally, the Regulation proposes to guarantee the continuing rights of installation build whilst benefiting from priority dispatch.

It is noted that the overall proposals contain a number of measures (e.g. measures fostering short term markets, measures guaranteeing non-discriminatory treatment of renewable electricity generation and flexibility) that are beneficial to renewable electricity operators.
integration of gas from renewable energy sources.

3. Where relevant, Member States shall assess the need to develop existing transport fuel network infrastructure to facilitate the integration of fuel from renewable energy sources.

4. Subject to that their assessment, included in the integrated national energy and climate plans in accordance with Annex I of Regulation [Governance], on the possibility and interest to build new infrastructure for district heating and cooling produced from renewable energy sources in order to achieve the Union target referred to in Article 3(1), Member States shall, where relevant, take steps with a view to developing an infrastructure for the use of thermal energy (for example through district heating systems) to accommodate the development of heating and cooling production from large biomass, solar and geothermal facilities.

Amendment 19 for Article 23(1), (5)

1. In order to facilitate the penetration of renewable energy and/or waste heat or cold in the heating and cooling sector, each Member State shall endeavour to increase the share of renewable energy and/or waste heat or cold supplied for heating and cooling by at least 1 percentage point every year, expressed in terms of national share of final energy consumption and calculated according to the methodology set out in Article 7.

5. The entities designated under paragraph 2 shall ensure that their contribution is measurable and verifiable and shall report annually starting from 30 June 2021, to the authority designated by the Member State, on:

The facilitation of the penetration of waste heat or cold is not an objective of the recast Renewable Energy Directive and Article 23. Article 23 aims to ensure that heating and cooling contributes to the at least 27% European Union renewables target. The recast Renewable Energy Directive promotes waste heat and cold use in the context of Article 24, which aims at ensuring that district heating and cooling also contributes to renewables penetration and therefore promotes "efficient district heating and cooling" as a network infrastructure capable of integrating local Renewable Energy Sources in heating and cooling. The acceptance of waste heat and cold in Article 24 of the recast Renewable
(a) the total amount of energy supplied for heating and cooling;
(b) the total amount of renewable energy and/or waste heat or cold supplied for heating and cooling;
(c) the share of renewable energy and/or waste heat or cold in the total amount of energy supplied for heating and cooling; and
(d) the type of renewable energy source and the basic characteristics of the equipment of heating and cooling existing in the different points of consumption.

Energy Directive aims also to ensure consistency with the Energy Efficiency Directive\(^4\), which provides the definition of "efficient district heating and cooling" as "at least 50% renewable energy, 50% waste heat, 75% cogenerated heat or a 50% of a combination of such energy and heat" (definition (41) of Article 2). The recast Renewable Energy Directive uses this definition as a reference.

Allowing waste heat and cold to count towards the 1 percentage point yearly-increase can crowd out renewable energy to the effect that in extremo, the entire 1 percentage point is filled with waste heat and cold.

However, it can be appropriate to recognise waste heat and cold under Article 23, provided it is additional to the 1 percentage point or combined with a certain weighing factor (making it less 'valuable' for fulfilling the 1 percentage point and/or a ceiling, i.e. it can count only towards 25% of the 1 percentage point). If the ceiling is higher than 0.5, the yearly 1 percentage point increase must become mandatory, i.e. "endeavour" must be deleted in order not to jeopardize the contribution of the heating and cooling sector to the at least 27% European Union target. Even if the yearly 1 percentage point increase is made mandatory (i.e. "Member States shall increase" instead of "Member States shall endeavour to increase"), the share of waste heat and cold cannot be more than 0.5 in the 1 percentage point.

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Amendment 19 for Article 23(3)

3. The increase set out in paragraph 1 shall be implemented through:

(a) the physical incorporation of new renewable energy from heating and cooling systems;

(b) processes directly linked to buildings and industry or some primary sector processes;

(c) other policy measures with effects commensurate with what is set out in paragraph 1, such as national fiscal measures or other economic incentives.

Making the use of implementing measures mandatory for Member States can be considered appropriate and the proposed list of measures leaves sufficient flexibility for Member States.

New point b) of 23(3) is unclear.

Amendment 19 for Article 23(4)

4. The different measures to be implemented shall consider that:

a) the heating and cooling market is very fragmented and depends on the type of consumer, the degree of centralisation, the fuel previously used, etc.;

b) tackling the obstacles to more efficient and sustainable heating and cooling will require action at local, regional and national level, within a supportive European framework.

In this way, Member States may use or develop:

(a) initiatives to improve the financing and profitability.

(i) tradable certificates proving compliance with the obligation through support to indirect mitigation measures, carried out by another economic operator such as an independent renewable technology installer or energy service company (ESCO) providing renewable installation services;

(ii) review their property laws to address

The additional points under paragraph 4 could be useful as they provide guidance for the implementation of Article 23.
how to share benefits from renewable energy improvements between landlords and tenants or the residents of multi-apartment buildings;

(iii) support local and regional actors who can improve the bankability of renewable heating and cooling investments through ‘bundling’ individual projects into bigger investment packages (aggregates);

(iv) establish one-stop-shop for investment advice (encompassing advisory services, Project Development Assistance and project financing);

(v) encourage retail banks to offer products adapted for renovation of privately rented buildings (e.g. deferred mortgages, term loans) that could be supported with public support;

(vi) direct subsidies to investments will be avoided unless the installation supported has some added value as innovation, high efficiency, replicability, etc.

(b) initiatives to improve the public knowledge and confidence of technologies and suppliers:

(i) using inspections of boilers to provide information on the renewable systems benefits in the replacement of existing heating and cooling systems;

(ii) setting up and advertising websites with prices (plus environmental items, technical availability and reliability, etc.), comparison tools on a lifetime scheme in order to help potential or current consumers to decide on the more interesting equipment, installation, fuel provider, etc.;

(iii) establish and advertise transparent
mechanisms for the resolution of conflicts between users and suppliers that encourage them to offer better services and increase the confidence of potential clients;

(iv) develop long-term communication and advertisement campaigns defined according to the type of potential consumer, renewable technology selected or the sector stakeholder.

(c) initiatives to empower the installation and operation and maintenance companies.

(i) without prejudice to other technological development initiatives, sectoral round tables between technological centres, equipment industry, engineering firms and installers will be implemented to help the latter improve their services and products;

(ii) work with stakeholders (especially bodies such as consumers, installers or architect associations) to segment them and raise their interests, awareness and priorities about renewable energies, as a way to inspire the broad communication campaigns needed.

(d) initiatives to bolster and improve the sector.

(i) the established structures under the national energy efficiency obligation schemes set out in Article 7a of Directive 2012/27/EU to implement and monitor the measures referred to in Paragraph 2.

(ii) supporting local and regional authorities in preparing strategies for the promotion of renewable heating and cooling.

Amendment 20 for Article 23(4), new second sub-paragraph, point (vi)

Direct subsidies might be needed for some households/residential sector
vi) direct subsidies to investments will be avoided unless the installation supported has some added value as innovation, high efficiency, replicability, etc.

| Amendment 22 for Recital (8) | The Commission welcomes the Committee of the Regions’ support for an outphasing of price regulation, which distort the market and make the energy system less efficient. The Commission believes that the transition period for the phase out of retail price regulation put forward in Article 5 of the Proposal for a Directive on common rules for the internal market in electricity (recast) provides Member States with adequate time to put in place measures to assure the protection of vulnerable and energy poor consumers in the phase of transition to market prices. The progressive phase out of regulated prices is essential to create a well-functioning market, in particular in view of the fact that the present |
| Amendment 22 for Recital (8) | The Commission welcomes the Committee of the Regions’ support for phasing out interventions in price setting, which distort the market and make the energy system less efficient. The Commission believes that the transition period for the phase out of retail price regulation put forward in Article 5 of the Electricity Directive proposal provides adequate time for Member States to put in place measures to ensure that vulnerable and energy poor consumers are protected in the transition to market prices. |

Core market principles should set out that electricity prices are to be determined through demand and supply. Those prices should signal when electricity is needed, providing market-based incentives for investments into flexibility sources such as flexible generation, interconnection, demand response or storage. With these objectives in mind, the Member States should gradually phase out price regulation.

The Commission welcomes the Committee of the Regions’ support for an outphasing of price regulation, which distort the market and make the energy system less efficient. The Commission believes that the transition period for the phase out of retail price regulation put forward in Article 5 of the Proposal for a Directive on common rules for the internal market in electricity (recast) provides Member States with adequate time to put in place measures to assure the protection of vulnerable and energy poor consumers in the phase of transition to market prices. The progressive phase out of regulated prices is essential to create a well-functioning market, in particular in view of the fact that the present

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proposals seek to enable consumers to participate actively in the electricity markets. Consumers’ exposure to market prices and their ability to react are a pre-requisite for this to happen. Regulated prices render this impossible.

The gradual phase out of regulated prices is however dealt with in the Proposal for a Directive on common rules for the internal market in electricity (recast).²⁶

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*National, regional and local authorities must create the necessary basis for consumers to receive comprehensive information about the requirements and opportunities of market participation. Member States should also ensure specific measures targeted at those consumers that are most vulnerable to the risk of energy poverty in order to ensure their active participation in the market, protect their right to access energy and to enable them to benefit from innovative technology that reduces their energy consumption.*

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<td><em>It is also important to strengthen the national regulatory authorities. Member States must guarantee the independence and unimpeded functioning of their national regulatory authorities. In order for national regulatory authorities to function adequately, the necessary resources must be made available and it</em></td>
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*The Commission welcomes this amendment, which strengthens consumer empowerment and protection. The Commission believes that targeted social policy and energy efficiency measures are the most effective and efficient means of protecting vulnerable and energy poor consumers.*

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must also be possible for them to be involved with full rights in cooperation at EU level.

Amendment 27 for Article 14

The Commission should ensure that the Agency for the Cooperation of Energy Regulators (ACER) has the necessary competences to request the information it needs from the relevant Member State institutions in order to be able to carry out the tasks assigned to it.

Amendment 29 for Recital 13

On the basis of this common methodology, ENTSO-E should regularly draw up and update regional crisis scenarios and identify the most relevant risks for each region such as extreme weather conditions, natural disasters, fuel shortages or malicious attacks. When considering the crisis scenario of gas fuel shortage, the risk of gas supply disruption should be assessed based on the gas supply and infrastructure disruption scenarios developed by the European Network of Transmission System Operators for Gas pursuant to Article 6.6 of the Gas Security of Supply Regulation [proposed Gas Security of Supply Regulation]. As part of the various types of regional cooperation it is recommended to present and discuss the energy situation in the region and, in doing so, to identify opportunities and threats. Member States should establish and update their national crisis scenarios on the basis of this information, in principle every three years. The scenarios should provide the basis for the risk-preparedness plans. When

is in certain cases conducting infringement procedures against Member States. A study will be conducted by the Commission on this matter in the course of 2017-2018.

The Commission fully shares the concern raised by the Committee of the Regions. It is indeed important that the Agency for the Cooperation of Energy Regulators (ACER) has the information needed to perform adequately its tasks. The Commission is open to provisions designed to reinforce such powers in the context of the interinstitutional negotiations.

The Commission agrees with the Committee of Regions on the importance of strengthening regional cooperation between Member States. However, the Commission considers that the main purpose of the identification of electricity crisis scenarios at regional level is to enhance the cross-border coordination for the prevention and management of crises rather than the discussion of the energy situation in the region to identify opportunities and threats. For the discussion of the energy situation at European and at regional level, existing structures and, in particular, the Electricity Coordination Group is a more appropriate platform for information exchange and discussion on energy-related issues with the participation of all Member States.

It is for these reasons that the Commission invites the Committee to support the approach adopted by the Commission.
identifying risks on national level, Member States should also describe possible risks they see in relation to the ownership of infrastructure relevant for security of supply, and possible measures taken, if any, to address such risks (such as general or sector-specific investment screening laws, special rights for certain shareholders, etc.), with an indication why in their view such measures are justified.

**Amendment 30 for Recital 18**

To ensure a common approach to crisis prevention and management, the competent authority of each Member State should draw up a risk-preparedness plan, after consulting stakeholders, **including, where possible, local and regional authorities.**

The plans should describe effective, proportionate and non-discriminatory measures addressing all identified crisis scenarios. Plans should provide transparency especially as regards the conditions in which non-market measures can be taken to mitigate crisis situations. All envisaged non-market measures should comply with the rules set out in this Regulation.

**Amendment 31 for Article 31**

As soon as possible and no later than **four** weeks after declaring an electricity crisis situation, the competent authorities concerned, in consultation with their national regulatory authority (where it is not the competent authority) shall provide the Electricity Coordination Group and the Commission with an evaluation report.

The Commission agrees with the Committee of Regions on the need for a quick evaluation after the declaration of an electricity crisis. However, the four weeks proposed by the Committee of the Regions seem insufficient to provide an in-depth analysis of the reasons for the crisis and of the effectiveness and proportionality of the measures taken.

It is for these reasons that the Commission invites the Committee of the Regions to support the approach adopted by the Commission.

The Commission shares the views of the Committee of the Regions on the importance of direct communication with stakeholders, including, where relevant, with local and regional authorities. The Commission agrees with the amendment proposed by the Committee of the Regions.
Amendment 32 for Article 18

Member States and the Energy Community Contracting Parties are invited to closely cooperate in the process of the identification of electricity crisis scenarios and the establishment of risk-preparedness plans so that no measures are taken that endanger the security of supply of Member States, Contracting Parties or the Union. **Regional cooperation is specifically highlighted and recommended in order to maximise the efficiency of administration in the energy sector.** In this respect, Energy Community Contracting Parties may participate in the Electricity Coordination Group upon invitation by the Commission with regard to all matters by which they are concerned.

The Commission agrees with the Committee of the Regions on the importance of regional cooperation as a tool to enhance security of supply at a lesser cost. Indeed, the regional approach is the backbone of the proposal which is also the spirit of Article 18 setting out the cooperation with the Energy Community Contracting Parties. The Committee of the Regions' suggestion is implicitly reflected in Article 18.

It is for these reasons that the Commission invites the Committee of the Regions to support the approach adopted by the Commission.

### Policy Recommendations – General comments

20. The Committee of the Regions points out that in many Member States, electricity prices do not follow demand and supply but are regulated by the public authorities. This may hamper competition and hinder the mobilisation of investment and the entry into the market of new suppliers, and must always be duly justified with regard to specific policy aims such as protecting the most vulnerable consumers. The Committee of the Regions therefore supports the proposed market liberalisation and the reduction of state interference with the aim of reducing prices for consumers, but points out that the deregulation of energy prices should be carried out gradually by the Member States and with due respect to the special nature of energy as a service of general interest.

The Commission welcomes the Committee of the Regions' support for phasing out interventions in price setting, which distort the market and make the energy system less efficient.

The Commission believes that targeted social policy and energy efficiency measures are the most effective and efficient means of protecting vulnerable and energy poor consumers.

The transition period for the phase out of retail price regulation put forward in Article 5 of the Electricity Directive proposal provides adequate time for Member States to put in place such measures to ensure that vulnerable and energy poor consumers are protected in the transition to market prices.

23. The Committee of the Regions stresses that the fight against energy...
poverty requires a common definition of the problem at European Union level, the collection and exchange of the relevant data in cooperation with different levels of governance and a set of targeted policies and measures to help the most vulnerable energy consumers to participate in the market and to alleviate the burden of high energy prices.

Electricity Directive proposal clearly explains that energy poor households are those who cannot afford adequate energy services such as adequate warmth, cooling, lighting and energy to power appliances due to a combination of low income, high energy expenditure and poor energy efficiency of their homes.
## Points of the Committee of the Regions opinion considered essential

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<tr>
<th>Points of the Committee of the Regions opinion considered essential</th>
<th>European Commission position</th>
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<tr>
<td>7. The Committee of the Regions warns that the achievement of energy and climate targets set at European and national level will be jeopardised if the leading role of local and regional authorities in the implementation of energy policy in the Energy Union is not officially recognised.</td>
<td>The Commission has foreseen in the mandatory template on National Plans (annexed to the Regulation) a dedicated section on national and European Union consultation of draft National Plans. National consultations will involve the Parliament and local and regional authorities as well as stakeholders (including social partners) and the civil society.</td>
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<td>10. The Committee of the Regions notes, however, that - whatever the different constitutional provisions of individual Member States - the proposals on governance make no specific reference to the institutional role of local and regional authorities (to say nothing of other stakeholders), apart from the general provisions on public consultation in Article 10, which states that &quot;the public must be given early and effective opportunities to participate in the preparation of draft plans&quot;.</td>
<td>Local and regional authorities can really support Member States in the delivery of the objective included in their National Plans. The annual State of the Energy Union and the Energy Union Tour further represent important tools to ensure continued dialogue with stakeholders and civil society. This will also allow local and regional authorities to be fully involved and informed on the progress made at European Union and Member State level towards the objectives of the Energy Union Governance.</td>
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<tr>
<td>22. The Committee of the Regions regrets that the current recommendations for Energy Union governance do not include a sufficiently clear multi-level approach and therefore calls for Member State</td>
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governments to set up Energy Dialogue Platforms in order to enlist all levels of government and administration and all relevant stakeholders in designing national climate plans, in their monitoring and reporting, as well as organising exchange between different national Energy Dialogues with the help of the Commission to ensure consistency and address cross-border problems.

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<tr>
<th>38. The Committee of the Regions considers that the proposed regulation does not raise concerns regarding its compliance with the principle of subsidiarity. However, it raises concerns regarding its compliance with the principle of proportionality as the suggested governance system is considered too complex, too detailed and imposing reporting intervals that are too tight. The Committee of the Regions would have preferred to see the Governance system introduced via a Directive, instead of a Regulation, which would allow the proper involvement of regional authorities in federal countries.</th>
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<td>involve citizens in energy policy making by allowing them to express their opinion.</td>
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<p>| A Regulation rather than a Directive is necessary to ensure direct applicability of the provisions and thereby ensure comparability of national energy and climate plans and reports. The direct applicability has the further advantage of enabling the plans to be in place well before 2021. Moreover, many of the provisions of the Regulation are not directed to Member States and could therefore not be implemented by national transposition (e.g. obligations on the Commission, the process around Commission recommendations, the European Environment Agency, etc.). |</p>
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<th>Points of the Committee of the Regions</th>
<th>European Commission position</th>
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<td><strong>Energy Efficiency Directive (EED)</strong></td>
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<td>The Committee of the Regions supports an energy efficiency target of 40% by 2030.</td>
<td>A 30% energy efficiency target represents a balanced and realistic combination of costs and benefits. Higher targets would bring more benefits in terms of employment, Gross Domestic Product and environmental conditions, but would require significantly higher investments, which would pay back only in the long run. Consequently, the decision to adopt a higher target depends on how benefits and costs are considered.</td>
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<td>The Committee of the Regions supports a cumulative end-use savings requirement of annual energy sales for the 2021–2030 obligation period.</td>
<td>In view of the next obligation period (i.e. after 2020), the Commission proposal aims at maintaining the same energy savings rate of 1.5% from annual energy sales to final consumers. The rate of 1.5% is assessed in the Impact Assessment accompanying the proposal to amend the Energy Efficiency Directive(^58) as the most cost-effective way to achieve the end use savings in Member States, and it is compatible to the achievement of the 30% energy efficiency target for 2030. Higher ambition levels would be needed to achieve a 40% energy efficiency target, as envisaged by the Committee of the Regions, but it would be difficult to</td>
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achieve by some Member States and would risk being opposed as excessive in the context of the proposed target (the end-use savings would be higher than the required reduction in energy consumption).

| The Committee of the Regions proposes removing possibilities for excluding items from the energy savings obligation scheme. | The Commission agrees that the number of exemptions should be kept to the minimum. By proposing to extend the savings obligation after 2020 with the annual rate of 1.5%, the Commission retained the existing possibilities that allow Member States to take into account the national context when calculating their national savings requirements for the period 2021-2030. Even though exemptions may reduce the level of ambition, it may not be feasible at this stage to eliminate them completely. |

<p>| The Committee of the Regions proposes additional &quot;proportionality&quot; condition/caveat on the obligation to implement sub-metering. | Sub-metering should only be mandatory under the Energy Efficiency Directive where cost-effective. In the present context, this is to be understood as proportionality between the costs and the expected savings (the Commission has, based on a two-year dialogue with Member States and stakeholders, published guidance on how to assess cost-effectiveness which reflects this understanding). Behavioural savings triggered by sub-metering, and building level investments such as roof or wall insulation, should not be considered as mutually excluding/competing alternatives but as complementary measures that may both be relevant in a given building. The ambition must be to ensure that both landlords and tenants have the right incentives to do what they can do to save energy – through investments and |</p>
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<tr>
<th>The Committee of the Regions proposes deletion of unconditional metering requirement for collective, thermal supplies in new and renovated multi-unit buildings.</th>
<th>The Commission can in part accept the proposed changes, but maintains that an unconditional metering requirement for hot water is warranted on cost-effectiveness grounds for new multi-apartment buildings and in the residential part of new multi-purpose buildings, where these have a central heating source for hot water or are supplied from district heating systems.</th>
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<td>The Committee of the Regions proposes the deletion of obligation for conventional heat measurement devices already installed to be provided with remote reading capability or to be replaced with such devices by 1 January 2027.</td>
<td>A deadline for all devices to be replaced or equipped with a remote-reading capability by 2027, i.e. 10 years from now, would allow sufficient time for this essentially to happen through natural replacements since meters and heat cost allocators are anyhow typically changed within such a period. Electronic heat cost allocators normally use batteries, which need to be changed at least every 10 years, and national calibration requirements for hot water or heat meters typically also imply their replacement for periods no longer than 10 years. If no final deadline for phasing in remote reading were included, there would be a risk that some consumers would be &quot;stuck&quot; with old meters in countries where there are no in-service calibration requirements, or old &quot;evaporator&quot; type heat cost allocators, and these consumers would thus be excluded from the benefits of better and more frequent information and from the new and innovative services, which depend on the availability of remotely readable sensors.</td>
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<td>The Committee of the Regions regrets that energy audits of companies are not included in the Energy Efficiency</td>
<td>The Commission considered that it was too early to amend the provisions under Article 8 given that the first audits had to be put in place by December 2015 and</td>
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that there were delays in several Member States in implementing such measures. Moreover, amendments were not considered to be a suitable approach to follow so as to improve the audit framework, since the current provisions in Article 8 already provide sufficient flexibility to address the challenges faced by Member States and businesses in implementing it. However, the Commission has initiated a process to work with national authorities of the Member States to prepare an updated guidance document on Article 8. Such a guidance document could also result in a better harmonisation of the energy audit requirements for businesses across countries as invoked by the Committee of the Regions.

The Committee of the Regions considers access to funding crucial to the success of the energy package and calls on the Commission to earmark structural funds resources after 2020 for clean energy for all Europeans.

The Commission agrees with the important role of funding and has already made efforts to properly support the energy policy with the right financing instruments.

The 20% political target for climate mainstreaming resulted in Member States including climate action into the programming exercise in a horizontal manner, across themes and funds. In the current programming period, mainstreaming has for instance contributed to a significant increase of European Structural and Investment Funds being allocated to the low-carbon economy. Moreover, the introduction of thematic objectives and ex-ante conditionalities strengthens the alignment of the European Structural and Investment Funds spending with the European Union policy objectives.

The proposed mainstreaming in the context of the European Fund for
Strategic Investments - EFSI 2.0 is also welcomed. Requiring that at least 40% of projects in the European Fund for Strategic Investments infrastructure and innovation window should contribute to climate, energy and environment action in line with the 2015 United Nations Climate Change Conference (COP21) objectives is a major opportunity and a concrete contribution to leverage public and private money to support the transition to the low-carbon circular economy.

Concerning the post-2020 period, prior to a proper assessment of the needs, it is too early to decide how and if the funds could be earmarked for specific areas.

### Energy Performance of Buildings Directive (EPBD)

22. The Committee of the Regions is opposed to the introduction of the smartness indicator by means of a delegated act, since the debate on the smartness indicator is still in its early stages, its added value and cost-effectiveness should be evaluated and therefore the provision is redundant and should be deleted.

The Commission would like to highlight that smart buildings can lower energy bills and result in higher comfort levels and wellbeing, and improved health and indoor air quality. Defining an indicator on the smart readiness of buildings would help to create a consumer-centred market for these technologies, stimulating innovation.

To ensure proper evaluation, the Commission has launched a technical study that will feed the thinking on the detailed definition of the indicator, its calculation methodology and the possible strategies for its roll-out, taking due consideration of the feedback from all relevant stakeholders. Therefore, the proposal does not define the modalities for implementing the indicator.

The proposed approach aims for simplicity and reliability, cost-effectiveness, complementarity with
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<th>21. The Committee of the Regions agrees with the moving of the Energy Efficiency Directive Article 4 on building renovation to the Energy Performance of Buildings Directive (^{59}), but regrets that the Energy Efficiency Directive Article 5 on the exemplary role of public bodies' buildings is not included in the same move. The Committee of the Regions thinks that local and regional authorities likewise have an exemplary role to play in energy efficiency in the use of public buildings.</th>
<th>The proposal to amend the Energy Performance of Buildings Directive moved the provisions on long-term strategies in Article 4 of the Energy Efficiency Directive to the Energy Performance of Buildings Directive where they fit more coherently, complemented with two new paragraphs. However, the Commission did not propose to evaluate and reopen Article 5 of the Energy Efficiency Directive as part of the Clean Energy for All Europeans package given its relatively recent implementation period. In addition, reopening Article 5 could end up weakening its current provisions.</th>
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<tr>
<td>19. The Committee of the Regions recommends that the Commission develop a European standard for charging points for electric vehicles.</td>
<td>The Commission agrees that there is a need for common European Union standards for the charging of electrical vehicles as regards safety, interoperability and performance. To this effect, in 2010 the Commission issued a standardisation mandate (M/468) to the European Standardisation Organisations Cenelec and ETSI concerning the charging of electric vehicles with the aim of developing or reviewing existing standards in order to ensure interoperability and connectivity between the electricity supply point and the charger of electric vehicles, including the charger of their removable batteries, so that this charger can be connected and be interoperable in all Member States.</td>
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<td>20. The Committee of the Regions expects that the &quot;Smart Finance for Smart Buildings&quot; initiative will help free up and</td>
<td>The Commission agrees with the opinion of the Committee of the Regions and notes that the new Smart Finance for</td>
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attract large-scale private investment, and endorses the initiative for supporting the scheme. One prerequisite is that the financial aspects thereof are not passed on to regions and municipalities. Local and regional authorities can play an active role in pooling applications for funding.

Smart Buildings initiative will support the more effective use of public funds, including through the development of flexible financing platforms, allowing their effective combination.

The Commission would welcome the active involvement of the Committee of the Regions and of local and regional authorities in the deployment of the Smart Finance for Smart Buildings initiative and in mobilising stakeholders and public fund managers as well as in the promotion of local or regional one-stop-shops for project developers.

4. The Committee of the Regions recalls that the fight against energy poverty is a crucial challenge for European energy policy which requires a multi-level response. The Committee of the Regions calls for the development of a common definition of Energy policy as well as a set of targeted policy measures to address it.

The Commission agrees with the importance of the energy poverty issue and notes that the proposal could contribute towards taking between 515,000 to 3.2 million households in the European Union out of energy poverty.

The Commission describes the term energy poverty in the recital of the proposed Electricity Directive, but Member States are free to choose the energy poverty indicator that reflects their national circumstances in the most accurate manner.

The Commission is currently working to set up an Energy Poverty Observatory, in order to provide further assistance and guidance to Member States.

Am. 8. The Committee of the Regions notes that construction workers' knowledge and skills are crucial for improving the energy performance of buildings. Furthermore, information and training measures should primarily be aimed at administrators and users, with the goal of raising their awareness about the usefulness of renovating buildings.

The Commission agrees with the importance of necessary skills in order for the objectives of the "Clean Energy for All Europeans" package to be achieved. Under the Skills Agenda for Europe, the Commission should provide platforms for sectors and workers to adapt skills to the needs of clean energy transition and invite stakeholders of the construction sector to discuss the
challenges and opportunities that sustainable energy building investments represent for the sector, and how this can be further promoted. In addition, the BUILD UP Skills (BUS) initiative is a successful Programme supported by Intelligent Energy Europe, focussing on the continuing education and training of craftsmen and other on-site workers in the field of energy efficiency and renewable energy in buildings.
The Committee of the Regions suggests that the Strategy, in accordance with the 2011 White Paper, should take into account the progress made from 2011 onwards in terms of improving the transport system's efficiency and the current European Union 2030 energy and climate policy framework as well as the commitments made by the European Union in the context of the 2015 Paris agreement.

The Commission agrees that the situation in transport has evolved since 2011, mainly due to the rapid technological developments. However, the main trends and the vision set out in the 2011 White Paper remain valid.

The Committee of the Regions emphasises that by harnessing the potential of digital technologies it will be possible to optimise transportation and set up a multimodal Trans-European Transport Network. It is also important to take account of ecosystems reflecting local environmental characteristics and ensure the involvement of local and regional authorities in the implementation phase.

The Commission agrees with this assessment. The Trans-European Transport Network can play a vital role in building the backbone of Intelligent Transport Systems services that improve safety and network efficiency. The C-Roads platform is a good example of utilising the Trans-European Transport Network to facilitate the deployment of Cooperative-Intelligent Transport Systems and involving local and regional authorities, notably within the implementation phase. Within this context, local and regional authorities also have an instrumental role in the deployment of Cooperative-Intelligent Transport Systems.

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60 COM(2011) 144 final.
Transport Systems within the research and planning phase, notably within the Cooperative, Connected and Automated Mobility (C-ITS) Platform.

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<th>7. The Committee of the Regions draws attention to the need for simplified databases and interconnection among them by proposing development of European standards which can facilitate interoperability of data, services and technical solutions at all levels. This data should be provided and guaranteed by the relevant regional transport authorities within a single data compression system.</th>
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<tr>
<td>The Intelligent Transport Systems Directive(^\text{61}) is a policy and legal framework adopted in 2010 to accelerate the deployment of innovative transport solutions across Europe. This Directive is an important instrument for the coordinated implementation of Intelligent Transport Systems in Europe. It aims to establish interoperable and seamless Intelligent Transport Systems services while leaving Member States the freedom to decide which systems to invest in and where to deploy. A key component of the Intelligent Transport Systems Directive is the data sharing mechanism Member States shall implement – National Access Point - that enables the access and exchange of standardised traffic and travel data across borders. Such National Access Points will be readily available in the coming years and already exist in a number of Member States, notably the Netherlands National Data Warehouse. A wide range of European standards exist for different types of travel and traffic data and are mandated through a number of different legal instruments, notably: the delegated acts under the Intelligent Transport Systems Directive and the Telematics Directive 2010/40/EU of the European Parliament and of the Council of 7 July 2010 on the framework for the deployment of Intelligent Transport Systems in the field of road transport and for interfaces with other modes of transport Text with EEA relevance, OJ L 207, 6.8.2010.</td>
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Applications for Passenger Services Technical Specifications for Interoperability (TAP-TSI). The Commission is supporting Member States and stakeholders to implement such standards, notably through the Connecting Europe Facility, and continues to support the development of new standards in Intelligent Transport Systems, e.g. through the Urban Intelligent Transport Systems Standardisation Mandate.

8. The Committee of the Regions considers that local and regional authorities have significant legal and financial competences in their own right that can influence consumer preferences and choices, encouraging the use of alternative fuel vehicles. The Committee of the Regions would warn the Commission that these tools are restricted by the conditions imposed on the use of the European Structural and Investment Funds as they do not allow subsidies to be granted for the renewal of private vehicle fleets.

The Commission clarifies that as far as support for low-emission mobility in the scope of the Connecting Europe Facility is concerned, focus is on the deployment of alternative fuels and cleaner transport technology, including through financial instruments and blending on fleets of vehicles and vessels.

10. The Committee of the Regions warns that despite the considerable efforts and resources that have been mobilised to support public and multimodal transport, information available to passengers using multimodal transport is entirely inadequate due to the unwillingness of public transport operators to provide information and services. The European Union should therefore pass legislation making it mandatory to publish timetables and other travel information and to make this information fully accessible to all European Union citizens in such a way that they can all use it as easily and effectively as possible.

On 31 May 2017 the Commission adopted the Delegated Regulation for priority action 'a' of the Intelligent Transport Systems Directive. This initiative will provide the necessary requirements to make European Union-wide multimodal travel information services accurate and available across borders. It will establish the specifications necessary to ensure the accessibility, exchange and update of standardised travel and traffic planning data through National Access Points and distributed journey planning in the European Union with local, regional and national Journey Planners.
13. The Committee of the Regions draws attention to the fact that the tax exemption system applied to aviation fuel and international flight tickets represents a clear market distortion in the transport sector. The Committee of the Regions calls for European Union Member States to discuss the existing international fuel taxation system with the International Civil Aviation Organization so as to ensure consistency with international climate change commitments, without prejudice to recognition of the specific features and interests of outermost regions.

The Regulation applies to all modes and public and private stakeholders. Member States shall set up a single point of access to provide access to travel and traffic data to a wide range of users. The so-called 'National Access Points' will be accessible in 2019 with the first set of important datasets for the core transport network (timetables, accessibility information) and expanded gradually (cycling data, average static fare information) until 2023.

Taxation issues related to aviation were not foreseen among the action points listed in the Low Emission Mobility Strategy. A number of operational difficulties would arise in the case of taxation of fuel and/or taxes on tickets related to the Chicago Convention, existing Bilateral Air Service Agreements or, in the case of Value Added Tax, the rules relating to the place of supply. Aviation is subject to other measures to mitigate its environmental impact, including the European Union Emissions Trading System and the European Union efforts at the International Civil Aviation Organization to agree on robust market-based measures for international aviation.

15. The Committee of the Regions calls for a new approach to short sea shipping by developing the use of ecological bonus schemes and considering motorways of the sea as infrastructures which should be subject to an adapted approach in relation to State aid controls. This approach is particularly crucial for areas which remain peripheral to European transport corridors.

The Commission uses a number of funding instruments to support the improvement of the environmental performance of shipping. All the instruments are compliant with State aid rules.

These instruments include the Motorways of the Sea in the framework of the Trans-European...
Transport Network-Connecting Europe Facility and the Green Shipping Guarantee Programme.

In Motorways of the Sea, funds are allocated according to specific conditions for the improvement of the environmental performance of shipping and extending to ports as well.

The Green Shipping Guarantee Programme is a market-based instrument on the framework provided by the Connecting Europe Facility and the European Fund for Strategic Investments, aimed at supporting the European shipping industry in accelerating investments in sustainable technologies.

The Commission is also working on a revision of the Combined Transport Directive, to promote the use of modes other than road, including short sea shipping.

16. In this regard, specific thought should be given to urban nodes and logistic platforms as defined by the Trans-European Transport Networks (basic and general network) and by the 2013 Connecting Europe Facility Regulation, given their role as a cornerstone of sustainable and intermodal mobility at Member State, regional and European Union level. It is therefore proposed that a debate on this issue be held in the various European forums on multimodal corridors where the question of nodes is specifically addressed.

The Commission clarifies that in the scope of the Connecting Europe Facility, support in the form of grants is given to the development of urban nodes and logistic platforms embedded within the wider Trans-European Transport Networks strategy with the objective to integrate the nodes into the multimodal Trans-European Transport Networks corridor approach.

Open European debate on the issue is welcome, but when considering the integration of urban nodes into the Trans-European Transport Network, Corridor Forums, with the involvement of regional and local authorities among other stakeholders, are the right

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<th>20. The Committee of the Regions advocates a broader uptake of advanced renewable biofuels that are produced in an environmentally friendly manner and generate lower carbon emissions than traditional fossil fuels, in order to decarbonise the transport sector. In this connection, non-food (synthetic) or feed-based biofuels should be given priority.</th>
<th>The Commission agrees that advanced biofuels can play an important role in order to decarbonise the transport sector but considers that not only food-based but also feed based biofuels should be gradually replaced due to their potential impact on indirect land use change.</th>
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<td>23. The Committee of the Regions calls for a widely acceptable definition of biofuels and the adoption, in connection with this, of a set of criteria on sustainability and carbon dioxide reduction that would boost legal certainty, and support law enforcement and investment decision-making in production and use of biofuels.</td>
<td>The Commission agrees that a stable policy framework is important for the investment decision-making in production and use of biofuels. Against this background, the Commission aims to introduce a stable policy framework for the promotion of advanced biofuels and other low carbon fuels, e.g. through the Recast for the Renewable Energy Directive.</td>
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<tr>
<td>24. The Committee of the Regions advises that it is important to take into account specific national, regional and local situations, and the different raw materials available locally and regionally. The total energy balance (including fuel production) should be taken into account when regulating use of alternative fuels from renewable resources.</td>
<td>The Commission agrees that it is important to take into account specific situations in the Member States. Against this background, the Commission has proposed, through the Recast for the Renewable Energy Directive, the introduction of a framework which provides the required stability for investments but maintains at the same time a sufficient degree of flexibility for the Member States.</td>
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<td>26. The Committee of the Regions stresses that low- or zero-emission mobility is expected to revolutionise transport in terms of networks, vehicles and fuels. The prerequisite of that is cheap, accessible energy and fuels. In addition to electric and hydrogen engines, which offer a non-polluting option, advanced biofuels which</td>
<td>The Commission agrees that decarbonising the transport sector will require a gradual transformation of the entire transport system and hence an integrated approach to transport policy. There is no single fuel solution for the future of mobility. Needs, potential and prerequisites are very different for the</td>
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do not compete with foodstuff production and are produced in an environmentally friendly manner have an important role to play in the achievement of the emission reduction targets. Hence the focus should be mainly, but not exclusively, on developing affordable charging infrastructure for electric and hydrogen fuel cell vehicles, given the gas's fuel function and storage capacity.

various transport modes, aerospace, maritime, heavy duty lorries and passenger cars. All main alternative fuel options must be pursued, with a focus on the needs of each transport mode. Electrification represents certainly one of the key solutions but also other types of low carbon fuels such advanced biofuels are required and should be promoted.

| 27. and 36. The Committee of the Regions recommends that binding deadlines be set for all levels of public administration by which tenders for the purchase of new vehicles for their fleets and public transport service concessions must be exclusively for alternative energy vehicles; the Directive on the Promotion of Clean and Energy Efficient Road Transport Vehicles needs to be overhauled to keep up with the latest technical developments. |
| The Commission agrees that public procurement can be a powerful driver towards low emission mobility and adopted a proposal to this effect for the revision of the Clean Vehicles Directive, as part of the second Mobility Package adopted on 8 November 2017. |

| 28. and 48. The Committee of the Regions calls for the need for a strategy to promote the use of Liquefied Natural Gas in maritime transport and trade by strengthening support for the adaptation of port infrastructures and by developing a general approach to innovation and financing equipment for ships enabling the use of Liquefied Natural Gas and methanol produced from the processing of waste. The Committee of the Regions encourages the development of innovative technologies for Liquefied Natural Gas tanks in ships. |
| Regarding the need for a strategy to promote the use of Liquefied Natural Gas in maritime transport and trade strengthening support for the adaptation of port infrastructures, the Commission would like to recall Directive 2014/94/EU on the deployment of alternative fuels infrastructure and the Commission Staff Working Document 'Actions towards a comprehensive European Union framework on Liquefied Natural Gas for shipping which jointly formulate a clear strategy at European Union level as well as supporting actions. |

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Regarding innovation and financing, both equipment for ships and port-side infrastructure enabling the use of Liquefied Natural Gas and other alternative fuels, this can be funded under the Connecting Europe Facility, including specifically the Motorways of the Sea scheme, the Horizon 2020 Programme based on the annual Call Topics, and under the European Structural and Investment Funds implemented at the level of the Member States and regions. Additionally, financial instruments such as the European Fund for Strategic Investments and the dedicated Green Shipping Guarantee Programme can be used to support investments in enabling the use of Liquefied Natural Gas or methanol.

### Table

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<th>34. The Committee of the Regions supports the drafting of new guidelines on the need for common European Union standards for the charging of electric vehicles as regards safety, interoperability and performance. To this effect, in 2010 the Commission issued a standardisation mandate (M/468) to the European Standardisation Organisations Cenelec and ETSI concerning the charging of electric vehicles with the aim to develop or review existing standards in order to ensure interoperability and connectivity between the electricity supply point and the charger of electric vehicles, including the charger of their removable batteries, so that this charger can be connected and be interoperable in all European Union Member States.</th>
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| 36. The Committee of the Regions welcomes the Commission's support for the roll-out of electric charging stations by developing standards enabling integration of fueling stations into existing buildings/facilities in keeping with the current legislation in each country. |

The Committee of the Regions points out that electric vehicle charging stations are to be standardised and calls on the Commission to support the roll-out of electric charging stations by developing standards enabling integration of fueling stations into existing buildings/facilities in keeping with the current legislation in each country.
vehicle labelling, as this helps avoid misleading consumers. Rules on how values measured via the new Worldwide Harmonised Light Vehicles Test Procedures (WLTP) and the old procedure (New European Driving Cycle – NEDC) need to be clarified and should be displayed. Amending not only the guidelines, but also the Directive on labelling, should be considered.

37. The Committee of the Regions stresses that measures encouraging the introduction of e-mobility should be established with quantitative parameters and be time-bound in order to ensure that the transition takes place.

The Commission adopted a proposal setting out Carbon Dioxide emission targets for light-duty vehicles for the period after 2020 as part of the second Mobility Package, adopted on 8 November 2017. Directive 2014/94/EU on alternative fuels infrastructure sets a minimum requirement for Member States to establish publicly accessible recharging and refuelling infrastructure for alternatively fuelled cars. This Directive requires Member States to develop national policy frameworks for the market development of alternative fuelled vehicles and their infrastructure. The Commission is currently assessing the level of ambition and will report in November 2017 on the national policy.

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38. The Committee of the Regions proposes that the transition towards e-mobility and the use of other fuels considered by the European Union to be alternatives to petroleum derivatives be accelerated by prioritising production and use of electric buses and trams, including those powered by hydrogen fuel cells, together with the use of natural gas for buses and coaches, thus reducing Carbon Dioxide emissions from buses. With regard to long-distance freight transport, the Committee of the Regions proposes that the transition of lorry fleets from diesel to natural gas be speeded up, as this is the only fuel capable of replacing diesel, with almost zero polluting emissions and less carbon content than diesel.

The Commission is working on an impact assessment to support future legislation on setting Carbon Dioxide emissions standards for heavy-duty vehicles, expected to be proposed as part of the third Mobility Package in spring 2018.

In order to create a market for clean buses, the Commission has recently launched the clean bus deployment initiative. This Platform builds on a common political declaration of front-runner manufacturers, transport operators, cities and regions, expressing a common ambition for large scale bus fleet conversion. The Platform will be underpinned by common procurement principles, supported through an expert group under the Sustainable Transport Forum and complemented by high-level policy exchange.

40. The Committee of the Regions thinks it necessary to increase European Union aid intensity, to improve synergy among the financial resources from the European Fund for Strategic Investments, the Connecting Europe Facility and the European Structural and Investment Funds, and to make use of subsidies. This would facilitate the rapid replacement of current, polluting public transport fleets and ensure the best use of all available European Union funding.

The Commission agrees with this assessment.

The Commission would like to point out that efforts continue to be made in this area. There is close cooperation by the Commission's services for drawing up the Connecting Europe Facility, European Structural and Investment Funds and the European Funds for Strategic Investments, but it could be stepped up.

In 2016 the Commission and the European Investment Bank launched the Cleaner Transport Facility, mobilising funding and financing to accelerate transport decarbonisation, with a main focus on the deployment of
alternative fuels. In this regard, blending between the Connecting Europe Facility and the European Funds for Strategic Investments instruments is already applied in several cases of low-emission urban transport.

In the future, consideration could be given to larger deployment of the initiative in order to improve synergies at the level of projects and financing, through coordinated implementation of the Connecting Europe Facility, the European Funds for Strategic Investments and European Structural and Investment Funds.

46. The Committee of the Regions believes that the transition to low-carbon transport can be achieved primarily through Regional and Cohesion Policy. By investing in research and innovation, regions and municipalities can support low-emission renewable energies, smart grids and sustainable urban transport.

The Commission agrees with the recommendation.

Transforming the European Union transport system requires action at European Union, national, regional, and local level. The shared management mechanism of Cohesion Policy allows implementing a multi-level governance and partnership approach involving actors at all levels.

In the 2014-2020 period, Cohesion Policy provides considerable support for investing into better and more sustainable transport, covering both the supply and the demand side.

Cohesion Policy support for research and innovation is delivered through Smart Specialisation Strategies. These are innovation strategies built - in a bottom up approach - on competitive national or regional advantages. Over 120 Smart Specialisation Strategies were developed and they will be financed with EUR 44 billion from the European Regional Development Fund. These
strategies can include priorities in energy, transport, environment, the circular economy, etc.

As regards deployment, around EUR 70 billion in Cohesion Fund and European Regional Development Fund have been programmed to make the European Union transport system more efficient, more environmentally friendly and less carbon-intensive. Cohesion Policy can support the deployment of infrastructure for alternative fuels, for all modes and all fuels - but also the procurement of alternatively-fuelled vehicles, such as clean city buses.

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<th>50. and 29. The Committee of the Regions also calls for funding for dock electrification, and above all, a binding regulatory framework that applies in all European Union ports.</th>
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<td>The provision of shore-side electricity is a decision to be made by ports, and the Commission has no intention to mandate the use of shore-side electricity to ships. Directive 2014/94/EU states that Member States shall ensure that the need for shore-side electricity supply for inland waterway vessels and seagoing ships in maritime and inland ports is assessed in their national policy frameworks. Such shore-side electricity supplies shall be installed as a priority in ports of the Trans-European Transport Network Core Network, and in other ports, by 31 December 2025, unless there is no demand and the costs are disproportionate to the benefits, including environmental benefits. The Commission is currently assessing the national policy frameworks submitted by the Member States.</td>
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<th>52. The Committee of the Regions notes that the emergence of connected and automated (self-conducting) vehicles using</th>
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<td>On 31 May 2017, the Commission adopted a forward-looking Communication &quot;Europe on the Move&quot;\textsuperscript{70}</td>
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\textsuperscript{70} COM(2017) 283 final.
digital technology may offer many opportunities for tackling the negative effects of transport and for providing public transport in more sparsely populated areas; it calls strongly for measures on connected and automated driving to be implemented, in accordance with the Amsterdam Declaration; it welcomes the adoption of the European Union strategy on cooperative intelligent transport systems on 30 November 2016 in this regard; it calls in this connection for a more coherent vision of innovative sustainable transport developments and for stronger links between the Commission's various closely related work packages and communication concerning them.

56. The Committee of the Regions regrets that the proposals set out in the previous 2009 Communication on urban mobility as regards local authorities developing sustainable urban mobility plans are not included in the current Communication. The Committee of the Regions therefore highlights the need to make it clear, both within this strategy and in the initiatives and acts implementing it, that the integrated planning of cities is a key factor in developing sustainable mobility, including through the design and implementation of sustainable urban mobility plans.

setting out a comprehensive and positive agenda to ensure a smooth transition to clean, competitive, and connected mobility for European Union citizens.

The Communication particularly highlighted the challenges and opportunities for the future of mobility thanks to digitisation and the emergence of new business models. The Communication set out the many actions undertaken at European Union level, but which rely also on close cooperation and coordination at the national and local levels, and with stakeholders, to accelerate the rollout of cooperative, connected and automated driving and Cooperative Intelligent Transport Systems by 2019.

59. The Committee of the Regions The Strategy explicitly acknowledges that its delivery will very much depend on cities and local authorities and the need for a comprehensive approach in this regard through sustainable urban mobility planning, integrating spatial planning and looking into mobility demand.

The Commission's policy framework in the area of sustainable urban mobility was set out in the 2013 Urban Mobility Package. Significant financial support for sustainable urban mobility from Cohesion Fund and the European Regional Development Fund has been programmed for the 2014-2020 period. The Urban Agenda, a joint initiative of the Commission, Member States and cities to address the key issues faced by cities and find solutions for improvements, specifically covers urban mobility.

The Commission agrees that low
proposes increasing the amount and share of funds for low-emission transport in Horizon 2020, as well as in the Connecting Europe Facility, when planning the next Multiannual Financial Framework. The Connecting Europe Facility should be further promoted as it offers considerable leverage: every euro of Connecting Europe Facility grant spent generates EUR 3-3.5 in low-emission transport investment.

The European Union's budget (through Cohesion Policy and Connecting Europe Facility) is making a strong contribution to the development of cleaner transport by mobilising investments in transport decarbonisation through support to environmentally friendly modes, new technologies and alternative fuels.

The Commission would like to point out that the Connecting Europe Facility Programme has so far surpassed the European Union target of allocating 20% of the budget to climate actions contributing to the objectives of the Energy Union and the 2015 United Nations Climate Change Conference (COP21). This includes, but is not limited to, the entirety (EUR 11.3 billion) of the Connecting Europe Facility Cohesion envelope allocated in a record span of three years to sustainable modes of transport in Cohesion countries, which demonstrates very high European Union added value.

Developing the Trans-European Transport Network and improving environmentally-friendly transport and low-carbon transport are important investment priorities under Cohesion Policy. In the 2014-2020 period, EUR 40 billion has been programmed to support the move towards an energy-efficient, decarbonised transport sector.

Looking at European Structural and Investment Funds, 25% of the budget (about EUR 115 billion) is allocated to climate change mitigation and adaptation. This is well above the political commitment to allocate 20% of the European Union budget to climate-
As the European Union is gradually moving towards larger scale deployment of alternative fuels and cleaner technologies, thought should be given to the scope and amount of European Union support in delivering the European Union's strategy for low-emission mobility. In such an eventuality, targeted engagement with public and private stakeholders to identify current market needs and gaps in the deployment of cleaner fleets at a larger scale could be explored.

| 60. The Committee of the Regions points out that public-private partnership-based developments, and those carried out by public authorities, in cities and regions could provide the necessary leverage for the effective funding and operation of low-emission mobility solutions; it also proposes that the use of the European Fund for Strategic Investments and European Structural and Investment Funds for local, innovative and low-emission transport solutions should be prioritised. Non-reimbursable grants should be made available for the above purposes in the post-2020 Strategic Reference Framework. |
| At the European Union level, both the European Fund for Strategic Investments and European Structural and Investment Funds have a positive record of supporting urban-local and regional mobility, with the bulk of funds coming from European Structural and Investment Funds. Based on the current positive experience of the Cleaner Transport Facility as well as blending in the scope of the Connecting Europe Facility and the European Fund for Strategic Investments, thought could be given to using a larger share of grants blended with financial instruments in the area of alternative fuels including urban nodes and the Cohesion countries. |

| 63. The Committee of the Regions proposes that urban and interurban planning practices of European towns and cities should, within Sustainable Urban Mobility Plans, include the designation of areas for low-emission transport and mobility. Active transport (cycling and walking), public passenger transport solutions, and car sharing and pooling should be given related spending. The Commission would like to point out that the Connecting Europe Facility Programme has so far surpassed the European Union target of allocating 20% of budget to climate actions, contributing to the objectives of the Energy Union and the 2015 United Nations Climate Change Conference (COP21). |
preference in urban planning; the Committee of the Regions therefore calls for a forward-thinking European Union transport investment policy, that should improve public health and that invests, with full consideration of the Paris Agreement at the 2015 United Nations Climate Change Conference (COP21), at least 10% of the European Union's transport funds in cycling in those regions where geographical conditions allow.

Looking at European Structural and Investment Funds, 25% of the budget (about EUR 115 billion) is allocated to climate change mitigation and adaptation. This is well above the political commitment to allocate 20% of the EU budget to climate-related spending.

Around EUR 12.4 billion are provided for Clean Urban Transport, and an additional EUR 1.5 billion for cycle tracks and footpaths.

The Commission supports the approach of integrated urban solutions in a Trans-European Transport Network approach, connecting all the modes of transport in a multimodal fashion. The Commission clarifies that in the scope of the Connecting Europe Facility, support is not provided to cycling, but to infrastructure and horizontal priorities where the European Union added value is the highest.

66. The Committee of the Regions acknowledges that cycling, in accordance with the Committee of the Regions opinion on "An EU roadmap for cycling", should be strengthened as a transport mode by increasing the role of European Union public funding made available for cycling transport projects, and reiterates its call for a European Union Roadmap for Cycling to be included in the Commission Work Programme 2018. As active promoters of cycling and, in that connection, of green procurements too, municipalities can enhance their own role in the fight against climate change by participating in initiatives such as European Green Capital or Science Meets Regions. Proposals could be put forward to integrate specific, major sections of cycling transport routes into the European Network of Greenways and Cycleways.

Because of their benefits, active modes of transport, including cycling, have become more prominent in transport policies. The European Union has provided more funding for cycling projects (including infrastructure) and has made stronger support available for exchange of best practice in that regard, in particular through Commission programmes such as the Civitas initiative and European Mobility Week campaign.

The Commission is currently analysing in detail recommendations on cycling suggested be various stakeholders in order to identify what future actions and initiatives might be envisaged, taking the subsidiarity principle into account.
Trans-European Transport Network.

67. The Committee of the Regions highlights that, in accordance with the Energy Performance of Buildings Directive, new buildings erected in the European Union should include electric vehicle charging points (preferably with storage facility). Similarly, refurbishment of blocks of flats should involve such construction activities.

The Commission welcomes support for its proposal to revise the Energy Performance of Buildings Directive\textsuperscript{71} by including requirements for electric vehicle charging points in new buildings and buildings undergoing major renovation.

Buildings can effectively promote e-mobility, targeting the private domain (private buildings' car parks) and supplementing the Alternative Fuels Infrastructure Directive (AFID)\textsuperscript{72}, which covers the public domain (representing 10% of the required charging points at European Union level).

68. The Committee of the Regions notes that the installation of smart charging systems in buildings could help to ensure that power grids remain flexible, i.e. the energy stored in batteries of electric vehicles could be uploaded to the network. A holistic approach is required that, for instance, treats electric vehicles as integral parts of the building stock.

The Commission recognises the link between power grids, electric vehicle charging and battery storage. For this reason, it established in 2015 the European Interoperability Centre for Electric Vehicles and Smart Grids to investigate interoperability issues between electric vehicles, charging infrastructure and the smart grid.


Dear colleagues,

Could you please register,

Thank you and kind regards,
Andrea

-----Original Message-----
From: EC ARES NOREPLY [mailto:DIGIT-NOREPLYARES@nomail.ec.europa.eu]
Sent: mercredi, 28 mars, 2018 15:58
To: Burianek Jiri
Subject: Ares(2018)1718285 - Suivi des avis du Comité des Régions - session plénière de juillet 2017


Please find attached document Ares(2018)1718285 regarding "Suivi des avis du Comité des Régions - session plénière de juillet 2017" sent by Mr/Ms FORTI Enrico on 28/03/2018.

Note: This e-mail was automatically generated by the European Commission's central mail registration system. Replies by e-mail must be addressed to the original sender FORTI Enrico (mailto:enrico.forti@ec.europa.eu).

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