

**FOLLOW-UP PROVIDED BY THE EUROPEAN COMMISSION**  
**TO THE OPINIONS OF THE**  
**EUROPEAN COMMITTEE OF THE REGIONS**  
**PLENARY SESSION OF FEBRUARY 2023**  
**105<sup>th</sup> REPORT**

| N°                | TITLE / LEAD DG  | REFERENCES   |
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| <b>SG.D2</b>      |  |  |
| 1.                | <a href="#"><u>Progress in the implementation of SDGs</u></a><br>Rapporteur: Ricardo RIO (PT/EPP)                                      | Own-initiative<br>COR-2022-04274-00-00-AC-TRA<br>ECON-VII/028                        |
| <b>SG.RECOVER</b> |  |  |
| 2.                | <a href="#"><u>Review Report on the Implementation of the Recovery and Resilience Facility</u></a><br>Rapporteur: Rob JONKMAN (NL/EPP) | Own-initiative<br>COM(2022) 383 final<br>COR-2022-04212-00-00-AC-TRA<br>ECON-VII/026 |
| <b>DG GROW</b>    |  |  |
| 3.                | <a href="#"><u>Single Market Emergency Instrument</u></a><br>Rapporteur: Muhterem ARAS (DE/GREENS)                                     | Optional<br>COM(2022) 459 final<br>COR-2022-04234-00-00-AC-TRA<br>ECON-VII/027       |
| <b>DG ENV</b>     |  |  |
| 4.                | <a href="#"><u>EU Nature Restoration Law</u></a><br>Rapporteur: Roby BIWER (LU/PES)  | Mandatory<br>COM(2022) 304 final<br>COR-2022-04206-00-01-AC-TRA<br>ENVE-VII/030      |
| <b>DG CLIMA</b>   |  |  |
| 5.                | <a href="#"><u>Regional adaptation strategies for low carbon agriculture</u></a><br>Rapporteur: Loïg CHESNAIS-GIRARD (FR/PES)          | Own-initiative<br>COR-2022-03978-00-01-AC-TRA<br>NAT-VII/027                         |
| <b>DG SANTE</b>   |  |  |
| 6.                | <a href="#"><u>European Health Data Space</u></a><br>Rapporteur: Daniela CÎMPEAN (RO/EPP)  | Optional<br>COM(2022) 197 final<br>COR-2022-03754-00-00-AC-TRA<br>NAT-VII/028        |

| <b>DG EMPL</b>   |   |   |
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| <b>7.</b>  | <a href="#"><u>Creating an enabling environment for the social economy</u></a><br>Rapporteur: Ricardo RIO (PT/EPP)  | Optional (outlook)<br>COR-2022-05492-00-00-AC-TRA<br>SEDEC-VII/033                    |
| <b>8.</b>  | <a href="#"><u>European care strategy</u></a><br>Rapporteur: Heinrich DORNER (AT/PES)   | Own-initiative<br>COM(2022) 440 final<br>COR-2022-05488-00-00-AC-TRA<br>SEDEC-VII/035 |
| <b>9.</b>  | <a href="#"><u>Adequate minimum income for social inclusion: the local and regional perspective</u></a><br>Rapporteur: Anne KARJALAINEN (FI/PES)  | Own-initiative<br>COM(2022) 490 final<br>COR-2022-05495-00-00-AC-TRA<br>SEDEC-VII/036 |
| <b>DG REGIO</b>  |   |   |
| <b>10.</b>   | <a href="#"><u>Putting people first, securing sustainable and inclusive growth, unlocking the potential of the EU's outermost regions</u></a><br>Rapporteur: Pedro DE FARIA E CASTRO (PT/EPP) | Own-initiative<br>COM(2022) 198 final<br>COR-2022-04073-00-00-AC-TRA<br>COTER-VII/023 |
| <b>***OPINION ADOPTED DURING PREVIOUS PLENARY SESSION***</b>                       |   |   |
| <b>DG ENV</b>  |   |   |
| <b>11.</b><br>Opinion adopted during the plenary session of November-December 2022 | <a href="#"><u>EU Strategy for Sustainable and Circular Textiles</u></a><br>Rapporteur-general: Luca MENESINI (IT/PES)  | Own-initiative<br>COM(2022) 141 final<br>COR-2022-02926-00-00-AC-TRA<br>ENVE-VII/033  |

| <p><b>N°1 Progress in the implementation of SDGs</b><br/> <b>Own-initiative</b><br/> <b>COR-2022-04274 – ECON-VII/28</b><br/> <b>153<sup>rd</sup> plenary session – February 2023</b><br/> <b>Rapporteur: Ricardo RIO (PT/EPP)</b><br/> <b>SG – President VON DER LEYEN</b></p> |  |
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| <p><b>Points of the European Committee of the Regions opinion considered essential</b></p>  | <p><b>European Commission position</b></p>   |
| <p>7. The European Committee of the Regions (CoR) calls for stronger EU engagement and for an overall strategy for implementation of the SDGs.</p>  | <p>Sustainable development is a core principle of the Treaty on the European Union and a priority objective for the Union’s internal and external policies. The Commission Staff Working Document ‘Delivering on the UN’s SDGs – A Comprehensive Approach’<sup>1</sup> reaffirms this commitment to sustainable development and the 2030 Agenda for Sustainable Development. Under the leadership of President von der Leyen, the Commission has presented an ambitious policy programme to deliver on sustainability in the EU and beyond. The Sustainable Development Goals (SDGs) are an intrinsic part of the President’s political programme and lie at the heart of the policymaking on internal and external action across all sectors.</p> <p>The Commission’ approach is to focus on delivering concrete actions that will bring tangible progress in the areas of the SDGs. The President’s political guidelines and the Commission’s annual work programmes constitute this Commission’s strategy to implement the SDGs, putting the onus squarely on the implementation.</p> <p>In addition, the forthcoming EU Voluntary Review on progress in the implementation of the 2030 Agenda for Sustainable Development (hereafter referred to as ‘EUVR’)<sup>2</sup> will include a systematic presentation of what the concrete EU</p> |

<sup>1</sup> [SWD\(2020\) 400](#) final of 18.11.2020.

<sup>2</sup> [https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13600-EU-Voluntary-Review-on-the-implementation-of-the-2030-Agenda-for-Sustainable-Development\\_en](https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13600-EU-Voluntary-Review-on-the-implementation-of-the-2030-Agenda-for-Sustainable-Development_en)

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|   | targets are for each of the 17 SDGs.  |
| <p>8. The CoR highlights that an increasing number of cities and regions in Europe are using SDGs to support their overall strategy for growth/recovery, and that this territorial dimension must be included in the EU's contribution to the UN SDG Summit in September 2023 [...]</p> <p>and</p> <p>40. The CoR calls for the EU VR to be officially presented at the UN, with representatives of all EU institutions, to reflect the multi-level governance approach to the SDGs.</p>  | <p>The EUVR will give due consideration to the important role played by local and regional authorities and in general to multi-level governance. It will also mention the voluntary local reviews completed by EU cities and regions and feature a selection of good practices, drawn in cooperation with the Committee.</p> <p>In particular, throughout the preparation of the EUVR, Member States were invited to provide good practice examples of the implementation of SDGs on national and regional level. The Committee was also contacted by the Commission at several points of the preparatory process to provide their assessment of local and regional good practices. An exchange with Platforma, a pan-European coalition of towns and regions active in development cooperation, held in December 2022, further allowed to gather the regional perspective on SDG implementation.</p> <p>The Commission will engage later on the issue of representation for the presentation of the EUVR at High-level Political Forum on Sustainable Development (HLPF), taking also into account time limitations.</p> |
| <p>7. The CoR draws attention to the role and resources of local and regional authorities (LRAs) and to the unfortunate absence of references to the SDGs and to the territorial dimension in the NRRPs;</p> <p>and</p> <p>15. The CoR expresses its deeply held concern about the lack of integration of the SDGs in the NRRPs. The majority of Member States merely implicitly mention the SDGs. Very few Member States explicitly link NRRP components to the SDGs, as revealed by a CoR study. Furthermore, the overall level of integration of the SDGs in NRRPs is rather low, with the highest score (still below 50%)</p> | <p>The territorial dimension is covered in all National Recovery and Resilience Plans (NRRPs) and regional stakeholders have been consulted in the preparatory phase of the NRRPs. Many of the reforms and investments will have a positive impact in the regions and the planning and implementation phases of several measures require their involvement.</p> <p>Regarding the SDGs, while their integration in the NRRPs was not a formal requirement for Member States, the Staff Working Documents (SWDs) accompanying the Council Implementing Decision of each NRRP includes analysis of the impact of the measures included in the plans on SDGs. The reforms and investments in the plans are expected</p>   |

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| <p>reached in economic SDGs.</p>  | <p>to contribute to progress in many of the SDGs, as laid out in the dedicated SDG annex in the European Semester country reports.</p>   |
| <p>14. The CoR (...) calls for further efforts, as well as greater visibility for the SDGs in all EU tools, including in the implementation of the RRF.</p>   | <p>The Commission is currently making further efforts to enhance visibility of SDGs in EU tools. In particular, the revision of the Better Regulation framework requires that each impact assessment and legislative proposal address the contribution to the SDGs. For the same reason, the Commission's reporting for external actions reflects the contribution to the SDGs, as its internal tools and results framework require that the relevant SDGs are indicated for each action.</p>  |
| <p>16. The CoR points out that SDGs should be mainstreamed in European Semester documents, and calls for leadership at the highest level in the European Commission and Council to rationalise and simplify a renewed European Semester, recognise the role of local and regional authorities in the Semester and to focus on "competitive sustainability"</p> <p>and</p> <p>17. The CoR recommends giving more visibility to the SDGs within the Annual Sustainable Growth Survey and explicitly quoting the SDGs within the recitals of the Country Specific Recommendations, making it clear that the recommendations aim to implement the SDGs.</p> | <p>The SDGs have been integrated in the European Semester documents: the country reports include a dedicated annex analysing progress in SDGs in each Member State and a summary is included in the main body of the country reports. The chapeau communication includes an analysis of evolution of SDGs at EU level. Competitive sustainability and its four areas are the framework used in the annual sustainable growth survey (ASGS) in the Autumn package and the framework around which SDGs are analysed in the dedicated country report annexes, highlighting the clear consistency between competitive sustainability and the SDGs.</p> <p>As mentioned, SDGs were mainstreamed in the European Semester country reports and feature in the ASGS. During each cycle, efforts are made to further integrate them and make them more prominent.</p> |
| <p>30. The CoR is concerned that the monitoring report is not based on measurable, time-bound targets and therefore cannot truly monitor the implementation of the SDGs in the EU. [...]</p>  | <p>The Eurostat SDG monitoring report uses all targets which are adopted at political level e.g. the 55% reduction of greenhouse gas emissions by 2030. Currently, 22 EU SDG indicators of 101 are assessed against a target.</p>  |
| <p>32. The CoR is further concerned by the fact that the results of this report are being used to assess the implementation of the SDGs in each Member States in the Country Reports. Given</p>   | <p>In the European Semester country report annexes, the performance of Member States is analysed on two separate dimensions: as status compared to the EU average and as progress of the MS in the</p>   |

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| <p>the aforementioned limitations, scores are based on the EU average and are often misleading. It is therefore impossible to measure the extent of progress towards the SDGs when comparing results to the EU average.</p>   | <p>direction of each SDG. Even if there are no quantitative targets attached to the SDGs, it is assessed whether a MS is moving towards or away from each SDG.</p>  |
| <p>33. The CoR is also concerned that the indicators used to assess SDGs are all national level. For medium-sized and large countries, these assessments do not reflect reality on the ground, as there are large disparities within countries. While Eurostat's commitment to high-quality data is to be praised, and it is largely dependent on the data made available by national statistics institutes, it is of the utmost importance for Eurostat's annual SDG monitoring report to contain NUTS-2-level data as well as illustrative good practices at regional and local level and to highlight where there is still room for improvement.</p> | <p>Eurostat publishes all EU SDG indicators with available breakdowns by regions (NUTS 2 level) and by degree of urbanisation on the SDG dedicated section of its website<sup>3</sup>. Moreover, the Joint Research Center has launched a pilot project 'REGIONS2030: Monitoring the SDGs in the EU regions - Filling the data gaps', supported by the European Parliament. The REGIONS2030 Pilot Project will be implemented with the participation of up to 10 European regions willing to evaluate the achievement of the SDGs and explore the synergies of SDGs monitoring, policy-making and sustainable regional development.</p> |
| <p>48. The CoR calls for more leadership from the EU institutions in communicating about the SDGs.</p>  | <p>The Commission's decision to adopt this year the EUVR is contributing to this objective of communicating better about the SDGs.</p>  |
| <p>54. The CoR suggests creating an inter-continental platform for exchange of best practices in the development of VLRs or VSRs, between European cities and cities from other locations, promoting Europe as a strong partner on this topic; such a platform can count on the coordination of the CoR.</p>  | <p>The Commission supports any initiative leading to the exchange of good practices.</p> <p>The Commission recalls that other events, such as Cities Forum, which brings together key urban stakeholders at European, national, regional, and local levels, already provide good opportunities for exchange in dialogue on SDGs.</p>  |

<sup>3</sup> [Database - Sustainable development indicators - Eurostat \(europa.eu\)](https://eurostat.ec.europa.eu/en/database-sustainable-development-indicators)

**N°2 Review report on the implementation of the Recovery and Resilience Facility  
COM(2022) 383 final  
COR-2022-04212 – ECON-VII/026  
153<sup>rd</sup> CoR plenary session – February 2023  
Rapporteur: Rob JONKMAN (NL/EPP)  
SG RECOVER – Commissioner DOMBROVSKIS**

| <b>Points of the European Committee of the Regions opinion considered essential</b>  | <b>European Commission position</b>  |
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| <p>3. Moreover, [the European Committee of the Regions (CoR)] regrets that the review report does not analyse a number of points which are crucial for a sound implementation of the RRF, such as:</p> <ul style="list-style-type: none"> <li>• the governance of the National Recovery and Resilience Plans (NRRPs) and related processes;</li> <li>• the true additionality of the projects supported;</li> <li>• the synergies and risks of overlaps with other sources of EU funding;</li> <li>• the RRF's effective contribution to cohesion, despite this being the RRF's legal basis;</li> <li>• involvement of local and regional authorities (LRAs).</li> </ul> | <p>The points raised in this recital cover crucial elements for the effective implementation of the Recovery and Resilience Facility (RRF). However, as required by the RRF Regulation<sup>1</sup> the review report had to focus on the elements explicitly listed in its Article 16(2). The Commission takes these suggestions to heart and will focus on these points in future publications and reviews.</p> <p>The review report<sup>2</sup>, as required by Article 16 of the RRF Regulation, is a one-off report published by the Commission on 29 July 2022 to inform the European Parliament and the Council on the state of play of implementation of the Facility. In line with the requirements of the Regulation, the report assessed ‘the extent to which the implementation of the recovery and resilience plans is in line with the scope and contributes to the general objective of the RRF Regulation in line with the six pillars referred to in Article 3, including how the recovery and resilience plans tackle the inequalities between women and men’<sup>3</sup>. The Report is also meant to provide a ‘quantitative assessment of the contribution of the recovery and resilience plans to: (i) the climate target of at least 37%, (ii) the digital target of at least 20%, (iii) each of the six pillars</p> |

<sup>1</sup> Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility; OJ L 57, 18.2.2021, p. 17–75.

<sup>2</sup> COM(2022) 383 final.

<sup>3</sup> As a reminder, the six pillars referred to in Article 3 are: (a) green transition; (b) digital transformation; (c) smart, sustainable and inclusive growth, including economic cohesion, jobs, productivity, competitiveness, research, development and innovation, and a well-functioning internal market with strong SMEs; (d) social and territorial cohesion; (e) health, and economic, social and institutional resilience, with the aim of, inter alia, increasing crisis preparedness and crisis response capacity; and (f) policies for the next generation, children and the youth, such as education and skills.



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|   | <p>referred to in Article 3'. Finally, the report should set out 'the state of the implementation of the recovery and resilience plans and observations and guidance to the Member States before the update of their recovery and resilience plans referred to in Article 18(2)'.<br/><br/>The Commission will issue additional reports on the RRF, in particular the Annual Report on the implementation of the Facility (pursuant to Article 31 of the Regulation) and the evaluation report on the RRF (pursuant to Article 32 of the Regulation).</p>   |
| <p>11. The CoR argues that the ways in which the NRRPs have been drawn up and the LRAs have been involved are not conducive to promoting ownership of the recovery plans at local and regional level. The experience from the European Semester clearly shows that the insufficient implementation of country-specific recommendations (CSR) was partly due to a lack of local and regional ownership and ability to contribute to the CSR; points out that the "structural reforms" that the Commission is calling for under the European Semester must be examined from the point of view of subsidiarity, so that they only cover issues that actually fall within the EU's remit.</p> | <p>The Commission shares the view regarding the need for a close involvement of local and regional authorities, social partners and civil society organisations in the Semester process. The Commission is committed to an inclusive process and the timely involvement of relevant stakeholders during the European Semester cycle. In the Communication on the 2022 European Semester Spring Package<sup>4</sup>, the Commission has highlighted the critical role of parliaments, the social partners and other stakeholders, for a sustainable recovery and successful transformation. In the Annual Sustainable Growth Survey 2023<sup>5</sup>, the Commission has acknowledged that the successful implementation of the European Semester and the Recovery and Resilience Facility based on the four dimensions of competitive sustainability rests on the systematic involvement of social partners and other stakeholders at both EU and national levels. This helps jointly identify challenges, improve policy solutions, and ensures broader ownership of the economic and social policy agenda, including the implementation of the country-specific recommendations (CSRs). The preparation of country reports and CSRs offers a further opportunity to broaden inter-institutional and bilateral dialogue.</p> |

<sup>4</sup> COM(2022) 600 final.

<sup>5</sup> COM(2022) 780 final.

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|  | <p>Finally, in January 2023, the Commission published a communication to strengthen social dialogue in the EU<sup>6</sup>, as well as a proposal for a Council recommendation on the role of social dialogue at national level<sup>7</sup> to ensure that social partners are systematically, meaningfully and in a timely manner involved in the design and implementation of employment and social policies and, where relevant, economic and other public policies, including in the context of the European Semester.</p>   |
| <p>14. The consultations carried out in 2021<sup>8</sup> and 2022<sup>9</sup> by the CoR and the CEMR and the 2022 benchmark study<sup>10</sup> shed light on the very limited involvement of local and regional governments in the <i>design, preparation and implementation</i> of the NRRPs. Despite some good examples, these represent more the exception than the rule, and most of the respondents consider that the multilevel governance and subsidiarity principles have not been respected.</p> | <p>The Commission appreciates the effort and resources that went into commissioning independent studies by the Council of European Municipalities and Regions (CEMR), the Committee and other institutions and organizations, which complement the information and data on the implementation of the Facility.</p> <p>The involvement of relevant partners and stakeholders in the design and implementation of the Recovery and Resilience Plans is key for a successful implementation of the plans, and the Commission continues encouraging Member States to involve them. The Commission is pleased that local and regional authorities are taking a keen interest in the Facility and remains very attentive to their views and advice.</p> <p>The Commission recalls that the RRF Regulation provides that Member States' plans must include a summary of the consultation of stakeholders, including local and regional authorities, and of the input provided by them. The involvement of stakeholders may vary in each Member State and the ultimate responsibility for their consultation lies</p> |

<sup>6</sup> COM(2023) 40 final.

<sup>7</sup> COM(2023) 38 final.

<sup>8</sup> CoR-CEMR [The involvement of municipalities, cities and regions in the preparation of the national Recovery and Resilience Plans: Results of the COR-CEMR targeted consultation](#), January 2021.

<sup>9</sup> CoR-CEMR [Implementation of the Recovery and Resilience Facility: The Perspective of Local and Regional Authorities – Results of the COR-CEMR targeted consultation](#), April 2022.

<sup>10</sup> Regions for EU Recovery, [Benchmark study on the implementation of the Recovery and Resilience Facility at the regional level – Main results](#), June 2022.

with national authorities.

In addition, Regulation (EU) 2023/435 amending the RRF Regulation<sup>11</sup> and in force since February 2023, provides that Member States submitting REPowerEU chapters to complement their recovery and resilience plans have the obligation to submit a summary of the consultation process and an explanation of the outcome of the consultations with local and regional authorities and other relevant stakeholders. This will therefore provide an opportunity for an inclusive process. Member States also needs to outline how the input received was reflected in the relevant REPowerEU chapter. In this respect, the Commission also encourages local and regional authorities to provide input on the RePowerEU chapter of their respective Member State for energy-related measures so that the investments and reforms presented by the national government reflect their needs.

The Recovery and Resilience Facility is an opportunity for the local and regional dimension. Not only because many investments and measures directly address the needs of regional or local realities, but also because many nationwide investments that Member States have put forward in their RRFs constitute new opportunities for local/regional operators. As some investments are based on open applications, the Commission would like to stress the importance for regional and local authorities to get in touch with respective national governments and ensure that their local businesses, organizations and administrations apply for the support that they may be eligible for. Clearly communicating information about the tenders and opportunities launched under the RRF at local and regional level is crucial to turn the RRF implementation into an inclusive and regionally balanced process.

Finally, in the context of Article 28 of the RRF

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<sup>11</sup> Regulation (EU) 2023/435 of the European Parliament and of the Council of 27 February 2023 amending Regulation (EU) 2021/241 as regards REPowerEU chapters in recovery and resilience plans and amending Regulations (EU) No 1303/2013, (EU) 2021/1060 and (EU) 2021/1755, and Directive 2003/87/EC; OJ L 63, 28.2.2023, p. 1–27.

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|  | <p>Regulation, Member States and the Commission jointly organise annual events with all relevant parties and stakeholders to exchange views on the state of implementation of their recovery and resilience plans, in view of ensuring close cooperation between all actors involved. Each Member State has committed to organise such an event as part of its operational arrangements signed with the Commission. Annual events are also the opportunity to discuss complementarity, synergies, coherence and consistency between the implementation of the plan and other Union programmes. Regional and local authorities are responsible for crucial aspects of the plans' implementation, and the Commission tries to involve them as much as possible in the annual events.</p>   |
| <p>20. The CoR also stresses that, in particular due to the large number of European programmes and financial subsidy opportunities, administrative capacity should be strengthened in many local and regional authorities. In this context, invites the Commission to actively support local and regional authorities, which have already had problems absorbing EU funds in the past, to improve their absorption capacity so that the implementation of all future EU funding programmes can be improved.</p> | <p>It is understandable that with the many challenges local and regional authorities are currently facing, administrative capacity is stretched to the limit. Whilst it is up to Member States to design and provide the administrative capacity needed to prepare and implement measures funded by the RRF and allocate the appropriate resources, some Member States have used this opportunity to reinforce the administrative capacity of their local and regional authorities. For example, Slovakia decided to appoint regional RRF coordinators for its eight regional authorities. The Spanish and Italian RRP's have region-specific measures aimed at boosting the capacity of local and regional administrations to implement relevant RRF measures.</p> <p>As the allocation of funding to administrative capacity relies solely on Member States, the Commission encourages regional and local authorities to clearly communicate this request to national administrations, as many Member States are currently working on the amendments of their Recovery and Resilience Plans and the preparation of their RepowerEU chapters. The Commission also encourages local and regional administrations</p> |

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|   | <p>to make use of the digital investments and technological solutions financed through the RRF aimed at lowering administrative burden and optimizing their internal services. Outside the scope of the RRF, other EU funds can also help local and regional authorities, including technical support from the Technical Support Instrument (TSI) for which local and regional authorities are also eligible. TSI has been providing support to national, regional and local administrations in order to enhance their capacity to implement and monitor the recovery and resilience plans. So far, more than 300 projects approved under the TSI have been contributing towards the preparation and implementation of the plans at the national, regional and local level.</p>   |
| <p>22. The CoR stresses that the European Semester is an over-centralised, top-down exercise mostly lacking the involvement of LRAs. It should be reformed and developed when used to prioritise future (regional) funds, investments or programmes as it currently neglects the principles of good governance and multi-level partnership and fails to recognise the role of local and regional authorities.</p> | <p>The Commission is committed to making the European Semester process as inclusive as possible (see also the answer provided on point 11). The Commission calls on all Member States to engage actively with social partners, local and regional authorities and other stakeholders, in particular representatives of civil society organisations, through regular exchanges. The Commission has acknowledged that the successful implementation of the European Semester and the Recovery and Resilience Facility based on the four dimensions of competitive sustainability rests on the systematic involvement of social partners and other stakeholders at both EU and national levels. This helps jointly identify challenges, improve policy solutions, and ensures broader ownership of the economic and social policy agenda, including the implementation of the country-specific recommendations (CSRs).</p> |
| <p>23. The CoR asks the Commission for the purpose of sound monitoring to clarify in which way the requirements mentioned in Article 28 of the RRF Regulation to ensure complementarity and synergy between funds and financial instruments are met at national level.</p>  | <p>The key principle laid down in the RRF Regulation is that funding under the Recovery and Resilience Facility needs to be additional (not cover the same cost) and complementary to the support provided under other Union programmes and instruments. (Article 9).</p>   |

It is primarily for the Member States to ensure complementarity, synergy, coherence and consistency among different instruments at Union, national and regional levels, in particular in relation to measures financed by Union funds, both in the planning phase and during implementation. There are various dimensions of complementarity that the Commission typically sees between recovery and resilience plans and programmes supported by other EU funds. Temporal complementarity (timeline): where various funding measures cover different timeframes or stages of the project; directional complementarity (reforms/investments): where funds are geared towards the same objective but cover different types of measures; operational complementarity: where funds cover different actions related to the same project.

During the implementation of the plan, Member States are responsible for monitoring the use of funds for the intended purpose under the RRP and for avoiding double funding. It is also the responsibility of the Member State to take corrective action where double funding is discovered (i.e. recover the related amounts from the final recipient). In the management declaration accompanying its payment request, the Member State shall confirm the absence of both types of double funding. The Member State shall also provide a summary of the audits carried out, including weaknesses identified and any corrective actions taken.

The Commission assessed whether Member States' control systems provide sufficient assurance to protect the financial interests of the Union, including to prevent, detect and correct double-funding. Furthermore, the Commission is implementing its own risk-based control strategy and undertakes audits to ensure the necessary systems are in place.

In case the Commission detects a case of double funding it can recover these funds.

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| <p>28. The CoR regrets that the inclusion of REPowerEU in the RRF allows for the transfer of cohesion policy funds despite the necessity to use them at local and regional level for the economic recovery, green transition and the reduction of divergences within the EU.</p>   | <p>In their political agreement on the RepowerEU legislative package, co-legislators agreed to add €20 billion of new grants for Member States as well as the possibility for Member States to transfer their allocated funds from the Brexit Adjustment Reserve (the total size of the instrument is €5,4 billion) to finance REPowerEU measures. The possibility to transfer up to 5% of funds from 2021-2027 cohesion policy programmes, as already envisaged by the RRF Regulation, remains. Co-legislators also agreed to allow amending 2021-2027 cohesion policy programmes to include measures contributing to the REPowerEU objectives under the cohesion policy framework. Such possibility illustrates the cross-cutting nature of REPowerEU objectives and the synergies which exist across European funding instruments to finance the most urgent priorities.</p> <p>Whilst the responsibility for the preparation of RepowerEU chapters and ultimately the allocation of cohesion funding lies with national governments, the Commission encourages regional and local authorities to communicate with relevant ministries and national authorities to ensure that the investment and energy needs of the respective regions are reflected in the roll-out of the 2021-2027 cohesion framework as much as the preparation of the RepowerEU chapters and amendment of existing Recovery and Resilience Plans.</p> |
| <p>29. The CoR urges the Commission to provide further information and guidance to Member States on how to involve LRAs. In this respect, advises the Commission to urge Member States to communicate directly with LRAs on the implementation and monitoring of the RRF. Regions and cities are the closest administration to citizens, hold most of the competences to achieve territorial goals, and are the core actors of European cohesion policy.</p> | <p>The Commission prepared a new guidance on Recovery and Resilience Plans in the context of RepowerEU and the guidance covers specifically the consultation of local and regional authorities throughout the process, in line with the requirements of the Regulation. Since the extent of consultations in the preparation of the initial RRFs varied, given in particular the COVID-19 emergency, the new guidance encourages Member States to enhance the consultation process if they intend to modify their RRFs. The consultation</p>  |

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|   | <p>process should be commensurate to the magnitude of the changes introduced in the RRP.</p> <p>According to the new guidance, Member States should ensure that stakeholders, including local and regional authorities, are involved in the design, implementation, and monitoring of any new or revised measures, in line with their national legal frameworks, in a timely and meaningful way. For the implementation of relevant measures, Member States are encouraged to include conditions linked to regional or local considerations in milestones or targets that entail a geographical dimension (for instance by adding specific conditions linked to the consultation of local and regional authorities).</p> <p>The proper consultation requirements, including the need to provide a summary describing how stakeholder input has been reflected, will also apply for the preparation of the REPowerEU chapter. Member States should set out in their plans how the consultation outcome has been reflected in their REPowerEU chapters. There should be a description of the consultation process, including its main characteristics, types of stakeholders, and the main input received. There should then be a description of how the design of REPowerEU measures has been included in the feedback received, and an indication how it will continue to be taken into account during the implementation.</p> <p>As described in our reply to paragraph 20, in addition the Commission regularly encourages the Member States to ensure thorough stakeholder involvement during the implementation.</p> |
| <p>33. Therefore [The CoR] calls for the Commission's annual reports, as defined in Article 31 of the Regulation, and for the independent evaluation report on the implementation of the Facility to be delivered by 20 February 2024 as foreseen by Article 32 of the RRF Regulation, that the CoR be involved in the preparation and that a section be included on LRA involvement, building on the</p> | <p>The Commission is currently working on an evaluation report on the implementation of the Recovery and Resilience Facility as prescribed by Article 32 of the RRF Regulation. To conduct this evaluation, the Commission launched a public consultation on 16 March 2023 (which will run to 8 June 2023) and social partners, local and regional authorities and other stakeholders are expected to contribute. The Commission has also launched an</p>  |



content of the RRF Regulation's Recital 34 and Article 18, in order to obtain a better overall view on the implementation processes in the EU Member States.

external study to support its evaluation, which will conduct targeted surveys with representatives of social partners, local and regional authorities – as well as interviews with the Committee.

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| <p><b>N°3 Single Market Emergency Instrument</b><br/> <b>Optional</b><br/> <b>COM(2022) 459 final</b><br/> <b>COR-2022-04234 – ECON-VII/027</b><br/> <b>153<sup>rd</sup> plenary session – February 2023</b><br/> <b>Rapporteur: Muhterem ARAS (DE/GREENS)</b><br/> <b>DG GROW – Commissioner BRETON</b></p>  |  |
| <p><b>Points of the European Committee of the Regions opinion considered essential</b></p>  | <p><b>European Commission position</b></p>   |
| <p><b>Amendment 1</b></p> <p>Recital 33</p> <p>Furthermore, to ensure availability of crisis-relevant goods during the Single Market emergency, the Commission may recommend that Member States distribute strategic reserves, having with due regard to the principles of solidarity, necessity and proportionality. <i>This must take into account the different local and regional needs such as those of the outermost regions, densely populated cities, rural areas and border regions.</i></p> | <p>The Commission acknowledges the Committee’s request to take into account the different local and regional needs when distributing strategic reserves and agrees on the importance of taking into account the territorial dimension. According to Article 32 of the proposal<sup>1</sup>, the Commission may recommend to the Member States to distribute the strategic reserves in a targeted way, where possible, having regard to the need not to further aggravate disruptions on the Single Market, including in geographical areas particularly affected by such disruptions and in accordance with the principles of necessity, proportionality and solidarity and establishing the most efficient use of reserves with a view to ending the Single Market emergency. The final wording of the Recital is subject to the outcome of the interinstitutional negotiation.</p> |
| <p><b>Amendment 2</b></p> <p>Article 1(3)</p> <p>Member States shall regularly exchange information on all matters falling within the scope of this Regulation among themselves and with the Commission, <i>the European Parliament, the European Committee of the Regions and the European Economic and Social Committee.</i></p>  | <p>The Commission acknowledges the Committee’s request to extend the information exchange obligation to the European Parliament, the Committee and the European Economic and Social Committee. The final wording of the Article is subject to the outcome of the interinstitutional negotiation.</p>   |

<sup>1</sup> COM(2022) 459 final.

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| <p><b>Amendment 4</b></p> <p>Article 4(3)</p> <p>The Commission shall chair the advisory group and ensure its secretariat. <i>Permanent members of the advisory group also include representatives of the European Parliament and the European Committee of the Regions.</i> The Commission may invite representatives of EFTA States that are contracting parties to the Agreement on the European Economic Area 49, representatives of economic operators, stakeholder organisations, social partners and experts, to attend meetings of the advisory group as observers. It shall invite the representatives of other crisis-relevant bodies at Union level as observers to the relevant meetings of the advisory group.</p> | <p>The Commission acknowledges the Committee’s request to include the representatives of the European Parliament and of the Committee as permanent members of the Single Market Emergency Instrument (SMEI) Advisory Group. According to the proposal, the Advisory Group will be composed of representatives of Member States and chaired by the Commission. The Commission may invite a representative of the European Parliament and other representatives to attend meetings of the advisory group as observers. In the view of the Commission, this composition of the Advisory Group strikes the right balance between the importance of involving stakeholders in its deliberations and the need to protect confidential and business sensitive information. The final wording of the Article is subject to the outcome of the interinstitutional negotiation.</p> |
| <p><b>Amendments 5, 6, 7, 16, 18, 19</b></p> <p>Articles 5(1), 6(1)(a), 6(2)(a), 16(5), 21(2), 22(2)</p> <p>Member States shall designate, <i>together with local and regional authorities</i>, central liaison offices responsible for contacts, coordination and information exchange with the central liaison offices of other Member States and Union level central liaison office under this Regulation. Such liaison offices shall coordinate and compile the inputs from relevant national, <i>regional and local</i> competent authorities.</p> <p>Similar insertions in the other Articles.</p>  | <p>The Commission acknowledges the Committee’s request to explicitly refer to the local and regional authorities in the Articles on central liaison offices, crisis protocols, general requirements for measures restricting free movement to address a Single Market emergency and single points of contact. The final wording of the Article is subject to the outcome of the interinstitutional negotiation.</p>   |
| <p><b>Amendments 8 and 9</b></p> <p>Articles 8(3)(c) and 9(1)(a)</p> <p>the geographical area; the proportion of the Single Market affected by the disruption or potential disruption; the impact on specific geographical</p>  | <p>The Commission acknowledges the Committee’s request to include a reference to border regions in Articles 8 and 9 of the proposal<sup>2</sup>. The Commission agrees on the importance of taking into account the impact of crisis on border regions. The final wording of</p>  |

<sup>2</sup> Idem.

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| <p>areas particularly vulnerable or exposed to supply chain disruptions including the <i>EU's border and outermost regions</i>;</p> <p>Similar insertion in Article 9(1)(a).</p>   | <p>the Articles is subject to the outcome of the interinstitutional negotiation.</p>   |
| <p><b>Amendment 10</b></p> <p>Article 11(5)</p> <p>National competent authorities shall have due regard to the administrative burden on economic operators and in particular SMEs, which may be associated with requests for information and ensure <i>that the content of requests is proportionate and strictly limited to what is necessary to comply with Article 9</i>.</p>   | <p>The Commission acknowledges the Committee's request to include wording on necessity and proportionality in Article 11(5) of the proposal<sup>3</sup>. The measures in the SMEI toolbox are designed to fully respect the principles of necessity and proportionality. The information requests by the national competent authorities to economic operators, as foreseen under Article 11, would be of voluntary nature and would be limited to the most relevant operators along the supply chains of goods and services identified in the implementing act adopted pursuant to Article 9 activating the vigilance mode. Such voluntary requests will state which information about factors impacting the availability of the identified goods and services of strategic importance is requested. The final wording of the Article is subject to the outcome of the interinstitutional negotiation.</p> |
| <p><b>Amendments 11 and 12</b></p> <p>Articles 12(2)(a) and 12(3)</p> <p>Taking due account of stocks held or being built up by economic operators on their territory <i>and of territorial balance, with particular regard to island, mountainous and other remote areas</i>, Member States shall deploy their best efforts to build up strategic reserves of the goods of strategic importance identified in accordance with paragraph 1. The Commission shall provide support to Member States to coordinate and streamline their efforts.</p> <p>Similar insertion in Article 12(2)(a)</p> | <p>The Commission agrees with the importance of taking the situation of vulnerable areas into account, including in the context of the constitution of strategic reserves. The final wording of the Article is subject to the outcome of the interinstitutional negotiation.</p>   |

<sup>3</sup> Idem.

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| <p><b>Amendment 13</b></p> <p>Article 15(1)</p> <p>Where the Commission considers, taking into consideration the opinion provided by the advisory group, that an extension of the Single Market emergency mode is necessary, it shall propose to the Council to extend the Single Market emergency mode. Subject to urgent and exceptional changes in circumstances, the Commission shall endeavour to do so no later than 30 days before the expiry of the period for which the Single Market emergency mode has been activated. The Council may extend the Single Market emergency mode by no more than six months at a time by means of an implementing act. <i>Unless it is extended, the Single Market emergency mode will automatically expire.</i></p> | <p>The Commission acknowledges the clarification proposed by the Committee in Article 15(1) regarding the fact that unless it is extended, the Single Market emergency mode will automatically expire. According to Article 14(3), the duration of the activation shall be a maximum of six months. Therefore, based on this Article, the emergency mode will indeed automatically expire, unless explicitly extended as per Article 15(1). The final wording of the Article is subject to the outcome of the interinstitutional negotiation.</p> |
| <p><b>Amendment 14</b></p> <p>Article 16(1)</p> <p>When adopting and applying national measures in response to a Single Market emergency and the underlying crisis, Member States shall ensure that their actions fully comply with the Treaty and Union law and, in particular, with the <i>priority</i> requirements laid down in this Article, <i>especially as regards measures under the Schengen Borders Code.</i></p>  | <p>The Commission is not in favour of the amendment proposed by the Committee. SMEI is complementary to the existing and proposed arrangements under the Schengen Borders Code. SMEI tackles restrictions to free movement, including restrictions on free movement of persons, however it does not deal with reintroduction of internal border controls, which falls under the Schengen Borders Code rules. Therefore, there is no overlap between SMEI and Schengen Borders Code.</p>   |
| <p><b>Amendment 15</b></p> <p>Article 16(2)</p> <p>Any restriction shall be limited in time, <i>reviewed regularly</i> and removed as soon as the situation allows. Additionally, any restriction should take into account the situation of border regions.</p>   | <p>The Commission acknowledges the Committee's request for any restrictions to be regularly reviewed. The objective of the SMEI measures for re-establishing and facilitating free movement is indeed to remove restrictions when they are no longer necessary. The final wording of the Article is subject to the outcome of the interinstitutional negotiation.</p>   |
| <p><b>Amendment 17</b></p> <p>Article 19(2)</p> <p>Member States shall provide to the Commission a statement of the reasons which make the enactment</p>  | <p>The Commission acknowledges the Committee's request to change the wording from 'national legislative or regulatory provisions' to 'relevant applicable legislation in</p>  |

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| <p>of such measure justified and proportionate, where those reasons have not already been made clear in the notified measure. Member States shall communicate to the Commission the full text of the <i>relevant applicable legislation in their Member State</i> which <i>contains</i> or <i>is</i> modified by the measure.</p>  | <p>their Member State'. The final wording of the Article is subject to the outcome of the interinstitutional negotiation.</p>   |
| <p><b>Amendment 20</b><br/>Article 24(1)</p> <p>Where there is a severe crisis-related shortages or an immediate threat thereof, the Commission may invite representative organisations or economic operators in crisis-relevant supply chains to transmit on a voluntary basis, within a set time limit, specific information to the Commission on the production capacities and possible existing stocks of crisis-relevant goods and components thereof in Union production facilities and third country facilities which it operates, contracts or purchases supply from, as well as information on any relevant supply chain disruptions within a given deadline. <i>The Commission shall ensure that the administrative and commercial burden on economic operators, particularly SMEs, is kept to a minimum, that the deadlines for replying are realistic and that the content of the requirements is proportionate and limited to what is strictly necessary.</i></p> | <p>The Commission acknowledges the Committee's request to ensure, already at the voluntary stage, that the administrative and commercial burden on economic operators, particularly the small and medium-sized enterprises (SMEs), is kept to a minimum, that the deadlines for replying are realistic and that the content of the requirements is proportionate and limited to what is strictly necessary. The final wording of the Article is subject to the outcome of the interinstitutional negotiation.</p>                   |
| <p>4. The European Committee of the Regions (CoR) reiterates its view that the free movement of goods, people and services in particular must be protected against crises; stresses the specific role of border regions for the functioning of the single market.</p>  | <p>The Commission shares the Committee's view on the specific role of border regions for the Single Market. According to the general requirements for measures restricting free movement during a Single Market emergency contained in Article 16 of the proposal, any restriction should take into account the situation of border regions. Article 17 of the proposal further contains a list of prohibited restrictions. In particular, restrictions in paragraphs 5 and 6 of the Article are relevant for frontier workers.</p> |

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| <p>5. The CoR stresses that the areas covered by Article 174 of the Treaty on the Functioning of the European Union are particularly affected by the impact of crises, as they are already facing challenges resulting from their situation.</p>  | <p>The Commission shares the Committee's view about the particular vulnerability to crises of the areas covered by Article 174 of the Treaty on the Functioning of the EU (TFEU). Consequently, the activation criteria for the emergency mode contained in Article 13 include the geographic area that is and could be affected by the crisis. Furthermore, the criteria for ad hoc alerts for early warning in Article 8 include the impact on specific geographical areas particularly vulnerable or exposed to supply chain disruptions including the EU outermost regions.</p> |
| <p>8. The CoR points out, in particular, that border controls are close in nature to border closures, given that they involve congestion stretching back kilometres at border crossings.</p> <p>9. The CoR calls, therefore, on the Commission to give partial priority to the free movement rules of the Single Market Emergency Instrument over the Schengen Borders Code in order to ensure the free movement of persons, services and goods in times of crisis.</p> | <p>SMEI is complementary to the existing and proposed arrangements under the Schengen Borders Code. SMEI tackles restrictions to free movement, including restrictions on free movement of persons, however it does not deal with reintroduction of internal border controls, which falls under the Schengen Borders Code rules. Therefore, there is no overlap between SMEI and Schengen Borders Code. Consequently, the Commission is not in favour of the amendments proposed by the Committee.</p>  |
| <p>13. The CoR welcomes in general the proposal's place-based approach and its focus on travel and business activities; at the same time, calls for the emergency instrument to have a stronger territorial focus to ensure that it is effective on the ground;</p> <p>14. building on this, (the CoR) calls for its representatives to have a permanent seat on the advisory group.</p>  | <p>According to the proposal, the Advisory Group will be composed of representatives of Member States and chaired by the Commission. The Commission may invite representatives of the European Parliament and other representatives to attend meetings of the Advisory Group as observers. In the view of the Commission, this composition of the Advisory Group strikes the right balance between the importance of involving stakeholders in its deliberations and the need to protect confidential and business sensitive information.</p>                                       |
| <p>15. The CoR further calls for local and regional authorities to be involved in the design of the central liaison offices and for equal access to national single points of contact and the single</p>  | <p>The designation of the central liaison offices will be done by the Member States. The Commission agrees with the Committee's call for local and regional authorities to be involved</p>  |

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| point of contact at EU level.  | in the design of the central liaison offices.   |
| <p>17. The CoR proposes that the relevant definitions and criteria be made more consistent throughout the proposal and that, in this connection, regional concerns be given greater consideration.</p> <p>18. The CoR stresses, in this context, the need to clarify individual definitions in order to achieve legal certainty and make clear under which conditions and circumstances and in which crises the emergency instrument will be used.</p> | <p>The need to clarify certain definitions of the SMEI proposal has also emerged in discussions with the co-legislators and stakeholders. The Commission remains open to the views of the co-legislators in terms of ensuring greater legal clarity and precision in the definitions.</p>   |
| <p>20. The CoR strongly welcomes the focus on information exchange, communication and coordination between Member States and suggests that a common online information interface for future crises be set up, along the lines of "Re-open EU" created during the COVID-19 pandemic.</p>  | <p>The proposal foresees that the Commission and the Member States may set up interoperable digital tools or IT infrastructures supporting the objectives of this Regulation. Such tools or infrastructures may be developed outside the duration of the Single Market emergency to be primarily used during the emergency. In particular, under Article 19(16), it is foreseen the Commission will publish the text of the measures adopted by the Member States in the context of the emergency by means of an electronic platform managed by the Commission.</p> |
| <p>21. The CoR underlines the need to ensure complementarity and consistency with sector-specific and other general rules, particularly the Schengen Borders Code, so as not to generate greater legal uncertainty.</p>  | <p>SMEI will complement other general EU instruments for crisis management as well as EU rules for specific sectors, supply chains or products which already foresee targeted crisis response measures. Unless fully and explicitly excluded from the scope of SMEI, SMEI will fill the gaps of such EU rules.</p> <p>See also under points 8 and 9.</p>  |
| <p>22. The CoR underlines the principles of subsidiarity and proportionality and notes that the Commission's proposal is very far-reaching; stresses, therefore, the importance of ensuring sufficient scrutiny and transparency in the way that the instrument is implemented, not least in order to review and compensate for the potentially wide-ranging extension of the powers conferred on the</p>  | <p>SMEI proposal is based on the logic that it is first and foremost for market participants to address the crises, even in exceptional circumstances. Where the market is unable to provide solutions during an emergency, the SMEI toolbox can be used. At all times, a gradual approach would be used where voluntary requests would be first addressed to</p>   |



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| <p>Commission; points out that this can only be achieved through clear and unambiguous criteria and quantifiable thresholds combined with a due process that guarantees the involvement not only of the Member States and the European Parliament, but of national and regional parliaments too;</p> <p>24. The CoR calls for a review of the necessity and proportionality of monitoring supply chains, of collecting information from businesses and of the obligation to comply with priority-rated orders; it is precisely in times of crisis that additional burdens on businesses, especially small and medium-sized enterprises, should be kept to a minimum; at the very least, tight deadlines for replying should be extended.</p> | <p>the economic operators concerned. Extensive checks and balances are built into the toolbox: the emergency mode can only be activated by the Council and the use of the more far-reaching measures requires an additional activation. It is expected that the use of these measures of the toolbox would be exceptional. Therefore, the Commission considers that the proposal fully respects the principles of necessity and proportionality by including the extensive checks and balances, in particular related to the exceptional measures proposed.</p>                                       |
| <p>23. The CoR stresses that any emergency measure must effectively enforce and fully respect labour laws and fundamental rights, including social, workers' and trade union rights.</p>   | <p>The proposal fully takes into account fundamental rights and the principles enshrined in the Charter of Fundamental Rights of the EU. These comprise the right of collective bargaining and action, including the right to strike, as per Article 28 of the Charter. Recital 36 of the SMEI proposal clearly reflects this. The Commission's proposal is subject to inter-institutional discussions as part of the ordinary legislative procedure.</p>   |
| <p>25. The CoR welcomes the fact that conformity assessments of strategically important products have been stepped up; suggests extending this to other product groups too.</p>  | <p>Targeted amendments to harmonised product legislation, in particular as regards conformity assessments, would apply to a selection of crisis-relevant goods and services which would be specifically identified in a dedicated implementing act. For such goods and services, along with the prioritisation and facilitation of conformity assessments procedures, there would be reinforced market surveillance. These measures are designed to be exceptional and complementary to each other. Therefore, the Commission considers that the design of the measure strikes the right balance.</p> |
| <p>26. The CoR calls on the Commission to make joint procurement transparent and to draw lessons from</p>  | <p>Joint procurement between the Commission and Member States would be done in full respect of</p>  |

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| the failures surrounding the conclusion of contracts with COVID-19 vaccine manufacturers. | the principle of transparency in accordance with the rules set out in Article 165(2) of the Regulation on the financial rules applicable to the general budget of the Union <sup>4</sup> of the European Parliament and of the Council or the future recast thereof. |
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<sup>4</sup> Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32018R1046>).

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| <p><b>N°4 EU Nature Restoration Law</b><br/> <b>COM(2022) 304 final</b><br/> <b>COR-2022-04206 – ENVE-VII/030</b><br/> <b>153<sup>rd</sup> plenary session – February 2023</b><br/> <b>Rapporteur: Roby BIWER (LU/PES)</b><br/> <b>DG ENV – Commissioner SINKEVIČIUS</b></p> |  |
| <p><b>Points of the European Committee of the Regions opinion considered essential</b></p>   | <p><b>European Commission position</b></p> |
| <p>The follow-up given by the Commission to this opinion will be included in a subsequent report.</p>  |  |

**N°5 Regional adaptation strategies for low carbon agriculture**  
**COM(2022) 672 final**  
**COR-2022-03978 – NAT-VII/027**  
**153<sup>rd</sup> plenary session – February 2023**  
**Rapporteur: Loïg CHESNAIS-GIRARD (FR/PES)**  
**DG CLIMA – Executive Vice-President TIMMERMANS**

| <b>Points of the European Committee of the Regions opinion considered essential</b>  | <b>European Commission position</b>  |
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| <p>The European Committee of the Regions (CoR) considers that the scope of the European certification scheme for agriculture should cover and promote the reduction of all greenhouse gas emissions on farms in order to foster systemic change in production systems and practices.</p> | <p>The Commission proposal for a Regulation establishing a Union certification framework for carbon removals<sup>1</sup> is limited to carbon removals and does not include under its scope the (non-CO<sub>2</sub>) emission reductions from livestock activities or fertilizer application. The proposal follows the approach of the European Climate Law and the LULUCF Regulation<sup>2</sup> to keep the incentives for non-CO<sub>2</sub> emissions reductions separate from the net removals in the LULUCF sector. One of the key objectives of the proposal is to enable specific actions for restoring our land and forest carbon sink, the so-called LULUCF sink. The scope of carbon farming is therefore the same as the LULUCF scope: action to increase the net removals from land and forests. However, under the proposal (article 7) the reduction in non-CO<sub>2</sub> emissions generated by a carbon farming activity can be rewarded as a co-benefit. This option will increase the attractiveness of the certified carbon removal units and therefore give more economic value to them. If, on the other hand, non-CO<sub>2</sub> emissions increase because of a carbon farming activity, such emissions shall be subtracted from the amount of carbon removals that can be certified.</p> |
| <p>The CoR proposes adopting an approach which is based on practices recognised as being able to</p>   | <p>The proposal establishes a set of rules for monitoring, reporting and verification (MRV) in</p>   |

<sup>1</sup> COM(2022) 672 final.

<sup>2</sup> Regulation (EU) 2018/841 of the European Parliament and of the Council of 30 May 2018 on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry in the 2030 climate and energy framework, and amending Regulation (EU) No 525/2013 and Decision No 529/2013/EU; OJ L 156, 19.6.2018, p. 1–25.

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| <p>boost and maintain soil carbon content while helping to safeguard biodiversity, rather than a solely results-based one.</p>  | <p>order to unambiguously identify and certify high-quality carbon removals. As such, the main objective of this proposal is to provide as much transparency as possible not only on quantity (the net climate benefit of a carbon removal activity) but also on quality (including additionality, long-term duration, and sustainability impacts). The related certification methodologies shall incentivise as much as possible the generation of sustainability co-benefits, in particular for the protection and restoration of biodiversity and ecosystems. Furthermore, in developing the certification methodologies, the Commission will take into consideration the objectives of ensuring robust quantification of carbon removals while minimising the administrative burden of MRV. To decrease MRV costs, hybrid approaches based on a mix of activity-based and result-based verification can be envisaged; in addition, the use of digital remote sensing techniques can dramatically decrease the MRV burden on individual farmers, especially when it comes to establishing baselines. The proposal will also ensure full transparency on the inherent differences between carbon removals from carbon farming and from industrial activities, particularly as regards the durability of those removals and the risk of reversal into the atmosphere.</p> |
| <p>The CoR notes that the Common Agricultural Policy (CAP) is and must remain the main tool for supporting European agricultural production and steering it towards ever more resilient and sustainable systems and calls for financing linked to the carbon certification scheme to operate alongside CAP financing.</p> | <p>The Common Agriculture Policy's (CAP) objectives encompassing economic, environmental and social sustainability are equally important and very much interconnected. In particular, there can be significant synergies between the CAP objective of supporting agriculture production in a sustainable way and the climate objective of increasing biogenic carbon removals through carbon farming. Public funding under the CAP can support the upscaling of carbon farming, for example with incentives to relevant soil management practices, cover upfront investments, additional costs related to monitoring, reporting and verification aspects, advisory and cooperation</p>   |

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|  | services, or to finance pilot and research projects that improve the effectiveness of carbon farming.   |
| <p>The CoR considers that the establishment of voluntary compensation markets could entail a significant danger of financialisation of farming and agricultural land grabbing in the medium and long term, and that the Commission should take these dangers into account immediately.</p>   | <p>Voluntary carbon markets are witnessing a significant and fast growth in recent years, and this has raised concerns about their transparency, governance and actual impact on climate outcomes, biodiversity and land prices. The Commission’s proposal aims, <i>inter alia</i>, at improving the reliability of these markets by improving transparency and harmonising certification rules. Thus, the proposal can avoid a situation where these markets develop in an unregulated context with no public oversight and no consistency with the EU regulatory framework. The support provided by the CAP to active farmers is an important component of farm income to ensure that potential carbon payments remain a complementary source of revenue and do not put at risk food security. It is also proposed that market developments in the field of carbon removals and impacts on food security are duly taken into account when the Regulation is reviewed in 2028. The Impact Assessment to the Commission proposal recognises the importance of sustainability dimensions such as food security. Carbon farming activities that improve soil fertility and land resilience can contribute to better food security. In the EU, significant safeguards for food security are provided by existing policies (e.g. CAP, long-term vision for rural areas), which address social objectives such as rural development and land grabbing.</p> |
| <p>The CoR calls on the Commission to include local and regional authorities in the governance of the European carbon certification scheme as they can ensure that projects based on supply chain cooperation and tailored to a region’s needs and features and regional strategies for reducing agricultural greenhouse gas emissions can get off the ground.</p> | <p>The governance of the proposed EU certification framework relays on the use of certification schemes (duly recognised by Commission) for implementing the quality criteria and carrying out the certification of carbon removal activities. National, regional or local authorities have different options to take part in this implementation. They may set up public certification schemes and apply for Commission</p>  |

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|   | <p>recognition. They may also provide intermediary services, by pulling together carbon removal activities through group of operators, with the view to lower the administrative burden of certification and provide farmers and foresters with the necessary advisory services on carbon farming.</p>  |
| <p>The CoR regrets that the Commission's proposal has not established rules on how economic actors can use these carbon removals certificates, thus opening the door to undesirable methods of offsetting emissions.</p>                                  | <p>The proposal does not regulate the use of carbon removals because corporate claims and reporting on the use of certified carbon removal units are addressed in horizontal EU legislation and proposals, such as the Corporate Sustainability Reporting Standards<sup>3</sup> and the Green Claims Initiative<sup>4</sup>, which set out the rules for claims at organizational and product level. Concerning carbon removals, these initiatives will rely on the EU certification framework as a benchmark for the integrity and high quality of carbon removals.</p> <p>Furthermore, concerning the EU climate framework post-2030, it should be noted that Article 17 of the revised LULUCF Regulation includes a request for a Commission assessment in 2025 of the regulatory options to ensure that land is well on track for climate neutrality and of the possible future integration of carbon storage products in the scope of the LULUCF Regulation.</p> |
| <p>The CoR regrets that the Commission's proposal does not provide details on certain key issues such as the governance of certification systems; is disappointed that the Commission has chosen to deal with them by means of secondary legislation.</p> | <p>The Commission proposal lays down a set of quality criteria and verification rules to be complied with by high quality carbon removal activities. The EU quality criteria will need to be further operationalised through tailored certification methodologies that take into full consideration the difference between the main types of carbon removal activities, in particular between carbon farming and permanent storage and storage in long-lived products. The</p>  |

<sup>3</sup> Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (Text with EEA relevance).

<sup>4</sup> COM(2023) 166 final. Proposal for a Directive of the European Parliament and of the Council on substantiation and communication of explicit environmental claims (Green Claims Directive).

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|  | <p>Commission will develop the EU certification methodologies for carbon removals, by means of delegated acts, in close consultation with the recently established Expert Group on Carbon Removals. The Group gathers around 70 top international experts on carbon removal certification from academia, farmers, industry, non-governmental organizations (NGOs), auditing entities and public officials. Its first meeting took place on 7 March 2023, and its sessions were publicly web-streamed to ensure maximum transparency and inclusiveness. Furthermore, the proceedings of the Expert Group meeting will be publicly available on the related Commission website<sup>5</sup>.</p> |
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<sup>5</sup> [Expert group on carbon removals \(europa.eu\)](https://europa.eu)



**N°6 European Health Data Space**  
**Optional**  
**COM(2022) 197 final**  
**COR-2022-03754 – NAT-VII/028**  
**153<sup>rd</sup> plenary session – February 2023**  
**Rapporteur: Daniela CÎMPEAN (EPP/RO)**  
**DG SANTE – Commissioner KYRIAKIDES**

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

The European Committee of the Regions (CoR) believes that one of the challenges involved in rolling out the EHDS will be providing sufficient resources and infrastructure, including physical infrastructure at national, regional and local level, to cover the storage of, access to and exchange of health data for healthcare provision, research, policy-making and regulatory activities.

**European Commission position**

The Commission is convinced that investing in digitalisation is investing in better healthcare and in the resilience of our health systems. The EU and Member States need to take this bold step, together. The European Health Data Space<sup>1</sup> will build on existing initiatives. The work on the cross-border sharing of health data for primary use had already started as a voluntary cooperation among the Member States in the eHealth Network under the Cross-Border Healthcare Directive. There are currently 11 Member States connected to MyHealth@EU, the cross-border infrastructure that allows for the exchange of health data across borders. Most Member States are already implementing the services and all are expected to join in the coming years. The provisions of the Commission proposal on the European Health Data Space are based on this existing collaboration and will ensure a more consistent legal framework.

Secondly, as regards the secondary use of health data for research, innovation, policy making and regulatory purposes: 13 Member States have already started to put forward more centralised national systems to provide access to data and others are expected to do so in the upcoming period.

The transitional periods proposed in the

<sup>1</sup> Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the European Health Data Space (COM(2022) 197 final).

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|  | <p>Commission proposal are based on the experience of how long deploying the current voluntary MyHealth@EU services took in already-participating Member States and on other existing projects. The Commission will also continue to provide funding to support Member States (see point 4).</p> <p>In the 2021-2027 programming period, cohesion policy support is also available for digitalisation of health services, through investments in health infrastructure and equipment. The European Regional Development Fund in this context aims to foster eHealth and digital tools for effective information flows and service delivery. For example, Member States have allocated €835.7 million European Regional Development Fund (ERDF) to e-health services and applications and €393 million to digitalisation in healthcare. The Recovery and Resilience Facility also supports the digitalisation of health systems (Policy Objective 4, more details below).</p> <p>Furthermore, €810 million will be invested at EU level for the implementation of the European Health Data Space (EHDS). €280 million and €50 million respectively have been earmarked for the EHDS under the EU4Health and Digital Europe Programmes. The rest will be provided through other horizontal and complementary actions under the Digital Europe Programme, Horizon Europe and the Connecting Europe Facility.</p> |
| <p>The CoR stresses that the success of the EHDS requires a multi-level governance approach and solutions not only at EU and national level, but also at regional and local level.</p> | <p>The Commission shares the Committee’s view that local and regional actors can have an important role. This depends on the internal organisation of the Member States. When the proposal refers to Member State authorities, these can be at various level, in line with Member States’ internal organisation.</p>  |

## On II. Policy recommendations:

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| <p>11. The CoR stresses that, in seeking to empower individuals to have increased access to and control over their electronic health data, we need to ensure that vulnerable groups, and in particular older people with limited digital skills or limited access to digital resources, are not neglected.</p>          | <p>The proposal foresees proxy services that can be used by persons with limited digital skills or limited access to digital tools to give access to a trusted person of their choice, such as a family member, to act on their behalf. The Commission agrees on the importance of digital health literacy. The COVID-19 pandemic induced a more widespread use in digital health technologies. It is important to identify possible risks of widening health inequalities through digital exclusion in the introduction of new technological tools. For example, the EU Mobile App for Cancer Prevention currently under development will make it easier for patients with limited digital literacy to access relevant information.</p>  |
| <p>13. The CoR highlights that the creation of the EHDS is made more difficult by a lack of experts and technical know-how and by a limited number of providers with the necessary expertise to build and maintain health data systems and infrastructure that meet high security and data protection requirements.</p> | <p>Capacity building and investments in Member States are crucial for the success of the planned European Health Data Space (EHDS). Overall, at EU level, the Commission intends to provide over €810 million to support the proposed EHDS, from the EU4Health programme, the Digital Europe Programme, the Connecting Europe Facility and Horizon Europe. From this, over €330 million would be used for the implementation of the EHDS, including capacity building and its infrastructures. The rest, more than €480 million, could be used by Member States and entities involved in the planned EHDS, along with other sectors, for complementary and horizontal investments that contribute to the EHDS.</p> <p>Member States have already earmarked around €14 billion under the Recovery and Resilience Facility for investments in digital health and secondary use of health data.</p> <p>Digital skills of experts and technical know-how are key for the development of the EHDS. This is relevant for the development of health data</p> |

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|  | <p>systems and infrastructures both for primary and secondary uses of health data. Alongside with investments for the implementation of the EHDS, the Commission is also supporting capacity building on health data and digital health matters at Member States level through EU4Health. Concrete examples include projects aiming at the development and strengthening of skills and abilities of staff working on national digital health services or at supporting the transfer of knowledge and exchange of best practices among Member States on secondary uses of health data.</p>   |
| <p>14. The CoR calls on the Commission to discuss and present suggestions on how the Union can support the development of additional physical infrastructure for data storage in the Member States, including at local and regional level.</p> | <p>As regards the primary use of health data infrastructure and rights and obligations related to such use of data, the Regulation would not necessarily require the establishment of completely new health data storage facilities. Member States may decide to keep the health data in the current repositories and enable necessary connections/interoperability between them, to ensure the implementation of necessary exchange processes. Therefore, the Commission does not see a specific need to establish additional physical infrastructures for health data storage at the local and regional level, as health data is commonly stored there already.</p> <p>On the secondary use of health data, the Commission supports the Member States in the development of the infrastructure for access to health data for secondary purposes. For example, under the EU4Health Annual Work Programme 2022, the Commission is providing €30 million to support the setting up of Health Data Access Bodies in the Member States. Additional funding is available for Member States under the Connecting Europe Facility (CEF) and the Digital Europe Programme (DEP) to support the setting up of secure processing environments.</p> |
| <p>15. The CoR is concerned that, in the absence of clear guidelines, the implementation of the EHDS could lead to a fragmented approach,</p>  | <p>The proposal aims to reduce the current fragmentation stemming from a different national implementation of different legislative</p>   |

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| <p>similar to the GDPR experience, resulting from uneven implementation and different interpretations at national and even regional level across the EU.</p>  | <p>frameworks, including the General Data Protection Regulation (GDPR). The proposal provides the same rights for patients to access and share their health data, building upon, but also going beyond the current limitations of GDPR in this area. In order to support the technical interoperability between healthcare providers at national and cross-border level, the proposal harmonises the certification of electronic health records. Moreover, on the secondary use of health data for research and policy making, the proposal provides an EU law with the same conditions and safeguards for all the Member States (conditions for data access, health data access bodies, data permits, secure processing environments etc). The EHDS will reduce the current fragmentation with regards to the use of health data for research and policy making, whereby different Member States use different legal bases under the GDPR to process such data, making access to health data expensive, as well as cross-country projects particularly difficult.</p> <p>The overall purpose of EHDS is to overcome the current fragmentation in favour of interoperability and common standards. To operationalise the implementation, the proposal provides for the development of several implementing acts and guidelines ensuring the uniform implementation of the provisions. In addition, in order to promote the consistent application of this Regulation, a European Health Data Space Board (EHDS Board) will be set up. The EHDS Board will be the forum for the Member States (and other stakeholders) to discuss the application of the EHDS Regulation.</p> |
| <p>17. The CoR points out that the data used for research or policy-making, as well as for the provision of healthcare, must be reliable, in uniform format, consistent, fit for purpose, representative and measurable; welcomes the requirements set out in the proposal – specifying</p> | <p>The Commission agrees on the importance of data quality.</p> <p>The data that will be made available for secondary use is in most cases initially collected and processed for the delivery of care, which</p>   |

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| <p>the types and main characteristics of the health data – but considers that the quality requirements warrant greater attention.</p>   | <p>ensures a certain baseline regarding the accuracy of the content. Data holders, such as hospitals, will have to provide a short description of their datasets for inclusion in the Health Data Access bodies’ data catalogues.</p> <p>Moreover, the EHDS increases the quality of health data for primary use by providing how different categories of data (electronic health records, images, laboratory results, discharge reports) should be structured and coded in the healthcare setting. This will also improve the quality of health data that can be used for research and policy making.</p>   |
| <p>20. The CoR considers that giving individuals the right and option to modify and enter data in their personal electronic health records might lead to problems with the quality of those records, and suggests that more detailed consideration be given to how these issues could be addressed.</p> | <p>The Commission underlines that one of the main pillars of the proposal on the European Health Data Space is empowering individuals across the EU to fully exercise their rights over their health data. This proposal puts patients in the centre.</p> <p>Currently, some Member States allow individuals to add electronic health data to their electronic health records or to store additional information in their separate personal health record that can be accessed by health professionals. However, this is not a common practice in all Member States. Information inserted by natural persons may not be as reliable as electronic health data entered and verified by health professionals. That is why, according to the Commission proposal that information should be clearly marked to indicate the source of such additional data.</p> <p>The proposal in Article 3(6) also clearly refers to ‘inserting’ electronic health data. That provision does not enable natural persons to modify electronic health data inserted by health professionals e.g. in a patient summary.</p> |
| <p>23. The CoR stresses the need to further clarify the role and powers of the EHDS Board. While the board is to be composed of representatives of the digital health authorities and health data access bodies from all of the Member States, the</p>  | <p>The proposal on the European Health Data Space foresees the creation of the EHDS Board that will contribute to the consistent application of the Regulation throughout the EU, to coordinate and exchange best practices and to cooperate with</p>  |

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| <p>role of the observers, experts, stakeholders and other third parties, and the arrangements for their participation in the work of the board, are unclear.</p> | <p>other bodies at EU level. This builds on the experience of the eHealth Network, and aims to strengthen and expand it, while taking into account the specificities of the bodies dealing with secondary use of health data. Examples such as the EU Digital Covid Certificate and the interoperability of contact tracing applications show how effective this coordination was.</p> <p>Stakeholders and relevant third parties, including patients' representatives, shall be invited to attend meetings of the EHDS Board and to participate in its work, depending on the topics discussed and their degree of sensitivity.</p> |
| <p>25. The CoR calls for the CoR, as the representative of local and regional authorities, to be represented on the EHDS Board.</p>                              | <p>The EHDS Board will deal with very diverse topics of the implementation of the EHDS and not all of these topics will be relevant for all stakeholders. Nevertheless, the Committee can be invited to attend meetings of the EHDS Board and to participate in its work when relevant, depending on the topics discussed and their degree of technicality and sensitivity.</p>  |

**N°7      Creating an enabling environment for the social economy – the local and regional perspective**  
**COR-2022-05492 – SEDEC-VII/033**  
**153<sup>rd</sup> plenary session – February 2023**  
**Rapporteur: Ricardo RIO (PT/EPP)**  
**DG EMPL – Commissioner SCHMIT**

| <b>Points of the European Committee of the Regions opinion considered essential</b>  | <b>European Commission position</b>  |
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| <p>5. The European Committee of the Regions (CoR) points out that it is time to boost the visibility of and obtain new data on the social economy, including at local and regional level, as well as to promote these data, best practices and existing initiatives among new audiences, including young people.</p> <p>6. The CoR suggests the creation of a formal Observatory for the Social Economy in Europe, which can engage different stakeholders, monitor the evolution of the social economy sector and suggest initiatives to improve the framework of development of the social economy organisations participating in the co-construction of public policy at national, regional and local levels.</p> <p>12. The CoR stresses the need to tackle [...] different methods of data collection, which make any country-based and regional comparisons of the weight and contribution of the sector difficult.<sup>26</sup> The CoR recognises the need to improve the data related to the social economy, suggesting that the EU introduce appropriate indicators for evaluating social economy investments.</p> | <p>The Commission thanks the Committee for the timely opinion, which provides valuable inputs to the preparation of the Commission proposal for a Council recommendation on developing social economy framework conditions ('the upcoming proposal').</p> <p>The Commission shares the view that data and statistics are essential to monitor the development and performance of the social economy, achieve a better recognition of the sector and ensure evidence-based policymaking.</p> <p>In the Commission's view, collecting supplementary and comparable data on the social economy and raising awareness about the social economy and its contributions to achieving social and environmental goals should be fostered, as the availability of such data will be key for a monitoring at EU level.</p> <p>The Commission (Eurostat) has already supported the development of satellite accounts in several Member States (Spain, France, Slovenia and Poland) and a task force on social economy satellite accounts has been set up.</p> <p>In parallel, the Commission is currently running a call for tenders to gather quantitative and qualitative data on the 'proximity and social economy ecosystem'<sup>1</sup>. Work is expected to start in June 2023.</p> <p>Furthermore, the social economy flagship report</p> |

<sup>1</sup> <https://etendering.ted.europa.eu/cft/cft-display.html?cftId=11736>



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|   | <p>prepared by the Organisation for Economic Co-operation and Development (OECD) in cooperation with the Commission intends to provide updated qualitative data on the latest developments regarding policy and legal frameworks building on existing research and OECD and Commission work. This report will be delivered in 2025 and will take stock of any national initiatives following the upcoming proposal.</p> <p>At this stage the Commission is not considering the creation of a formal observatory.</p>   |
| <p>11. The CoR calls for an "operational concept" of social economy, respecting the diversity of already existing systems and including all businesses that meet certain organisational and operational criteria, in order not to exclude them from crucial support for developing this sector. This would allow for more coherence and convergence in policies at European, national and regional levels and would ease mutual recognition (capacity to operate cross-border) and visibility of the social economy model.</p> <p>13. The CoR reiterates its call to the Commission "to develop a suitable European legal framework for the social economy, which provides for a common definition, and for the organisation and inclusion of businesses that meet certain organisational and operational criteria" in order not to exclude them from crucial support for developing this sector.</p> | <p>The Commission shares the view that a convergence of policy and legal frameworks around the main features of the social economy identified in the Social Economy Action Plan<sup>2</sup> would be useful. One of the objectives of the upcoming proposal is to consider how to design and adopt national strategies that address the needs of social economy organisations, including by reviewing and adapting policy and legal frameworks. The aim is to develop appropriate national legal frameworks in line with the diversity of social economy entities and business models in the Member States allowing to cover the different organisations that operate according to the principles of social economy, as set out in the Social Economy Action Plan.</p> <p>The reference to the different organisational models of the social economy entities in the definition provided in the Social Economy Action Plan also aims to support this convergence.</p> <p>In addition to the upcoming proposal for a Council Recommendation, the Commission is preparing a legislative initiative on cross-border activities of associations. The initiative seeks to address obstacles non-profit associations face in their cross-border activities and mobility in the</p> |

<sup>2</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions 'Building an economy that works for people: an action plan for the social economy' (COM(2021) 778 final).

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|  | single market.  |
| <p>15. The CoR acknowledges the positive effect of the EU Social Business Initiative (SBI) and its follow-up activities on the regulatory and institutional operating environments of the social economy and social enterprises, but regrets that single and clear entry points in public administrations need further development.</p> <p>19. The CoR pleads for the nomination of "national and regional ambassadors" for the social economy to boost the sector.</p> <p>32. The CoR suggests the institutionalisation of regional mechanisms of dialogue and support between regional and local governments and social economy networks, to channel financial opportunities, establish capacity building opportunities and better support entities on the ground; to this end, considers that each Member State should have ministries/departments/agencies with a designated responsibility for the development of the social economy and a clear mandate to pursue related topics.</p> <p>35. The CoR suggests a mentoring approach through twinning between territories already experienced in developing local and regional ecosystems and related legal frameworks for the social economy and those having no or less experience.</p> <p>39. The CoR supports the need to ensure that EU measures take the local and regional perspectives into account as well as the dissemination of successful pilot initiatives and good practices led by social economy stakeholders within government recommendations, and to promote their replication through social economy networks and public communication [...].</p> | <p>The Commission agrees that administrative and institutional set-ups are decisive for a successful implementation of social economy strategies and support measures, in particular to reinforce Member States' administrations and institutions to ensure coordination at national, regional, and local levels, in addition to establishing a dialogue with social economy actors. This includes appointing social economy coordinators in their administrations.</p> <p>Moreover, to strengthen the capacity of public authorities to design and implement policies and measures that support the social economy, as of 2023 the Commission will organise webinars and workshops for public officials based on mapping exercises and the collection and exchange of good practices in various policy fields relevant to the sector. A first series of three workshops on State aid support for the social economy will take place in the second quarter of 2023 (a first webinar - in May, an in-person workshop - in the beginning of June, and a webinar - in late June). Workshops on other topics will follow in the Autumn and in 2024, aiming at the collection and exchange of good practices in areas such as awareness raising, social investment, and labels and certification systems.</p> <p>The Commission also agrees with the key role played by local and regional authorities in creating favourable conditions for the development of the social economy. With the Social Economy Action Plan, the Commission intended to build on existing initiatives to better support public authorities at all levels to develop policy and legal frameworks in this area.</p> <p>For instance, the Commission, in cooperation with the OECD, developed a Better Entrepreneurship online tool<sup>3</sup>, which allows stakeholders, including</p> |

<sup>3</sup> <https://betterentrepreneurship.eu/>

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|   | <p>local and regional authorities, to assess their inclusive and social entrepreneurship policies and programmes and learn about best practices.</p> <p>Moreover, with the European Social Economy Regions (ESER) scheme, the Commission has developed a thriving community of practitioners across Europe and is supporting the sharing of best practices and success stories through direct contacts and events. The community was actively involved in the co-creation process of the transition pathway for the proximity and social economy ecosystem. A call for expression of interest to revitalise the ESER network and open it to new members was open until 6 April 2023.<sup>4</sup> The evaluation of the applications will be concluded by the end of June.</p>  |
| <p>25. The CoR appeals for integration within a more or less homogeneous statute at European level of the different statutes or labels that exist within the Member States to characterise companies that pursue a profit-making purpose while having a positive social and environmental impact.</p> | <p>Several social economy stakeholders have expressed concerns about the creation of an EU label because establishing criteria for such a label could: (1) go against the need to take into account the different national traditions and contexts for the social economy in the EU, (2) risk excessive administrative burden for social economy organisations, and (3) possibly lack tangible benefits.</p> <p>Previous reports and mappings of social enterprises in the Member States concluded that the success and take-up of marks, labels and/or certificate systems was varied<sup>5</sup>.</p> <p>There is therefore a need to better understand this issue and the Commission is looking at gathering more up-to-date data on the existing national labels and statutes and their impact. A study on national social economy labels and certification schemes will be delivered jointly with the OECD in 2025, aiming at mapping the existing labels and certifications in member states, identifying good practices, common features and criteria. This will provide a relevant contribution in view of a</p> |

<sup>4</sup> [https://single-market-economy.ec.europa.eu/european-social-economy-regions-eser-2023-call-expression-interest\\_en](https://single-market-economy.ec.europa.eu/european-social-economy-regions-eser-2023-call-expression-interest_en)

<sup>5</sup> <https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8274>

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|  | possible guidance on mutual recognition.  |
| <p>38. The CoR calls for the establishment of the official title of European Capital of the Social Economy.</p>  | <p>The Commission recalls that an initiative to designate yearly a European Social Economy Capital is already implemented by the Monitoring Committee of the Luxembourg Declaration<sup>6</sup>.</p> <p>The Commission intends to continue supporting the work of the Monitoring Committee, and to implement the Social Economy Action Plan in complementarity with initiatives of other European institutions, bodies, and actors.</p>   |
| <p>22. The CoR stresses the urgency of establishing modern and effective social economy policies and legal frameworks which facilitate access to finance and markets to achieve the upwards convergence among regions and Member States, and the need to mobilise public and private funding tailored to the needs of the social economy [...]</p> <p>45. The CoR proposes the reduction of barriers preventing social economy actors from accessing national and EU funds, and better adaptation to local realities. For instance, EU and national financial support programs should be tailored to specific territorial needs and contexts and also should be a secure and predictable system of financing social services from the central level to local authorities. A good example is the social innovation funds promoted in the last European budget, which helped new social projects to emerge all across the Member States.</p> <p>46. The CoR embraces the advances in cohesion policy created by Next Generation Europe regarding the social economy and the new opportunities provided. However, there remains the need for cities and regions to have direct access to these funds.</p> | <p>The Commission shares the view that facilitating access to funding for the social economy is essential, as acknowledged by the Social Economy Action Plan. Recommendations on building enabling social finance ecosystems at national, regional and local levels could be considered, including by fully exploiting the funding opportunities available at national and regional level under the Cohesion Policy Funds (including those coming from Next Generation EU), the InvestEU programme Member State compartment, and the Recovery and Resilience Facility for eligible investments and reforms put forward by the Member States.</p> <p>Under the InvestEU programme, €2.8 billion are allocated to social investment and skills until 2027. Supporting social enterprises through guaranteeing loans and investments is one of the priorities of the programme. The European Investment Fund (EIF) launched in spring 2022 Calls for Expression of Interest for Financial Intermediaries supporting social enterprises. The calls will remain open till the end of 2027. In addition, the InvestEU Advisory Hub also provides advisory and market development support to social enterprise finance providers.</p> <p>The Commission supports the creation of dedicated guarantee product mechanisms for social enterprises by Member States. One possibility</p> |

<sup>6</sup> <https://www.mites.gob.es/Luxembourgdeclaration/en/comite/index.htm>

could be to transfer resources from Cohesion Policy Funds to InvestEU under the Member State Compartment of InvestEU. These resources do not require national co-financing and are geographically ring-fenced to the relevant Member State and/or specific region(s) of that Member State. Another possibility could be to set up specific financial instruments for social enterprises under the European Social Fund Plus (ESF+) and the European Regional Development Fund (ERDF).

Furthermore, ESF+ creates a more systematic and comprehensive support to social innovation than in the previous programming period. Member States have to dedicate at least one priority to social innovation. Actions under these dedicated priorities can benefit from an EU co-financing rate of up to 95%. This may translate into an indirect support also for social economy organisations, which are often providing innovative solutions to societal challenges and are, therefore, well placed to benefit from this funding.

In addition, in the 2021-2027 programming period, ERDF support is also available for business development and promotion of cooperation in the social economy. It aims to foster job creation including through small and medium-sized enterprises (SMEs), entrepreneurship, and skills development for smart specialisation (PO1), as well as to improve access to quality employment through supporting social economy actors and infrastructure (PO4). More specifically, funding is provided for innovative social business models in the tourism and culture sectors that have the potential to foster social inclusion, also in view of the digital and green transition. Another ERDF tool is the Smart Specialisation platform for social economy, which promotes cross-border partnership for the sector, enabling regions to develop their

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|  | <p>own competitive advantage in this area.</p> <p>Finally, the European Urban Initiative<sup>7</sup> – a new instrument for urban development under cohesion policy – will provide space and resources for EU-wide urban experimentation to test feasibility and acceptance of social change, by supporting organisations that can demonstrate their potential for innovation and transformation.</p>  |
| <p>31. [...] LRAs should develop socially responsible public procurement processes and standards, paying sufficient attention to economic actors that present a social inclusion perspective and to environmental concerns.</p> <p>53. The CoR calls for policies promoting socially responsible public procurement and the inclusion of social requirements in tenders as a means to help develop the social economy sector.</p> <p>54. The CoR asks for facilitation of access by the social economy to public procurement using opportunities provided already by the European Public Procurement Directive, and to promote capacity-building both in relation to civil servants and in relation to the social economy.</p> | <p>The Commission agrees that socially responsible public procurement is an important means to develop the social economy. In fact, promoting socially responsible and sustainable practices in procurement is one of the priorities of the Commission's current procurement strategy, including by examining how to take advantage of the European legal framework on public procurement to facilitate the use of socially responsible public procurement.</p> <p>In addition, under the Single Market Programme<sup>8</sup>, the Commission has launched in 2022 a call for tenders to raise awareness, foster the exchange of good practices and train both public procurement officials and social economy entities in the application of socially responsible public procurement<sup>9</sup> through workshops. Furthermore, the objective of the call is also to achieve a better understanding of the existing frameworks and scope regarding measuring methodologies, policies and practices in regard to social impact in public procurement across EU Member States. The project will start in the second quarter of 2023 and will be implemented over 18 months.</p> <p>The Social Economy Gateway, to be launched in the second quarter of 2023, will provide a clear entry point for social economy stakeholders seeking information on social economy policies and practices, and will allow for the further</p> |

<sup>7</sup> [https://ec.europa.eu/regional\\_policy/whats-new/newsroom/16-03-2023-eu-cohesion-policy-commission-launches-the-european-urban-initiative\\_en](https://ec.europa.eu/regional_policy/whats-new/newsroom/16-03-2023-eu-cohesion-policy-commission-launches-the-european-urban-initiative_en)

<sup>8</sup> [https://commission.europa.eu/funding-tenders/find-funding/eu-funding-programmes/single-market-programme/overview\\_en](https://commission.europa.eu/funding-tenders/find-funding/eu-funding-programmes/single-market-programme/overview_en)

<sup>9</sup> <https://etendering.ted.europa.eu/cft/cft-display.html?cftId=11694>

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|  | <p>dissemination of best practices in EU Member States.</p> <p>Furthermore, the Commission has also launched a call for proposals supporting the creation of local and regional partnerships between social economy entities and mainstream businesses (B2B), enabling ‘buy social’ markets<sup>10</sup>. The projects are expected to start in May 2023 (except for one project, which is planned to start in July) and will have a duration of 18 months.</p>   |
| <p>43. The CoR calls for the potential of the social economy to be explored in the areas of vocational training, universities and all levels of education, and in active employment policies, as well as skills and competencies development, therefore the Commission should support the training and life-long learning access of social economy workers in areas such as digitalisation, participatory leadership, resilience and the green transition, in order to support them to enter or remain in the labour market of social economy enterprises.</p> | <p>The Commission believes that the social economy can play an important role in the twin green and digital transition and has a long and proven track record of labour market inclusion. This positive outcome can be further amplified by recognising, supporting, and building on the contributions of the social economy towards these goals, as well as by giving more visibility to the social economy in education curricula.</p> <p>To ensure the social economy can continue to create inclusive employment, there is a need to reskill and upskill the workforce taking into account in particular the green and digital transitions. In this regard, the Commission launched in May 2022 the Pact for Skills partnership for the ‘Proximity and Social Economy ecosystem’<sup>11</sup>, which aims to improve the level of key skills including digital skills, social entrepreneurship skills and capacity-building skills. The initiative pledges to mobilise public and private capital to enable the upskilling and reskilling of 5% of the workforce and entrepreneurs of the sector each year to tackle the green and digital transitions in the social economy. In particular, the partnership aims at increasing the number of specific competence programmes involving digital skills that focus on specific social economy sub-sectors, such as healthcare, social</p> |

<sup>10</sup> <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/topic-details/smp-cosme-2022-buysocialb2bmarket-01>

<sup>11</sup> <https://ec.europa.eu/social/main.jsp?catId=1534&langId=en>

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|   | <p>services and green social economy.</p> <p>The Commission has also launched projects under Erasmus+ to further reinforce skills for the social economy. The B-WISE project<sup>12</sup> aims at developing a European strategy to address the skills needs, in particular regarding digital skills, in the Work Integration Social Enterprises (WISEs) sector. The baSE project<sup>13</sup> aims to develop a European strategy to address skills mismatches and provide new skills particularly in the digital and green areas.</p> <p>Moreover, through investments in infrastructure, equipment and digital connectivity for all levels of education and training, the ERDF aims at ensuring equal access to quality lifelong learning opportunities and skills development, including for social economy workers. These investments help increase social economy actors' employability and adaptation to labour market changes.</p> <p>Furthermore, in November 2022 the Commission launched the transition pathway on 'proximity and social economy', which presents the milestones and investments needed to make the transition of the ecosystem happen. A co-implementation process, where public and private stakeholder commit for concrete actions, is currently ongoing.</p> |
| <p>44. The CoR considers that complementary to the green taxonomy as a contribution to the implementation of the Green Deal, the Commission should urgently make a proposal to establish a social taxonomy. A social taxonomy would provide potential investors and enterprises with a clear guidance as to what can be understood as "social investment". The absence of a social taxonomy currently hampers possible private investments into the social economy.</p> | <p>The Commission welcomes the interest of the Committee for the development of a clear, transparent and effective taxonomy.</p> <p>As regards a social taxonomy, the report on a preliminary concept of social taxonomy put forward by the Platform on Sustainable Finance<sup>14</sup> provides input for further reflections but does not prejudice any decision or action by the Commission on the matter. The Platform report will be analysed and considered by the</p>   |

<sup>12</sup> [B-WISE | Skills for the future: WISEs ready ! \(bwiseproject.eu\)](https://www.bwiseproject.eu/)

<sup>13</sup> [baSE- The EU Blueprint for Social Economy Skills - Social Economy Europe](https://www.baweb.europa.eu/baweb/en/2022-08-22/20228-sustainable-finance-platform-finance-report-social-taxonomy-en.pdf)

<sup>14</sup> [https://finance.ec.europa.eu/system/files/2022-08/220228-sustainable-finance-platform-finance-report-social-taxonomy\\_en.pdf](https://finance.ec.europa.eu/system/files/2022-08/220228-sustainable-finance-platform-finance-report-social-taxonomy_en.pdf)



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|  | <p>Commission.</p> <p>To improve the understanding of the current state of play of private social investment in the EU, the Commission has launched in December 2022 a study on the trends, obstacles, and opportunities in sustainable finance for social impact. The results of the study are planned to be published in November 2023.</p> <p>At the same time, the Commission will continue pursuing other policy initiatives that promote investments with a positive social impact under the broader sustainable finance framework, established by the 2018 Action Plan on Financing Sustainable Growth.</p>   |
| <p>49. The CoR encourages a tax policy which acknowledges functions that are in the general interest. For instance: implementation of real tax solutions to support the social economy sector (concessions, exemptions, both at the level of income tax and VAT), improving the financial benefits of being a social economy entity or social enterprise (both directly for social economy entities and for people/companies using services or buying certain goods from social economy entities). The CoR therefore requests the Commission to pay special attention to tax provisions for social economy entities in the legislative initiative Business in Europe: Framework for Income Taxation (BEFIT).</p> | <p>The Commission shares the view that taxation is an important policy for social economy entities. Many Member States have already exempted such entities from corporate tax on their profits.</p> <p>As part of the Social Economy Package to be adopted in June 2023, the Commission will publish some guidance on the existing taxation frameworks for the social economy and on the current situation regarding the tax treatment of cross-border public benefit donations and the implementation of the principle of non-discrimination, which will support Member States in ensuring that taxation systems do not hinder the development of the social economy and in assessing whether tax systems sufficiently encourage its development.</p> <p>The Commission recognises the need for a consistent approach in all initiatives and will work to ensure this in the BEFIT initiative, as needed.</p> |
| <p>55. The CoR asks for clearer rules regarding State Aid to social economy entities, and for their differentiation from other types of companies. In the same vein, social economy should be treated differently with regard to compatibility of State aid with the single market, in the application of Article 107(1) of</p>  | <p>As stated in the Social Economy Action Plan, at the occasion of a future revision of the General Block Exemption Regulation (GBER), the Commission will consider whether the available evidence justifies easing the rules in relation to aid for social enterprises' access to finance and as regards aid for hiring disadvantaged or severely</p>   |

the Treaty on the Functioning of the European Union. It would be important to have a specific State Aid regime for social economy actors and enterprises active in the social sector, when they act where there is a market failure [...]

56. The CoR defends the idea that the European legal framework must allow recognised social enterprises to access European public markets without being placed in competition with conventional enterprises, in that they meet social needs or carry out public service missions while being mandated by government [...]

disadvantaged workers.

The Commission is currently launching a study to collect and analyse evidence on both topics (access to finance and hiring of disadvantaged workers), in order to assess if legislative changes would be appropriate. The evaluation is ongoing and the contract is expected to start in May 2023.

As mentioned before, the Commission is also currently preparing webinars and workshops for Member States officials. These will allow a better understanding and use of the existing State aid possibilities under EU law that are of particular relevance for social economy actors.

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| <p><b>N°8 European care strategy</b><br/> <b>COM(2022) 440 final</b><br/> <b>COR-2022-05488 – SEDEC-VII/035</b><br/> <b>153<sup>rd</sup> plenary session – February 2023</b><br/> <b>Rapporteur: Heinrich DORNER (AT/PES)</b><br/> <b>DG EMPL – Commissioner SCHMIT</b></p>  |  |
| <p><b>Points of the European Committee of the Regions opinion considered essential</b></p>   | <p><b>European Commission position</b></p>   |
| <p>17. The European Committee of the Regions (CoR) stresses the need for a joint strategy shared by all EU local and regional authorities responsible for health, care and education, and Member States, as well as the EU institutions, to provide accessible long-term care that meets the needs of both people in need of care and care workers, and to ensure high-quality, affordable and accessible childcare throughout the EU. This strategy must therefore also be integrated into the European Semester process. In accordance with the principle of subsidiarity, such a strategy must start from the principle that care and early childhood education are organised differently in different Member States.</p> | <p>The Commission would like to recall that the European Care Strategy<sup>1</sup> and the Council recommendations on the revision of Barcelona targets and long-term care<sup>2</sup> constitute an ambitious and comprehensive policy on care, while at the same time acknowledges the diversity of care systems across Member States. The European Care Strategy sets the overall vision for the care sector in the EU, announces EU-level actions and issues specific guidance for policy reforms at the national and regional level. Its successful implementation requires a shared commitment of all stakeholders.</p> <p>The Council Recommendation on access to affordable high-quality long-term care calls on Member States to involve relevant stakeholders at national, regional and local levels in the preparation, implementation, monitoring and evaluation of long-term care policies. The implementation by Member States is supported via the European Semester, mutual exchanges and different EU funding programmes. The need for another policy tool needs to be assessed in the light of the success of the current one.</p> |
| <p>20. The CoR welcomes the Commission's proposals to coordinate and take joint action on matters of long-term care and childcare, with</p>  | <p>The European Social Fund Plus is jointly managed by the Commission and the Member States. In addition to supporting employment and training</p>   |

<sup>1</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions European Harnessing talent in Europe's regions (COM(2023) 32 final).

<sup>2</sup> Council Recommendation of 8 December 2022 on access to affordable high-quality long-term care (2022/C 476/01 ST/13948/2022/INIT), Council Recommendation of 8 December 2022 on early childhood education and care: the Barcelona targets for 2030 (2022/C 484/01ST/14785/2022/INIT).

supportive measures (such as drawing up joint analyses, exchanging best practices and supporting reforms and investments using EU funds) at EU level and policy frameworks for reforms and investments at national, regional and local level, in line with the principle of subsidiarity. The CoR also calls on the Commission to guide public investments in long term care services in the use of the EU's programmes and financial instruments; complementarity between the EU funds of the various programmes is also becoming necessary, in order to ensure maximum impact.

across the EU, one of the 13 specific objectives of European Social Fund Plus is access to quality services, and notably on improving the effectiveness and resilience of healthcare systems and long-term care services.

The European Regional Development Fund, also under shared management, supports infrastructure and equipment in these areas.

A number of requirements are put in place for the effective and efficient use of the funds. For example, Member States are required to have a strategic policy framework for health and long-term care that includes an assessment of care and staff needs, as well as strategic policy frameworks for education at all levels, for social inclusion and poverty reduction. The investments should also be in line with the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD), the Charter of Fundamental Rights of the EU, as well as the principles of the European Pillar of Social Rights.

Complementarity between the European Social Fund Plus, the European Regional Development Fund and other relevant funds should be further fostered throughout the programming period. This can be promoted in the context of multi-fund programmes, through the set-up of a coordination mechanism among funding authorities, joint monitoring committee meetings at national and regional levels, coordinated/joint calls for proposal, common selection criteria, as well as through the European Social Fund Plus Committee and the Common Provisions Regulation Expert Group.

The objectives of the Social Window of InvestEU<sup>3</sup> allow also to support projects related to care services.

In some Member States, the reform of the long-term care sector constitutes a milestone included

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<sup>3</sup> [Social Investment and Skills window | Culture and Creativity \(europa.eu\)](https://european-council.europa.eu/media/en/press-operations/infographic-116326.jpg)

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|  | <p>in their recovery and resilience plan for funding under NextGenerationEU.</p>  |
| <p>21. The CoR considers that complementary to the green taxonomy as a contribution to the implementation of the Green Deal, the Commission should urgently make a proposal to establish a social taxonomy. A social taxonomy would provide potential investors and enterprises with a clear guidance as to what can be understood as “social investment”. The absence of a social taxonomy currently impedes possible private investments into healthcare and social services.</p>  | <p>The report on a preliminary concept of social taxonomy put forward by the Platform on Sustainable Finance<sup>4</sup> provides input for further reflections. It does not prejudge any decision or action by the Commission on the matter. The Platform report will be carefully analysed by the Commission.</p> <p>To improve the understanding of the current state of play of private social investment in the EU, the Commission has launched in December 2022 a study<sup>5</sup> on the trends, obstacles, and opportunities in sustainable finance for social impact. The results of the study are planned to be published in November 2023.</p> <p>At the same time, the Commission will continue pursuing other policy initiatives that promote investments with a positive social impact under the broader sustainable finance framework, established by the 2018 Action Plan on Financing Sustainable Growth<sup>6</sup>.</p> |
| <p>24. The CoR stresses the importance of local and regional SMEs and non-profit organisations as care service providers. The CoR points out to this effect that the local and regional markets for care services should allow for SMEs and non-profit organisations to compete with larger service providers on equal terms. EU institutions, Member States and LRAs should work to empower the multitude of service providers and foster well-functioning local and regional markets on care services. Within the framework of socially responsible public procurement, the CoR calls on LRAs to</p> | <p>The European Care Strategy calls on Member States to create the conditions to enable care providers, including civil society organisations and social economy actors, to play an active role in the design and delivery of high-quality care services and improving working conditions in the sector and to support regional and local authorities’ efforts to invest in care services.</p> <p>It further acknowledges that social economy actors bring an added value to the provision of high-quality care services due to their person-centred approach and the reinvestment of profits into their mission and local communities.</p>   |

<sup>4</sup> [https://finance.ec.europa.eu/system/files/2022-08/220228-sustainable-finance-platform-finance-report-social-taxonomy\\_en.pdf](https://finance.ec.europa.eu/system/files/2022-08/220228-sustainable-finance-platform-finance-report-social-taxonomy_en.pdf)

<sup>5</sup> [StudiesDB \(testa.eu\)](https://studiesdb.testa.eu) (project id: 15852).

<sup>6</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions European Action Plan: Financing Sustainable Growth (COM(2018) 097 final).

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| <p>consider, in their capacity as public buyers, the local/regional social impact of how the services are produced, sourced and delivered.</p>  | <p>Fostering the use of socially responsible public procurement in line with the possibilities offered by the current European legal framework on public is effectively one way to support the sector. The upcoming proposal for a Council recommendation on social economy framework conditions will provide targeted recommendations for Member States to acknowledge, build on, and boost the positive social and environmental impact of the social economy, including social economy entities providing care.</p>  |
| <p>30. The CoR supports the European Parliament call on the Commission to present a framework directive on long-term, formal and informal, care that would lay down fundamental principles and provide evidence-based criteria for accessible and integrated quality long-term care and support services across the EU<sup>7</sup>.</p> <p>39. The CoR suggests considering whether there is a need for binding instruments and/or legislation and, accordingly, for increased cohesion funding to ensure universal, equal and effective access to high-quality care services for all people in need across Europe and to provide decent and healthy working conditions, professional support and decent wages for all care workers, safeguard high-quality jobs and make working in the care sector more attractive, reflecting the social and societal value of their work.</p> | <p>The proposal for a Council Recommendation on long-term care is the first proposal of the Commission that addresses specifically this policy area and represents a significant step forward in the European cooperation on long-term care. It spans across many policy areas taking a comprehensive approach to long-term care, addressing thus the multiple challenges related to access, quality, workforce and impact on informal carers and recognising that long-term care services and facilities should be accessible to persons with specific needs and disabilities, respect the equal right of all persons with disabilities to live independently in the community, with choices equal to others. The proposal was developed taking into account the diversity of long-term care systems and the fact that under the Treaty on the Functioning of the European Union (TFEU) the Union shall support and complement the activities of the Member States in the field of modernisation of social protection systems, including as regards long-term care. Measures adopted at Union level shall not affect the right of Member States to define the fundamental principles of their social security systems and must not significantly affect the financial equilibrium thereof.</p> <p>The EU labour <i>aquis</i> law lays down minimum standards as regards working conditions, health</p> |

<sup>7</sup> European Parliament resolution of 5 July 2022 towards a common European action on care (2021/2253(INI)), point 61.

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|   | <p>and safety at work and setting a framework to minimum wages for all workers in the EU, including care workers. The Commission is currently conducting a study to review the application of EU standards governing working conditions, as announced in the European care strategy.</p> <p>On funding, all Member States are required to dedicate 25% of their European Social Fund Plus allocation to social inclusion, which includes long-term care.</p>  |
| <p>34. The CoR encourages standardised data collection at local and regional level and sustaining mutual learning practices to provide a basis for targeted support for regions, enable comparisons to be made across Europe at local and regional level and support national and regional authorities through indicators used to monitor the quality of childcare.</p> | <p>The European Care Strategy informs on the Commission’s intention to expand the opportunities for all stakeholders to share their experience and learn from each other, through mutual learning programmes on all dimensions of care. It underlines the importance of reliable and comparable data and indicators to monitor progress and for evidence-based policy making and announces several actions to improve care-related data collection and analysis.</p>  |
| <p>35. The CoR recommends increasing and expanding financial support for the establishment and maintenance or modernisation of childcare facilities in order to address the different speeds at which EU regions and cities are developing.</p>   | <p>See reply to point 24. The European care strategy furthermore refers to evidence of access to care being more difficult in rural and remote areas.</p>   |
| <p>41. The CoR recommends drawing up a comprehensive strategy on the future demand for skilled workers in the EU, particularly with a view to reducing brain drain in the bloc to a level that is manageable for the regions concerned, and laying down uniform conditions for the work of care workers and domestic workers from third countries.</p>                  | <p>The European Skills Agenda<sup>8</sup> represents the EU strategy towards ensuring a skilled workforce to strengthen sustainable competitiveness, ensure social fairness and build our resilience. The Agenda sets ambitious, quantitative objectives for upskilling (improving existing skills) and reskilling (training in new skills). Its 12 actions focus on skills for jobs by partnering up with Member States, companies and social partners to work together for change. It furthermore aims to</p> |

<sup>8</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions European Skills Agenda for Sustainable Competitiveness, Social Fairness And Resilience (COM(2020) 274 final).

empower people to embark on lifelong learning and uses the EU budget as a catalyst to unlock public and private investment in people's skills.

The Council Recommendation on access to affordable high-quality long-term care calls on Member States to develop a mechanism for forecasting long-term care needs at national, regional and local levels and integrating it into the planning of long-term care provision.

Existing EU labour law applies equally to EU nationals and third country nationals working legally in the EU.

In view of reducing brain drain in the EU, cohesion policy is making targeted efforts to improve the retention of talent and skills in the regions. The 'Harnessing talent in Europe's regions' Communication<sup>9</sup>, adopted on 17 January 2023, proposes tailor-made and multi-dimensional solutions to promote, retain and attract talents with a view to transforming shrinking regions' (i.e. regions defined as experiencing or being at risk of falling into a talent development trap) into more dynamic talent-driven locations. To support these regions, a Talent Booster Mechanism is being set-up, including assistance to develop and implementing regional strategies, financial support (cohesion policy, Interregional Innovative Instruments, Urban Initiative) and exchange of experiences, knowledge and good practices.

Cohesion policy, with its place-based approach, has a natural advantage to facilitate access to training and employment opportunities in these disadvantaged regions and in occupations facing skill shortages. Therefore, it helps boost talent and addresses the specific needs of EU territories in demographic transition, building on their local assets, while harnessing the opportunities arising from the digital and green transitions.

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<sup>9</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions European Harnessing talent in Europe's regions (COM(2023)32 final).



42. The CoR suggests setting targets and indicators similar to the Barcelona targets in the field of long-term care too and accordingly collecting data at local and regional level to provide a basis for targeted support for regions and enable comparisons across Europe at local and regional level.

Despite some progress in building common long-term care indicators on access and financing, statistics on long-term care, especially those related to quality, are scarce. Common targets need to be underpinned by a good set of indicators derived from quality data, which is regular, reliable and comparable across the EU. Currently, there is no single internationally accepted and standardised definition of what constitutes long-term care needs, and Member States vary in what type of long-term care needs they acknowledge.

Nevertheless, the Commission is taking action and has created a task force on long-term care statistics to improve the evidence base for long-term care. This work will aid the monitoring of the Recommendation's implementation and the development of EU common indicators on long-term care.

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| <p><b>N°9 Adequate minimum income for social inclusion: the local and regional perspective</b><br/> <b>COM(2022) 490 final</b><br/> <b>COR-2022-05495 – SEDEC-VII/036</b><br/> <b>153<sup>rd</sup> plenary session – February 2023</b><br/> <b>Rapporteur: Anne KARJALAINEN (FI/PES)</b><br/> <b>DG EMPL – Commissioner SCHMIT</b></p>   |  |
| <p><b>Points of the European Committee of the Regions opinion considered essential</b></p>   | <p><b>European Commission position</b></p>   |
| <p>Some amendment proposals of the Committee was provided regarding point 5, 6, 9(a), 10(d), 16(e) of the Commission proposal for the recommendation.</p>  | <p>The Commission would like to recall that the Recommendation was adopted by the Council on 30 January 2023<sup>1</sup>. The Committee’s remarks will be reflected in further discussions with Member States during the implementation phase of the Recommendation.</p>   |
| <p>5. despite efforts, poverty and social exclusion have further worsened and more than 90 million Europeans were at risk of poverty and social exclusion in 2021. The urgency of the situation requires a stricter timetable for implementing the Recommendation, and the CoR therefore proposes that this be brought forward to 2027. <b>The European Committee of the Regions (CoR) calls on the Commission to take a closer look in 2027 at the progress achieved so far, with Member States reporting on such progress to the Council every four years and drawing up a final report in 2030.</b></p> | <p>The adopted Council Recommendation foresees a triennial EU joint report of the Commission and the Social Protection Committee on the progress made in implementing this Recommendation.</p> <p>The first joint report was delivered prior to the Commission proposal in 2022. The second edition is foreseen in 2025 and an additional one in 2028.</p> <p>In addition, the final text of the Council Recommendation calls on the Commission to take stock of Member States’ actions in response to the Recommendation and report to the Council by 2030, in particular with regard to its impact on reduction of poverty and social exclusion, increasing employment levels and improving participation in training. The triennial reporting with the 2030 stocktaking exercise ensures a continuous monitoring of the implementation.</p> |
| <p><b>Additional points of the Committee opinion, indirectly inviting the EU to act</b></p>  |  |
| <p>3. The CoR insists that this Recommendation should be accompanied by the swift full implementation of the directive on adequate minimum wages. The CoR points out by the</p>  | <p>The Commission analysed the possible legal basis and most suitable legal instrument for this proposal. The Council Recommendation is based on Article 153(1)(j) of the Treaty on the</p>  |

<sup>1</sup> [Council adopts recommendation on adequate minimum income - Consilium \(europa.eu\)](https://www.consilium.europa.eu/en/press/communications/2023/01/30/)

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| <p>same token that, while <b>the recommendation is a first step in the right direction, the acknowledgement of the urgent need for action to guarantee a minimum income across the EU begs further reflection as to the most effective regulatory framework to implement such action at European level.</b></p>     | <p>Functioning of the European Union. This article aims to combat social exclusion, therefore allowing to implement measures that complement Member States' policies in the area of minimum income. This legal basis explicitly excludes the possibility to adopt directives [Article 153(2)(b)].</p> <p>The Council Recommendation enables the EU to set ambitious goals for Member States and provides specific guidance on policy measures to ensure adequate minimum income, together with labour market activation and enabling services following an active inclusion approach. At the same time, the Council Recommendation leaves room for Member States to reflect their specific situations and national practices, with due respect to their prerogatives on the design of their social protection systems.</p> |
| <p>6. The CoR is <b>concerned about the lack of a rights-based approach</b> in the Recommendation. Modern minimum income schemes can ensure that people live in dignity, strengthen their participation and inclusion in society and promote integration into the labour market.</p>                                | <p>The Council Recommendation calls Member States to ensure that all persons lacking sufficient resources are covered by minimum income set by law, with an active inclusion approach.</p> <p>Access should be ensured by transparent and non-discriminatory eligibility criteria, safeguarding effective access to minimum income and by simple, rapid, impartial and free of charge complaint and appeal procedures.</p> <p>The Commission believes that implementation of these provisions will ensure that eligibility criteria are designed in a manner that everyone in need is covered by the minimum income schemes under an active inclusion approach.</p>  |
| <p>13. The CoR <b>calls on the European Union and the Member States, in cooperation with local and regional authorities, to seek out specific measures to reduce and eradicate homelessness and energy poverty.</b> Rising energy prices make it difficult for vulnerable households to cope with energy costs.</p> | <p>The Council Recommendation calls for transparent and non-discriminatory eligibility criteria, safeguarding effective access to minimum income, regardless of the existence of permanent address, to tackle the challenges of homeless people in accessing the schemes. In addition, the Council Recommendation points out that when determining and adjusting the level of minimum income, Member States should consider the level</p>  |

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|  | <p>of inflation (especially that of food and energy) and the costs of living.</p> <p>Furthermore, the Commission addresses the challenges by dedicated actions, namely through the European Platform on Combatting Homelessness<sup>2</sup> and initiatives tackling energy poverty, in particular the energy price crises<sup>3</sup>. The Commission will also publish a report on access to essential services.</p>  |
| <p>15. The CoR stresses the need for an <b>updated, fully-fledged European benchmarking framework</b> for minimum income schemes, based on a transparent approach and comparable data, which would facilitate a common understanding of the concept at European level and amongst Member States, better reflect the different sources of income and specific situations facing households and help people stay above the national poverty threshold, including through opportunities for those able to work to obtain gainful and non-precarious employment.</p> | <p>A benchmarking framework in the area of minimum income was established with the Social Protection Committee in 2018<sup>4</sup> and has been used for monitoring adequacy of the national minimum income schemes in the framework of the European Semester.</p> <p>The Recommendation acknowledges the role of benchmarking and welcomes the Commission's intention to continue working jointly with Member States in the Social Protection Committee on the framework and enhance the availability and comparability of relevant indicators and data.</p>                               |
| <p>18. The CoR stresses the need to introduce transparent and non-discriminatory eligibility criteria in the Member States. The CoR is <b>concerned that the Recommendation does not spell out what "proportionate" or "gradual" action mean.</b> At the same time, the <b>CoR calls for a general framework</b> to be set up for legal residence requirements.</p>  | <p>The Recommendation takes into account that, in terms of implementation, Member States are at different starting points. The Recommendation underlines that its implementation should not significantly affect the financial equilibrium of Member States' social protection systems. The Recommendation calls for a progressive implementation of adequate income support with an active inclusion approach by the end of 2030 at the latest. This time horizon is aligned to the EU poverty reduction target, while allowing Member States to safeguard the sustainability of their</p> |

<sup>2</sup> [European Platform on Combatting Homelessness - Employment, Social Affairs & Inclusion - European Commission \(europa.eu\)](https://european-council.europa.eu/media/e3000039/1/1621234966113_en.pdf)

<sup>3</sup> Such as the Energy Efficiency Directive (Directive 2012/27/EU), addressing energy poverty as well, the Communications of 8 March 2022 on REPowerEU (COM (2022) 108 final) and 23 March 2022 on Security of supply and affordable energy prices, the Temporary revenue cap on companies producing electricity with low costs, etc. (COM(2022) 138 final).

<sup>4</sup> [Monitoring and benchmarking frameworks - Employment, Social Affairs & Inclusion - European Commission \(europa.eu\)](https://european-council.europa.eu/media/e3000039/1/1621234966113_en.pdf)

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|  | <p>public finances.</p> <p>Regarding the proportionate approach to address gaps in the coverage by minimum income, the requirement of residence should remain proportionate and not form a barrier for people without sufficient resources to access minimum income.</p>  |
| <p>19. The CoR requests that the <b>definitions of enabling and essential services set out in the Recommendation be complemented and not replaced by national definitions</b>, so that this indicative list of services can be applied across the EU. This particularly applies to digital communications, which are not given the status of an essential service throughout the EU.</p> | <p>The definitions are set by the Council Recommendation and the European Pillar of Social Rights (principle 20 for essential services); thus, it should guide Member States. Principle 20 covers access to digital communications.</p>   |
| <p>21. The CoR highlights the need for <b>quantitative and qualitative indicators</b> at local, regional and <b>EU level</b> to monitor the coverage of minimum income schemes, paying attention to better digital accessibility, access to information technologies and digital skills.</p>   | <p>The benchmarking framework<sup>5</sup> available at EU level provides a list of quantitative indicators for measuring various aspects of performance of national practices. It has been used for monitoring adequacy of the national minimum income schemes in the framework of the European Semester.</p> <p>The Recommendation acknowledges the role of benchmarking and welcomes the Commission's intention to continue working jointly with Member States in the Social Protection Committee on the benchmarking framework on minimum income and enhance the availability and comparability of relevant quantitative indicators and qualitative data. Further work will be done on exploring additional policy lever indicators (both quantitative and qualitative) to include coverage and access to the labour market and quality social services.</p> |
| <p>25. The CoR <b>calls for clarification</b> as to which authority is responsible for drawing up individual plans to avoid duplication of</p>   | <p>The Recommendation respects the variety of national systems and leaves room for Member States to reflect their specific situations and</p>   |

<sup>5</sup> [Monitoring and benchmarking frameworks - Employment, Social Affairs & Inclusion](#)

measures. Special attention must also be given to data protection when exchanging information.

national practices, with due respect to the design of their social protection systems.

At the same time, the Recommendation points out that effective governance mechanisms are key in delivering robust social safety nets. Administration of the benefits and services provision should take the advantage of the tools offered by digital transition, while avoiding exclusion by digital divide. Efforts should be made to ensure close coordination and alignment of existing schemes and benefits, as well as their coordination with other policies. Particular attention needs to be paid to strengthening the operational capacity of all involved institutions. Data exchange and closer cooperation across different levels of governance and services, including through formal agreements or one-stop-shops, facilitate better-integrated support.

The Council Recommendation calls for effective design and implementation of robust social safety nets at national, regional and local level, and recommends that Member States avoid gaps, overlaps and fragmentation of various benefits and schemes to provide for a coherent package of income support, activation measures and enabling services.

The Recommendation also calls explicitly for respecting data protection rules.

**N°10 Putting people first, securing sustainable and inclusive growth, unlocking the potential of the EU's outermost regions**  
**COM(2022) 198 final**  
**COR-2022-04073 – COTER-VII/023**  
**153<sup>rd</sup> plenary session – February 2023**  
**Rapporteur: Pedro DE FARIA E CASTRO (PT/EPP)**  
**DG REGIO – Commissioner FERREIRA**

| <b>Points of the European Committee of the Regions opinion considered essential</b>   | <b>European Commission position</b>  |
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| <p>9. The European Committee of the Regions (CoR) regrets that the new Commission communication fails to address some of the policies essential to the development of the outermost regions adequately.</p>   | <p>The Commission undertook extensive consultations, including a public consultation, targeted consultations and bilateral dialogues with each outermost region (OR) in preparation for the Communication ‘Putting people first, securing sustainable and inclusive growth, unlocking the potential of the EU’s outermost regions’<sup>1</sup>. It took into account the positions of OR administrations, of their Member States, of the Committee<sup>2</sup> and of the Parliament. This Communication addresses the themes raised in these consultations and opinions, and covers a wider range of policies than previous Communications, including employment, living conditions, social issues, migration, etc.</p> |
| <p>18. The CoR calls for strong, resolute support from the European institutions to face migration crises, especially in the EU's external border regions, which bear sole responsibility for receiving unaccompanied minors arriving there and providing them with access to basic services, as well as for supporting their passage into adulthood.</p> | <p>The Commission proposals accompanying the New Pact on Migration and Asylum<sup>3</sup>, currently under negotiation by the European Parliament and the Council, include a strong mechanism for Member States to show solidarity and share responsibility for arriving migrants, in particular unaccompanied minors and other vulnerable persons, including in situations of crises.</p>   |
| <p>19. The CoR recalls the importance of adequate funding under the Asylum, Migration</p>   | <p>The regulations establishing the Asylum, Migration and Integration Fund, the Internal</p>   |

<sup>1</sup> COM(2022) 198 final.

<sup>2</sup> [CPRUP declaration of November 2021 \(ec.europa.eu\)](#); [Annex to the CPRUP declaration \(ec.europa.eu\)](#); [Joint position paper of Member States and outermost regions of January 2022](#); European Committee of the Regions opinion CDR 3319/2020.

<sup>3</sup> Communication on a New Pact on Migration and Asylum (COM(2020) 609 final).

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| <p>and Integration Fund (AMIF) and the Internal Security Fund (ISF), ensuring that they are regionalised in order to facilitate access to funds, especially in crisis situations, such as those experienced regularly by some outermost regions, such as the Canary Islands, Guiana or Mayotte, and welcomes the commitment given on this matter by the Commission in its new strategy.</p>  | <p>Security Fund as well as the Integrated Border Management Fund<sup>4</sup> encourage the concerned Member States to ensure that their programmes under these funds address the specific challenges that their OR face as regards migration. The Commission has encouraged the concerned States to ensure that their programmes address their ORs' challenges and included possibilities to support the OR in the Thematic Facility under these funds.</p>   |
| <p>20. The CoR looks forward to further progress on the Migration and Asylum Pact, in the light of lessons learned following Russia's invasion of Ukraine, exploring the possibility of triggering Directive 2001/55/EC of 20 July 2001 for migrants from other conflict zones having a major impact on the EU, along with the new measures introduced by the CARE Regulation, in order to achieve ensure genuine solidarity and a fair sharing of the migration burden among all Member States.</p>   | <p>In its Communication marking one year since the activation of the Temporary Protection Directive<sup>5</sup>, the Commission noted that the Directive should remain part of the EU's toolbox, but a variety of measures are needed to respond to migration challenges, including the proposals set out in the New Pact on Migration and Asylum<sup>6</sup>. The FAST-CARE amendment of the cohesion policy Regulation offers new flexibilities to local authorities to finance mobile investments for housing, healthcare, training for displaced people and the countries receiving them, promoting the socio-economic inclusion of all third country nationals.</p> |
| <p>23. The CoR calls for account to be taken of the impact of the Fit for 55 legislative package, which will have a major impact on the competitiveness and connections of the outermost regions, systematically and comprehensively applying Article 349 TFEU, following the drafting of impact assessment studies. On the basis of these studies, solutions must be adopted that are tailored to the outermost regions, adapting legislation where necessary, with a view to ensuring fair treatment for communities already facing extra costs due to their remoteness and securing</p> | <p>The Commission proposal for the new Emissions Trading System (ETS) exempts from the ETS aviation all flights between an OR and airports within the same Member State (domestic flights). The Commission has taken into account co-legislators' position and agreed to an exemption from the ETS maritime for sea voyages between OR and ports within the same Member State (domestic sea voyages). Flights and sea voyages within an OR are also exempted from ETS.</p> <p>The new Social Climate Fund will provide financial support to Member States to help vulnerable households, micro-enterprises and</p>   |

<sup>4</sup> Regulation (EU) 2021/1147 establishing the Asylum, Migration and Integration Fund, Regulation (EU) 2021/1149 establishing the Internal Security Fund, Regulation (EU) 2021/1148 establishing the Integrated Border Management Fund, the Instrument for Financial Support for Border Management and Visa Policy.

<sup>5</sup> COM(2023) 140 final.

<sup>6</sup> Regulation (EU) 2022/2039 as regards additional flexibility to address the consequences of the military aggression of the Russian Federation FAST (Flexible Assistance for Territories) – CARE.



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| <p>access for households and businesses in these highly vulnerable regions to the Social Climate Fund and the Modernisation Fund and access to funding for small-scale projects under the Innovation Fund.</p> <p>24. The CoR warns, in this regard, of the greater vulnerability of these regions due to their remoteness and isolation from the European mainland and, consequently, of the impact that meeting the new targets on emissions and fuel taxation arising from the Fit for 55 package will have on them.</p> | <p>transport users affected by the price impacts of ETS in the buildings' and road transport sectors. When preparing their Social Climate Plans, Member States are asked to analyse the effects of the new ETS at territorial level taking into account geographic specificities, such as the OR. The LIFE programme can also support OR projects in biodiversity, circular economy, climate change and clean energy.</p>  |
| <p>25. The CoR points out that the outermost regions are isolated energy systems which cannot be connected to the mainland, and calls on the European institutions to promote the energy autonomy of these regions through support and promotion policies that allow an appropriate, affordable transition to be made from the current dependence on fossil fuels to sustainable systems.</p>   | <p>To support the energy transition in islands, the Commission launched the Clean Energy for EU Islands initiative, extended in March 2023 until 2026<sup>7</sup>. Between 2021-2023 more than 50 islands and archipelagos – including outermost regions like the Canary Islands, the Azores, Réunion, and Mayotte - benefited from technical assistance, e.g. for workshops, project development and support in finding funding. A study on clean energy regulatory barriers and recommendations was also carried out. One of the objectives is to deliver projects enabling 100% renewable energy in at least 30 islands by 2030. Selected projects will receive tailor-made assistance covering multi-sector needs.</p> |
| <p>28. The CoR as recommended by the European Parliament in its Report Towards a stronger partnership with the EU outermost regions, calls on the Commission to assess the need to provide support for the transport sector as an additional instrument to offset the disadvantages and losses arising from the costs of passenger and freight transport.</p>   | <p>The Commission recognises the OR specific connectivity challenges. The Connecting Europe Facility (CEF) 2021-27<sup>8</sup> provides more favourable conditions for OR projects with a co-financing rate of up to 70 % and attention to the OR in the award criteria. The Commission has proposed to revise the Trans-European Transport Network Regulation<sup>9</sup> to reflect the OR connectivity needs, making additional ports, urban nodes and roads eligible for CEF support. The European Regional Development Fund can co-finance transport</p>  |

<sup>7</sup> This includes exceptionally French Guiana.

<sup>8</sup> Regulation (EU) 2021/1153 establishing the Connecting Europe Facility.

<sup>9</sup> Proposal for a Regulation on Union guidelines for the trans-European transport network (COM(2021) 812 final).

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|   | <p>infrastructure in the OR including airports, and also OR additional transport costs through a specific additional allocation for the OR.</p>   |
| <p>29. The CoR calls for support for projects to make the outermost regions more connected. In this regard, draws attention to the issue of support for underwater cables, which is still a key challenge for the security of data flows, and also for quality of service and affordability. For example, Réunion and the Autonomous Region of the Azores will soon be faced with the obsolescence of their submarine electronic communications cables. Satellite technology should also be considered for certain territories, such as French Guiana, as fibre cannot be installed in all inhabited areas.</p> | <p>The CEF programme includes support to OR. In particular, its digital strand can co-finance cross-border and international backbone connectivity projects, including submarine cables. Public or private stakeholders in the OR can submit their project proposals, for up to 70% co-financing, which can be combined with other EU funds and/or with financial instruments under InvestEU. The Canary Islands have been recently selected as one of the beneficiaries for the first round of calls for three projects related to submarine cables with an EU contribution of over €37 million.</p> |
| <p>30. The CoR stresses the importance of the agricultural sector for the economy, the environment, spatial planning and employment in the outermost regions, as recognised by the EU as it introduces specific treatment through the Programme of Options Specifically Relating to Remoteness and Insularity (POSEI) scheme and provides for specific derogations in the common agricultural policy (CAP), and calls for these provisions to be maintained.</p>  | <p>Agriculture is an important part of the ORs' economy. Under the Common Agriculture Policy (CAP) 2023-2027, specific support is available under the programme of options specifically relating to remoteness and insularity (POSEI) and the CAP Strategic Plans. The POSEI scheme, with higher level of support and flexible programming measures has proven to be an efficient instrument in strengthening local agricultural and food production, as highlighted in the 2021 POSEI Implementation Report<sup>10</sup>.</p>  |
| <p>32. The CoR stresses, however, the importance of specific provisions for the outermost regions regarding de minimis aid in view of the extra costs affecting any undertaking operating in the sector of primary production of agricultural products in the outermost regions.</p>  | <p>Under the <i>de minimis</i> regulation, the Commission defines the levels of small amounts of aid up to which such aid does not risk distorting competition and which therefore are exempt from the notification requirement of Article 108 of the Treaty on the Functioning of the European Union (TFEU). However, specific State aid rules apply for the EU's outermost regions for the agricultural sector, including in relation to the POSEI programmes.</p>  |

<sup>10</sup> Report on the implementation of the scheme of specific measures for agriculture in the OR (POSEI) (COM(2021) 765 final).

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| <p>33. The CoR considers, with regard to the European Agricultural Fund for Rural Development (EAFRD), that opting for centralised management of strategic plans runs counter to the desired simplification, effectiveness and efficiency objectives, and hopes that the negative impact of this can be minimised by making procedures sufficiently flexible and decentralised, with regard to the implementation of strategic plans in the outermost regions.</p>   | <p>The national CAP strategic plans include interventions to address ORs' specific needs. The OR were involved in shaping their Member States' CAP strategic plans. The Commission further encourages Member to make use of the new simplified framework when implementing the new CAP.</p>   |
| <p>34. The CoR calls for close interinstitutional cooperation to ensure that the POSEI budget, an essential instrument for supporting the sustainability of local production and for adapting the CAP to the specific characteristics of the outermost regions, can be increased in response to evidence of its chronic under-budgeting and the real needs of the outermost regions, so that the programme can keep pace with developments in the agricultural sectors of these regions and can continue to meet its objectives.</p> | <p>The Commission is aware of the challenges faced by farmers and rural areas in the OR. The Commission takes note of the Committees' suggestion on the POSEI budget which is to be considered in discussions on the next Multiannual Financial Framework.</p>  |
| <p>36. The CoR welcomes the importance attached to the outermost regions with regard to the traditional fisheries sector and blue economy strategies for the coming years, as well as the Commission's commitment to review the reporting procedure requirements and the provisions allowing state aid for the renewal of the fishing fleet in these regions, taking into account their specific characteristics and supporting those working in the fishing industry while ensuring sustainable fisheries.</p>                      | <p>The European Maritime, Fisheries and Aquaculture Fund (EMFAF) supports compensation and structural actions in the OR as well as their blue economy strategies: for the first time, each OR has developed their own specific action plan under the national programme for aquaculture, fisheries and maritime affairs. The Commission is aware of the OR challenges regarding working conditions in vessels and safety of fishers, and the need to modernise or renew the fleets. The EMFAF already supports some related investments e.g. low-impact fishing techniques, safety or energy efficiency.</p> <p>Since 2018, including in the recently adopted Guidelines for State aid in fishery<sup>11</sup> aid to renew the fishing fleet in the OR can be allowed, subject</p> |

<sup>11</sup> Communication Guidelines for State aid in the fishery and aquaculture sector C/2023/1598 final (17 March 2023).

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|   | <p>to sustainability conditions in line with the Common Fishery Policy. In addition, the new Guidelines allow additional type of State aid in the OR: operating aid and aid for investments in equipment to increase safety of vessels and extend their fishing zones for small-scale coastal fishing. A recent study<sup>12</sup> highlights challenges in the collection of the required data in the OR and provides advice to the Member States in this regard. The Commission provides EMFAF support to collect the data.</p>   |
| <p>38. The CoR stresses that particular attention should be paid to the state aid rules that strengthen and encourage the connections of the outermost regions, specifically when it comes to revision of the Guidelines on State aid to airports and airlines and aid for maritime transport, as well as to the ongoing revision of the state aid regulations for environmental protection, where an investment aid category should be added to enable businesses in the outermost regions to comply with the environmental standards set by the EU.</p> | <p>The specificities of the OR are reflected in the Regional aid Guidelines<sup>13</sup>, as well as in the regional aid section of the General Block Exemption Regulation<sup>14</sup>. The Commission will consider OR connectivity issues in a possible review of the Aviation Guidelines. The Commission has just endorsed a revision of the General Block Exemption Regulation to facilitate green transition support which increases aid possibilities for environmental protection. It also envisages more favourable conditions for research and development in assisted areas, including OR.</p> |
| <p>39. The CoR calls for the creation of a forum for the outermost regions and the Commission's Directorate-General for Competition to reflect on the concept of aid with a "purely local impact", bearing in mind that over 90% of companies located in the outermost regions are micro- and small enterprises with limited financial means and that aid to these regions cannot affect competition on the internal market, as it targets purely local activities.</p>   | <p>The Commission has committed itself in the OR Communication to analysing and following up on proposals by the OR and Member States within the framework of the OR working group. Some of these proposals refer to competition and State aid. However, State aid and impact on trade and competition in the internal market must always be assessed on a case-by-case basis.</p>  |

<sup>12</sup> Overview of the state of data collection and scientific advice in the EU ORs, Final Report, 26 November 2021.

<sup>13</sup> Guidelines on regional State aid for 2014-2020, 2013/C 209/01.

<sup>14</sup> Commission Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.

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| <p>40. The CoR stresses, furthermore, the importance of ensuring the continuity of all tax systems in the outermost regions, as any break could seriously destabilise the economies and jobs in those regions.</p>   | <p>The EU has specific tax measures for the OR to offset additional costs and support local production and jobs<sup>15</sup>. These are designed to address the structural social and economic situation of the OR in line with Article 349. The regulations in question will apply until 31 December 2027 and could be extended as long as such measures are justifiable.</p>   |
| <p>45. The CoR calls on the Commission to further develop a European tourism policy in order to include the creation of a European Tourism Agency, to support the dual transition of European tourist destinations and to speed up the recovery of this sector, which is key for these regions; endorses the European Parliament's warning on the need to take into account the special characteristics and additional constraints of these regions when formulating and evaluating this policy, ensuring adequate funding to safeguard their accessibility and their climate and digital transitions.</p> | <p>The Commission is working with Member States, regions and tourism partners to implement the twin transition and improve the tourism sector's resilience through the EU Transition Pathway for Tourism<sup>16</sup> and the European Agenda for Tourism 2030<sup>17</sup>. The OR can lead the tourism transformation with good examples, commitments and pilots. The OR can use Cohesion Policy Funds and the Recovery and Resilience Facility to support this transition. The Commission launched a call<sup>18</sup> to promote sustainable maritime and coastal tourism in the OR with a budget of €1 million. There is however no possibility in the Multiannual Financial Framework 2021-2027 for a European Tourism Agency.</p> |
| <p>47. The CoR stresses that the different geographical areas in which the outermost regions are located have distinct characteristics, challenges and opportunities, and that it is therefore essential to build together a strategy for each of these areas, based on a prior diagnosis, in order to identify the main common challenges and exploit the full potential of deeper cooperation.</p>   | <p>The Commission has committed itself in the OR Communication to mapping regional cooperation opportunities and challenges per basin, to identify key areas for cooperation, to develop opportunities and support collaboration between the outermost regions and their neighbours. In this context, the Commission has fostered a series of exchanges between the outermost regions and their neighbours, per basin, in climate related actions.</p>   |

<sup>15</sup> Decision (EU) 2021/991 allows exemptions or reductions to the Octroi de Mer for certain products manufactured in the French OR. Decision (EU) No 2020/1792 establishes differentiated taxation benefiting some local products: the AIEM (Arbitrio sobre las Importaciones y Entregas de Mercancías). Council Decision (EU) 2020/1791 authorises France to apply a reduced rate of certain indirect taxes on 'traditional' rum produced in Guadeloupe, French Guiana, Martinique and Réunion; Council Decision (EU) 2020/1790 authorises Portugal to apply a reduced excise duty on certain alcoholic products produced in Madeira and the Azores.

<sup>16</sup> [Transition pathway for tourism \(ec.europa.eu\)](https://ec.europa.eu/transition-pathway-for-tourism)

<sup>17</sup> Council Conclusions of 1 December 2022, European Agenda for Tourism 2030, 15441/22.

<sup>18</sup> [Regional flagships projects supporting sustainable blue economy in EU sea basins \(EMFAF-2023-PIA-FLAGSHIP\) - Sustainable maritime and coastal tourism in the Outermost Regions](#)

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| <p>50. The CoR calls on the Commission to take into account the role and specific situations of the outermost regions when <b>reviewing geographical strategies</b> and to include the outermost regions in the consultation mechanisms.</p>        | <p>The Commission is aware of the ORs' geostrategic importance. The Commission services and the European External Action Service are currently revising the EU strategy for Latin America and the Caribbean, considering the specific situation of the outermost regions located in this basin. Adoption is envisaged in mid-2023.</p> |
| <p>51. The CoR calls for pragmatic and tailored solutions to be adopted as a matter of urgency, systematically applying Article 349 of the TFEU, in order to avoid the objective of economic, social and sustainable recovery being undermined.</p> | <p>The Commission is committed to continue mainstreaming ORs' specificities across EU legislation and policies. Since December 2019, the Commission has reflected ORs' specificities in approximately 70 initiatives, including legislative proposals, strategies, action plans, work programmes and calls for proposals.</p>          |
| <p>53. The CoR calls on the Commission to draw up an operational roadmap and a timetable jointly with the outermost regions and their Member States.</p>  | <p>The Commission is monitoring the implementation of the OR Communication and continues its close cooperation with OR and their Member States for this purpose. The Commission will report on its implementation in 2024.</p>   |

**N°11 EU Strategy for Sustainable and Circular Textiles**  
**COM(2022) 141 final**  
**COR-2022-02926 – ENVE-VII/033**  
**152<sup>nd</sup> plenary session – November/December 2022**  
**Rapporteur-general: Luca MENESINI (IT/PES)**  
**DG ENV – Commissioner SINKEVIČIUS**

| <b>Points of the European Committee of the Regions opinion considered essential</b>  | <b>European Commission position</b>  |
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| <p>5. The European Committee of the Regions (CoR) believes the role of local and regional authorities to be crucial in this transition, in particular of a) municipalities and local actors such as social enterprises, collectors and civil society organisations with regard to collection, repair and reuse systems, b) regions through their support to municipalities in their tasks.</p> | <p>The Commission agrees that local and regional authorities play a crucial role in the transition from the current linear production model to a circular model, including in the textiles sector. The Commission will stand ready to support them in delivering on the task by engaging with the different levels, including regional authorities, to promote cooperation and initiatives in support of sustainable textile value chains and sustainable fashion. Furthermore, the Commission will co-finance projects on technological innovation for circular fashion business models under LIFE programme and support the uptake of partnerships within the social and circular economy. The textile ecosystem can also benefit from the funding opportunities provided by the European Regional Development Fund, which supports economic transformation at regional level.</p> |
| <p>7. The CoR expects that the revision of the Waste Framework Directive planned for 2024 will consider specific targets for textile waste prevention, and textile reuse and recycling, and that the key role of local and regional authorities will be taken into consideration.</p>  | <p>The Commission services are currently working on the Impact Assessment of the revision of Waste Framework Directive (WFD)<sup>1</sup>. As part of this initiative different measures will be considered to ensure that used textiles and textile waste are treated in line with the waste hierarchy and to improve availability and comparability of data on textiles to enable the setting of waste management targets in the future. Since the WFD already contains measures on textiles, the main issue that the stakeholder process has identified is linked to</p>   |

<sup>1</sup> Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives; OJ L 312, 22.11.2008, p. 3–30.

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|   | <p>the availability of funding and scaling up of the various waste management processes simultaneously. Therefore, as announced in the EU Strategy for Sustainable and Circular Textiles (the ‘Textile Strategy’), one of the flagship measures being considered is the establishment of an extended producer responsibility. The Commission envisages to table its proposal in the second quarter of 2023.</p>   |
| <p>10. The CoR highlights the need to step up the search for innovative solutions (machines, equipment, digital platforms) for sorting, reusing and recycling collected textile waste, and for optimising the behaviour of materials.</p> | <p>The Commission is ready to support research proposals targeting textile waste-related technologies, materials and product design. The ERA (European Research Area) industrial technology roadmap for circular technologies and business models<sup>2</sup> in the textile, construction and energy-intensive industries assesses technologies at various technology readiness levels (TRLs) and indicates that research and innovation support can be very targeted to bring disassembly and sorting technologies for textile at higher TRLs, to automatise the sorting and to solve the challenge of preparing composite textiles for recycling, through material blend separation technologies, which show high circular and economic potential.</p> <p>The work programme 2023/2024 of Horizon Europe<sup>3</sup> offers opportunities in this respect under the Cluster 4 ‘Digital, Industry and Space’, see for instance:</p> <ul style="list-style-type: none"> <li>• HORIZON-CL4-2023-TWIN-TRANSITION-01-37;</li> <li>• HORIZON-CL4-2024-TWIN-TRANSITION-01-05;</li> <li>• HORIZON-CL6-2024-CircBio-01-2: Circular solutions for textile value chains based on extended producer responsibility;</li> <li>• HORIZON-CL6-2024-CircBio-02-1-two-stage:</li> </ul> |

<sup>2</sup> <https://op.europa.eu/en/publication-detail/-/publication/2b5f63b1-9d8b-11ed-b508-01aa75ed71a1/language-en/format-PDF/source-279514152>

<sup>3</sup> [https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/horizon/wp-call/2023-2024/wp-1-general-introduction\\_horizon-2023-2024\\_en.pdf](https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/horizon/wp-call/2023-2024/wp-1-general-introduction_horizon-2023-2024_en.pdf)



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|   | Circular solutions for textile value chains through innovative sorting, recycling, and design for recycling.   |
| 14. The CoR strongly advocates the need for common sustainability standards, which are considered essential for involving brands in the assessment of the environmental impacts of their products.  | The Commission agrees that common standards for the assessment of environmental impact of products are an important instrument. The Commission is therefore, in close coordination with relevant stakeholders, facilitating the preparation of Product Environmental Footprint Category Rules for various product groups, including apparel and footwear. This work stream will be taken into account during the preparation of ecodesign requirements for textiles.   |
| 15. The CoR calls on the Commission to make the Digital Product Passport (DPP) available to all stakeholders and consumers, and to include information on labour conditions and on how to repair and reuse the products.  | <p>The Commission notes that the Digital Product Passport (DPP) is to be introduced under the proposed Ecodesign for Sustainable Products Regulation (ESPR)<sup>4</sup>. The DPP will in principle be introduced for all product groups for which information requirements, for instance on relevant environmental characteristics, are introduced under the ESPR. Ecodesign requirements will be grounded on solid scientific data. A scoping study is being prepared by the Joint Research Center.</p> <p>Rights of consumers and other stakeholders to access specific information in the DPP will be determined by the delegated act establishing the product-specific ecodesign requirements, based on a dedicated impact assessment.</p> |
| <p>16. The CoR considers that the following principles should be followed when establishing minimum requirements for TCLF products, and that the aim should be to improve overall environmental performance throughout the life cycle:</p> <p>a) guarantees on the minimum durability of the product and on compliance with minimum durability requirements, and clear, ambitious and mandatory targets for reuse and</p> | The Commission takes note of the suggested principles and would like to remind the Committee that the proposed ESPR provides product aspects that shall be improved, as appropriate, when establishing ecodesign requirements for a specific product group, with due consideration for all stages of the product lifecycle. These aspects include, among others, the durability, reparability, recyclability, generation of waste materials (which includes microplastics), recycled content and the environmental impact of   |

<sup>4</sup> COM(2022) 142 final.

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| <p>preparation for reuse;</p> <p>b) guarantees on repairability and modularity, including specific metrics to assess ease of non-destructive disassembly and to verify that the essential parts of the products are easily replaceable and repairable;</p> <p>c) guarantees on recyclability, including restrictions on combinations of different materials, chemicals, dyes and finishes that are not compatible with recycling, and the possibility to promote products for which a mature recycling technology already exists;</p> <p>d) guarantees on sustainably and ethically sourced materials, provided that they are used for a longer lifespan and are recyclable, in order to reduce the volume of virgin synthetic fibres produced from fossil fuels;</p> <p>e) guarantees on maximum microplastic release levels during production, in the "use" phase and at end of life;</p> <p>f) guarantees that new TCLF products are made from a certain percentage of post-consumer textile content.</p> | <p>products. Ecodesign requirements for a product group will be determined based on a dedicated impact assessment.</p>   |
| <p>17. The CoR calls for a higher degree of harmonisation of the REACH Regulation<sup>5</sup> with the principles of circularity concerning the specific features of the TCLF sector, in order to prioritise efforts to reduce the use of hazardous chemicals, disclose information on the chemicals used in finished products and to ensure traceability.</p>   | <p>The Commission takes note of this and highlights that a revision of REACH is currently ongoing, which aims at extending the generic approach to chemicals management to phase out the most harmful substances in products for consumer and professional uses (including in textile, clothing, leather and footwear products).</p> <p>The phase-out of the most harmful substances in these products will contribute to cleaning the material cycles from the most harmful chemicals and contribute to circular economy objectives.</p> <p>In addition, the Commission would like to remind that the proposed ESPR addresses the presence of hazardous chemicals in products and should enable tracking of substances of concern in products</p> |

<sup>5</sup> [Registration, Evaluation, Authorisation and Restriction of Chemicals.](#)

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|   | <p>throughout their life cycle, in complement and synergy with the SCIP database.</p> <p>Setting the requirements for a product group will be determined based on a dedicated impact assessment.</p>   |
| <p>18. The CoR calls on the Commission to foster the creation, upscaling and interconnection of regional innovation clusters in the field of circular textiles across the EU.</p>   | <p>The Commission considers the territorial dimension important for the successful deployment of circular solutions. Horizon Europe provides various instruments that can also support the textiles sector:</p> <ul style="list-style-type: none"> <li>• the Circular Cities and Regions Initiative (CCRI)<sup>6</sup>, with several topics under Horizon 2020 and Horizon Europe Work Programmes 2021-2022 and 2023-2024, takes a cross-societal approach for the deployment of circular solutions;</li> <li>• Hubs for circularity, driven under the Processes4Planet partnership, where cooperation with cities on municipal waste could be supported.</li> </ul>   |
| <p>21. The CoR urges the Commission to adopt guidelines on how to support the implementation of and partnerships for the circular economy between social enterprises and other players, including service and commercial enterprises, which explore in particular the opportunities offered by the reuse and repair of textiles, as part of the recently adopted EU Action Plan for the Social Economy<sup>7</sup>.</p> | <p>The Commission takes note of this and notes that since social enterprises are dominating the textile collection and re-use sector, the initiative of the targeted revision of the Waste Framework Directive will take this into account with the aim of supporting their role.</p> <p>Furthermore, the Commission released on 14 November 2022 the Transition Pathway for the ‘Proximity and Social Economy’ industrial ecosystem<sup>8</sup>. The co-creation process of the pathway highlighted the importance of Business to Business (B2B) cooperation, notably in the context of local value chains and partnerships in green and circular economy.</p> <p>In that regard, it will make the best use of the European Circular Economy Stakeholder Platform, the Enterprise Europe Network and the European</p> |

<sup>6</sup> <https://circular-cities-and-regions.ec.europa.eu/about>

<sup>7</sup> COM(2021) 778 final.

<sup>8</sup> [https://single-market-economy.ec.europa.eu/events/launch-event-transition-pathway-proximity-and-social-economy-ecosystem-2022-11-14\\_en](https://single-market-economy.ec.europa.eu/events/launch-event-transition-pathway-proximity-and-social-economy-ecosystem-2022-11-14_en)

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|  | <p>Social Economy Regions network to promote collaboration between social enterprises and mainstream businesses.</p> <p>The Commission also intends to issue guidance on how to support partnerships for the circular economy between social enterprises and other players.</p>   |
| <p>23. The CoR calls on the Commission to draw up guidance templates for the development of local TCLF waste collection and management systems that take into consideration:</p> <ul style="list-style-type: none"> <li>a) public consultation before designing measures to achieve targets;</li> <li>b) tools to promote collaboration between the different stakeholders to improve collection, further processing and sale;</li> <li>c) mechanisms to promote the economic sustainability of collection and processing for all stakeholders in the value chain (this includes the principles of extended producer responsibility);</li> <li>d) mechanisms to preserve and promote existing reuse and repair best practices put forward by local players;</li> </ul> | <p>In line with the principle of subsidiarity, the Commission’s initiative of a targeted revision of the Waste Framework Directive will focus on objectives which can be better achieved at Union level than at national, regional or local level. As part of the Impact Assessment, different options to improve the management of used textiles and textile waste are being considered.</p> <p>When it comes to the development of local waste collection and management systems, it is deemed that Member State authorities are better placed to take into account local conditions.</p>                               |
| <p>24. The CoR urges the Commission to include in the EU's Sustainable Products Initiative measures aimed at banning the destruction of unsold articles (i.e. excess inventory, deadstock, and returned items, with a particular focus on returns through e-commerce), and to establish targets for the production phase to help prevent production waste and disincentivise overproduction.</p>   | <p>The Commission agrees that the destruction of unsold products should be prevented. The proposed ESPR includes, as a reputational disincentive for this practice, a transparency obligation requiring large companies to publicly disclose the number of products they discard and destroy, including textiles. The legislative proposal also envisages to empower the Commission to prohibit the destruction of specific product groups where destruction has a significant environmental impact. The ESPR does not include the possibility to set targets regarding production to dis-incentivize overproduction.</p> |
| <p>25. The CoR calls for the introduction of mandatory minimum Green Public Procurement</p>  | <p>The Commission agreed with the sense of urgency expressed in regard to mandatory Green Public</p>  |

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| <p>criteria<sup>9</sup>, the scope of which should be determined following an impact assessment, as well as requirements concerning Member States' incentives for textile products.</p>   | <p>Procurement. In addition to the existing EU Voluntary Green Public Procurement Criteria for textiles and footwear<sup>10</sup>, the Commission announced in the Textiles Strategy the intention to introduce mandatory green public procurement criteria within the proposed ESPR. The proposed ESPR established that such mandatory criteria must be based on an impact assessment.</p>   |
| <p>27. The CoR calls on the EU, as a major importer and exporter<sup>11</sup> in the global value chain of the TCLF sector, to become a global trailblazer in promoting sustainable and circular TCLF value chains and in innovative technological solutions and business models, thus ensuring the green and digital transition, addressing social challenges and ensuring compliance with sustainability obligations, and by making manufacturing SMEs competitive in the global framework.</p> | <p>The Commission supports the Committee's call for the EU to spearhead the transition to sustainable textile value chains and aims to significantly support the greening of products' value chains in the EU. The Textiles Strategy and the initiatives within it take a holistic and whole value chain approach, which will ensure social, economic and environmental challenges will be addressed, while focusing on the transition towards circular and more sustainable business models.</p>   |
| <p>28. The CoR calls on the Commission to prepare a new legislative initiative to effectively ban the placing on the EU market of products made by forced labour, including child labour.</p>   | <p>The Commission agrees on the importance of measures discouraging forced labour, including child labour.</p> <p>On 14 September 2022, the Commission adopted a proposal for a regulation on the prohibition of products made with forced labour on the EU market<sup>12</sup>. The Commission also adopted the proposal for a Directive on Corporate Sustainability Due Diligence<sup>13</sup> on 23 February 2022. The proposal applies to both EU and non-EU companies in the textile, clothing, leather and footwear sector, provided they meet the defined thresholds. Both proposals are currently negotiated by the co-</p> |

<sup>9</sup> Green Public Procurement not only addresses the impacts of TCLF consumption associated with the public sector, but also has the potential to send strong signals into the market in general that are aimed at the development and growth of innovative, sustainable and more circular solutions in TCLF production and service provision which can be adopted by the private sector.

<sup>10</sup> SWD(2017) 231 final.

<sup>11</sup> In 2020, 8.7 million tonnes of finished textile products worth €125 million were imported into the EU. Clothing accounts for 45% of imports in terms of volume, followed by household textiles, other textiles and footwear (source: Eurostat, 2021).

<sup>12</sup> COM(2022) 453 final.

<sup>13</sup> COM(2022) 71 final.

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| 28. The CoR calls for the inclusion of textiles, clothing, leather and footwear (TCLF sector) in legislation on corporate sustainability due diligence.  | The Commission would like to highlight that textiles, clothing, leather and footwear sector is included in the proposal for a Directive on Corporate Sustainability Due Diligence. It is considered a high-impact sector in the proposal, therefore lower thresholds apply to companies operating in this sector.  |
| 28. The sustainability regulatory framework should apply not only to the EU manufacturers in question, but to all marketing companies, regardless of where they manufacture.   | The Commission recognises the international aspect of the textiles industry and the importance of actions that apply to the global supply chain, and would like to underline that the recently adopted Corporate Sustainability Due Diligence initiative <sup>14</sup> aims to foster sustainable and responsible corporate behaviour in both EU and non-EU companies.   |
| 30. The CoR urges the Commission to provide specific support for technological investment in the value chain and specific R&D&I measures needed to achieve a real production transformation from a linear to a more circular model in the textile, leather and footwear sectors, and encourages the study and production of new materials that can be obtained by marrying different production and recycling sectors. | <p>The Commission agrees that new materials will play a key role in the circularity transition of the textiles sector. The New European Bauhaus initiative<sup>15</sup> covers not only the built environment, but also other topics such as textiles and fashion. The ERA industrial technology roadmap for circular technologies and business models in the textile, construction and energy-intensive industries highlights that, in order to close the loop systematically, further research and innovation efforts are needed to develop technologies related to design, durability, reuse and repair. Such technologies need to take into consideration the potential of new materials, including bio-based materials and recycled materials.</p> <p>The Horizon Europe work programme 2023-2024 includes two dedicated topics, worth €45 million in total, which will explore sustainable textiles:</p> <ul style="list-style-type: none"> <li>• HORIZON-CL6-2023-CIRCBIO: Novel, sustainable and circular bio-based textiles;</li> <li>• HORIZON-CL4-2023-RESILIENCE-01-32:</li> </ul> |

<sup>14</sup> [COM\(2022\) 71 final.](#)

<sup>15</sup> [https://new-european-bauhaus.europa.eu/about/about-initiative\\_en](https://new-european-bauhaus.europa.eu/about/about-initiative_en)

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|   | Bioinspired and biomimetic materials for smart fabrics and sustainable textiles.  |
| <p>31. The CoR recommends adopting at EU level a clear definition and scope of application for Extended Producer Responsibility (EPR) with eco-modulated fees for products in the TCLF sector in order to identify, prevent, mitigate, bring to an end to and account for actual and potential adverse impacts on human rights, including labour rights, and on the environment in companies' own operations and across their global value chains.</p>  | <p>As part of the Impact Assessment for the targeted revision of the Waste Framework Directive, the Commission is considering different options to improve the management of used textiles and textile waste in line with the waste hierarchy. Among the measures considered is the setting of Extended Producer Responsibility rules for textiles.</p> <p>The Commission is working in parallel on a series of initiatives addressing the negative social impact of the textiles industry. These include the proposed Corporate Sustainability Due Diligence Directive, projects and international dialogues within the Decent Work Worldwide Communication<sup>16</sup>, the proposed Forced Labour Regulation<sup>17</sup> and the Corporate Sustainability Reporting Directive<sup>18</sup>.</p>                    |
| <p>32. The CoR points out that the TCLF ecosystem requires a highly skilled workforce to unlock the job-creation potential offered by the digital and green transitions, as only 13% of the workforce has high-level qualifications<sup>19</sup>. SMEs' competitiveness needs to be increased in order to retain and generate new talent, and working conditions and productivity need to be improved in the production of sustainable raw materials and the manufacture of textile products in our industry. In order to attract skilled young talent and enrich SMEs' skills, the Committee encourages the establishment of a large-scale skills partnership for the textiles ecosystem to promote upskilling, reskilling and the acquisition and transfer of green and digital skills, including knowledge on life-cycle and</p> | <p>The Commission is very much aware of the importance of skills development (particularly in view of the green and digital transition), which is why the President of the Commission Ursula Van der Leyen announced 2023 as the European Year of Skills.</p> <p>The Commission would also like to underline that under the EU Pact for Skills initiative<sup>20</sup>, it supported the establishment of the TCLF Pact for Skills initiative, launched in December 2021. A strong alliance has been built at EU level under the Pact between industry, educational providers and public authorities. The objectives and actions agreed under the Pact target primarily the upskilling, reskilling and the acquisition and transfer of green and digital skills.</p> <p>The Commission will continue to support the</p> |

<sup>16</sup> [COM\(2022\) 66 final.](#)

<sup>17</sup> [COM\(2022\) 453 final](#)

<sup>18</sup> [EUR-Lex - 32022L2464 - EN - EUR-Lex \(europa.eu\)](#)

<sup>19</sup> Eurostat(2019), *Labour Force Survey*.

<sup>20</sup> <https://ec.europa.eu/social/main.jsp?catId=1517&langId=en>

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| <p>value-chain assessment; calls on the Commission to take into account the expected increasing quantities of collected TCLF products due to the mandatory separate collection of waste, when designing support instruments for jobs in the sector's post-consumer management.</p>   | <p>implementation of the Pact and the setting up of national/regional skills partnerships. Dedicated support services in the form of networking, guidance, knowledge and resources hubs are provided to signatories of the Pact. In addition, work is ongoing on designing more tailored financial support (in the form of an action grant) from the Single Market Programme (SME Pillar) to be provided from 2023 to TCLF Pact organisations, particularly companies, with the aim to support the setting up of local skills partnerships.</p> <p>The Commission agrees that close attention has to be paid to SMEs (including social enterprises) and that providing support is pivotal. In this context, parallel work from the Commission to support SMEs is already ongoing, including through the implementation of the EU Pact for Skills to increase diversification in company management and support SMEs in their digitalisation efforts and through educational processes. The Commission will also consider the role of SMEs in the process of designing the measures for the targeted revision of the Waste Framework Directive, including mitigating measures to reduce impacts.</p> |
| <p>34. The CoR also encourages the targeted use of Erasmus+ programme resources for pilot and experimental initiatives in the field of vocational training and higher education that help people acquire the green and digital skills required in the textile, fashion, leather and footwear sector, to make it more appealing to young people and to encourage worker mobility.</p> | <p>The Commission agrees that the opportunities offered by the Erasmus+ programme have great potential to support actors in the transition to a regenerative a circular model in the textile sector. This is because one of the aims of the Erasmus+ programme is to support innovative initiatives that underpin digital and green transitions, through the upskilling and reskilling of the workforce and the modernisation of educational and training systems, among other actions.</p>   |