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

EUROPEAN COMMITTEE OF THE REGIONS

PLENARY SESSION OF MAY 2023

107th REPORT1

 $^{^{\}rm 1}$ $\,$ Including the follow-up to one opinion adopted during the March 2023 Plenary session.

N°	TITLE / LEAD DG	REFERENCES		
SG				
1.	Mid-term review of the Multiannual Financial	Own-initiative		
	Framework: the regional and local viewpoint	COR-2023-00138-00-00-AC-TRA		
	Rapporteur: Thomas HABERMANN (DE/EPP)	COTER-VII/027		
DG REGIO				
2	Do no harm to cohesion - A cross-cutting principle	Own-initiative		
	contributing towards cohesion as an overall	COR-2023-00137-00-00-AC-TRA		
	objective and value of the EU	COTER-VII/026		
	Rapporteur: Michiel RIJSBERMAN (NL/RENEW E.)			
DG SANTE				
3.	Legislative framework for Sustainable food systems	Own-initiative		
		COR-2022-05930-00-00-AC-TRA		
	Rapporteur: Joke SCHAUVLIEGE (BE/EPP)	NAT-VII/033		
DG ECHO				
4.	Preparing for and dealing with crises: strengthening	Own-initiative		
	the resilience of the Union, its regions and cities	COR-2022-05928-00-00-AC-TRA		
	Rapporteur: Christophe CLERGEAU (FR/PES)	NAT-VII/032		
DG EMPL				
5.	Zero long-term unemployment: the local and	Own-initiative		
	regional perspective	COR-2022-05490-00-00-AC-TRA		
	Rapporteur: Yonnec POLET (BE/PES)	SEDEC-VII/037		
DG DIGIT				
6.	Report on public sector interoperability across the	Mandatory		
	Union	COM(2022) 720		
	Pappartour: Michale DAIS (IT/ECD)	COR-2023-01314-00-00-AC-TRA		
	Rapporteur: Michele PAIS (IT/ECR)	ECON-VII/029		

OPINION ADOPTED DURING PREVIOUS PLENARY SESSION					
DG CNECT					
7. Opinion adopted during the Plenary session of March 2023	European Media Freedom Act Rapporteur: Mark SPEICH (DE/EPP)	Own-initiative COM(2022) 457 final COR-2022-05388-00-00-AC-TRA CIVEX-VII/020			

N°1 Mid-term review of the Multiannual Financial Framework: the regional and local

viewpoint

Own-initiative

COR-2023-00138 - COTER-VII/027

155th plenary session – May 2023

Rapporteur: Thomas HABERMANN (DE/EPP)

SG - President VON DER LEYEN

The own-initiative opinion is a useful and timely input to the Multiannual Financial Framework (MFF) negotiations. The Commission would like to offer the following observations grouped by topic.

[MFF Mid-term review]

Following a thorough review of the Multiannual Financial Framework, the Commission has proposed a limited and targeted revision on 20 June 2023, focusing exclusively on the most urgent needs that cannot be delayed any further¹.

The EU firmly stands by Ukraine, to support its resistance against Russia's war of aggression and to build Ukraine's European future together. The Commission has thus proposed the new Ukraine Facility, an integrated and flexible instrument in the form of grants, loans and guarantees with an overall capacity of EUR 50 billion in the period 2024-2027, as a long-term structural support instrument for short-term relief, recovery and long-term reconstruction. It will ensure stable and predictable funding while providing an appropriate framework ensuring prioritisation of reforms and investments, protection of the EU budget and the sustainability of Ukraine's finances.

The Commission also proposed additional financial support to address the increased needs of migration within the EU, as well as in our neighbourhood, and to deliver on the New Pact on Migration (EUR 12.5 billion). It is also necessary to reinstate the Union's capacity to respond to crises and natural disasters with an additional EUR 2.5 billion under the Solidarity and Emergency Aid Reserve.

To boost the competitiveness of the EU industry through investments in critical technologies, to accelerate Europe's twin transition and for the Union to regain leadership in strategic sectors, the Commission proposed the creation of a new Strategic Technologies for Europe Platform (STEP). The platform would benefit from EUR 10 billion of budgetary reinforcements, with the capacity to generate EUR 160 billion of investments. It will streamline and leverage existing instruments and speed up implementation of projects identified as crucial for Europe's technological leadership, supporting the development and manufacturing within the Union. STEP has been designed to fully respect cohesion principles, to preserve the level playing field in the Single Market and benefit all Member States and regions. For instance, the possibility to support large enterprises is only available in less developed and transition regions, and in more developed regions of Member States with a GDP/capita below average. The EUR 5 billion top-up for the Innovation Fund is made available only

¹ COM(2023) 336 final.

for this subset of Member States. Concerning the Just Transition Fund (JTF), STEP entails provisions introducing flexibilities to support large enterprises, together with higher pre-financing and co-financing rates. The Commission believes that these provisions can effectively mitigate the implementation and absorption risks. Moreover, by reinforcing the EU's domestic production capacity in critical cutting-edge industrial technologies, STEP offers a unique opportunity to reinforce the resilience of regions undergoing a heavy transformation of their industrial base.

In the MFF revision, the Commission also proposed some technical adjustments following legal obligations such as a sustainable solution for the financing costs of NextGenerationEU.

[Own Resources]

On 20 June 2023, the Commission also put forward an adjusted package for the next generation of own resources². The package includes a new temporary statistical own resource based on company profits. Following the political agreement on the Fit for 55 package, which seeks to ensure EU policies contribute to the climate neutrality of our continent, the Commission also proposed to adjust the own resources proposals based on the Emissions Trading System (ETS) and Carbon Border Adjustment Mechanism (CBAM) compared to the original proposals from December 2021. Once in force, this basket of new own resources will ensure an adequate long-term financing of the budget including the repayment of NextGenerationEU.

[Draft Budget 2024]

Heading 7: European Public Administration faces severe challenges. In the guidelines for the 2024 Draft Budget, the Commission asked all institutions to adhere to the principle of stable staffing and to request no more than a 2% increase in non-salary related expenditure. The Commission strictly applied this approach to its own budget and adjusted the estimates of other institutions to comply with these guidelines, in line with Article 314(1) of the Treaty on the Functioning of the European Union (TFEU). In the previous budget exercises, exceptional expenditure needs have been exempted from the limit on non-salary expenditure. However, in the context of the overall pressure on the ceiling of Heading 7, the Commission had no choice but to adjust the original draft estimates of the other institutions downwards by a total amount of EUR 180.7 million, by not increasing staffing levels compared to 2023 for any institution (establishment plan posts and other categories of staff), while keeping non-salary related expenditure capped at an increase of 2% compared to 2023, without exceptions. Despite these actions, and based on current parameters, the availabilities under Heading 7 will be insufficient and recourse to the Single Margin Instrument is necessary for an amount of EUR 176.6 million, to respect all legal obligations.

[On cohesion policy]

The Multiannual Financial Framework 2021-2027 already dedicates one third of its resources, through cohesion policy, to directly contribute to the objectives pursued under Article 174 TFEU. Under cohesion policy, there is no discrimination of beneficiaries in the access to funding. 8% of European Regional Development Fund (ERDF) resources are earmarked to sustainable urban

² COM(2023) 330 final.

development and directly benefits municipalities.

A number of flexibilities have been introduced in the use of cohesion policy resources, mostly throughout 2014-2020 programmes, to mitigate some of the immediate impact of the exceptional crises that have hit the EU over the last years. This support has contributed to the objectives of social and economic cohesion, by addressing the direct social and economic impact of these shocks.

At the same time, cohesion policy must remain a long-term investment instrument, pursuing structural convergence objectives. This is the reason why the framework of cohesion policy for 2021-2027 has been largely preserved, to enable the current programmes to meet their development objectives and enhance the resilience of regions.

[State aid]

The Commission acknowledges challenges faced by regional and local authorities in implementing State aid and public procurement. It invites national competition authorities to provide support to regional and local authorities. Technical assistance is available to strengthen public authorities' capacity and efficiency in administering and using funds, including State aid and procurement legislations, in accordance with articles 36 and 37 of Common Provisions Regulation³.

Furthermore, the Commission has consulted Member States on a proposal to enable higher rates of aid via a bonus for projects within the scope of STEP in assisted regions to spur further economic development, while preserving cohesion objectives.

[Other horizontal issues]

The Commission is committed to the Better Regulation Agenda, ensuring legislation is fit for purpose and aligns with EU objectives. Evidence-based and transparent policymaking is essential for the quality of EU policies. EU legislative initiatives with significant economic, social, or environmental impacts are accompanied by impact assessments. The Commission introduced the 'one in, one out' approach in 2021, analysing compliance costs and savings, with administrative costs offset and adjustment costs transparently presented and compensated, including EU funds. The Commission acknowledges the joint effort to ensure EU proposals are fit for purpose and avoid investment gaps and emphasises the political commitments of co-legislators to conduct impact assessments of significant amendments under the Interinstitutional Agreement of 13 April 2016 on Better Law-making.

The Commission agrees that the uneven vulnerability of regions and territories requires tailored attention and support, in order to reinforce the resilience of EU economy overall.

The Commission agrees with the importance of mainstreaming crosscutting Union priorities such as climate, biodiversity, and gender equality through the EU budget.

Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy; OJ L 231, 30.6.2021, p. 159–706.

[Post-2027 Multiannual Financial Framework]

Concerning the post-2027 cohesion policy, reflections are already ongoing.

The Commission continuously aims to simplify access to cohesion policy funds for beneficiaries. The Common Provisions Regulation and sectoral basic acts introduced simplifications, particularly to the benefit of smaller beneficiaries, for the 2021-2027 programming period. For the post-2027 cohesion policy, the Commission will consider measures to continue to reduce administrative costs and burden for beneficiaries.

The Commission's current reflections on the future cohesion policy also include the challenges posed by the green and digital transition. While creating new opportunities for people and businesses, it can entail asymmetric effects on European regions and territories in the shorter term, notably in regions relying on a stronger industrial base, which need to be addressed.

Moreover, the Commission is currently carrying out analysis of the effectiveness of the partnership principle. Continuous dialogue is also held with partners, including regional and local authorities, in the framework of the European Community of Practice on Partnership (ECoPP).

 $N^{\circ}2$ Do no harm to cohesion - A cross-cutting principle contributing towards cohesion as an overall objective and value of the EU

Own-initiative

COR-2023-00137 - COTER-VII/026

155th plenary session – May2023

Rapporteur: Michiel RIJSBERMAN (NL/RENEW E.)

DG REGIO – Commissioner FERREIRA

Points of the European Committee of the Regions opinion considered essential

European Commission position

1. welcomes the introduction of the "do no harm to cohesion" principle (hereafter "DNHC") in the 8th Cohesion Report, where it is defined as "no action should hamper the convergence process or contribute to regional disparities", but regrets that the report provides no in-depth insight for getting a clear picture about the problems (harm to cohesion) and possible solutions;

The Commission welcomes the Committee's support for the 'do no harm to cohesion' principle.

It aims at drawing the attention of policy makers on the potential territorial impact of their policies.

Further analysis will be carried out to assess the situation of national and EU policies and instruments, notably in the forthcoming 9th Cohesion Report. It will enable to possibly further adjust the already existing preventive and corrective mechanisms.

8. proposes a wide interpretation of the DNHC principle, covering all European policies with spatial impact as well as relevant national policies, and encompassing a requirement to respect the cohesion principles of partnership and multi-level governance;

The Commission is fully aware that sectoral policies have territorial impacts. That is why the new Better Regulation framework strengthens, among other dimensions, territorial impact assessments and rural proofing¹. This represents a real opportunity to address how the territorial dimension (including urban, rural, cross-border territories and outermost regions) can be affected by the introduction of new legislation, and to make sure that horizontal policies are designed to avoid spatial blindness. In accordance with the 'do no harm to cohesion' principle, the Commission services will continue to ensure, notably through inter-service steering groups, territorial impact assessments and the inter-service consultation mechanisms preceding any new policy proposal, that the Union policies do not undermine the

Better regulation guidelines and toolbox

cohesion objectives laid down in the Treaty.

There is no binding instrument for national policies in place neither envisaged. Awareness raising and dialogue with Member States in this regard are rather encouraged.

At the same time, partnership and multi-level governance are and will remain a key principle of cohesion policy with practical modalities and best practices set out in the European code of conduct on partnership². The Commission is committed to improve the quality of partnership in the programming and implementation of the cohesion policy programmes and closely followed the situation during the 2021-2027 cohesion policy programming negotiations. Furthermore, building on the experience of the thematic network on the 2014-2020 partnership in period, Commission set up for 2021-2027 a European Community of Practice on Partnership, which met for the first time in April 2022. It gathered about 150 representatives of various stakeholders across all Common Provision Regulation Funds and European Agriculture Fund for Rural Development from all Member States and from various levels of governance. Its aim is to exchange best practices in the application of the partnership principle, review the application and functioning of the Code of Conduct and provide reflection for its possible update.

9. proposes that the Commission applies a mandatory "comply or explain" rule linked to the DNHC principle in the explanatory memorandum for any proposed initiative;

The Commission welcomes the different suggestions presented in the Committee's opinion that could contribute to further operationalising the 'do no harm to cohesion' principle. The Commission considers that the implementation of the recently updated (November 2021) better regulation framework should be prioritised before introducing further requirements for Commission initiatives.

Commission delegated Regulation (EU) of 7.1.2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds.

10. calls on the Commission to develop the analysis of cohesion aspects as part of the European Semester, in particular through the annex on economic and social performance at regional level of country reports; it would be even more useful if it provided a state-of-play of cohesion at NUTS2 level in Member States and included an analysis of existing policies that could explain the situation and possible measures for solving regional disparities;

The Commission analyses the economic and social performance at regional level through a dedicated annex of the Country Reports using available statistical information at NUTS2 level, when available and relevant³. The Commission intends to continue to monitor economic trends at national and regional level to ensure that regional disparities within countries are appropriately addressed in the Commission's analysis reflected in the Country Reports and in its proposals for country-specific recommendations.

There is also strong alignment between the European Semester and Common Provisions Regulation Funds for the 2021-2027 programming For example, when drafting programmes, Member States have to take into account relevant Country-specific Recommendations. Member States also will need to assess the progress with the Country-specific Recommendations during the mid-term review, in early 2025. Furthermore, the European Social Fund Plus (ESF+) has a thematic concentration requirement. Hence, Member States have to allocate an appropriate amount of their ESF+ resources of the strand under shared management to address challenges identified in relevant Countryspecific Recommendations.

18. regrets that under the RRF there is no obligation for Member States to report on the distribution of funds in the various regions; argues for better information and transparency on where the money lands and calls on future investment programmes to be implemented at local or regional level;

The Recovery and Resilience Facility (RRF) Regulation already includes public consultation requirements regarding the participation of stakeholders in the design of Member States' recovery and resilience plans. These requirements have been further strengthened by the REPowerEU amendment to that Regulation⁴, which now demands that stakeholders, most notably local and regional authorities and social

³ Commission Staff Working Document 'Regional Trends for Growth and Convergence in the European Union', SWD(2023) 173 final.

Regulation (EU) 2023/435 of the European Parliament and of the Council amending Regulation (EU) 2021/241 as regards REPowerEU chapters in recovery and resilience plans and amending Regulation (EU) 2021/1060, Regulation (EU) 2021/2115, Directive 2003/87/EC and Decision (EU) 2015/1814.

partners, are closely involved in the preparation of the REPowerEU chapters of the plans and remain closely associated during the overall implementation of the plans.

In the spirit of transparency about the measures financed through the RRF, the Commission launched an interactive map that provides a visual interface to explore a selection of RRF measures and their locations in the Member States. While the map provides only an illustrative sample at this stage, the range of regionally pertinent case studies will only grow overtime as the implementation of the Facility progresses and more investments and reforms materialise.

20. regrets that there is no clear overview on the combined effect of a large number of EU regulations both on the whole and on each other. Underlines that this limits the possibility of integral spatial choices and makes it difficult to implement individual regulations, and that choices need to be made when facilitating the energy transition (through investments in e.g. heating networks/solar panels), applying greenery (e.g. in the form of the environment, trees) in providing sustainable mobility and building sufficient and sustainable housing;

The inter-service consultations preceding the adoption of Commission proposals precisely aim at anticipating the cross-cutting impacts of specific legislations.

A comprehensive analysis of significant impacts is of key importance to have good quality legislative acts. The Commission assesses and analyses proposals in a holistic manner comprehensively taking into account sectors concerned. Impact assessments examine expected impacts against a baseline scenario that accounts for relevant policies and measures in force and expected developments. The Commission has committed also to work to develop a methodology for assessing cumulative impacts.

25. stresses the need for a systematic ex-ante assessment of potential differentiated territorial impacts on all types of regions of all new EU policies with a territorial dimension in their design phase as the most effective tool to put the DNHC principle into practice;

Territorial impact assessments and rural proofing have been strengthened, so that the needs and specificities of different EU territories are better taken into account. All impact assessments include a screening process to identify important asymmetric effects of Commission legislative proposals to different EU territories. This screening methodology demonstrates whether there are disproportionate territorial consequences, which merit a territorial impact assessment.

The systematic application of such assessment is

performed within impact assessment exercises, which are carried out for initiatives with significant impacts or when there are policy alternatives. It would be disproportionate and therefore unrealistic to perform such comprehensive assessments for initiatives with minor impacts or no policy choices.

- 27. therefore, recommends reinforcing the assessment of potential differentiated territorial impacts and negative effects on cohesion in the Commission Better Regulation toolbox in several ways:
- o by adding a question in the list of questions in BR Tool # 18 along the lines of: "Does the initiative hamper the convergence process or contribute to regional disparities?"
- o in BR Tool # 34, by making the use of the TIA Necessity Check mandatory to determine the need for a Territorial Impact Assessment and by giving a strong preference to the use of ESPON TIA Quick Check tool over public consultations for assessing potential territorial impacts, as it is based on a combination of experts' judgment and quantitative territorial data available for all EU regions.
- o by introducing a recommendation that stakeholder consultations should explicitly cover territorial cohesion aspects, either with a reference in the "call for evidence" and/or a set of questions in the public consultation or with targeted consultations reaching regional and local authorities, reminding that target groups in remote and rural areas with more difficult access to the internet may need to be addressed by specific channels.
- o by introducing an obligation to report in

The better regulation agenda (guidelines and toolbox) was updated in November 2021, following an extensive stocktaking exercise and in order to reflect the priorities of the Von der Leyen Commission. The methodological reference is set up in the Better regulation guidelines and toolbox⁵. The current territorial analysis already reflects the situation in which an initiative results relevant, in regional disparities. When stakeholders' consultations cover territorial cohesion aspects. When a territorial assessment needs to be performed, it is presented as part of the impact assessment. When the territorial analysis does not justify the full coverage of territorial impacts, the justification is also provided in the impact assessment report.

The focus now is on the implementation of the existing requirements, to reach the full potential of the current system which already covers, in a comprehensive and proportionate way, territorial impacts.

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See the online documents <u>Better regulation guidelines and toolbox 2021</u> and further references therein; for rural proofing, see <u>COM(2021) 345 final</u>.

the Impact Assessment report on the assessment of potential differentiated territorial impacts and potential harm to cohesion, in a similar way as for the "do no significant harm" principle concerning environmental impacts; impact assessments should be clear as to whether there will be impacts on EU cohesion, and what the trade-offs may be between cohesion and other objectives.

o by including a specific mandatory section in the explanatory memorandum explaining how the initiative upholds the "do no harm to cohesion" principle based on a "comply or explain" rule: the Commission should either demonstrate that the implementation of the initiative does not hinder the Union's cohesion (complies with the DNHC principle), or explain why the potential harm (remaining after mitigating measures) is justified, with regards to other objectives;

28. calls upon the Commission to further develop TIA models and methods with support from JRC and ESPON;

The Commission services, including the Joint Research Centre (JRC), work already in close cooperation, also together with the European Observation Network for Territorial Development and Cohesion (ESPON), for the development of models and methods such as LUISA Territorial Modelling Platform and RHOMOLO to assess potential territorial impacts of policies and legislation. These models and tools have been used already by the Commission services in preparation of impact assessments and analyses for new policy proposals.

The methodological reference is set up in the Better regulation guidelines and toolbox⁶. In particular, the Tool #34 'Territorial impacts' offers a well-articulated description of how to proceed in order to assess the impacts of policy options on

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See the online documents <u>Better regulation guidelines and toolbox 2021</u> and further references therein; for rural proofing, see <u>COM(2021) 345 final</u>.

territories, and provides a range of quantitative tools to support analysis (e.g. RHOMOLO⁷ and LUISA Territorial Modelling Platform⁸).

29. calls upon the Commission to give <u>capacity</u> for a dedicated service to support directoratesgeneral in the <u>TIA</u> process and deliver mandatory training on TIA to all Commission officials dealing with impact assessments;

Both Joint Research Centre (JRC) and ESPON already support Commission's Directorates-General in the preparation of Territorial Impact Assessments.

This support could also take the form of dedicated training, upon demand.

33. insists on the need to implement the DNHC principle also in the evaluation phase (ex-post, mid-term and ongoing), so it is not a one-time box-ticking exercise during the ex-ante assessment, by monitoring and evaluating the impact of sectoral EU policies on cohesion;

The Commission agrees that the territorial impacts should be addressed throughout the policy cycle, including in evaluations, notably to confirm that the preliminary assumptions of the impact assessments are valid. For this reason, the Commission's collaboration with the Committee and its network of regional hubs (RegHubs) is key to raise awareness about the opportunities to contribute to the Commission's policymaking and can provide assistance in the dissemination of consultations by reaching out to its members.

The Committee moreover contributes to the evaluation work of the Commission, providing the perspective of regional and local levels on the actual implementation of EU laws. When the results of such evaluations and contributions are available at the right time in the policy cycle, this input is taken into account in the Commission's evaluations.

35. recalls the added value RegHub provides, by means of stakeholder consultations, to the evaluation of implemented EU legislation; reiterates the call to make full use of the Fit for Future platform, RegHub and the CoR itself, to ensure that the Commission has detailed evidence of impact on the ground;

The Commission appreciates the support of the Committee, including through the RegHub, for the evaluation of the implementation of EU legislation.

The Fit for Future Platform benefits from an increased presence of local and regional authorities for a better insight about the implementation and effects of EU laws on the

⁷ https://joint-research-centre.ec.europa.eu/tedam/rhomolo-model_en_

^{8 &}lt;u>https://joint-research-centre.ec.europa.eu/luisa_en</u>

ground. One of the Platform's four subgroups is entirely composed of representatives of the regional and local authorities gathered in the RegHub network. The members of the Platform can request the input from the RegHub network on issues of particular relevance for the regional and local levels.

The Annual Burden Survey and the Regulatory Fitness and Performance Programme (REFIT) scoreboard provide an overview of the Fit for Future opinions and explain how these opinions have been followed-up.

37. calls upon the Commission to streamline investment policies and funds to ensure synergies and complementarities in order to achieve selected objectives. Calls for the Just Transition Fund as well as the European Agricultural Fund for Rural Development to be governed with other funds under the same Common Provisions Regulation;

The Common Provisions Regulation⁹ requires that Member States present in their Partnership Agreements the envisaged coordination other complementarities with EU policies, including the Common Agriculture Policy (CAP). In addition to this, all Member States' CAP Strategic Plans contain a specific section describing the synergies and demarcation with the Strategic Plan and other EU funding sources, in particular the Common Provisions Regulation Funds.

The present coordination mechanisms provide thus a good basis for tangible synergies between projects on the ground, especially as regards local initiatives.

The Just Transition Fund is already governed by the provisions of the Common Provisions Regulation.

38. stresses the need to increase synergies between cohesion policy and Horizon Europe in order to strengthen research and innovation capacities in all EU regions, which allows the EU to compete on a global scale by investing in regional excellence and can be a solution to

The 8th Cohesion Report underlines that regional innovation has been declining in less developed and transition regions, with only a few EU regions having well performing innovation systems. Furthermore, several middle-income and less developed regions, especially in the southern EU,

Article 11 of Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy; OJ L 231, 30.6.2021.

the development trap of middle-income regions;

have suffered from economic stagnation or decline, suggesting they are in a development trap. The Report emphasised that long-term growth would indeed require reforms of the public sector, an upskilled labour force and a stronger capacity to innovate.

That is why the promotion of innovation remains a central feature in the 2021-2027 cohesion policy programmes, where at least EUR 56.6 billion will go towards innovation and research (R&I).

The coordination and complementarity between cohesion policy funds and Horizon Europe have also been strengthened in the 2021-2027 period, for instance by facilitating the support by cohesion policy funds to operations that have already received a Seal of Excellence or were co-funded by Horizon Europe. To facilitate these synergies, a practical guideline ¹⁰ describing how to implement synergies in practice has been adopted. In addition, a dedicated expert group bringing together R&I authorities and managing authorities has been set up¹¹.

39. calls on the Commission, when managing EU funding, to take into account the level of development of regions and potential for reducing regional disparities going beyond GDP;

The Commission agrees that Gross Domestic Product (GDP) cannot solely capture the social, environmental and economic challenges faced by EU regions. In this regard, the allocation methodology for cohesion policy, detailed in Annex XXVI of the Common Provisions Regulation, already entails numerous additional indicators taking into account other issues such as education, employment, poverty, demography and climate transition, depending on the category of regions.

Furthermore, the Commission analyses these socio-economic indicators, going beyond GDP, and assesses them in detail in its regular publications, notably in the Cohesion Reports, the

Commission Notice Synergies between Horizon Europe and ERDF programmes; C(2022) 4747 final; Synergies guidance is out (europa.eu)

Commission Notice Synergies between Horizon Europe and ERDF programmes (2022/C 421/03).

	annexes to the yearly European Country Reports, the EU Regional Social Progress Index ¹² and the EU Regional Competitiveness Index ¹³ among others.
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 $^{{\}color{red}^{12}} \quad \underline{\text{https://ec.europa.eu/regional_policy/information-sources/maps/social-progress_en}$

https://ec.europa.eu/regional_policy/information-sources/maps/regional-competitiveness_en#:~:text=The%20Index%20measures%2C%20with%20a,referred%20to%20as%20RCI%202.0.

N°3 Legislative framework for Sustainable food systems

Own-initiative

COR-2022-05930 - NAT-VII/033

155th plenary session – May 2023

Rapporteur: Joke SCHAUVLIEGE (BE/EPP)
DG SANTE – Commissioner KYRIAKIDES

Points of the European Committee of the Regions opinion considered essential

European Commission position

4. Calls on the Commission to ensure that horizontal and sectoral policies linked to food and food systems are in line with the objectives and targets set by the future FSFS, the farm-to-fork strategy, the European Climate law, the biodiversity strategy and zero pollution targets, with proper evaluation and regular monitoring in place;

5. Calls on the Commission to provide for a proper assessment of the impact of the future legislative framework on European systems and production and of the results by means of regular monitoring, and to limit as far use of possible the delegated implementing legislation to decisive aspects and aspects impacting on European production systems, in accordance with the principle of subsidiarity and sincere cooperation, as provided for in the Treaties;

The future legislative framework for a Union sustainable food systems (FSFS) will aim to create a common understanding of what sustainability is and to mainstream sustainability across the entire food system law and food system policies. By doing so, it should create an enabling environment for, and help strengthening the coherence of, EU food system law to contribute to the Green Deal and Farm to Fork Strategy goals.

As set out in the Farm to Fork Communication¹, the Commission 'will monitor the transition to a sustainable food system, including progress on the targets and overall reduction of the environmental and climate footprint of the EU food system'. To this end, the Commission is currently developing a monitoring framework. It could be used for the long-term monitoring of the impacts of the FSFS on the transition towards sustainable food systems.

The legislative proposal will include the appropriate empowerments, where necessary, in line with the Treaty.

6. Requests that the future regulation foresee an evaluation by the Commission and by 2030, to review all existing horizontal and sectoral policies linked to food and food systems to ensure that they are consistent with and support the objectives and targets of the future

As a horizontal legislation, the FSFS should set out general principles underpinning EU food system law in terms of sustainability. These general principles should constitute a reference for future legislative action but also for evaluations of existing sectorial legislation, accompanied where

Communication from the Commission to the European Parliament, the Council, The European Economic and Social Committee and the Committee of Regions: A Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system; COM(2020) 381 final.

regulation on FSFS;

12. Reiterates its call to set a binding target to halve food waste by 2030 within the revision of the Waste Framework Directive and on the basis of the work streamlined by the EU Platform on Food Losses and Food Waste; draws attention to the recommendations formulated by the European Citizens' Panel on Food Waste.

needed by subsequent revisions.

In order to accelerate reduction of food waste across the EU and recalling the obligation in the Waste Framework Directive² to consider the feasibility of establishing a Union-wide food waste reduction target, the Commission has adopted a legislative proposal³, on 5 July 2023, that sets binding realistic and feasible food waste reduction targets for the Member States to achieve by 2030.

A Citizens' Panel was convened by the Commission to deliberate on actions required to step up the effort to reduce food waste in the context of the legislative proposal setting food waste reduction targets. The outcome of the Citizens Panel will support the overarching work of the Commission on food waste prevention and serve as a guide to help Member States in achieving the targets proposed. Moreover, the citizens' recommendations will be shared and discussed with the EU Platform on Food Losses and Food Waste, bringing together Member States and stakeholders, so that they may consider these in their food waste prevention programmes.

Governance

16. [...] The framework law should look into clarifying responsibilities for all food-system actors by setting up multi-level cooperation, engaging participation at EU, Member State, regional and local level. [...]

22. reiterates its call to establish a multistakeholder platform on sustainable food systems, involving the European Committee of the Regions together with other relevant stakeholders and civil society, thus creating a The Commission is considering different governance mechanisms in the FSFS to foster collaboration among food system actors and to support engagement with stakeholders and the wider society in the transition towards a sustainable food system at different levels (EU, national, regional/local).

These governance mechanisms are on top of the current consultation platforms (e.g. Advisory Group on Sustainability of Food Systems⁴, Civil Dialogue Groups on Agricultural and Rural Development⁵, etc.) that are currently used by the

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.

³ Proposal for a Directive of the European Parliament and of the Council amending Directive 2008/98/EC on waste; COM(2023) 420 final.

⁴ https://food.ec.europa.eu/horizontal-topics/expert-groups/advisory-groups-action-platforms/advisory-group-agsfs_en_

⁵ https://agriculture.ec.europa.eu/common-agricultural-policy/cap-overview/committees-and-expert-groups/civil-dialogue-

supporting network that would facilitate the transition to more sustainable food systems for European regions and cities while taking into account regional differences and areas' specialisations and traditions;

different Commission's Services to consult and interact with all relevant stakeholders in the implementation of the Farm to Fork Strategy.

24. Requests the Commission to set up a mechanism "polluter pays and provider gets" in order to reward those farmers or other food producers who go beyond EU minimum legal requirements and deliver additional environmental benefits to EU society and in order to give incentives to others to improve the sustainability of their production;

Creating incentives for food actors to deliver additional benefits to EU society, across the three dimensions of sustainability (environmental, social and economic) is one of the objectives of the FSFS. To this end, the Commission is also considering sustainable public procurement for food and food sustainability labelling as possible building blocks of the FSFS.

25. Insists that the FSFS should incorporate the "food environment" concept to facilitate access to healthy and sustainable diets, as unhealthy and unsustainable food environments are the main cause of inadequate dietary patterns;

One of the objectives of the framework legislation is to contribute to establishing a favourable food environment that would promote and support access to healthy and sustainable food. As such the concept of 'food environment' is a central element that will be considered in the FSFS.

28. Calls for a revision of the EU school fruit, vegetables and milk scheme to enhance the consumption of products that contribute to healthy, more plant-based sustainable diets while reconnecting to agriculture through educational activities on sustainable farms; this revision should examine the circumstances of local and regional authorities with regard to promoting health and sustainable diets;

The EU school scheme is currently being reviewed with the aim to adopt a Commission's legal proposal by end of 2023. The review is part of the Farm to Fork Strategy's priorities and aims at strengthening the contribution of the scheme to sustainable food consumption, and the educational messages promoting the importance of healthy nutrition, sustainable food production and food waste reduction, while taking into account its basic function to support the market of the products concerned. Based on the outcome of the ongoing evaluation, the role of public authorities will be further considered, among other elements.

30. calls for alignment of the promotional campaigns for agri-food products with the objectives of the farm-to-fork strategy and EU

In February 2021, the Commission published the roadmap for the review of the EU promotion policy⁶, followed by an extensive public consultation with stakeholders and public

 $\underline{groups_en\#: \sim: text=Civil\% 20 Dialogue\% 20 Groups\% 20 (CDGs)\% 20 are, consultation\% 20 of\% 20 non\% 2D governmental\% 20 stakeholders.}$

⁶ EU farm and food products – review of policy on promotion inside and outside the EU (europa.eu)

Beating Cancer Plan;

authorities. The Commission services completed an impact assessment looking at the different policy options. A draft legislative proposal is currently under discussion within the Commission. A specific date for adoption is not yet fixed.

In the meantime, the annual promotion policy work programmes, including the one of 2023⁷, have been adopted by the Commission by addressing the political priorities of the Farm to Fork Strategy, and more particularly aiming at encouraging more sustainable farming practices, advancing on animal welfare and promoting the consumption of fresh fruit and vegetables, and sustainable diets.

33. calls for EU subsidies to support small farmers to produce ecological food and to reward farmers who are implementing sustainable practices and promoting animal welfare:

The Common Agricultural Policy (CAP) 2023-2027 aims at ensuring a sustainable future for European farmers by providing, among other points, more targeted support to smaller farms and allowing greater flexibility for EU countries to adapt measures based on their local conditions. In this respect, CAP subsidies play a key role in accompanying farmers, including the smaller ones, in the sustainability transition while continuing investing in high sustainability standards, including in animal welfare.

Furthermore, aquaculture farmers can receive support via the European Maritime, Fisheries and Aquaculture Fund (EMFAF) if the relevant activities are foreseen in their 'multiannual national strategic plan'. This can include actions on environmental sustainability (including through organic aquaculture, resource efficiency and nature management services) and animal health and welfare.

35. Is worried about a possible re-introduction of genetically modified organism (GMO) in our European food with the future European regulation proposal on plants produced by new genomic techniques (NGT). This should be

The placing on the market of genetically modified food in the EU is only possible after the Commission has issued an authorisation decision, on the basis of an opinion of the European Food Safety Authority. Today, 284 GMOs for food and

⁷ Promotion of EU farm products (europa.eu)

based on a robust assessment and sound scientific evidence of the European Food Safety Authority (EFSA). In any case, every food product containing GMO should show a front-of-the-pack label indicating the presence of GMO:

feed uses are authorised in the EU.

The Commission's proposal on new genomic techniques (NGTs)⁸ aims at an appropriate regulatory oversight for plants obtained by certain NGTs. namely targeted mutagenesis cisgenesis, and their food and feed products, ensuring a high level of protection of human and animal health and the environment, and enabling innovation and the contribution of safe NGTs to the objectives of the European Green Deal and the Farm to Fork Strategy. The risk based and proportionate proposal was adopted on 5 July 2023 and it is accompanied by an impact assessment⁹ that builds on the latest scientific evidence on these techniques, and as regards safety aspects is based on the work of the European Food Safety Authority (EFSA).

A study by the Commission's Joint Research Centre (JRC) on current and future market applications relating to NGTs¹⁰ shows that a significant proportion of applications of NGTs in the early and advanced research and development stage targets resistance to many types of pathogens and pests and has the potential to contribute to pesticide reduction, and that climate-change related stresses are also an important part of the development pipeline. Case studies conducted in the context of the impact assessment illustrate the concrete environmental, health and economic benefits that could be achieved with such plants.

36. Reiterates its call to eliminate existing constraints within its public procurement rules to apply sustainability criteria.

42. calls for the development of practical guides for procurement officials on how to use procurement to promote sustainable

Sustainable public procurement of food is one of the policy measures that the Commission is considering in the context of the preparation of the FSFS to incentivise the uptake of sustainable practices by food system actors.

In this regard, the FSFS could include provisions

Proposal for a Regulation of the European Parliament and of the Council on plants obtained by certain new genomic techniques and their food and feed, and amending Regulation (EU) 2017/625; COM(2023) 411 final.

⁹ SWD(2023) 412 final.

¹⁰ 210419 ngt market study final.pdf

development goals and healthy, seasonal, local and organic diets; advocates creating and financially supporting networks for public procurers to share guidance, expertise and best practice; on sustainable public procurement of food, covering as appropriate the environmental, social, including health, and economic dimensions of sustainability.

46, notes that the introduction of harmonised sustainable food labelling should be proportionate, legally regulated and mandatory, and developed on the basis of solid and independent scientific data and should not interfere with existing systems such as arbitrarily geographical indications, by classifying foods that could mislead consumers on food choice.

As announced in the Farm to Fork Strategy for a fair, healthy and environmentally friendly food system, the Commission is considering a sustainability labelling framework, which is currently part of the ongoing work on the FSFS. The sustainability labelling framework should govern the provision of information to consumers related to the sustainability of food products. Like all other information to consumers on food products, such information should be accurate, clear, and easy to understand, not mislead nor confuse consumers, and be based on science.

In the context of the ongoing work, several policy options for the sustainability labelling framework are being assessed by the Commission, including the creation of a voluntary or mandatory harmonised EU sustainability label. In this work, the Commission is also taking into account existing EU schemes and labels such as geographical indications and organic products.

47. highlights that sustainable labelling should be based on science while including all aspects: environmental, social and nutritional. It should be expressed via separate individual indicators in order to minimise the trade-offs between various sustainability dimensions. The CoR supports a simple, EU-wide and front-of-pack labelling of food products based on robust and independent scientific evidence. Such an indicator should highlight both the high and lower performers in order to help the consumer to make an informed choice when buying their food. In this respect, highlights the importance of awareness-raising campaigns, sustainable food education programmes and other initiatives in local communities from early

The Commission agrees that for the sustainability labelling framework it is important to consider consumer information related to the three different dimensions of sustainability: environmental social and economic. It is indeed important to give a clear picture to consumers so that they can make well-informed and sustainable food choices and help to accelerate the transition to a sustainable food system.

The Commission agrees also that education and promotional campaigns are crucial to ensure consumers understand better the sustainability of food systems. In this respect, actions from Member States, who have competence in the area of education, could be encouraged.

childhood onwards;

51. encourages EU policies to help consumers make informed, healthy, sustainable food decisions, including by adopting harmonised, proportionate European labelling schemes based on robust and independent scientific evidence;

The Commission agrees that the aim of this framework should be to empower consumers to make healthy and sustainable food choices.

52. stresses that food labelling must be coordinated and harmonised at European level, without creating any kind of quantitative or qualitative restriction on trade within Europe or jeopardising the proper functioning of the single market unless justifiable with reference to imperatives such as the protection of human health;

The Commission agrees that the introduction of an EU sustainability label could help to avoid fragmentation of the single market and facilitating trade within it.

53. calls on the EU to ensure food security and to invest in sustainable local agriculture production, and shorten its supply chains;

The CAP 2023-2027 plays a crucial role to support viable farm income and sustainable farming practices in order to enhance long-term food security and agricultural diversity. Among the different objectives pursued by the CAP, specific provisions are also available to Member States to improve the position of farmers in the food chain, through measures strengthening such as cooperation among farmers, promoting short supply chains and investment opportunities to continue improving the sustainability of farm products.

56. calls for strong coherence and coordination between EU policies on sustainable food production, consumption and trade, in order to make unsustainable practices sustainable. In this regard, the FSFS should also ensure the coherence and alignment between EU policies on sustainable food production, consumption and on trade, to make sure that imported agrifood products respect the same social and environmental rules of production as those existing in the European Union in compliance with World Trade Organization's rule;

The Commission agrees that ensuring coherence among EU policies is a key element in achieving the transition towards sustainable food systems. Sustainability-related provisions established at Union level can apply to imported food products, in order to address environmental concerns or animal welfare issues, based on a case-by-case assessment and taking into account the EU's international obligations.

 $N^{\circ}4$ Preparing for and dealing with crises: strengthening the resilience of the Union, its

regions and cities

Own-initiative

COR-2022-05928 - NAT-VII/032

155th plenary session –May 2023

Rapporteur: Christophe CLERGEAU (PES/FR)

DG ECHO – Commissioner LENARČIČ

Points of the European Committee of the Regions opinion considered essential

European Commission position

3. believes that Europe must invest in a new approach: societal preparedness, defined as the collective capacity to prepare societies, in a spirit of cohesion and solidarity, for the challenges of the future, especially crises and disasters. Societal preparedness places a particular accent on the civic, social and human dimension, and on access to services and the quality of support for people. After all, crises and disasters primarily affect the most vulnerable. This is one of the lessons from COVID-19.

The Union Civil Protection Mechanism (UCPM) puts considerable emphasis on the need to enhance prevention and preparedness measures vis-a-vis disasters, both at EU and national level, including health-related crises. Among several measures, the Union disaster resilience goals are next to strengthening the resilience of relevant national services across Europe also following the whole-of-society approach, where 'particular attention is also given to vulnerable groups'.

8. stresses the need to strengthen the capacity of cities and regions to provide the services required by people, including in times of crisis. One key measure is to strengthen common security of supply across Europe. This requires identifying critical dependencies, producing the bulk of essential products and services in Europe, and providing the single market mechanisms needed to bolster security of supply of raw materials, goods and food. Critical infrastructure also needs to be enhanced in order to secure living conditions in times of

The Commission agrees with the call to strengthen the common security of supply across Europe, including by identifying critical strategic dependencies and providing the Single Market mechanisms needed to bolster the security of supply.

The 2021 Updated Industrial Strategy¹ was accompanied by the report analysing the EU's strategic dependencies². This included an analysis of over 5,000 products as well as in-depth reviews of strategic dependencies in six specific critical areas. In February 2022 the Commission published

Communication from the Commission to the European Parliament, the Council, The European Economic and Social Committee and the Committee of Regions on Updating the 2020 New Industrial Strategy: Building a stronger Single Market for Europe's recovery, COM(2021) 350 final.

² Commission Staff Working Document on Strategic dependencies and capacities Accompanying the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions Updating the 2020 New Industrial Strategy: Building a stronger Single Market for Europe's recovery, SWD(2022) 352 final.

crisis;

the second edition of in-depth analysis of Europe's strategic dependencies³, looking at five additional areas where the EU faces strategic dependencies on third countries with the aim to foster better understanding of the risks and opportunities.

The 2022 Commission proposal for a Single Market Emergency Instrument⁴ was designed to support a strong and open Single Market in times of crisis. The toolbox includes specific measures needed to ensure the availability of crisis-relevant goods in a situation of last resort.

Directive (EU) 2022/2557 on the resilience of critical entities⁵ entered into force in January 2023 and aims at enhancing the resilience of entities operating critical infrastructure so that the provision of essential services is not disrupted in the Internal Market.

In addition, the Commission plans to adopt in September 2023 a proposal for a Council Recommendation on a Blueprint to coordinate response to disruptions of critical infrastructure with significant cross-border relevance.

The adoption of a Communication on a contingency plan for ensuring food supply and food security in the EU in times of crisis⁶ and its subsequent creation of an expert group on the European Food Security Crisis preparedness and response Mechanism (EFSCM)⁷ provides a platform to improve cooperation between public and private actors along the food supply chain and improve levels of preparedness, including with regard to hybrid threats.

Commission Staff Working Document on EU strategic dependencies and capacities: second stage of in-depth reviews, SWD(2022) 41 final.

Proposal for a Regulation of the European Parliament and of the Council establishing a Single Market emergency instrument and repealing Council Regulation No (EC) 2679/98, COM(2022) 459 final.

⁵ Directive (EU) 2022/2557 of the European Parliament and of the Council of 14 December 2022 on the resilience of critical entities and repealing Council Directive 2008/114/EC; OJ L 333, 27.12.2022, p. 164–198.

⁶ Communication from the Commission to the European Parliament, the Council, The European Economic and Social Committee and the Committee of Regions on Contingency plan for ensuring food supply and food security in times of crisis, COM(2021) 689 final.

Commission Decision of 12 November 2021 setting up the group of experts on the European Food Security Crisis Preparedness and Response Mechanism 2021/C 461 I/01.

9. Welcomes the involvement of the Joint Research Centre (JRC) and its risk management unit in developing a vulnerability "index"⁸, bringing together environmental, territorial, economic and social dimensions. The Committee would like the JRC to have the full political and financial support to press ahead with this initiative;

The Joint Research Centre (JRC) has recently developed a prototype of the vulnerability scoreboard that captures the systemic vulnerability to disasters at different administrative levels (country, NUTS2 and NUTS3).

The index is currently under review, with the aim to strengthen the underlying methodology, ensuring statistical coherency and a comprehensive overview of updated and new indicators (including hazard related indicators, e.g. disaster loss data, access to emergency services). In addition, a more structured analysis on the time series is planned to better assess the trends and projections of vulnerability in the future.

10. stresses the importance of the social dimension of vulnerability. All too often it is forgotten or overlooked, even though it is a key element of resilience. Any vulnerability analysis should fully integrate the concepts of access to people, social support and access of vulnerable persons to health systems and social services, and the reduction of the digital divide and better digital accessibility. The CoR underlines the vulnerability of minorities, women, the poor, older people and people with disabilities, those with chronic diseases, and the significance of social vulnerabilities in the outermost regions and in isolated and island regions, which are at the forefront of the fight against climate change;

The Commission agrees with the importance of the social dimension in building up resilience against disasters and crises. Through the EU strategy for the rights of persons with disabilities, the Commission aims to deliver further significant improvements to the lives of persons with disabilities within the EU and beyond.

In addition, the concept of access to essential services is an important part of the European Pillar of Social Rights, as established in its principle 20.

Furthermore, the Commission put forward a proposal for a Council Recommendation on ensuring a fair transition towards climate neutrality⁹, adopted in 2022, which provides recommendations to Member States on how to address the impacts of the transition on people and households in vulnerable situations, including in remote, rural and low-income regions, including the outermost regions and islands.

The social dimension is one of the four key areas

https://drmkc.jrc.ec.europa.eu/risk-data-hub/#/vulnerability-in-europe.

The vulnerability index makes it possible to go beyond the work carried out by the JRC as part of the "resilience dashboard", which reflects a broader approach to the ability of societies to adapt and anticipate (https://commission.europa.eu/strategy-and-policy/strategic-planning/strategic-foresight/2020-strategic-foresight-report/resilience-dashboards en)

⁹ COM(2021) 801 final.

assessed in the vulnerability composite index developed by the JRC. Several statistics and indicators feed into the current vulnerability composite index pertaining to the social dimension. Additional indicators will be explored for the revised version of the composite index covering also the social dimension (e.g. access to emergency services, other healthcare resource statistics).

11. backs the JRC's efforts to improve the quality of data and the vulnerability "index", supports the desire for greater collaboration between the JRC, the other Commission Directorates-General (DGs) and the Member States for this purpose, confirms the usefulness of applying this index at all territorial levels – NUTS 2, NUTS 3 and, above all, local level – and reiterates its call for the vulnerability scoreboard to be published in order to illustrate the actual reality in each area; to this end, recommends that Member States and local and regional authorities [...]

13. believes that rather than trying to create the perfect indicator, the priority should be on testing it as a tool for decision-making; welcomes the fact that several community organisations have signed up to this approach and calls for a pilot programme bringing together cities, counties and regions [...]

12. draws attention to the need for data in order to effectively map the most vulnerable populations, which means providing non-aggregated data and interlinking data to highlight specific circumstances (e.g. poor women), as well as the need for data to indicate problems of accessing services;

Both the vulnerability index and the resilience dashboard are developed by the JRC and are put at the disposal of Member States and the Commission to assess progress in building resilience at national and subnational levels.

NUTS 3 is the most detailed level for the vulnerability scoreboard. The JRC does not have plans to have more granular data, e.g. for cities and/or municipalities. However, a testing phase on voluntary basis with a pilot region or city might be considered.

The Commission is currently carrying out different research activities¹⁰ to effectively map the most vulnerable populations¹¹.

The Commission is also developing new disability indicators with a clear roadmap for implementation, (as part of the Strategy for the rights of persons with disabilities).

Study on Transport Poverty: Definition, Indicators, Determinants and Mitigation Strategies – ongoing, to be finalised in 2024

AMEDI: Assessing and monitoring employment and distributional impacts: https://ec.europa.eu/social/main.jsp?langId=en&catId=1588

Several indicators related to access to services are already considered in the vulnerability index and the scoreboard developed by the JRC. However, some are only available at country and NUTS 2 levels.

Additional indicators will be explored in the revised version of the composite index covering also the social dimension (e.g. access to emergency services, access to other basic services).

The Commission also welcomes the collection of data at NUTS 3 level currently not available from Eurostat for non- EU countries.

14. suggests that the JRC could initiate settingup a European exchange platform with an overarching approach to vulnerabilities, anticipation, preparedness and the management of risks and crises, involving European institutions, Member States, local and regional authorities and stakeholders; this platform could build on the experience of smart specialisation platforms and be funded by the INTERREG Europe programme. It would draw in particular on the Union Civil Protection Knowledge Network, which should also be supported and developed;

The JRC is coordinating the Commission's Disaster Risk Management Knowledge Centre which is designated as the core of the Science Pillar of the Union Civil Protection Knowledge Network (UCPKN). Its online platform can already support exchanges on topics of interest for the disaster risk management community.

16. calls for a European network of civic movements and non-governmental associations to be set up for the prevention and management of risks and crises and to prepare societies to deal with them; calls on the Commission to support this initiative and help set it up; therefore stands ready to work with the Union Civil Protection Knowledge Network to help create this network, by organising an annual event for all stakeholders, in cooperation with the UNDRR and the European Commission;

The Commission welcomes the Committee's willingness to further work with the UCPKN. It would like to reiterate its invitation to civic movements and non-governmental associations to engage in the UCPKN, rather than creating a new entity. While the primary audience of UCPKN are civil protection authorities at different levels, other stakeholders (universities, research institutes, civil society organisations, private sector entities etc.) are considered partners or community members of the Knowledge Network. As such, they can benefit from and take part in several of the activities organised by the UCPKN (e.g., projects, events, exercises consortia etc.).

17. wishes to highlight how recent crises have shown that vulnerabilities in local areas and among populations can translate into deep new inequalities in health and well-being; stresses, therefore, that dealing with social and territorial vulnerabilities should become a political priority of cohesion policy; this would mean strengthening the social dimension of cohesion policy beyond employment and training by focusing on the issues of inclusion and access to health and social services. It would also bring cohesion policy closer to citizens;

The Commission agrees that disasters and extreme events, further intensified by climate change, have to potential to increase disparities between regions and citizens. Reducing these inequalities is at the core of cohesion policy.

In this regard, the social dimension of cohesion policy is effectively prominent, as highlighted by the weight of support programmed under 'more social and inclusive Europe (Policy objective 4)', with EUR 112 billion of EU contribution, mostly stemming from the European Social Fund Plus. Investments promoting access to health and social services are also supported under cohesion policy objective 5 'Europe closer to citizens', allocated with EUR 19.5 billion.

18. believes that developing an "index" and territorial vulnerability scoreboard is crucial in order to start a policy debate on how to use future cohesion policy to respond to such vulnerabilities. The policy should also take into account, across all its components, data at NUTS 3 level in order to ensure a more targeted, accessible and efficient approach;

The Commission welcomes this point and intends to use territorial evidence on regional vulnerability, whenever possible, with a view to further enhancing the resilience of the concerned territories. Statistical data at NUTS 3 level will be used accordingly, if available.

20. suggests making crisis resilience and tackling social and territorial vulnerabilities a programming priority for cohesion policy, together with introducing top-up funding for regions and counties that are particularly vulnerable and opting to make strong use of cohesion policy for this purpose;

As shown in the analysis of the 8th cohesion report¹², strengthening the social and economic resilience of regions is critical for cohesion, with the risk otherwise of further widening territorial disparities.

Member States should already use the existing resources under current programmes to this end and this concern is at the heart of the ongoing reflections on the future cohesion policy.

Yet, reinforcing resilience of regions requires a comprehensive set of measures and investments, addressing economic diversification of territorial economic fabrics, upskilling and reskilling of

¹² https://ec.europa.eu/regional policy/information-sources/cohesion-report en

workers or tackling institutional inefficiencies.

In this regard, the Commission considers it important that this objective is pursued through a cross cutting approach. The Commission will continue to support Member States and regions in their efforts to adapt to challenges while leaving no one behind.

21. considers, however, that while cohesion should be policy can and societal preparedness tool, it cannot cover compensation for damage caused by major disasters; believes that the new Solidarity and Emergency Aid Reserve is more focused on providing an immediate response to disasters and pandemics than on dealing with their aftermath; calls, therefore, for consideration to be given to setting up a permanent intervention mechanism to compensate for major damage caused by disasters in a given area;

The EU Solidarity Fund (EUSF)¹³ may provide financial assistance to an eligible state affected by natural disasters or major public health emergencies in order to share some of the financial burden in carrying out emergency and recovery operations in the spirit of solidarity. It has been merged, since 2021, with the Emergency Aid Reserve (EAR), under the Solidarity Aid Reserve (SEAR).

Within the joint heading of the SEAR, the EAR is more focused on providing an immediate response to natural disasters and public health emergencies, whereas the EUSF serves as an instrument that provides post-disaster relief. The cohesion policy funding can be used for disaster recovery with medium or long-term investments. All these instruments are therefore complementary.

Whereas the intensity of natural disasters in past few years and the inclusion of public health emergencies has put the EUSF under severe budgetary constraints, increasing the allocated resources to the EUSF is preferred over setting up a permanent mechanism

It should be noted that in 2021 and 2022 the SEAR allocation was completely exhausted to address major unforeseen events, including natural disasters and the requests received were far above the budget availability. As a result, not all needs could be met. The SEAR is already expected to be fully used again this year. Thus, the Union's capacity to address crises and emergency

Council Regulation (EC) No 2012/2002 of 11 November 2002 establishing the European Union Solidarity Fund, OJ L 311/3, 14.11.2002, p.1.

situations urgently needs to be reinforced. The Commission has therefore proposed a reinforcement of the SEAR in the revision of the Multiannual Financial Framework.¹⁴

22. encouraging, within the proposes framework of European funding programmes such as Interreg, Horizon Europe or Erasmus+, interregional cooperation projects, which would need to be designed according to the geographical realities of the various areas, which could lead to cooperation with third countries. These projects would focus on crisis resilience and tackling vulnerabilities. particularly on the cross-border approach to risks and crises, which is a powerful lever for bringing together – around specific subjects – the various practices in the Member States. A specific component of Interreg and the EGTC is therefore likely to be crucial.

The Commission agrees that Interreg programmes play an important role in crisis management. Interreg programmes are already able to address crisis resilience and vulnerability issues across borders through the bottom-up identification of relevant priorities by the programme partnerships. The existing framework provides sufficient flexibility in this regard.

24. notes that since the COVID crisis, European civil protection and public health policies have proliferated. There have been many new initiatives, including RescEU and HERA. Europe's reaction to the war in Ukraine has led to a comprehensive response to supporting the people, which has highlighted the human and dimension of crisis management. social Alongside the need for crisis management, which is still very acute, the CoR hopes that priority will now be given to societal preparedness, i.e. risk prevention, crisis preparedness and the spread of a shared risk and crisis culture in Europe;

25. stresses the important role of the Emergency Response Coordination Centre as a focal point for the coordination of European

The COVID-19 pandemic has undoubtedly accelerated the developments of response capacities under rescEU, including medical stockpiles and boosting medical capacities under UCPM. The lessons learned from the COVID-19 pandemic have fed in the revision of the UCPM basic act in 2021, also increasing emphasis on prevention and preparedness measures.

Moreover, enhancing societal preparedness has been identified as a key priority under the Union disaster resilience goals adopted on 8 February 2023¹⁵.

Notably, the Union disaster resilience goal 2 calls on the EU Member States to increase risk awareness and preparedness of the population, with the support of the Commission.

¹⁴ COM(2023) 336 final.

Commission Recommendation of 8 February 2023 on Union disaster resilience goals (2023/C 56/01) and Communication from the Commission to the European Parliament, the Council, The European Economic and Social Committee and the Committee of Regions on European Union Disaster Resilience Goals: Acting together to deal with future emergencies; COM(2023) 61 final.

responses to crises, particularly the war in Ukraine and the earthquake in Türkiye. The management of these crises has shone a light on the human and social dimension of crisis management. For this reason, alongside the crucial role of crisis management, which is still extremely relevant, the European Committee of the Regions hopes that priority will now also be given to societal preparedness, i.e. risk prevention, crisis preparedness and the spread of a shared risk and crisis culture in Europe.

In addition, a flagship initiative – a pan-European awareness raising programme 'preparEU' – is currently under preparation and will advance public risk awareness and preparedness in the EU.

26. welcomes the Commission's publication of the recommendation and communication on the EU's disaster resilience goals, and shares their general principles, which include many of the proposals put forward in previous opinions. [...];

The Commission appreciates the support expressed for the Union disaster resilience goals and invites the Committee to promote the implementation of these goals and their flagships at regional and local levels. This could include actions such as upgrading local risk assessments, stress-testing local disaster scenarios, building new partnerships across sectoral and geographical borders, and mobilising resources to invest in preparedness and resilience at local and regional levels.

28. finds it regrettable, however, that these publications purely come under the EU Civil Protection Mechanism and do not take a more holistic view of the vulnerability and resilience of Europe, its cities and regions to crises;

The Commission Recommendation on Union disaster resilience goals promotes a cross-sectoral and transboundary approach to strengthening disaster resilience. It calls for consistent action across sectors, levels of governance, including regions, authorities and stakeholders.

In the framework of the European Food Security Crisis Preparedness and response Mechanism (EFSCM), the Commission is mapping the risks and vulnerabilities in the EU food supply chain, and will release a study toward the end of the year analysing the risk categories, namely sociodemographic, research innovation and technology, supply chain market, economy, biophysical and environmental; (geo)political and institutional, and their perceived vulnerability on the supply chain.

29. welcomes introducing stress tests on the resilience of emergency operation centres, but calls for this to be extended to include national, regional and local crisis alert and management systems, and proposes that all aspects of vulnerability, including social and territorial factors, be better taken into account in these stress tests:

30. encourage regions/local authorities to engage in stress-testing on scenarios that fit to the local/regional risk landscape. Local/regional risk atlases and public risk awareness and preparedness actions could also be encouraged, also activities in conjunction with the future EU crisis preparedness month proposed in the DRG Communication;

42. supports HERA and the action taken over the past year, in particular to identify health risks, identify management scenarios and medical response measures, and strengthen value chains and the ability to produce the goods and services we need in Europe; points out that HERA needs renewed and ongoing political and financial support for several years in order to carry out its tasks effectively;

The Commission encourages local or regional authorities potentially interested in such an exercise to communicate their interest through their national civil protection authorities.

Under the UCPM, financial support is available to local and regional authorities and other stakeholders for projects contributing to the Union disaster resilience goals and flagships. Examples include cross-border stress-tests of various components of crisis management systems and risk communication activities.

In view of increasing the risk awareness and preparedness of the population in line with the Union disaster resilience goal 2, the Commission has launched a call for tender for a 'preparEU mapping and feasibility study'. The objective is to map national, regional and local initiatives that already exist, and identify what type of initiative would bring most added value at EU level.

The Commission considers as key work on health crisis preparedness in the area of medical countermeasures.

Indeed, the most tangible element of the European Health Union 16 was the creation, as a department of the Commission, of the European Health Emergency preparedness and Response Authority (HERA).

The Commission now has a new role on improving threat assessment and intelligence gathering, advanced research and development in relation to medical countermeasures and access to and equitable distribution of medical countermeasures, including stockpiling.

The 2022 State of Health Preparedness report¹⁷ highlighted that the Commission has taken important steps in all areas of health preparedness.

https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/promoting-our-european-way-life/european-health-union_en_

https://health.ec.europa.eu/system/files/2022-11/hera shp-report-2022 en 0.pdf

It also identified the new challenges that public health authorities are facing and outlined concrete actions for the Commission to address in 2023 and years to come¹⁸.

43. recognises that it is difficult to evaluate HERA after just one year, but reiterates its call for the European Parliament, cities and regions and societal stakeholders to play a more effective role in HERA bodies, especially the HERA Forum;

Implementing the Commission Decision establishing a Health Emergency Preparedness and Response Authority (HERA)¹⁹, the Commission will carry out by 2025, an in-depth review of the implementation of the operations of HERA, including its structure and governance. A subgroup of the HERA Advisory Forum already receives regular input, views and opinions from the civil society stakeholders. Through the Civil Society Forum, various stakeholders representing patients, consumers and healthcare professionals give observations and assessments supporting the work of the Advisory Forum, which constitutes a mechanism for an exchange of information on preparedness and response in the area of medical countermeasures and the pooling of knowledge.

45. reiterates its strong warning the Commission and the Council about the insufficient efforts to enhance production of the products and medicines we need to deal with health crises, and about the practices of public buyers. In many countries, these practices favour low prices over production in Europe, thereby forgetting the lessons of the COVID-19 crisis

The Commission aims to ensure that critical technologies and production sites for medical countermeasures are available in the EU and are capable of increasing their production in times of need²⁰. For vaccines, a key initiative is the EU FAB manufacturing project, which will reserve vaccine manufacturing capacities in the EU for mRNA, viral vector and protein-based vaccines that can be activated in case of a new public health emergency.

Pricing and reimbursement of medicinal products are a national responsibility. As part of the Pharmaceutical Strategy for Europe, the Commission is steering a cooperation between the different National Competent Authorities on Pricing & Reimbursement and Healthcare Payers

hera 2003 wp en.pdf (europa.eu)

Commission Decision establishing the Health Emergency Preparedness and Response Authority, C(2021) 6712 https://health.ec.europa.eu/system/files/2021-09/hera 2021 decision en 0.pdf

See also 2021 Communication Introducing HERA (COM(2021) 576 final).

(NCAPR). This cooperation supports mutual learning, information and best-practice exchanges to improve the affordability of medicines, including through good reimbursement and procurement policies. In this context, the Commission commissioned a Study on best practices in the public procurement of medicines $\frac{21}{2}$ that identified best practices to optimise public procurement of medicines in view to enhancing accessibility, affordability and security of supply of medicines as well as greener manufacturing. The study will feed into the on-going work of the NCAPR and will be the basis of further best practice exchanges on different aspects related to public procurement of medicines.

46. proposes that the resilience of health systems, including community healthcare and hospitals, should be explored in the context of a "Europe of health", involving the Member States and the relevant local and regional authorities. This includes ensuring continuity of care can be guaranteed in times of crisis through sufficient pre-existing temporary reception capacities. The CoR therefore calls for studies to assess the impact of care being postponed or halted because of COVID-19, particularly for cancers, chronic diseases and mental health;

As part of the State of Health in the EU²² cycle, in collaboration with the OECD and the European Health Systems and Policies Observatory, in December 2022 the *Health at a Glance: Europe* 2022²³ edition was published. The report documented in detail the impact of the pandemic on non-COVID-care, including a special focus on backlogs and difficulties in access to care.

This edition of *Health at a Glance: Europe* also assesses the pandemic's disruption of a wide range of health services for non-COVID patients, as well as the policy responses European countries deployed to mitigate the negative consequences of these disruptions.

Moreover, by end of 2023 29 health profiles²⁴ (for EU Member States plus Norway and Iceland) will be adopted under the State of Health in the EU cycle. The health profiles will contain relevant analyses pertaining to challenges with the accessibility of healthcare at national level.

https://op.europa.eu/en/publication-detail/-/publication/ca856a7f-7c37-11ed-9887-01aa75ed71a1/language-en/format-PDF/source-277530713

https://health.ec.europa.eu/state-health-eu/overview_en

^{23 &}lt;u>https://health.ec.europa.eu/state-health-eu/health-glance-europe_en</u>

https://health.ec.europa.eu/state-health-eu/country-health-profiles en

47. calls for a more in-depth debate on how health data can be used to identify those most vulnerable to crises, thereby making is easier to provide them with social support and to continue their medical care. While assessing ethical and operational challenges, the CoR encourages the creation of a "European health data space" to gather data, improve its quality and make it available to local public services; warns of the risk of entire sections of the population being overlooked by health data due to them being excluded or the digital divide;

The Commission's proposal for regulation on a European Health Data Space (EHDS)²⁵ adopted on 3 May 2022 aims to facilitate access to health data across the EU and, among others, to make the secure and timely access to health data easier for public sector bodies. Under the proposed EHDS regulation data holders would have the option - or, if the collection of a dataset was publicly funded, such as with a research grant, the obligation - to provide a data quality and utility label. As a result of the future implementation of the EHDS datasets would become framework. better structured and easier to analyse. The secondary use of health data under the proposed EHDS regulation would include use of the data by health regulators and policymakers, including potentially local public services.

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²⁵ COM(2022) 197/2 final.

N°5 Zero long-term unemployment: the local and regional perspective

Own-initiative

COR-2022-05490 - SEDEC-VII/037

155th plenary session – May 2023

Rapporteur: Yonnec POLET (BE/PES)

DG EMPL – Commissioner Nicolas SCHMIT

Points of the European Committee of the Regions opinion considered essential

European Commission position

19. points out that these initiatives fall under the four areas of action highlighted in the 2016 Council Recommendation on long-term unemployment, namely better mobilisation of long-term unemployed people, an individualised approach, greater cooperation with local employment stakeholders and a partnership with local employers and local communities: further stresses the 2023 Council Recommendation on adequate minimum income recommends supporting work opportunities in the social economy sector, as well as individualised support;

The proposal for a Council recommendation to develop social economy framework conditions¹, adopted by the Commission on 13 June 2023, encourages Member States to support the social economy to fight long-term unemployment by adopting strategies that should in particular:

- involve social economy entities in the design of active labour market policies;
- ensure sufficient support to the social economy, especially work-integration social enterprises and other entities active to prepare people for employment.

32. points out that financial support is provided by the ESF+ for the "Basisbaan" initiative in the Netherlands and the "zero long-term unemployment" areas in Wallonia as there is no mechanism for activating passive expenditure in the Member States in question.

In the Wallonia-Bruxelles European Social Fund Plus + programme² the support will be implemented in the framework of a priority dedicated to Social Innovation, whose objective is to test the concept of the territoire zero chômeur de longue durée' (territories without long-term unemployed) in Wallonia. The target group is the long-term unemployed (minimum 2 years) living in the selected territory since at least 6 months.

Regarding the Basisbaan initiative in the Netherlands, the ESF+ programme does not mention this initiative. Labour market regions can submit projects for 'Zero Unemployment Zones' (or "'Basisbanen') to the Managing Authority as part of various calls for projects under ESF+.

¹ https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52023DC0316

² CCI 2021BE05SFPR004

Under shared management, the selection of projects is the responsibility of the Managing Authority.

33. stresses the importance of close cooperation between local employment stakeholders and regional and/or national social security institutions, and local social services;

The Commission confirms that both multilateral surveillance and analyses across the EU show the importance of a close cooperation between employment services, social services and local, regional and national stakeholders (including employers, social economy actors and civil society) when it comes to ensuring effective integration of the unemployed, notably the long-term unemployed and vulnerable groups. Cooperation and partnerships are also a central element in the European Network of Public Employment Services'(PES) strategy and are regularly addressed via the PES Network's activities.

37. points out that, in 2016, the Council urged the Commission to "[s]upport social innovation projects to integrate long-term unemployed persons into the labour market";

As part of the implementation of its Social Economy Action Plan³ (presented in December 2021), the Commission has launched several initiatives that touch upon long-term unemployment:

The skills partnership for the Proximity and Social Economy⁴ ecosystem intends to provide sustained support to the social economy in mobilising private and public capital to develop their skills' intelligence and to upskill their staff and beneficiaries.

European Competence Centres for Social Innovation⁵ are being set up. They organise mutual learning and capacity building activities to help relevant authorities better support the development of social innovation initiatives.

The Youth Entrepreneurship Policy Academy (YEPA)⁶ was launched on 9 and 10 March 2023. It

https://ec.europa.eu/social/main.jsp?catId=1537&langId=en

^{4 &}lt;u>https://single-market-economy.ec.europa.eu/news/new-pact-skills-partnership-bolster-skills-proximity-and-social-economy-sector-2022-05-06 en</u>

⁵ https://ec.europa.eu/european-social-fund-plus/en/competence-centres-social-innovation

^{6 &}lt;u>https://yepa-hub.org/</u>

gathers policy makers and youth (social) entrepreneurship networks. Its ambition is to trigger policy changes in favour of youth thanks to a better mutual understanding, helping national, regional or local administrations to offer more effective support packages to young (aspiring) entrepreneurs.

Furthermore, the Better Incubation Project⁷ targets business incubators for them to be more mindful of the needs of vulnerable groups as regards entrepreneurship. The aim is to encourage these incubators to adopt more inclusive and adapted practices to support vulnerable groups developing an entrepreneurial project. It can contribute to open new opportunities for long-term unemployed who see autonomous work and entrepreneurship as a way to come back to the labour market.

39. draws attention to the success of the Youth Guarantee, in particular the individualised approach taken towards jobseekers, an aspect it shares with "zero long-term unemployment" areas and the "job guarantee" initiative.

The Commission confirms the importance of an individualised approach, in view of integrating especially the more vulnerable unemployed into the labour market. The individualised approach and integration of the long-term unemployed in the labour market are embedded in the two Council Recommendations on the Youth Guarantee (of 2013⁸ and 2020⁹). In both recommendations, there is a strong focus on providing individual action plans and individual offers.

41. calls on the Commission to map these initiatives, including by mobilising its European Network of Public Employment Services;

The European Network of Public Employment Services has reviewed and discussed innovative initiatives supporting the long-term unemployed, including in the context of a Thematic Review Workshop. The thematic paper¹⁰ as well as additional practices can be found on the PES Network Knowledge Centre¹¹.

⁷ https://betterincubation.eu/

https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32013H0426%2801%29

https://eur-lex.europa.eu/legal-

content/EN/TXT/?uri=uriserv%3AOJ.C_.2020.372.01.0001.01.ENG&toc=OJ%3AC%3A2020%3A372%3ATOC https://eur-lex.europa.eu/legal-

content/EN/TXT/?uri=uriserv%3AOJ.C .2020.372.01.0001.01.ENG&toc=OJ%3AC%3A2020%3A372%3ATOC

http://ec.europa.eu/social/PESknowledgecentre

42. suggests that the Commission propose guidelines for implementing such initiatives in other EU Member States, based on the principles listed in point 17.

The Commission is following closely such initiatives, nevertheless, at this stage, it has no plans to propose guidelines for implementing 'local employment guarantee' projects in Member States.

The Commission is currently exploring how the ESF Social Innovation+ initiative can support local employment guarantee projects including the financing of comprehensive impact studies with the view to understand better their functioning, financing, effectiveness and results and identify potential barriers, lessons learned and opportunities for scaling-up and exchanging best practice.

44. stresses the role of the ESF+ as a source of funding for "zero long-term unemployment" projects for local authorities that are not yet benefiting from the activation of passive expenditure related to long-term unemployment or are not being strongly supported by the national and regional authorities.

The ESF+ can indeed be a potential source of funding for ¿zero long-term unemployment' types of experimentations.

The European Regional Development Fund (ERDF) is also a potential funding source to address long-term unemployment by supporting investments in labour market infrastructure that promotes social entrepreneurship and self-employment, with particular focus on women and vulnerable groups in society including youth, older workers or long-term unemployed.

45. calls for some ESF+ funds to be earmarked for local "zero long-term unemployment" initiatives in order to overcome these difficulties, in particular in the form of support for starting up and developing projects at local level;

The ESF+ is under shared management. Therefore, it is up to the Member States to allocate parts of their ESF+ programmes to such projects. This would need to be in line with the ESF+ programmes itself and take into account challenges identified in relevant country-specific recommendations and thematic concentration requirements as detailed in Article 7 of the ESF+ Regulation¹². Already now, these types of actions can be supported by Member States under existing ESF+ programmes.

An earmarking in the sense of a thematic

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Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013; OJ L 231, 30.6.2021, p. 21–59.

concentration requirement would require an amendment of the legal framework whilst implementation on the ground has only just begun in 2023. Such amendment would increase administrative burden for the Managing Authorities, adversely impact implementation on the ground and delay programming.

The Commission would also highlight that community-led local development can be supported by the ERDF, the ESF+, the Just Transition Fund (JTF) and the European Maritime, Fisheries and Aquaculture Fund (EMFAF) (Article 32 CPR).

46. urges the Commission, for the Council recommendation on developing framework conditions for the social economy announced for 2023, to propose facilitating access to EU for social and solidarity-based funding enterprises involved in combating long-term unemployment, including funding earmarked for social investment and skills under the InvestEU fund, in order to facilitate the implementation of "zero long-term unemployment" projects;

The proposal for a Council recommendation to develop social economy framework conditions, recommends Member States to make the best use of the funding available under the Cohesion Policy Funds, the InvestEU programme Member State compartment, the Recovery and Resilience Facility, similar programmes and other national and regional resources, by running measures and initiatives designed specifically for social economy entities. It also recommends using the fi-compass advisory services on financial instruments under Union shared management to develop repayable finance instruments under the Cohesion Policy Funds.

The Social Investment and Skills window of Invest EU, with a total budget of EUR 2.8 billion has as one of its priorities the support to microfinance and social enterprises that in turn can create employment opportunities for the long-term unemployed and other vulnerable groups.

48. reiterates the recommendation it made in its opinion on The integration of the long-term unemployed into the labour market, drawn up Enrico by Rossi, to tackle long-term effectively unemployment more through extraordinary initiatives, such as the creation of an ad hoc fund to combat long-term

See the reply to paragraph 49 below.

unemployment [1]

CoR opinion on *The integration of the long-term unemployed into the labour market* (OJ C 120, 5.4.2016, p. 27).

49. calls on the Commission to set up this ad hoc fund to combat long-term unemployment, modelling it on the Youth Employment Initiative and providing at least EUR 750 million in funding over five years in order to launch new pilot projects inspired by the "zero long-term unemployment" areas and the "job guarantee" in the regions most affected by long-term unemployment in each EU Member State

The long-term unemployed are a key target group of the ESF+. In general, employment remains a key area supported by the ESF+ and will receive 31% of the ESF+'s funding, which is a total of EUR 43.4 billion over the 2021-2027 programming period.

Such funding is mainly targeting access to employment and activation measures for all including long term unemployed. By 2029, the ESF+ aims to support at least 6.5 million unemployed people and almost 1.3 million inactive.

In addition, the long term unemployed are supported by other funds such as the ERDF and the RRF. The ERDF allocation to address these challenges and improve access to the labour market amounts to around EUR 122 million for the 2021-2027 programming period.

Therefore, the creation of a new ad hoc fund to combat long-term unemployment would create overlaps with existing funds and cause significant additional administrative burden to the Member States.

In addition, support may also be provided through the ESF+ Social Innovation initiative. The Commission is currently exploring ways to support zero long-term unemployment initiatives under the ESF Social Innovation+ initiative. This would allow funding for transnational projects as well as capacity building and mutual learning actions. N°6 Report on public sector interoperability across the Union

COM(2022) 720 final

COR-2023-01314 – ECON-VII/029

155th plenary session – May 2023

Rapporteur: Michele PAIS (IT/ECR) DG DIGIT- Commissioner HAHN

Points of the European Committee of the Regions opinion considered essential

2. notes, however, that certain aspects of the proposal need to be reinforced and finetuned, in particular as regards new tasks for subnational authorities. the resources provided in order for them to be able to swiftly and efficiently implement interoperability solutions, and a balanced governance structure that respects principle of subsidiarity and the different models of governance in the Member States, and allows local and regional authorities to have a say on the pace and degree of implementing interoperability solutions;

European Commission position

In line with the Commission priorities for a 'Europe fit for a digital age'¹ and the impact assessment report, the proposal aims to create an interoperability governance structure on crossborder interoperability that helps public sector bodies at all administrative levels, European, national, regional and local, to work together and establish an ecosystem of interoperability solutions for the EU's public sector. It does not replace national or local responsibilities but enables various entities to cooperate to pursue common objectives, in full respect of subsidiarity principle and the different models of governance in the Member States.

The Commission agrees that the adequate involvement and representation of regional and local authorities is a prerequisite as they are at the forefront of providing public services. This is why the proposal indicates that the voice of the local and regional authorities is channeled through the Committee, which will be represented in the future Interoperable Europe Board.

In addition, experts in the field, from all levels of administration, are strongly encouraged to be part of the future Interoperable Europe Community and to actively contribute to the work of the latter by providing expertise, as well as advice that is linked to the experience from the ground, thereby providing input to the Interoperable Europe

A Europe fit for the digital age (europa.eu)

Agenda and its strategic priorities.

The Commission would like to draw the Committee's attention to the fact that the proposal for Regulation is agnostic in terms of funding. During the Multiannual Financial Framework 2021-2027, the measures will be financed from the Digital Europe Programme, subject to the outcome of the yearly budgetary procedure and comitology.

3. recommends taking into account any existing national interoperability systems (general or sector-specific) that started prior to this regulatory framework, as they could conflict with the newly introduced rules. This could create misalignment and require the use of massive resources – human and financial – for implementation;

The Commission stresses that the purpose of the proposed regulation is to establish an EU framework for cooperation on public sector interoperability with the aim to reinforce the cross-border interoperability of network and information systems across the Union.

The proposed measures focus on setting up an inclusive, cooperation network that will steer the development of supporting elements for interoperable public service infrastructures, like reusable solutions, a portal to exchange technical solutions best and practices, regulatory sandboxes, peer-review and training. The uptake of all of these solutions remains, under the proposal, completely voluntary.

Furthermore, the proposal foresees an interoperability assessment for which public sector bodies and Union institutions, agencies or bodies would need to look into the impacts on cross-border interoperability (the possibility for data flows across borders), when doing changes to their solutions.

The European Interoperability Framework brings together, under a comprehensive guidance for designing interoperable public services, a set of principles, some of which are already linked to obligations stemming from the existing legislative framework (e.g. the principle on openness' refers to the Directive on open data

and the re-use of public sector information (the Open Data Directive)² and the INSPIRE Directive³; the principle on 'security and privacy' makes reference to the Regulation and Directive on data protection⁴, and the Regulation on electronic identification and trust services⁵). The proposal is offering tools to comply better with these obligations: the abovementioned interoperability assessment will help identifying obstacles for cross-border interoperability, and it paves the way for smoother implementation at lower cost. Moreover, the act would not have a retroactive effect, therefore, it would not require a re-design of any existing national frameworks.

12. notes that the development and implementation of common interoperability solutions will entail significant financial and staff costs for local and regional authorities; stresses that this includes the need to develop and invest in new interoperable solutions or to start transforming existing systems. To this end, funding sources such as the Digital Europe programme should help local and regional authorities to cover the associated costs;

As outlined in the impact assessment report accompanying the proposal6, a strengthened cooperation at EU level on cross-border interoperability can help public administrations to generate cost savings and improve the quality of the services they provide. It is true that for the administrations public who consider implementing commonly the agreed interoperability solutions an initial investment may be needed; however, the benefits that the latter yield by reducing duplication of efforts, diminishing unnecessary burdens, and facilitating the delivery of seamless public services to citizens and businesses will offset in the longer term the cost of the initial investment.

While the proposal for the Regulation is agnostic in terms of funding, there are significant EU funding opportunities, such as the Recovery and Resilience Facility (RRF), the European

² Directive (EU) 2019/1024 on open data and the re-use of public sector information (the Open Data Directive).

³ Directive 2007/2/EC establishing an Infrastructure for Spatial Information in the European Community (INSPIRE).

Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data. Directive (EU) 2016/680 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data by competent authorities for the purposes of the prevention, investigation, detection or prosecution of criminal offences or the execution of criminal penalties.

⁵ Regulation (EU) 910/2014 on electronic identification and trust services for electronic transactions in the internal market.

⁶ SWD(2022) 721 final.

Regional Development Fund, the Technical Support Instrument and Horizon Europe, which are relevant in this field as they support the digital transformation of the public sector. The RRF has a key role to play as at least 20 % of its resources has been earmarked for achieving digital targets - this is an unprecedented opportunity for change.

In addition, the dedicated interoperability resources under the Digital Europe Programme, subject to the annual budgetary procedure and the preparations of the Work Programmes, will contribute to the set-up of the various elements laid down in the Interoperable Europe Act proposal, including support towards the Member States, at all levels of administration, on capacity-building and training on common interoperability principles, concepts, and solutions, to enhance skills and foster knowledge exchange.

All the solutions, country knowledge and capacity building resources will be available in the one-stop-shop Interoperable Europe Portal. The Portal will be based on the existing Joinup portal⁷, but will be revamped and more curated to meet the new policy needs.

Also, the training activities build on the existing Interoperable Europe Academy – an educational initiative aimed at boosting public administrations' advanced digital skills in the interoperability field, through online, self-paced Massive Open Online Courses (MOOCs) that are available to everyone interested in interoperability, but specially targeted to public servants engaged in digital transformation.

14. calls on the Interoperable Europe Board to provide specific information on when the mandatory interoperability assessment will take place and what factors may trigger such The Commission underlines that the provisions of the proposed regulation refer to specific situations in which the interoperability assessment shall be conducted (Article 3). At the

⁷ <u>https://joinup.ec.europa.eu/</u>

an assessment, for example in the case of public procurement; also stresses that it should not be mandatory to undertake the interoperability assessment until the relevant guidelines have been adopted by the Interoperable Europe Board:

same time, the aim is not to prescribe the process but to leave it up for each Member State to set up and decide its implementation, as long as the requirements in Article 3 are met. This way the interoperability assessments could be integrated into the existing procedures and governance and thus minimise the administrative burden.

The Commission recalls that the guidelines developed by the future Board, while certainly useful for the public administration at different levels, would not be binding.

In addition, the proposal foresees that the Commission may provide technical tools to support interoperability assessments. The development of such tools is already in progress. This is due as well to the impetus provided by the new Digital Strategy⁸ through which the Commission commits to drive its internal digital transformation, including through an interoperability by design approach supported by systematic interoperability assessments.

17. reiterates the need to bridge digital and territorial divides; the Digital Compass target of 100% key public services to be provided online by 2030 is helping achieve this aim; stresses that providing public interoperability digitally and/or online is of utmost importance for all regions and municipalities in the EU, regardless of their geographical location, including peripheral regions, remote islands and mountainous areas. Technology can ensure that regions municipalities can overcome disadvantages of their peripheral location; highlights the need for concrete and effective collaboration with insular and peripheral regions in the governance of the interoperable transition;

The EU and its Member States have committed to the ambitious target of 100% online accessible key public services in the EU by 2030, including by ensuring interoperability across all levels of government and across public services. Interoperability is an important enabler for connected human-centered public services.

In the EU there will always be multiple IT systems and different capacities at various levels – EU, national, regional and local. The Commission believes that it is important to connect them, which interoperability is all about. For this it is important to work on common interoperability solutions that can be easily reused and connected and foster their uptake by supporting the discovery of barriers for cross-border interoperability.

⁸ Communication to the Commission on the European Commission digital strategy – Next generation digital Commission, C(2022) 4388 final.

Collaboration with the Committee is essential to engage the peripheral regions, especially in the context of the future Interoperable Europe Board.

22. stresses that it is important for local and regional authorities to obtain specific guidelines from the Interoperable Europe Board and the competent national authorities concerning which services are covered by the interoperability assessment; stresses that a pre-screening of cross-border applicability ahead of any interoperability assessment should be defined and the national competent authorities should be in charge of this;

The Commission takes note of the Committee's proposals for the content of the guidelines and reiterates that the guidelines should remain voluntary.

Considering the principle of subsidiarity, it is up to the Member States to decide on methodology the for and on processes implementing the interoperability assessment. As provided for in Article 17 of the proposal Member States should designate national competent authorities which would, among other tasks, support the public sector bodies within the Member State to set up or adapt their processes to carry out the interoperability assessments.

24. suggests that the Interoperable Europe portal – or a portal with similar features – serve as a repository of all public services provided online in the EU Member States, clustered by type of service and Member State. The portal may then become a starting point for any citizen looking for information on how to access these public services online. This would be an effective way to pool information on key public services to be provided online by 2030;

The current Joinup portal is foreseen eventually be revamped and renamed as the Interoperable Europe Portal - a one-stop-shop that will include relevant policy information, but also interoperability solutions, country knowledge and capacity building resources on interoperability. The aim of the Portal would not be, however, to become a starting point for citizens looking for information on how to access public services. While it is true that the foreseen effect of the Interoperable Europe Act proposal is better online public services for citizens and businesses, the proposed measures do not regulate these services (or access to these) as such.

N°7 European Media Freedom Act

Own-initiative

COM(2022) 457 final

COR-2022-05388 - CIVEX-VII/020

154th plenary session – March 2023

Rapporteur: Mark SPEICH (DE/EPP)

DG CNECT - Commissioner BRETON and Vice-President JOUROVÁ

Points of the European Committee of the Regions opinion considered essential

European Commission position

Amendment 35

Article 1

3. Member States shall remain free to require media services under their jurisdiction to comply with more detailed or stricter rules in the fields covered by this Regulation, provided that such rules are in compliance with Union law. The Commission recognises the importance of a minimum harmonisation approach in the fields covered by certain parts of the Regulation, provided that national rules comply with Union law. This approach respects the competences of Member States over media regulation and recognises the differences in culture, languages and traditions. In some instances, however, fully harmonised and consistent rules are deemed necessary. The minimum harmonisation approach should therefore not apply to all parts of the Regulation.

Amendment 38

Article 2

(15) "State advertising" means the placement, publication or dissemination, in any media service, of a promotional or self-promotional message, normally in return for payment or for any other consideration, by, for or on behalf of any public authority, such as *EU*, national, federal or regional governments, regulatory authorities or bodies as well as state-owned enterprises or other state-controlled entities at the national or regional level, or any local government of a territorial entity of more than 100 000 inhabitants, with the population criterion to be considered in conjunction with the definition of a minimum annual spending threshold:

The concrete problems with regard to state advertising, as identified in the impact assessment, point to developments at national level impacting the functioning of the internal market.

The Commission takes note of the lowered threshold of 100 000 inhabitants for local governments of territorial entities suggested by the Committee.

Amendment 42

Article 5

Public service media

- 1. Member States may provide for public service media that serve their democratic, social and cultural needs.
- 2. The financing of public media services shall serve the public service mission and shall take into account the needs of the fulfilment of that mission. For this purpose, Member States shall provide for mechanisms to ensure adequate financing on a predictable basis and compliance with the mission determined by law or on the basis of procedures established by law.

appointments and dismissals might, in certain instances, be used to interfere with the operation of public service media and the principles proposed are general enough not to interfere with national competences. Article 5(2) of the Commission proposal seeks to minimise such risks by ensuring that the head and the governing board of public service media are appointed in a transparent, open and non-discriminatory manner. It forms an integral part of targeted safeguards for the independence of public service media in order to guarantee the fulfilment of public service remit of public service broadcasters, as decided by each Member State. Therefore, the provision should not be deleted.

The Commission proposal is based on evidence that

[...]

Amendment 44

Article 6

2. Without prejudice to national constitutional laws consistent with the Charter, media service providers providing news and current affairs content shall take *into account* measures that they deem appropriate with a view to guaranteeing the independence of editorial decisions.

Article 6(2) of the Commission proposal requests the media service providers concerned to 'take measures'. The Commission regards that it is important to retain this obligation, which leaves a wide margin of discretion regarding the exact measures to be taken. The media service providers concerned are free to choose measures which fit them the best and which they deem most appropriate for guaranteeing the independence of individual editorial decisions. This provision goes with hand in hand the accompanying Recommendation¹, which as a practical toolbox, proposes a selection of concrete safeguards and mechanisms that could be deployed by media service providers.

Amendment 45

Article 7

The Commission is of the opinion that authorities or bodies under Article 30 of the Audiovisual Media Services Directive² are best placed to deal

Commission Recommendation (EU) 2022/1634 of 16 September 2022 on internal safeguards for editorial independence and ownership transparency in the media sector, OJ L 245, 22.9.2022, p. 56–65 (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32022H1634).

Directive 2010/13/EU of the European Parliament and of the Council of 10 March 2010 on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of

1. The national regulatory authorities or bodies referred to in Article 30 of Directive 2010/13/EU shall be responsible for the application of Chapter III of this Regulation as far as the provision of the service or content of an audiovisual media service within the meaning of Article 1 (1) a) of Directive 2010/13/EU is concerned. The national regulatory authorities or bodies referred to in sentence 1 shall also be responsible for the application of Chapter III of this Regulation in other respects, unless and to the extent that a Member State has designated other national regulatory authorities or bodies or imposed a system of self-regulation or co-regulation.

with the application of the European Media Freedom Act (EMFA). The obligations deriving from the EMFA mean that some Member States might have to, in certain limited instances, extend competences of their national regulatory authorities to cover targeted areas. This will not, however, involve any regulation of the content of the press. It remains ultimately a choice for the Member States how to organise their national regulatory authorities pursuant to Article 30. However, the Commission remains sceptical about self-regulation replacing regulators in overseeing application of Chapter III of the Regulation, as this would not bring enough legal certainty.

Amendment 50

Article 10

6. The Board may invite experts, *Commission* representatives and observers to attend its meetings.

In light of the competences of the Commission, the role of the Board is that of assisting the Commission in the exercise of those competences in relation to matters covered by the proposal. For practical, political and legal reasons, linked in particular to the role of the Commission as 'the guardian of the Treaties' and forecasting the financing required for the activities of the Board, the Commission needs to be represented in the Board, which has the task to promote the application of EU law. The involvement of the Commission is important also in inviting permanent observers from third countries, in line with the approach of other bodies such as BEREC and ENISA. The EU consists of 27 Member States and has special links with candidate countries, potential candidates as well as the countries associated to the EU's single market and parties to the European Economic Area. This needs to be reflected in the composition of the Board and cannot be up to its own discretion.

Amendment 52

While the Secretariat of the Board should be provided by the Commission, it is not legally

Article 11

1. The Board shall have a secretariat, which shall be provided by the Commission with adequate staff and material resources. The personnel of the Secretariat shall be subject only to the instructions of the Chair; it may be subject to service instructions from the Commission only to the extent that their independence in the performance of their duties is not thereby impaired.

possible for the Commission staff, under the rules of the Staff Regulation, to be under the instructions of an advisory board only. With the envisaged structure, the Secretariat could still coordinate closely with and follow the guidance of the Chair and the Board when supporting them.

Amendment 58

Article 12

- (e) draw up opinions with respect to:
- (i) requests for cooperation and mutual assistance between national regulatory authorities or bodies, in accordance with Article 13(7) of this Regulation;

The Committee has proposed to delete the words 'in agreement with the Commission'. In the specific case here, the agreement of the Commission is a legal requirement, and the interaction of the Commission with the Board has a targeted character. The limited role of the Commission will be to ensure a consistent application of EU law as the 'guardian of the Treaties', for example of the country-of-origin principle.

Amendment 73

Article 17

Content of media service providers on very large online platforms *and in very large search engines*

- 1. Providers of very large online platforms and providers of very large search engines shall respect the right to freedom of expression and freedom of the media and shall contribute in an appropriate manner to the plurality of the media.
- **2.** Providers of very large online platforms *and very large search engines* shall provide a functionality allowing recipients of their services to declare that:

As regards the suggestion to include a reference to very large search engines, the EMFA proposal focuses on very large online platforms as the main sources for access to media content today. The proposal builds on the Platform-to-Business (P2B) Regulation³, under which online search engines are not required to put in place a complaint mechanism, nor are they subject to the obligations when it comes to statement of reasons.

The Commission takes note of the suggestion for very large online platforms to liaise with independent national regulatory authorities in the context of paragraph 1. The Commission would like to refer to the optional guidelines foreseen under Article 17(6) which would cover the form and details of the declaration under paragraph 1.

Regulation (EU) 2019/1150 of the European Parliament and of the Council of 20 June 2019 on promoting fairness and transparency for business users of online intermediation services, OJ L 186, 11.7.2019, p. 57–79 (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32019R1150).

[...]

- (d) it is subject to the supervision of an independent national regulatory authority or body or to the supervision of a self- or coregulatory mechanism, stating its name and contact details. The provider of the very large online platform or the provider of the very large search engine may ask the respective supervisor to confirm the information given by the media services provider.
- 3. Where a provider of a very large online platform or a provider of a very large search engine that allows the dissemination of programmes or press publications decides to remove, disable access to or otherwise interfere with a service or content provided by a media service provider that submitted a declaration pursuant to paragraph 2 of this Article, on the grounds that such service or content is incompatible with its terms and conditions, without that service or content contributing to a systemic risk referred to in Article 26 of the Regulation (EU) 2022/2065 [Digital Services Act], it shall take all possible measures, to the extent consistent with their obligations under Union law. including Regulation (EU) 2022/**2065** [Digital Services Act], communicate to the media service provider and the competent supervision authority or body declared concerned the statement of reasons accompanying that decision, as required by Article 4(1) of Regulation (EU) 2019/1150.
- 4. If within 24 hours the media service provider gives the very large online platform sufficient grounds to consider that the respective service or content is not incompatible with its terms and conditions, the platform may not implement its decision. If,

More generally, the Commission proposed Article 17 in order to grant certain procedural safeguards to media service providers, while ensuring that the provision does not affect recently adopted EU legislation, such as the Digital Services Act (DSA)⁴. The proposed Article 17 ensures a balance between the freedom to receive and impart information, media freedom and pluralism as well as the platforms' obligations and responsibilities under the DSA, which should not be made less stringent.

Regulation (EU) 2022/2065 of the European Parliament and of the Council of 19 October 2022 on a Single Market For Digital Services and amending Directive 2000/31/EC (Digital Services Act), OJ L 277, 27.10.2022, p. 1–102 (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32022R2065).

after due consideration, the very large online platform still considers the respective service or content incompatible with its terms and conditions, it shall have the right to refer the case to the competent supervision authority or body declared, which decides without undue delay whether the interference based on the platform's terms and conditions is compatible with the freedom of expression and freedom of the media. Until such a decision is taken, the platform shall not implement its intended decision. []	
Amendment 75 Article 20 Deletion of paragraph 2	This paragraph, providing for clear timeframes, is an important part of the provision and is closely linked to its legal basis, Article 114 of the Treaty on the Functioning of the European Union (TFEU). It functions to avoid disproportionate and biased procedural timelines that could discourage crossborder investment. In that respect, the deletion of this paragraph would negatively affect the objectives of the proposal.
Amendment 77 Article 21 1. Member States shall provide, in their national legal systems, substantive and procedural rules which ensure that mergers in the media market are assessed with a view to safeguarding media pluralism and which include appropriate measures to ensure, maintain and promote media pluralism, also taking into account the importance of editorial independence. These	The EMFA relies on the definition of 'concentration' set out in the EU Merger Regulation ⁵ . This concept includes all transactions leading to a change of control. To maintain legal certainty, it would be important to use this already established concept.

Amendment 86

Article 21

rules shall:

Taking into consideration the competences of the Commission, the role of the Board is assisting the Commission in the exercise of those competences

⁵ Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings (the EC Merger Regulation), OJ L 24, 29.1.2004, p. 1–22 (https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex%3A32004R0139).

3. **The** Board may issue **opinions** on the factors **that might be relevant** when applying the **elements referred to in paragraph 2** for assessing the impact of media market concentrations **relevant for the internal market** on media pluralism.

in relation to matters covered by the proposal. It is a task for the Commission to issue guidelines in order to reduce any possible risks of fragmentation. The eventual Commission guidelines would provide further granular explanation on the factors to be considered when applying the assessment criteria, of course with the support of the Board.

Amendment 94

Article 28

2. This Regulation shall apply from [20 months after the entry into force].

However, Article 19(2) shall apply from [48 months after the entry into force].

The Commission has intended the Regulation to generally start applying 6 months after the entry into force to address urgent issues identified affecting the functioning of the internal market.

POLICY RECOMMENDATION

THE EUROPEAN COMMITTEE OF THE REGIONS ...

4. reiterates strongly that subsidiarity, proportionality and multilevel governance are key principles and fundamental features for the functioning of the EU and its democratic accountability; emphasises that the legal act of a Directive would better serve these principles, while still attaining the goals of the initiative;

[...]

8. questions furthermore the appropriateness of regulating media systems on the sole legal basis of the internal market competence under Article 114 TFEU, taking into account that in addition to the market dimension, media services have an important function in the cultural sector, education, social inclusiveness and the protection of freedom of expression;

The EMFA seeks to address economic barriers and regulatory fragmentation affecting the functioning of the internal market for media services by regulating the activity of media service providers in the Union. The Commission has chosen Article 114 of the TFEU as the appropriate legal basis for the proposal, a choice recently validated in the opinion of the Council Legal Service.

The cross-border nature of media services require regulation at the EU level, as they cannot be tackled effectively by (potential) measures at the level of the Member States. In addition, many of the problems identified warrant a binding cooperation framework among the independent national media regulatory authorities, which can only be established at the EU level.

The Commission opted for a regulation instead of a directive for two main reasons: (1) a regulation allows granting media market players directly applicable rights, which is especially important in the Member States where the functioning of the media market is undermined by interference by political forces and/or public authorities; (2) a regulation would avoid the risk of lengthy transpositions by Member States (as could be witnessed in the context of the Audiovisual Media

Services Directive) and would thus provide a timely response to the problems identified in the internal media market.

The EMFA proposal fully recognises and preserves the Member States' competences in the field of media. Firstly, the EMFA proposal does not include any content requirements for media service providers. Secondly, many of the provisions of the EMFA proposal are principle-based, as opposed to detailed harmonisation, and leave the competences for regulating media with the Member States. Thirdly, the proposal explicitly enables Member States to adopt more detailed rules in the specific areas related to the functioning of the media markets (Article 1 paragraph 3). The principles of subsidiarity and proportionality are thus respected.